

# Non Renounceable Rights Issue Offer Document

## Kin Mining NL

ACN 150 597 541

For a pro rata non-renounceable rights issue to Eligible Shareholders on the basis of two New Shares for every five Shares held on the Record Date at an issue price of \$0.08 per New Share to raise approximately \$10.4 million.

**IF YOU ARE AN ELIGIBLE SHAREHOLDER, THIS IS AN IMPORTANT DOCUMENT THAT REQUIRES YOUR IMMEDIATE ATTENTION.**

**THIS OFFER DOCUMENT SHOULD BE READ IN ITS ENTIRETY BEFORE DECIDING WHETHER TO APPLY FOR THE NEW SHARES. IF YOU HAVE ANY QUESTIONS OR DO NOT UNDERSTAND THE OFFER DOCUMENT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER**

This Offer Document is not a prospectus and it does not contain all of the information that an investor may require in order to make an informed decision regarding the New Shares offered.

The New Shares offered by this Offer Document should be considered speculative.

## **IMPORTANT NOTICES**

### **1.1 General**

This Offer Document is for the offer of New Shares to Eligible Shareholders and issued in accordance with section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35), which enables certain entities to offer shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Document was lodged with ASX on 12 October 2018. ASX takes no responsibility for the content of this Offer Document.

Neither this Offer Document nor the Application Form are required to be lodged with ASIC and a prospectus will not be prepared.

This Offer Document is not a prospectus and does not contain all of the information that a prospective investor may require in order to make an informed decision regarding the New Shares offered, or all of the information which would otherwise be required under Australian law or any other law.

Investors should read this Offer Document in conjunction with their own knowledge of the Company, publicly available information, disclosures and announcements about the Company which can be obtained from ASIC and ASX (available from its website [www.asx.com.au](http://www.asx.com.au)), and advice from their professional advisers. The contents of any website are not incorporated into, nor constitute part of this Offer Document. In particular, important consideration should be given to the risk factors (see section 6 of this Offer Document) that could affect the performance of the Company before making an investment decision.

The information in this Offer Document does not constitute a securities recommendation or financial product advice.

Investors should note that the past Share price performance of the Company provides no guidance to its future Share price performance.

### **1.2 Application**

By returning an Application Form or lodging an Application Form with your stockbroker or otherwise arranging for payment for your New Shares through BPAY® in accordance with the instructions on the Application Form, you acknowledge that you have received and read this Offer Document, you have acted in accordance with the terms of the Offer and you agree to all of the terms and conditions as detailed in this Offer Document.

This Offer Document, the Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Western Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

### **1.3 Offering Restrictions**

This Offer Document does not constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer. Refer to section 3.8 for treatment of overseas shareholders.

The distribution of this Offer Document outside of Australia and New Zealand may be restricted by law. If a person comes into possession of this Offer Document, you should observe all such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. In particular, this Offer Document or any copy of it must not be taken into or distributed or released in the United States or distributed or released to any person in the United States or to the account of any person acting for the account or benefit of persons in the United States.

### **1.4 Future performance and forward looking statements**

Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Offer.

Forward looking statements in this Offer Document are based on the Company's current expectations about future events. These are subject to risks, uncertainties and assumptions that are often outside the control of the Company and its Directors and could cause actual results, performance or achievements to differ materially from the expectations expressed or implied by such forward looking statements (see Key Risks in section 6 of this Offer Document).

### **1.5 Disclaimer**

This Offer Document has been prepared by the Company. No person is authorised to give information or to make any representation in connection with this Offer Document which is not contained in the Offer Document. Any information or representation not so contained may not be relied upon.

### **1.6 Privacy**

As a Shareholder, the Company and its Share Registry currently hold certain personal information. Further information may be provided upon completion of the Application Form. The Company uses such information to assess your application, facilitate distribution payments, for corporate communications and services to you as a Shareholder, and for administrative purposes. Information may also be provided to regulatory bodies, persons inspecting the register, bidders for securities in the context of takeovers, authorised securities brokers, print service providers, mail houses and the Share Registry.

To access, correct and update your personal information please contact the Company or its Share Registry.

### **1.7 Defined terms**

Certain terms and abbreviations in this Offer Document are defined in the glossary of terms in section 8.

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## 2 CHAIRMAN'S LETTER

Dear Kin Mining shareholder

On behalf of the Board of Directors of Kin Mining NL (ASX:KIN), I am pleased to present to you the accompanying offer document in relation to a non-renounceable rights issue to raise up to A\$10.4 million (before costs). I ask that you consider this document carefully and in its entirety.

