Kin Mining NL

ABN 30 150 597 541

Half-Year Financial Report
31 December 2016

CONTENTS

DIRECTORS' REPORT

Your Directors submit the financial report of the Group for the half-year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors
The names of Directors who held office during or since the end of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Trevor J Dixon	Non-executive Chairman
Don Harper	Managing Director (appointed 13 February 2017)
David Sproule	Non-executive Director (appointed 13 February 2017)
Giuseppe P Graziano	Non-executive Director/Company Secretary
Terrence R Grammer	Chairman (resigned 13 February 2017)
Marvyn J Fitton	Technical Director (resigned 13 February 2017)

Review of Operations

During the half-year, Kin Mining ('Kin' or 'the Company') achieved several key project and corporate milestones ensuring that the Company remains firmly on track to become a significant high margin Australian gold producer over the next 18 months.

The highlight of the half-year was the completion of the Pre-Feasibility Study (PFS) on the 100%-owned Leonora Gold Project (LGP) in Western Australia which confirmed it as a high-margin, technically viable and economically robust project.

The PFS forecast gold production is ~50,000oz per annum at an all-in sustaining cost (AISC) of A$1084/oz over an initial 6.5-year life, with a strong production profile achieved from a pre-production capital investment of just $35 million. Furthermore the Company confirms in accordance with the PFS announcement lodged on 15 December 2016 that all the material assumptions underpinning the annual production targets as provided in that Report continue to apply and have not materially changed.

Following the strong outcomes of the PFS, the Company's priority is to complete a Definitive Feasibility Study for the LGP by mid-2017. In parallel to the Company's development efforts in and around the LGP, Kin identified a potentially ideal processing plant located nearby for the Company's proposed production plans. The Company has moved quickly to take advantage of this opportunity, securing an exclusivity agreement in respect to acquiring the Lawlers processing plant from Gold Fields Limited in November.

Lewis Trial Mining

The Company had its first gold pour at the Leonora Gold Project. This production milestone was part of the Company's trial mining program at the Lewis deposit, located within the 133,000oz Bruno-Lewis-Kyte oxide gold resource. The trial mining enabled Kin to further confirm the mining and processing parameters and assumptions required for the PFS, reducing the technical risk for the development of the Cardinia resources in the proposed LGP mine plan.

The Lewis trial mine and Carbon-in-Leach (CIL) testwork undertaken at the Lakewood mill toll treatment plant in Kalgoorlie successfully achieved the following key results:

- Ounces mined exceeded expectations by 26%;
- 908oz of gold bullion produced;
- Mine-to-mill grade reconciliation within 6%; and
- 50% improvement in pit geotechnical wall angles.

Resource Definition and Extensional Drilling

The Company's exploration drill strategy continued to target near-mine prospects, pursuing further discoveries to provide extra mill feed for a proposed independent processing plant to be located at the LGP. At Merton's Reward, resource definition and extensional drilling intersected multiple wide zones of gold mineralisation close to surface, highlighting the potential to increase the resource in this area (refer to ASX announcement on 1 December 2016).

Drilling Highlights from Mertons Reward included;

- 23m @ 2.1g/t Au (MR16RC020) from 57m, including a high-grade core of 2m @ 8.7g/t Au from 61m
- 6m @ 3.0g/t Au (MR16RC019) from 29m including 1m @ 9.1g/t Au and 6m @ 1.3g/t Au from 94m
- 6m @ 1.2g/t Au (MR16RC021) from 115m and 5m @ 2.3g/t Au from 155m including 2m @ 4.4g/t Au
- 1 m @ 22.5 g/t Au (MR16RC027) within 3 m @ 8.0 g/t Au from 55 m
- 4 m @ 3.2 g/t Au (MR16RC029) within 19 m @ 1.1 g/t Au from 27 m
- 1 m @10.9 g/t Au (MR16RC30) within 2 m @ 5.8 g/t Au from 60 m
- 4 m @ 4.3 g/t Au (MR16RC30) within 10 m @ 2.1 g/t Au from 68 m
- 1 m @ 11.1 g/t Au (MR16RC31) within 5 m @ 3.6 g/t Au from 59 m

Corporate

During the period, Kin completed its partially underwritten 1-for-4 non-renounceable rights issue. A total of approximately $5 million before costs was raised through the rights issue.

Approximately $1.6 million of the proceeds from the rights issue were used to complete the outstanding payment to Waterton Global Value LP (Waterton), making the project fully unencumbered. Waterton was the secured creditor from Kin's acquisition of the LGP from the administrator of Navigator Resources Limited in 2014.

