



13 January 2017

#### Board of Directors

**Terry Grammer**  
Chairman

**Trevor Dixon**  
Managing Director

**Fritz Fitton**  
Technical Director

**Joe Graziano**  
Non-Executive Director &  
Company Secretary

#### Contact Details

**Post**  
PO Box 565  
Mount Hawthorn  
Western Australia 6915

**Office**  
342 Scarborough Beach Road  
Osborne Park  
Western Australia 6017

**Phone**  
08 9242 2227

**Fax**  
08 9242 1277

**Email**  
info@kinmining.com.au

**Website**  
www.kinmining.com.au

**Shares on Issue:**  
114,360,309

**Unlisted Options:**  
13,445,000

**ASX: KIN**

## Kin advances DFS at Leonora Gold Project

### *Study on track for completion in mid-2017*

#### Highlights

- **Infill and extensional drilling programs completed at the Mertons Reward and Mertondale 3-4 deposits at the Leonora Gold Project**
- **Drilling now underway targeting the shallow oxide resources contained in the mine plan at Cardinia**
- **Como Engineers appointed to complete a Study on the suitability of the Lawlers Processing Plant, including capital and operating cost estimates**
- **IMO Consulting appointed to complete metallurgical testwork**
- **Environmental surveys and studies well advanced**
- **Project permitting and approvals process underway**

Kin Mining NL (**ASX: KIN**) is pleased to announce strong progress on the Definitive Feasibility Study (DFS) at the Company's Leonora Gold Project in the North-Eastern Goldfields of Western Australia.

The DFS is on schedule to be completed by mid-2017.

Kin's CEO, Don Harper, said the Company remained focused on determining the most profitable and rapid path to gold production.

"The DFS is progressing well with resource conversion drilling and project permitting underway," said Mr Harper.

"The opportunity to secure a second-hand processing plant may deliver significant benefits by potentially reducing upfront capital costs and providing the opportunity to start gold production sooner than anticipated." he said.

"We are carefully assessing these opportunities within the parameters of the DFS."

The Mertons Reward and Mertondale 3-4 infill and extensional drilling is complete and resource interpretation is now underway. Drilling intersected wide zones of mineralisation, with high grade zones within and outside the planned open pit mine designs (see ASX release dated January 11, 2017). RC drilling is now underway at the shallow oxide Cardinia deposits. Significant results from the ongoing resource definition drill program will be released to market as they become available.

## **Lawlers Processing Plant**

As announced on 24 November 2016, the Company signed an exclusivity agreement with Gold Fields for the Lawlers Gold Processing Plant (Figure 1), which is located 130km north-west of the Leonora Gold Project.

Kin has appointed Como Engineers to undertake the due diligence study and initiated an expanded technical review to include an assessment of the suitability of the Lawlers plant for use at the Leonora Gold Project.

The study is aimed at determining the potential mill throughput, capital and operating cost estimates to scoping level accuracy of  $\pm 25\%$ . Como Engineers have been involved in mineral processing and gold plant design for 30 years and have previously carried out work at the Lawlers processing plant.

The results of the study are expected to allow Kin to make a decision to either proceed with the acquisition of the plant or construct a new processing plant as outlined the Pre-Feasibility Study.

The Lawlers plant has significant key benefits in terms potentially lower upfront capital expenditure and a faster plant construction time, which would typically be between six and nine months versus a year for a new processing plant. The Lawlers Plant Study is expected to be completed next month.



**Figure 1. Lawlers Processing Plant**

## Metallurgy

The Company has also appointed independent consultants IMO to undertake the metallurgical testwork for the DFS. IMO have significant experience in gold metallurgical testwork, commissioning, and operations. Mertons Reward and Mertondale 3-4 representative metallurgical samples are being prepared and will be sent shortly to the IMO laboratory in Perth for analysis.



## Environmental and Permitting

Environmental consultants MWH are well underway with the flora and fauna studies, completing the field investigations at the proposed mining locations. The Mining Proposal, Works Approval & Licence, native vegetative clearing permit application and mine closure plan study are now in progress. Soils and waste characterisation, surface water hydrology and Stygofauna assessments have commenced.

## Timeline to Gold Production

The Company remains on track to achieve its gold production target by mid-2018 (Table 1).

**Table 1. Timetable to Gold production**

	Status	CY 2016				CY 2017				CY 2018			
LGP Scoping Study	Done		✓										
Lewis Trial Mine	Done			✓									
LGP Pre-Feasibility Study	Done				✓								
Lawlers Plant Study	In progress												
Resource Drilling	In progress												
LGP Feasibility Study	In progress												
Project Funding													
New Plant Construction													
<b>Gold Production</b>													

-ENDS-

### **For further information, please contact:**

Don Harper  
CEO  
Kin Mining NL  
+61 8 9242 2227

Paul Armstrong/Nicholas Read  
Read Corporate  
+61 (0) 8 9388 1474

## **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.

## **Forward Looking Statements**

Certain information in this document refers to the intentions of Kin Mining NL, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Kin Mining NL's actual results, performance or achievements to differ from those referred to in this announcement. Accordingly, Kin Mining NL, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will actually occur as contemplated.