In summary, Kin shareholders are being offered the opportunity to subscribe for 2 new ordinary Kin shares for every 5 Kin shares held at the record date of 17 October 2018.

The new shares are being offered at a price of \$0.08, representing an 11% discount to the last traded price of Kin shares and a 17% discount to the 10-day Volume Weighted Average Price before the announcement of the rights issue on 9 October 2018.

Pleasingly, the Company has received confirmation from its three major shareholders that they intend to fully participate in the offer. Collectively these shareholders hold 21% of Kin's total shares on issue.

The capital raising will underpin our continued work programs at our Leonora Gold Project (LGP) in Western Australia which has been reset on a lower risk path to a development decision in 2019.

Shareholders should be aware that the Kin Board took the difficult decision to suspend construction of the LGP in May this year following confirmation the capital costs of the Cardinia Processing Plant would substantially exceed budgeted estimates. This avoided an immediate, significant capital raising at the time which, in any event, may not have been sufficient to complete the LGP as it was planned. The Kin Board were not prepared to risk shareholder value through proceeding with the LGP in the face of such construction cost and funding uncertainty.

In addition, a review led by our new Managing Director Andrew Munckton identified a number of opportunities to enhance the long-term returns from the project. It also highlighted aspects of the project with sufficient uncertainty that they created an unacceptable risk for shareholders had we proceeded with the development in its then form.

These areas include:

- 1) Mining approvals not currently being in place.
- 2) An insufficient long-term water supply to the processing plant.
- 3) The selection of diesel fuel for power supply (and its price escalation risk) to the exclusion of gas fuelled power.
- 4) Uncertainty around the Tailings Storage Facility.
- 5) A lack of confidence in the robustness of the capital and operating cost estimates included in the LGP Definitive Feasibility Study.

Furthermore, we were not in a position to quantify the potential upside of the mine plan being focussed solely on near surface oxide ores as the depth potential of the known deposits had not been tested by drilling. We see this as a key potential value driver in the period ahead.

As we have previously advised shareholders, your Board believes there are no fatal flaws with the project and all of the potential risks identified are capable of being significantly reduced or overcome through a diligent forward work program.

In the five months since the suspension of the LGP development, the Kin Management team has been focused on capturing the project enhancement opportunities and de-risking the project.

Our clear objective is to deliver the LGP to a far lower risk development decision point in the second half of 2019 to support our objective of being at the forefront of the next wave of profitable Australian gold producers.

The pressure this pathway has created on the Kin share price in the short-term is as disappointing to your Board as we know it is to our shareholders.

But we remain resolute in our belief that greater and more certain long-term value for Kin shareholders will be created by de-risking the project through completion of more work on the water, power and tailings infrastructure, securing key mining and infrastructure approvals, testing the LGP's known orebodies at depth and advancing our regional exploration targets.

The LGP has a substantial gold endowment of more than 1 million ounces and is located in a strategic gold mining province. The Company has a firm belief this inventory will be increased with more drilling and this will be a key use of proceeds from the entitlement offer. Funds will also be directed towards the full repayment of the Sprott Facility which will leave the business debt free and in a stronger financial position to deliver on our current strategy.

Your Board believes the LGP holds significant value that is not being reflected in the current share price. We are asking shareholders for their support in delivering an enhanced and de-risked LGP to a development decision in 2019.

I intend to take up my entitlement in full. On behalf of the Company I thank you for your continued support.

Yours sincerely



Jeremy Kirkwood,

Chairman

Kin Mining

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### 3 SUMMARY OF THE OFFER

#### 3.1 The Offer

The Company is offering a non-renounceable pro rata rights issue of New Shares on the basis of two New Shares for every five Existing Shares held, at an issue price of \$0.08 per New Share to Eligible Shareholders who are registered on the Company's share register at 5.00pm WST on 17 October 2018 (**Record Date**). The number of New Shares to which you are entitled (your **Entitlement**) is shown on the accompanying Application Form.