Auditor's Independence Declaration
Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the company with an Independence Declaration in relation to the review of the half-year financial report. This Independence Declaration is set out on page and forms part of this Directors' report for the half-year ended 31 December 2016.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001.

____
Don Harper
Managing Director

15 March 2017

Competent Persons Statement

The information contained in this report relates to information compiled or reviewed by Paul Maher who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr. Simon Buswell-Smith who is a Member of the Australian Institute of Geoscientists (MAIG), both are employees of the company and fairly represents this information. Mr. Maher and Mr. Buswell-Smith have sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as Competent Persons as defined in the 2012 edition of the "JORC Australian code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Maher and Mr. Buswell-Smith consent to the inclusion in this report of the matters based on information in the form and context in which it appears.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Kin Mining NL for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2017

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	31 December 2016	31 December 2015
	$	$
Continuing operations		
Interest income	4,618	94
Other income	227	420
Depreciation and amortisation expense	(48,696)	(13,125)
Administration expenses	(355,448)	(176,998)
Consultant expenses	(77,403)	(72,086)
Employee expenses	(230,446)	(163,089)
Share based payment expense	(72,630)	(27,998)
Interest expense	(147,901)	(175,212)
Occupancy expenses	(49,564)	(32,597)
Travel expenses	(17,976)	(15,861)
Loss before income tax	**(995,219)**	**(676,452)**
Income tax expense	-	-
Loss after tax	**(995,219)**	**(676,452)**
Other comprehensive income, net of income tax		
Other comprehensive income	-	-
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive loss for the period	**(995,219)**	**(676,452)**
Basic loss per share (cents per share)	(0.98)	(1.12)
Diluted loss per share (cents per share)	(0.98)	(1.12)

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	31 December 2016 $	30 June 2016 $
Assets			
Current assets			
Cash and cash equivalents		1,091,390	1,289,567
Trade and other receivables		232,851	246,262
Inventory		258,912	-
Other		113,565	96,072
Total current assets		**1,696,718**	**1,631,901**
Non-current assets			
Property, plant and equipment		357,336	260,235
Capitalised exploration and evaluation expenditure	3	11,505,472	9,278,366
Total non-current assets		**11,862,808**	**9,538,601**
Total assets		**13,559,526**	**11,170,502**
Liabilities			
Current liabilities			
Trade and other payables		957,671	1,070,753
Borrowings	8	1,455,799	3,110,283
Total current liabilities		**2,413,470**	**4,181,036**
Total liabilities		**2,413,470**	**4,181,036**
Net assets		**11,146,056**	**6,989,466**
Equity			
Issued capital	4	15,105,686	9,961,007
Share based payments reserve	5	35,128	27,998
Accumulated losses		(3,994,758)	(2,999,539)
Total equity		**11,146,056**	**6,989,466**

The accompanying notes form part of these financial statements

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Issued capital	Accumulated losses	Share based payment reserve	Total equity
	$	$	$	$
Balance at 1 July 2015	6,066,185	(1,883,368)	-	4,182,817
Loss for the period	-	(676,452)	-	(676,452)
Shares issued during the half-year	2,147,820	-	-	2,147,820
Issue of shares to directors in repayments of amounts owing	295,000	-	-	295,000
Options issued during the half-year to directors in repayment of amounts owing	-	-	27,998	27,998
Transaction costs	(116,645)	-	-	(116,645)
Balance at 31 December 2015	8,392,360	(2,559,820)	27,998	5,860,538
Balance at 1 July 2016	9,961,007	(2,999,539)	27,998	6,989,466
Loss for the period	-	(995,219)	-	(995,219)
Options issued during the half- year	-	-	7,130	7,130
Shares issued during the half-year	5,433,459	-	-	5,433,459
Transaction costs	(288,780)	-	-	(288,780)
Balance at 31 December 2016	15,105,686	(3,994,758)	35,128	11,146,056

The accompanying notes form part of these financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Note	31 December 2016 $	31 December 2015 $
Cash flows from operating activities			
Receipts from customers		-	420
Payments to suppliers and employees		(875,575)	(761,760)
Interest received		4,618	94
Finance costs		(288,915)	-
Net cash (outflow) from operating activities		(1,159,872)	(761,246)
Cash flows from investing activities			
Payments for property, plant and equipment		(146,024)	-
Exploration and evaluation expenditure		(3,772,242)	(977,601)
Receipts from trial mine gold sales		1,262,051	-
Payment for acquisitions of mineral tenements		(60,369)	(66,133)
Net cash (outflow) from investing activities		(2,716,584)	(1,043,734)
Cash flows from financing activities			
Proceeds from the issue of shares		4,986,459	2,442,820
Payments for share issue costs		(273,280)	(116,645)
Proceeds from the conversion of options	4	316,000	-
Proceeds from secured loan		-	74,143
Payments for borrowings		(1,350,000)	-
Payments for related party loans		(900)	(182,180)
Net cash inflow from financing activities		3,678,279	2,218,138
Net increase/(decrease) in cash held		(198,177)	413,158
Cash and cash equivalents at the beginning of the period		1,289,567	118,207
Cash and cash equivalents at the end of the period		1,091,390	531,365