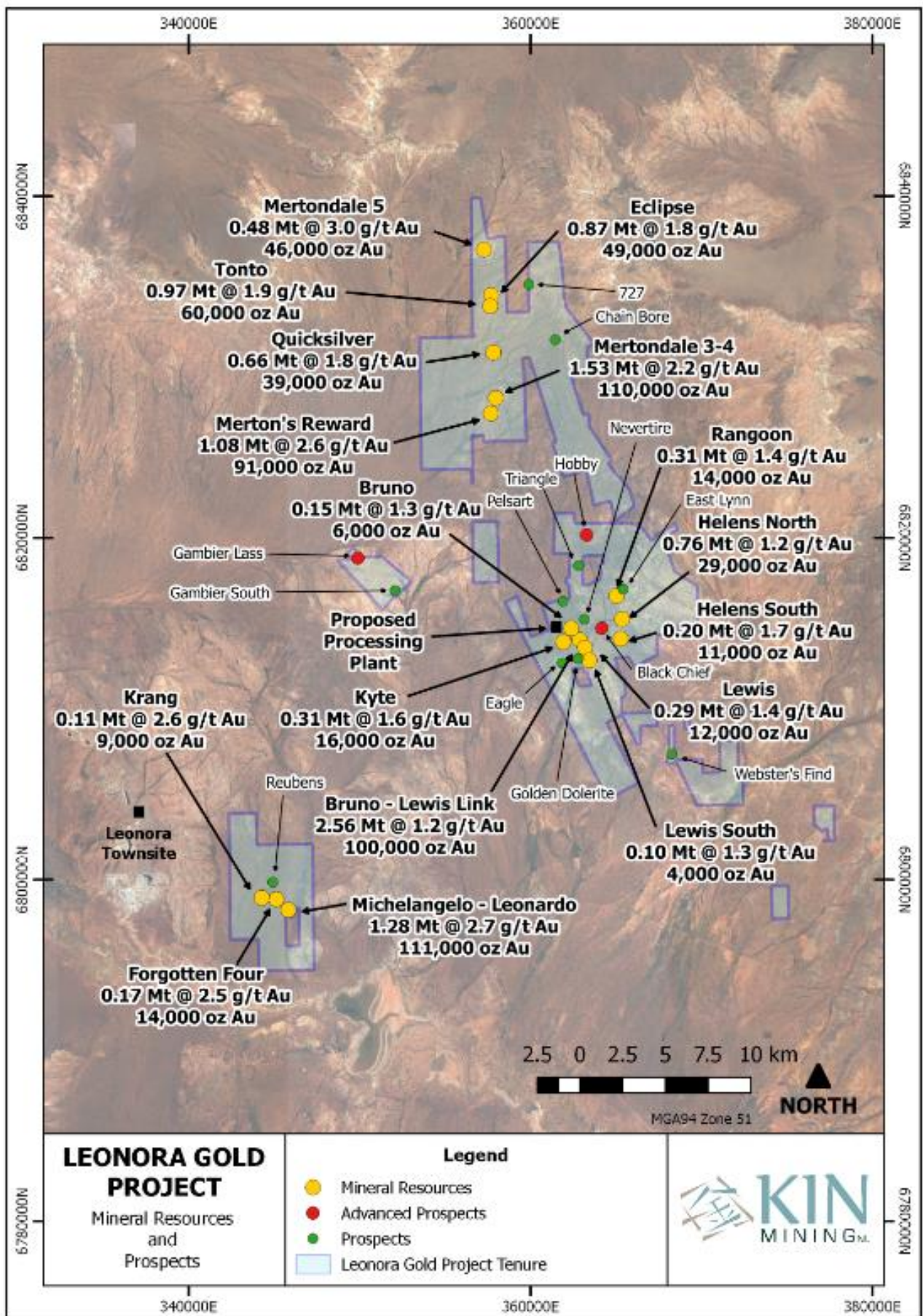
## **About Kin Mining**

**Kin Mining NL (ASX: KIN)** is an emerging gold development company with a significant tenement portfolio in the North-Eastern Goldfields of Western Australia. The immediate focus of the company is the (100% Kin), Leonora Gold Project (LGP) which contains a JORC resource of 721 koz Au. The outcomes of the Pre-Feasibility Study at the LGP, released in December 2016, confirmed the potential for Kin to become a low-risk, high-margin gold producer. Gold production is targeted for mid-2018.

The Project has forecast production of approximately 50,000 oz Au per annum, once established, over an initial 6.5-year mine life. Mining will be undertaken at 3 open pit mining centres, feeding a new 750 ktpa conventional carbon-in-leach processing plant, to be located at Cardinia. The plant is scheduled to be upgraded to 1.2 Mtpa in Year three. A total of 6.8 Mt of ore grading 1.5 g/t Au are scheduled to be processed over the life of the operation, yielding 309 koz of recovered gold. There is significant exploration upside in the Project area, which may increase the lifetime of the Project.