#### 3.2 Timetable for the Offer

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Announcement of Offer	9 October 2018
Offer Document lodged with ASX and issue of cleansing notice	12 October 2018
Ex Date	16 October 2018
Record Date to determine Entitlement to New Shares	17 October 2018
Dispatch of Offer Document and Application Forms	22 October 2018
Offer opens for receipt of Applications	22 October 2018
Closing Date for Applications and payment in full	31 October 2018*
Dispatch date of holding statements, issue of New Shares	7 November 2018

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These dates are indicative only and subject to change. The Company, reserves the right, subject to the Corporations Act and the Listing Rules, to vary the above dates.

\*The Offer closes at 5.00pm WST on the Closing Date, or such a date as subject to variation by the Directors pursuant to the Listing Rules.

#### 3.3 No Minimum Subscription

There is no minimum subscription for the Offer.

#### 3.4 Shortfall

A Shortfall will arise if Applications received for New Shares under the Offer are less than the number of New Shares offered (**Shortfall Shares**).

The Directors reserve the right, subject to the requirements of the Corporations Act and Listing Rules, to place any Shortfall Shares within 3 months after the Closing Date at the Directors discretion.

Shortfall Shares will be issued at a price not less than the issue price of New Shares under the Offer. The Directors reserve the right to issue any Shortfall Shares at a price higher than the Offer price.

### **3.5 No Rights trading**

The Offer is non-renounceable. This means that your Right to subscribe for New Shares under this Offer Document is not transferable and there will be no trading of Rights on the ASX. If you choose not to take up your Rights, you will receive no benefit and your shareholding in the Company will be diluted as a result.

### **3.6 Allotment and Application Money**

Application Money will be held in a subscription account on trust until allotment of the New Shares. If the Application Money is refundable, it will be refunded as soon as reasonably practicable. Interest earned on the Application Money will be for the benefit of the Company and will be retained by the Company irrespective of whether New Shares are issued.

No allotment of the New Shares will occur until ASX grants permission to quote the New Shares.

The New Shares are expected to be allotted by no later than 5.00pm WST on 1 November 2018. Statements of holding of New Shares will be mailed after allotment occurs.

### **3.7 ASX Quotation**

Application for admission of the New Shares to official quotation on ASX has been made.

Subject to approval being granted by ASX, it is expected that quotation and trading of New Shares will commence on a deferred settlement basis on 7 November 2018.

The fact that ASX may agree to grant official quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares.

### **3.8 Overseas Shareholders**

This Offer Document and accompanying Application Form do not, and are not intended to, constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares or the Offer, or otherwise to permit a public offering of the New Shares in any jurisdiction outside Australia, Hong Kong, New Zealand, Germany and Singapore.

The Offer is not being extended to any Shareholder, as at the Record Date, whose registered address is not in Australia, Hong Kong, New Zealand, Germany and Singapore because of the small number of such Shareholders, and the cost of complying with applicable regulations in jurisdictions outside of those jurisdictions. The Offer Document is sent to those Shareholders for information only.

Shareholders in Australia, Hong Kong, New Zealand, Germany and Singapore holding Shares on behalf of persons resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Recipients may not send or otherwise distribute this Offer Document or the Application Form to any person outside Australia, Hong Kong, New Zealand, Germany and Singapore (other than to Eligible Shareholders).

#### *New Zealand Shareholders*

The Offer to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice. Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares.

#### *Hong Kong Shareholders*

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Future Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside of Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person issued New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority, Shareholders are advised to exercise caution in relation to the Offer and if in doubt should obtain independent professional advice.

#### *Singapore Shareholders*

This Offer Document and the Application Form have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the Offer of New Shares may not be issued, circulated or distributed, nor may these securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter



289 of Singapore (the SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Offer Document has been provided to each Shareholder on the basis that they are an existing holder of Shares. In the event that the recipient is not a Shareholder, please return this document immediately. This Offer Document may not be circulated to any other person in Singapore.

Any offer is not made with a view to the rights to the New Shares being subsequently offered for sale to a third party. There are on sale provisions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### *United States Shareholders*

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States.

The New Shares may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, US Persons, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

Accordingly, the New Shares will be offered and sold to persons that are not in the United States and not acting for the account or benefit of persons in the United States, in each case, only to “offshore transactions” as defined in Rule 902(h) under the U.S. Securities Act in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, Shareholders must not distribute, release or send this Offer Document, the Application Form or any promotional material to any person in the United States. Persons acting as nominees for other persons must not participate in the Offer and the nominee must not take up any Entitlement on behalf of, or send any materials related to the Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States.

