



11 April 2018



• WINNER OF THE 2017 •
BEST EMERGING COMPANY AWARD

Board of Directors

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Non-Executive Chairman

Trevor Dixon

Acting Managing Director

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Non-Executive Director &
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Shares on Issue:

221,638,347

Unlisted Options:

37,335,750

ASX: KIN

Leonora Gold Project Update

The Board of Directors (**Board**) of Kin Mining NL (**Kin** or **Company**) has taken the decision to curtail construction works on the Leonora Gold Project (**LGP**), pending a full review of the capital cost and schedule for completion.

This decision has been necessitated by an expected increase in the existing pre-production capital cost estimate for the LGP. The existing estimate of A\$35.4 million was detailed in the Definitive Feasibility Study (**DFS**) on the LGP completed in October 2017 (see Kin ASX release dated 2 October 2017). Following the recent changes to the composition of Kin's Board, a review process of key aspects of the LGP was commenced pursuant to which it has become apparent that the DFS estimate of pre-production capital costs will need to be adjusted. If the Company had continued with the development of the LGP the potential scope of increase in capital costs would have given rise to the requirement for a significant equity capital raising to fund the increase, along with expected exploration and corporate costs, during the construction period for the LGP.

The Board wishes to undertake a comprehensive review of the LGP to ensure that, before full project development is resumed, it has a high degree of confidence in key project parameters, cost and time estimates, and a clear and certain funding path in place to complete the LGP.

Accordingly, the Company has engaged Como Engineers as its external and principal consultant to undertake an independent and thorough review of the LGP. Como is to be tasked with generating new cost and time to complete estimates, along with a rigorous implementation plan for the LGP. The Board will seek to provide shareholders with an update on the progress of this review in the coming weeks.

The Board considers that this course of action is necessary to ensure that a significant equity capital raising is not conducted at a time when the Board cannot be confident of the projected capital cost and schedule to complete the LGP. The Board therefore believes that the interests of all Kin shareholders are best served by the curtailment of construction activities until a comprehensive review of LGP costs and timing can be finalised.

The Board remains confident that the LGP holds significant value. With a delineated resource base of over 1 Moz gold¹, located within the highly endowed and operationally active Leonora gold region, the LGP possesses considerable economic and strategic value. This course of action is designed to ensure that, when LGP development is fully resumed, shareholder value will be far greater than if the Company had continued down the path it had been pursuing.

In the interim the Company will continue its targeted exploration programme on the LGP and surrounding areas. It also plans to complete its search for, and appointment of, a new Managing Director. One of the key tasks of the incoming Managing Director will be close oversight of the review and targeted resumption of full development of the LGP.

Sprott Resource Lending LLC (**Sprott**), the existing debt provider for the LGP, has been advised of the decision to curtail works on the LGP. Kin is in discussions with Sprott to determine the most effective way forward. The Company has only drawn US\$5 million under the Sprott facility and has the option to repay this amount at any time, for an accompanying fee.

In the near term the Company will be seeking to raise approximately A\$11 million of new funding. Together with its existing cash balance of approximately A\$7.7 million (as at 9 April 2018), this is expected to enable Kin to fund its current liabilities (including potential repayment, if necessary, of the drawn amount under the Sprott facility), curtailed construction works, review costs, exploration programme and corporate overheads for the next 6 months.

Shareholders will be informed of how this new funding will be sought once these details have been finalised. The Board assures all Kin shareholders that it will seek to structure any proposed equity component of this planned funding in a manner that is as fair and minimally dilutive as possible.

Cash expenditure on LGP development totalled A\$5.9 million to 9 April 2018. Further committed expenditure on LGP development are estimated to be A\$3.1 million as at 9 April 2018. These committed items include work on CIL tank construction, concrete foundations and bridging steel work that has been running ahead of schedule. Costs related to the decision to enact, and period of, curtailment are being determined.

The Company will continue to update the market as its review progresses.

For further information, please contact:

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About Kin Mining

Kin Mining (ASX: KIN) is an emerging gold development company with a significant tenement portfolio in the highly prospective North-Eastern Goldfields region of Western Australia. The Company completed its Definitive Feasibility Study on the Leonora Gold Project in October 2017. Kin is seeking to increase shareholder value through continued aggressive exploration on its tenements and achieving gold production.

¹The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Announcement of 30 August 2017 "Kin Defines +1 Million ounces of Gold at the Leonora Gold Project", and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.