The robust economics of the Project are underpinned by a low pre-production capital cost, of only A\$35M (including 15% contingency), and an operating cash flow of A\$105M. The capital payback period is notable at only 18 months from first gold production, which demonstrates the low risk, high margin profile of the operation. The life-of-mine All In Sustaining Cost (AISC) is projected to be A\$1,084 / oz Au. The Pre-Feasibility Study also identified several areas where opportunities exist to improve the economic and operational performance of the Project, such as securing a good quality second-hand processing plant, improving metallurgical recoveries, and further optimisation of mine designs. Please refer to the announcement dated 15 December 2016 titled "PFS Confirms Leonora Gold Project as a High Margin Project". 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.

Kin's priority is to complete a Feasibility Study for the LGP by mid-2017. Drilling is in progress with the objective of converting the Inferred Mineral Resources in the mine plan to Indicated Mineral Resources. Metallurgical, geotechnical, and environmental work is scheduled or currently underway to support the DFS, which will form the basis for a decision to mine.



**Leonora Gold Project tenure with Mineral Resources & Prospects**

<b>Leonora Gold Project Mineral Resources</b>										
<b>Project Area</b>	<b>Lower cut-off Grade</b>	<b>Indicated Resources</b>			<b>Inferred Resources</b>			<b>Total Resources</b>		
	<b>g/t Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>koz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>koz Au</b>	<b>Mt</b>	<b>g/t Au</b>	<b>koz Au</b>
<b>Mertondale*</b>										
Mertondale 3/4	0.7	0.87	2.3	65	0.66	2.1	45	1.53	2.2	110
Merton's Reward	0.7	1.01	2.7	87	0.07	1.7	4	1.08	2.6	91
Tonto	0.7	0.97	1.9	60				0.97	1.9	60
Eclipse (Tonto North)	0.7	0.62	1.8	35	0.25	1.7	14	0.87	1.8	49
Mertondale 5	0.7	0.32	3.2	33	0.16	2.7	13	0.48	3.0	46
Quicksilver (Tonto South)	0.7	0.55	1.8	31	0.11	2.1	8	0.66	1.8	39
<b>Subtotal Mertondale</b>		<b>4.34</b>	<b>2.2</b>	<b>311</b>	<b>1.25</b>	<b>2.1</b>	<b>84</b>	<b>5.59</b>	<b>2.2</b>	<b>395</b>
<b>Cardinia**</b>										
Bruno-Lewis Exploration	0.7	1.04	1.1	37	1.52	1.3	63	2.56	1.2	100
Helen's North	0.7	0.63	1.2	24	0.13	1.1	5	0.76	1.2	29
Kyte	0.7				0.31	1.6	16	0.31	1.6	16
Rangoon	0.7	0.09	1.8	5	0.23	1.3	9	0.31	1.4	14
Lewis Grade Control***	0.7	0.29	1.4	12				0.29	1.4	12
Bruno Grade Control	0.7	0.11	1.4	5	0.03	1.1	1	0.15	1.3	6
Helen's South	0.7	0.19	1.8	11	0.01	1.3	0	0.20	1.7	11
Lewis South	0.7				0.10	1.3	4	0.10	1.3	4
<b>Subtotal Cardinia</b>		<b>2.35</b>	<b>1.3</b>	<b>94</b>	<b>2.33</b>	<b>1.3</b>	<b>98</b>	<b>4.68</b>	<b>1.3</b>	<b>192</b>
<b>Raeside</b>										
Michelangelo-Leonardo	0.7	1.28	2.7	111				1.28	2.7	111
Forgotten Four	0.7	0.07	3.0	7	0.10	2.1	7	0.17	2.5	14
Krang	0.7	0.11	2.6	9				0.11	2.6	9
<b>Subtotal Raeside</b>		<b>1.47</b>	<b>2.7</b>	<b>127</b>	<b>0.10</b>	<b>2.1</b>	<b>7</b>	<b>1.57</b>	<b>2.6</b>	<b>134</b>
<b>TOTAL</b>		<b>8.16</b>	<b>2.0</b>	<b>532</b>	<b>3.7</b>	<b>1.6</b>	<b>189</b>	<b>11.8</b>	<b>1.9</b>	<b>721</b>

Rounding errors may occur.

\* Resource estimate by McDonald Speijers, 2009 with Merton's Reward depleted by McDonald Speijers in 2010.

\*\* Resource estimate by Runge Limited, 2009 with Bruno Grade Control depleted by Runge in 2010.

Notes: Assay top cuts for Mertondale and Raeside are variable but generally between 10-20g/t Au and are 15g/t Au at Cardinia. No allowance has been made for dilution or ore loss. All resources are constrained by open pit shells optimised at A\$2,000/oz.

\*\*\* Resource Estimate at Lewis depleted by 999oz from Lewis Pit Trial Mining completed in June 2016 (ASX announcement 5 October 2016). Production Target includes depletion.