#### *German Shareholders (European Economic Area)*

In relation to each Member State of the European Economic Area (each, a Relevant Member State), no offer of the Shares may be made public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of Applicants; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Shares shall require the Company to publish a

prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person in a Relevant Member State who initially acquires any Share or to whom any offer is made will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive. In the case of any such financial intermediary, it will be deemed to have represented, acknowledged and agreed that the Shares acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which prior consent of the Applicants has been obtained to such proposed offer or resale.

The Company and its affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgment and agreements.

This Prospectus has been prepared on the basis that any offer of Shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Shares. Accordingly, any person making or intending to make an offer in that Relevant Member State of Shares which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. The Company has not authorized the making of any offer of Shares in circumstances in which the obligation arises for the Company to publish a prospectus for such offer.

For the purpose of the above provisions, the expression an offer to the public in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and the Shares to be offered so as to enable an investor to decide to purchase or subscribe the Shares, as the same may be varied in the Relevant Member State by any measure implementing the Prospectus Directive in the Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member States) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

*Nominee Pursuant to section 615 of the Corporations Act*

Pursuant to Listing Rule 7.1.1 and sections 708AA, 9A and 615 of the Corporations Act, the Company may appoint an ASIC-approved nominee (the **Nominee**) to sell the Non-Qualifying Foreign Shareholders' New Shares to which they are entitled. If appointed, the Nominee will have the absolute and sole discretion to determine the timing and price at which the new Shares will be sold and the manner in which they are sold.

The proceeds of sale (in Australian dollars) will be distributed to the Non-Qualifying Foreign Shareholders for whose benefits the New Shares have been sold in proportion to their shareholdings as at the Record Date (after deducting the costs of the sale and the distribution of the proceeds), save that individual amounts of less than \$10 will be retained by the Company.

Neither the Company nor the Nominee will be liable for any failure to sell the New Shares or to sell the New Shares at any particular price. Notwithstanding that the Nominee must sell Shares, Non-Qualifying Foreign Shareholders may nevertheless receive no proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the Nominee will not be required to sell Non-Qualifying Foreign Shareholders' New Shares at a particular price.

### **3.9 Information availability**

Eligible Shareholders can obtain a copy of this Offer Document during the period of the Offer directly from the Company or on the Company's website at [www.kinmining.com.au](http://www.kinmining.com.au). The electronic version of this Offer Document will not include an Application Form. To request an Application Form contact the Company Secretary (see section 3.11 for contact details). Persons who access the electronic version of this Offer Document should ensure that they download and read the entire Offer Document and any related information to which it refers.

### **3.10 Taxation**

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document.

Taxation implications will vary depending on the particular circumstances of individual Eligible Shareholders. Eligible Shareholders should consider whether to seek specific advice applicable to their own particular circumstances from their own professional advisers.

### **3.11 Enquiries**

Any questions concerning the Offer should be directed to Mr. Stephen Jones, Company Secretary on +61 9242 2227 or consult your professional adviser.

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## 4 PURPOSE AND EFFECT OF THE OFFER

### 4.1 Purpose of the Offer

The purpose of the Offer is to raise approximately \$10,391,378 (before costs of the Offer) by the issue of up to 129,892,231 New Shares at an issue price of \$0.08.

As at the date of the Offer Document, the Company has 324,730,577 Shares on issue. The Company also has 37,335,750 unlisted Options on issue all of which may be exercised prior to the Record Date.

The New Shares offered under the Offer will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the Offer of New Shares under this Offer Document in which case the Company will return all Application Monies (without interest) within 28 days of giving such notice of withdrawal.

### 4.2 Use of funds

The purpose of the Offer is to raise approximately \$10,391,378 (before costs of the Offer).

The Company's cash position on 30 September 2018 was approximately \$4,000,000.

Funds raised under the Offer are planned to be used as follows:

Proceeds of the Offer	\$
LGP Development	4,705,144
Exploration	1,269,568
Repayment of Credit Facility *	4,166,666
Expenses of the Offer **	250,000
<b>Total</b>	<b>10,391,378</b>

\*The outstanding amount of the Sprott Credit Facility is denominated in United States Dollars. Any changes in the AUD / USD exchange rate will vary the amount to be paid on repayment of the facility.

\*\*Expenses of the Offer include fees to a manager / broker to assist in placing any shortfall that may exist and are not fixed at this point.

The above table is a statement of Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending upon a number of factors, including the outcome of discussions with Sprott, the outcome of the review being undertaken by the Company of the development timeline and budget for the Leonora Gold Project, the outcome of operational and development activities and market and general economic conditions.