The accompanying notes form part of these financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
These half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2016 and any public announcements made by Kin Mining NL and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

Basis of preparation
The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Accounting policies and methods of computation
With the exception of the following, the accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Inventories
Gold bullion, are physically measured or estimated and stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the period in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

Significant accounting judgments and key estimates
The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2016.

Adoption of new and revised standards
Standards and Interpretations applicable to 31 December 2016
In the half-year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for annual reporting periods beginning on or after 1 July 2016.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no change is necessary to the Group accounting policies.

Standards and Interpretations in issue not yet adopted to 31 December 2016
The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet adopted that are relevant to the Company effective for the half year reporting periods beginning on or after 1 January 2017.

As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to the Group accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

Going concern

Notwithstanding the fact that the Group has a working capital deficiency of $685,503 at balance date, the directors are of the opinion that the Group is a going concern for the following reasons:

Subsequent to period end, on 13 February 2017, the Company announced the details of the Share Purchase Plan (SPP) which was offered to eligible shareholders on 20 February 2017. The SPP offers shareholders the opportunity to acquire up to $15,000 worth of fully paid ordinary shares in Kin Mining NL at an issue price of $0.20 per share. Under the SPP, the Company will seek to issue a maximum of 34,000,000 Shares at an issue price of $0.20 per Share and 17,000,000 attaching Options. The Company anticipates raising up to $6,800,000 from the issue of the Shares, with the potential for further funds to be raised if the attaching Options are exercised. In the event, less than $6,800,000 is applied for, the balance will revert to shortfall offer which will continue beyond the closing date of the Offer (Shortfall Offer).

Additionally, on 28 February 2017, the Company completed a placement to Sophisticated and Professional Investors raising $750,000 from the issue of 3,750,000 Shares at $0.20 (Placement).

Furthermore, as at the date of this report the Company has 13,345,000 options at an exercise price of $0.20 and expiry date of 31 August 2017. The potential for funds to be received from the exercise of these options is $2,669,000.

Completion of the SPP and Placement will allow KIN to fast track the Leonora Gold Project Definitive Feasibility Study (DFS), secure opportunistic infrastructure acquisitions as they arise and provide additional working capital.

The Directors also anticipate that following the completion of the DFS, further equity and debt raisings will be required and this is being assessed in mid-2017 in order to meet the development of the Leonora Gold Project, ongoing working capital and expenditure commitments. Should these equity or debt raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

NOTE 2: SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker (deemed to be the Board of Directors) in order to allocate resources to the segment and assess its performance. During the period, the Company operated predominantly in one business and geographical segment being mineral exploration in Australia. Accordingly, under the “management approach” outlined, only one operating segment has been identified and no further disclosure is required in the notes.

The revenue reported above represents revenue generated from external customers. Intersegment revenues have been eliminated.

NOTE 3: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	Six months 31 December 2016 $	Year to 30 June 2016 $
Costs carried forward in respect of areas of interest:		
Exploration and evaluation phase – at cost		
Balance at beginning of period	9,278,366	6,947,978
Expenditure incurred - cash	3,748,070	2,330,388
Trial mine gold production[1]	(1,520,964)	-
Balance at end of period	11,505,472	9,278,366

1) During the period the Company carried out a trial mine operation at Lewis of its Leonora Gold Project. The Lewis trial mine and carbon-in-leach (CIL) testwork successfully produced 908oz of gold bullion. At balance date, the Company holds 169.059oz as inventory.

