



6 December 2017

Sprott Resource Lending Backs Kin with A\$35m to Develop the Leonora Gold Project

Kin has successfully executed a binding term sheet for A\$35m with Canadian based Sprott Private Resource Lending. The A\$35m debt package will support the full pre-production and construction cost of Kin's 100% owned Leonora Gold Project.

Kin Mining NL (ASX: **KIN**) has selected **Sprott Private Resource Lending** (Collector), LP ("**Sprott**") to provide a US\$27m (A\$35m) senior secured credit facility (the "**Credit Facility**") to be used for the construction of the 100% owned Leonora Gold Project (LGP) located in the North-Eastern goldfields region of Western Australia. The LGP is forecast to be in production in the second half 2018.

The Binding Term Sheet presented by Sprott, a globally recognised leader in natural resource investing, is competitive and favourable for Kin shareholders.

Key terms include:

- **First payback is expected 18 months after first drawdown (expected 28 June 2019)**
- **Annual interest rate of 8.00%, plus the greater of US 12-month LIBOR or 1.00%**
- **No cashflow sweep**
- **No hedging**
- **No cost overrun facility**
- **3,500,000 KIN ordinary shares will be issued to Sprott on closing with the shares to be escrowed for 4 months**
- **1.5% NSR on first 100,000oz gold produced by the LGP**
- **3-year loan term**

The Credit Facility provides Kin with **sufficient funding to carry out the necessary pre-production capital works, including the relocation and upgrade of the Lawlers mill to commence production at the LGP.** The Definitive Feasibility Study¹ estimated a pre-production capital cost of **\$30m** with an 18% contingency of **\$5.4m** for a total of **\$35.4m**.

Sprott has concluded technical due diligence and received investment committee approval. The Credit Facility remains conditional on completion of legal and formal documentation and is expected to be closed by 23 December 2017. A minimum equity raise will be required as a condition subsequent.

Narinder Nagra, Managing Partner of Sprott, commented: "As one of the leading investors dedicated to the natural resource sector, Sprott is excited to partner with Kin to develop the LGP. Our partnership with Kin is consistent with our strategy of providing innovative and flexible capital to maximise the value of exceptional projects."

Managing Director, Don Harper said "We are delighted to partner with Sprott, the Credit Facility will allow us to immediately commence the development of the LGP and set us on a clear pathway to gold production and cash flow. Sprott is known to be well-versed in determining the viability of resource projects and making astute investment decisions. We look forward to collaborating with Sprott to become Western Australia's next gold producer."

Board of Directors

Trevor Dixon

Chairman

Don Harper

Managing Director

David Sproule

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

Email

info@kinmining.com.au

Website

www.kinmining.com.au

Shares on Issue:

175,711,398

Unlisted Options:

40,335,750

ASX: KIN

Kin Mining advisers for the Credit Facility are the Kamara Group, a specialist investment and advisory firm with specific focus on mining and the oil and gas sector.

Transaction rationale and benefits to Kin Mining shareholders include:

1. **Flexible drawdown schedule** - Drawdown period allows for Kin to call capital as needed and minimises negative carry
2. **Simplified covenant structure** - no excess or unnecessary covenants that are often found in other project financing transactions including; No DSCR, No PLCR, No LLCR or reserve tail or collateral accounts
3. **No mandatory hedging** - provides Kin flexibility to decide if, when and how much production to hedge, and therefore maintain gold price upside for shareholders
4. **No cash flow sweep** – allows for reinvestment and distribution of surplus cash flow into exploration to increase mine life and lift production rapidly
5. **No cost overrun facility requirement** - extra cash for Kin to deploy into exploration at the LGP
6. **Partnership approach** – access to the Sprott brand and investor base
7. **Alignment of interest** – Sprott is aligned with shareholders and participates with Kin's upside with the modest level of shares and shared return via NSR
8. **Early repayment flexibility** – Kin will not be penalised for early repayment once it is cash flow positive.
9. **3 year loan term** – Kin will have sufficient time to repay the debt facility

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Investor enquiries:

Don Harper
Managing Director
Kin Mining
+61 8 9242 2227

Media enquiries:

Kirsty Danby
Platform Communications
Kin Mining NL
+61 413 401 323

About Sprott & Kin Mining

Sprott Private Resource Lending is a division of Sprott Inc., an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver.

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 has completed its Definitive Feasibility Study on the Leonora Gold Project forecasting an average production rate of 55,000oz¹ pa. The Company has also upgraded its resources to 1.02Moz² and released its Maiden Ore Reserve of 373,000oz¹. Kin is seeking to increase shareholder value through continued aggressive exploration on its tenements and achieving gold production in the second half of 2018.

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 2 October 2017 "Feasibility confirms a high margin gold mine for Kin at its 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.

²The 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.