### 4.3 Effect on capital structure

The effect of the Offer (assuming the Offer is fully subscribed) will be that approximately 129,892,231 New Shares will be issued, which will increase the number of Shares on issue from 324,730,577 to approximately 454,622,808.

Shares currently on issue	324,730,577
Options currently on issue	37,335,750
Shares offered under the Offer	129,892,231
Amount raised under this Offer (before costs) <sup>1</sup>	\$10,391,378
Total Shares on issue following the Offer	454,622,808

**Note:**

<sup>1</sup> This assumes no further Shares are issued (including by way of exercise of Options) prior to the Record Date and the Offer is fully subscribed.

### 4.4 Potential effect of the Offer on control of the Company

The potential effect of the Offer on control of the Company is as follows:

- (a) If all Eligible Shareholders (who together are entitled to approximately 97.89% of the New Shares on offer) take up their Entitlement then the Offer will practically have no effect on control of the Company.
- (b) In the more likely event there is a Shortfall:
  - (i) Eligible Shareholders who do not subscribe for their full entitlement of Shares under the Offer and Non Qualifying Foreign Shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their Entitlement as shown by the table in section 4.5. Refer to Section 4.5 for examples on how the dilution may impact Shareholders.
  - (ii) the Directors reserve the right to place the Shortfall within 3 months of the Closing Date. Shortfall Shares will be issued at a price not less than the issue price of New Shares under the Offer, although the Directors reserve the right to issue any Shortfall at a higher price than the issue price.

### 4.5 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 29% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date <sub>1</sub>	Entitlement under the Offer	Holdings if Offer not taken up	Approximate % post Offer
Shareholder 1	10,000,000	3.08%	4,000,000	10,000,000	2.20%
Shareholder 2	1,000,000	0.31%	400,000	1,000,000	0.22%
Shareholder 3	100,000	0.03%	40,000	100,000	0.02%

Notes:

This is based on a share capital of 324,730,577 Shares at the date of this Offer Document.

#### 4.6 Substantial Shareholders

The Company's substantial holders and their Entitlements prior to the Offer are set out in the table below.

Substantial Holder	Shares	Voting Power (%)	Entitlement	\$
Harmanis Holdings Pty Ltd	23,182,422	7.14%	9,272,969	741,838
Delphi Unterehrensberatung Aktiengesellschaft	22,727,271	6.99%	9,090,908	727,273
Michele Canci	22,409,019	6.90%	8,963,608	717,089

#### 4.7 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of the Shares, which are on the same terms and conditions as the New Shares being offered under this Offer Document, during the three months immediately preceding the date of this Offer Document, and the last market sale price on the date before the date of this Offer Document, are set out below.

3 Month High	3 Month Low	Last Market Sale Price
14.5 cents	8.7 cents	9 cents

#### 4.8 Director Interests and Participation

As at the date of this Offer Document the Directors have a relevant interest in securities of the Company as set out below.

Holder	Shares	Options	Entitlement	\$
Mr Jeremy Kirkwood	1,328,156	Nil	531,262	42,501
Mr Andrew Munckton	37,366	Nil	14,946	1,196
Mr Trevor Dixon	12,152,660	6,037,500	4,861,064	388,885
Mr Brian Dawes	361,182	Nil	144,473	11,558
Mr Giuseppe Graziano	8,343,750	5,075,000	3,337,500	267,000

Directors may hold the relevant interests in Shares shown above directly, or indirectly through holdings by companies, trusts or other persons with whom they are associated.

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## **5 HOW TO APPLY**

### **5.1 What you may do**

The number of New Shares to which you are entitled is shown on the accompanying Application Form.

Fractional Entitlements have been rounded up to the nearest whole number of New Shares. For this purpose, holdings in the same name are aggregated for calculation of Entitlements. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Eligible Shareholders for the purpose of calculating Entitlements.

As an Eligible Shareholder, you may:

- (a) take up all of your Entitlement;
- (b) accept part of your Entitlement and allow the balance to lapse; or
- (c) allow all of your Entitlement to lapse.

The Company reserves the right to reject any Application Form that is not correctly completed or that is received after 5.00pm WST on the Closing Date.

The Company will treat you as applying for as many New Shares as your payment will pay for in full. Amounts received by the Company in excess of the number of New Shares you are ultimately allocated will be returned as soon as practicable. No interest will be paid on returned Application Money.