The expenditure is classified as exploration as the technical feasibility and commercial viability is not yet demonstrable.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 4: ISSUED CAPITAL

	31 December 2016	30 June 2016
	$	$
Ordinary shares		
Issued and fully paid	15,105,686	9,961,007

Movement in ordinary shares on issue

	Six months to 31 December 2016		Year to 30 June 2016	
	No.	$	No.	$
Movements in ordinary shares				
Balance at beginning of period	89,512,891	9,961,007	53,084,690	6,066,185
Share purchase plan	-	-	18,598,000	1,859,800
Issue of shares to sophisticated investors	-	-	5,830,200	583,020
Issue of shares to sophisticated investors	-	-	12,000,001	1,680,000
Issue of shares as per rights issue	22,665,723	4,986,459	-	-
Issue of shares to a consultant	201,695	50,000	-	-
Issue of shares to a consultant	100,000	25,500	-	-
Issue of shares to a consultant	300,000	55,500	-	-
Issue of shares following exercise of options	1,580,000	316,000	-	-
Share issue costs	-	(288,780)	-	(227,998)
Balance at end of the period	114,360,309	15,105,686	89,512,891	9,961,007

NOTE 5: OPTIONS

Movement in options on issue

	Six months to 31 December 2016	Year to 30 June 2016
	No.	No.
Balance at the beginning of the year	14,925,000	-
Options issued	100,000[2]	13,450,000[1]
Options issued to Directors in repayment of amounts owing (ii)	-	1,475,000[3]
Options exercised during the period	(1,580,000)	-
Balance at the end of the year	13,445,000	14,925,000

Note:

1. Unlisted Options issued as part of the Share Purchase Plan and Shareholder Approval exercisable at $0.20 by 31 August 2017.

Note	2	3
Date of issue	21 November 2016	3 September 2015
Spot price at date of issue	$0.25	$0.093
Exercise price	$0.332	$0.20
Date exercisable	21 November 2018	31 August 2017
Volatility	89%	90%
Interest rate	2%	2%
Discount for lack of marketability	30%	30%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 6: FINANCIAL INSTRUMENTS

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

		31 December 2016		31 December 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
		$	$	$	$
Financial assets					
Loans and receivables					
-	Trade and other receivables	232,850	232,850	69,758	69,758
Financial liabilities					
Financial liabilities held at amortised cost					
-	Loans from related parties	251,114	251,114	1,168,369	1,168,369
-	Loans from other entities	1,204,685	1,204,685	1,514,331	1,514,331
-	Trade and other payables	957,671	957,671	381,412	357,001

NOTE 7: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

NOTE 8: BORROWINGS

	31 December 2016 $	30 June 2016 $
Unsecured Loan – T Dixon (i)	-	900
Unsecured Loan – T Grammer (ii)	251,114	251,114
Unsecured Loan – F Fitton (iii)	1,204,685	1,266,842
Secured Loan – Waterton Global Value L.P (iv)	-	1,591,426
	1,455,799	3,110,282

i. These loans are unsecured and non-interest bearing. The loan is from Mr T Dixon, Non-Executive.

ii. These loans are unsecured and non-interest bearing. The loan is from Mr T Grammar, who resigned as Non-Executive Chairman on 13 February 2017.

iii. These loans are unsecured with a nominal interest rate of 15%. The loan is from Mr F Fitton, who resigned as Technical Director on 13 February 2017.

iv. Waterton Global Value L.P. provided $1,350,000 as a vendor loan to the Company for a term of 24 months at an interest rate of 10% secured by a first ranking security over the assets of Navigator Mining Pty Ltd. The interest is capitalised and the loan and interest will be payable at the end of the 24-month term being 3 November 2016 or earlier as agreed between the parties. On 19 October 2016, Company completed the repayment of the loan and accrued interest of $1,638,602.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to period end, on 13 February 2017, the Company announced the details of the Share Purchase Plan (SPP) which was offered to eligible shareholders on 20 February 2017. The SPP offers shareholders the opportunity to acquire up to $15,000 worth of fully paid ordinary shares in Kin Mining Limited at an issue price of $0.20 per share. Under the SPP, the Company will seek to issue a maximum of 34,000,000 Shares at an issue price of $0.20 per Share and 17,000,000 attaching Options. The Company anticipates raising up to $6,800,000 from the issue of the Shares, with the potential for further funds to be raised if the attaching Options are exercised. In the event, less than $6,800,000 is applied for, the balance will revert to shortfall offer which will continue beyond the closing date of the Offer (Shortfall Offer).

Additionally, on 28 February 2017, the Company completed a placement to Sophisticated and Professional Investors raising $750,000 from the issue of 3,750,000 Shares at $0.20 (Placement).

Other than disclosed above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Kin Mining NL ('the company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:

    a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

    b. giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year then ended; and

2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the Corporations Act 2001.

____
Don Harper
Managing Director

15 March 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kin Mining NL

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kin Mining NL ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street Perth WA 6000. PO Box 8124 Perth BC 6849 Telephone +61 (08) 9227 7500. Fax +61 (08) 9227 7533.
Email: hlb@hlbwa.com.au. Website: http://www.hlb.com.au

HLB Mann Judd

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kin Mining NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 1 to the financial report which indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, whether the Group will be able to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
15 March 2017