### **5.2 To take up all or part of your Entitlement**

If you decide to take up all or part of your Entitlement, please follow the instructions on the Application Form and arrange for payment of the Application Money.

### **5.3 To allow your Entitlement to lapse**

If you do not wish to take up any part of your Entitlement you are not required to take any action. If you allow all or part of your Entitlement to lapse you will receive no benefit to the extent of Entitlements not taken up and your shareholding in the Company will be diluted as a result.

The Company will deal with any New Shares not accepted in accordance with this Offer.

### **5.4 Payment**

Acceptance of New Shares must be accompanied by payment in full of the price of \$0.08 per New Share. A single payment should be made for the Application Money for your Entitlement you wish to take up as stated on the Application Form.

Cash will not be accepted and no receipts will be issued. Payments will only be accepted in Australian currency and as follows:



- cheque, bank draft or money order drawn on and payable at any Australian financial institution; or
  - BPAY® as per the Application Form.
- (a) For payment by cheque, bank draft or money order:

To participate in the Offer, your completed Application Form, together with your Application Money, must be received no later than 5.00 pm WST on the Closing Date at either of:

By Hand:	By Post:
Advanced Share Registry Limited 110 Stirling Hwy Nedlands WA 6009	Advanced Share Registry Limited 110 Stirling Hwy, Nedlands WA 6009 or PO Box 1156, Nedlands WA 6009

Please follow the instructions on the Application Form.

Cheques or bank cheques should be made payable to 'Kin Mining NL' and crossed '**Not Negotiable**'. A single cheque should be used for the Application Money for your Entitlement you wish to take up as stated on the Application Form.

The Company will present the cheque or bank draft on or around the day of receipt of the Application Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Application Form.

If the amount of your cheque or bank draft for Application Money (or the amount for which the cheque or bank draft clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Application Form) or your Application may be rejected.

- (b) For payment by BPAY®

If you are paying by BPAY® payment, ensure you follow the instructions on the Application Form. You do not need to mail the Application Form.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 2.00pm WST on the Closing Date. You should be aware of, and account for, any earlier cut-off times that may be implemented by your financial institution with regard to electronic payment.

## **5.5 Application Form is binding**

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Offer Document and, once lodged, cannot be withdrawn. If the Application Form is not completed correctly, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Offer Document, does not prohibit you from being given the Offer Document and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you are the current registered holder of Shares and are an Australian, Hong Kong, New Zealand, German or Singaporean resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- (f) acknowledge that the information contained in, or accompanying, the Offer Document is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares may not be offered, sold or otherwise transferred except in accordance with applicable securities laws in the relevant jurisdiction including any available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

## **5.6 Notice to nominees and custodians**

Nominees and custodians should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. Where any

nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

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## 6 KEY RISK FACTORS

### 6.1 Overview

Investment in the New Shares offered under this Offer Document should be regarded as speculative due to the inherent risks associated with the Company's activities as the Company is a gold exploration and development company. Neither the Company nor the Directors warrant the future performance of the Company or any investment made pursuant to this Offer Document.

The Directors recommend that Eligible Shareholders and potential investors examine the contents of this document together with previous ASX disclosures and public documents of the Company, including its most recent audited financial statements, and rely on the advice of their professional advisers before deciding whether or not to apply for New Shares pursuant to this Offer Document.

The following summary, which is not exhaustive, represents some of the material risk factors that may affect the financial position of the Company, the value of an investment in the Company, as well as the Company's operations, which potential investors need to be aware of.

The risks outlined below are specific to the Company's operations and to the resource exploration industry in which the Company operates.

(a) *Future capital needs and additional funding for the Project*

The funds raised by the Offer will primarily be used to continue exploration programs with respect to the Leonora Gold Project as part of the work necessary to recommence development of the Leonora Gold Project. There is a risk that these funds will not be sufficient to complete the proposed objectives and that further funding will be required to fund the Company's ongoing exploration obligations.

The future capital needs of the Company to complete all programs required to recommence development and fund the Project capital expenditure are greater than the current Offer.

The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, stock market and industry conditions and the price of relevant commodities and exchange rates.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all).

If adequate funds are not available on acceptable terms the Company may not be able to further develop its projects and it may impact on the Company's ability to continue as a going concern.

(b) *Exploration and Development*

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on, among other things:

- (i) the discovery or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to mineral interests;
- (v) obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and the establishment of production facilities.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic mineral deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(c) *Default and Liquidity Risk*

As announced to the ASX on 31 August 2018, the Company has agreed to modify its credit facility (**Credit Facility**) with Sprott Private Resource Lending (Collector) LP (**Sprott**) with respect to a staged repayment of the outstanding balance of the Credit Facility and a planned removal of Facility covenants.

The Company's repayment obligations under the Credit Facility are secured against the Company's assets including all of the assets and tenements comprising the Leonora Gold Project by way of general security agreements, mining mortgages and guarantees.

If the Company is unable to repay the Credit Facility the Company will be in default under the Credit Facility. The Company would then be at risk of Sprott commencing default and or enforcement proceedings to enforce its rights under the Credit Facility.

The Company is currently managing its liquidity and in this regard the Company's ability to meet its repayment obligations under the Credit Facility and its other trade creditors will significantly improve in the event of the successful completion of the Offer.

Following completion of the Offer, the Company expects to repay the outstanding monies due under the Credit Facility.

If the Offer does not proceed the Company will have to pursue another funding source.

(d) *Leonora Gold Project*

As announced to the ASX on 1 June 2018, the Company has elected to put the Leonora Gold Project on care and maintenance in order to undertake further exploration, engineering design and costings to optimise the Project.

There is no guarantee that the further work to be undertaken by the Company will result in a re-commencement of the development of the Leonora Gold Project or that the additional work will not result in a more permanent suspension of the Project. The further work may result in a significant increase in the capital costs which may lead to a requirement for further capital.

(e) *Resource Estimates*

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information or techniques becomes available. In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Even if the Company identifies a resource or reserve, actual ore reserves and resources (including grade and quantity) may differ from those estimated at an earlier time which may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

(f) *Exploration and Mining Risk*

The business of mineral exploration and mining involves risks and hazards. For example, in an exploration context no assurance can be given that ore bodies will be detected with preferred or desirable tonnages or grades. High risk and substantial expense can be incurred without the requisite or expected degree of reward.

Even if commercial quantities of gold ore are discovered unforeseen risks can arise in the development and production phase including the development of appropriate metallurgical processes, the receipt of necessary governmental permits, access to permits and the construction of mining and processing facilities, environmental hazards, industrial accidents, labour forced disruption, the unavailability of materials and equipment, unusual or unexpected geological formation, pit failures, changes in

the regulatory environment and weather conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability.

(g) *Ability to Exploit Successful Discoveries*

It may not always be possible for the Company to participate in the exploitation of successful discoveries made in areas in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. The infrastructure requirements around a successful discovery may also impact on the exploitation of a discovery.

Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as those of the Company. As described above, such work may require the Company to meet or commit to financing obligations for which it may not have planned.

(h) *Compliance Risk*

The Company holds an interest in various mining tenements. Title to these tenements is subject to the Company, as tenement holder, complying with the terms and conditions of each tenement, including the minimum annual expenditure commitments. There is a risk that if the Company does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement.

The Company has implemented appropriate policies and practices to mitigate the risk of not complying with the terms and conditions attaching to each of its tenements.

(i) *Environmental Risk*

The Company's activities are subject to the environmental risks inherent in the mining industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mining industry. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

(j) *Insurance*

Insurance against all risks associated with mineral exploration is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the operations of the Company. There is no assurance that the Company will be able to maintain adequate insurance in the future at rates that it considers is reasonable.

(k) *Commodity Price Volatility*

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of gold exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

## **6.2 General investment risks**

The risks outlined below are some of the general risks that may affect an investment in the Company.

(a) *Securities investments and share market conditions*

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.



(b) *Liquidity risk*

The market for the Company's Shares may be illiquid. As a consequence investors may be unable to readily exit or realise their investment.

(c) *Economic risk*

Changes in both Australia and world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

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## **7 ADDITIONAL INFORMATION**

### **7.1 Disclosing entity**

The Company is a disclosing entity for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to ASX which a reasonable person would expect to have a material effect on the price or the value of the Company's Shares.

This Offer Document contains a summary of information only which the Company does not purport to be complete. The Offer Document is intended to be read in conjunction with the Company's periodic and continuous disclosure announcements lodged with the ASX.

Copies of the Company's announcements can be obtained from [www.asx.com.au](http://www.asx.com.au) or the Company's website [www.kinmining.com.au](http://www.kinmining.com.au).

### **7.2 Rights Issue Offer Document**

This Offer Document is issued pursuant to section 708AA of the Corporations Act. The Company provided ASX with a notice that complied with the requirements of section 708AA(7) on 12 October 2018. In addition to certain minor and technical matters that notice was required to:

- (a) set out any information that had been excluded from a continuous disclosure notice in accordance with the Listing Rules and that investors and their professional advisers would reasonably require and expect to find in a disclosure document, for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
  - (ii) the rights and liabilities attaching to the New Shares; and
- (b) state the potential effect of the issue of the New Shares on the control of the Company and the consequences of that effect.

### **7.3 Withdrawal of the Offer**

Subject to applicable laws and regulations, the Company reserves the right to withdraw all or part of the Offer or this Offer Document at any time. In this event and in accordance with the Corporations Act, the Company will refund without payment of interest all Application Monies in relation to New Shares not already issued.

To the fullest extent permitted by law, each Eligible Shareholder acknowledges that any Application Monies paid will not entitle the Shareholder to receive any interest earned in respect of Application Moneys and any interest will accrue solely for the benefit of the Company.

#### **7.4 No Cooling Off Period**

Cooling off periods do not apply to an investment in New Shares. An Application cannot be withdrawn once it has been accepted.

#### **7.5 Not Investment Advice**

This Offer Document is not a prospectus under the Corporations Act and has not been lodged with ASIC. It also does not constitute financial product advice and has been prepared without taking into account a Shareholder's personal or financial circumstances. The Company is not licensed to provide financial product advice under the Corporations Act in relation to the New Shares.

The information contained in this Offer Document does not purport to contain all of the information that may be required to evaluate a possible application for New Shares, nor does it purport to contain all of the information which would be required in a prospectus prepared in accordance with the requirements set out in the Corporations Act. This Offer Document should be read in conjunction with the Company's continuous disclosure announcements lodged with the ASX.

**A\$, \$** and dollars means Australian dollars, unless otherwise stated.

**Application** means a valid application for New Shares made pursuant to this Offer Document and an Application Form.

**Application Form** means the application form accompanying this Offer Document.

**Application Money (Monies)** means money received from an Eligible Shareholder in respect of their Application for New Shares

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ABN 98 008 624 691) trading as the Australian Securities Exchange, or the market operated by that entity.

**Board** means the board of directors of the Company.

**Closing Date** means 31 October 2018 or such other date as may be determined by the Directors under this Offer Document.

**Company or Kin** means Kin Mining NL (ACN 150 597 541).

**Corporations Act** means the *Corporations Act 2001* (Cth), including as modified by ASIC Class Order 08/35 in relation to the Offer.

**Credit Facility** has the meaning given to it in section 6.1(c).

**Directors** means the directors of the Company.

**Eligible Shareholder** means a Shareholder as at 5.00pm (WST) on the Record Date, other than a Non-Qualifying Foreign Shareholder.

**Entitlement or Right** means an Eligible Shareholder's entitlement to subscribe for New Shares offered under this Offer Document.

**Existing Share** means a Share issued on or before the Record Date.

**Listing Rules** means the listing rules of ASX.

**New Share** means a new Share to be issued under the Offer.

**Non-Qualifying Foreign Shareholder** means a Shareholder whose registered address is not situated in Australia, Hong Kong, New Zealand, Germany or Singapore.

**Offer** means the offer for New Shares made under this Offer Document.

**Offer Document** means this document, including any supplements or replacements to this document.

**Option** means an option to subscribe for a Share.

**Placement** has the meaning given to it in section 4.3.

**Project, the Leonora Gold Project or the LGP** means the Leonora Gold Project.

**Record Date** means 17 October 2018.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Advanced Share Registry Limited, 110 Stirling Highway, Nedlands, WA.

**Shareholder** means a holder of a Share.

**Shortfall** means those New Shares not applied for by Eligible Shareholders.

**Shortfall Shares** has the meaning given in section 3.4.

**Sprott** has the meaning given to it in section 6.1(c).

**US Person** has the meaning given to that term in Regulation S under the US Securities Act.

**US Securities Act** means the United States Securities Act of 1933, as amended.

**WST** means Western Australian Standard Time.

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**9 CORPORATE DIRECTORY**

**Directors**

Mr Jeremy Kirkwood (Chairman)  
Mr Andrew Munckton  
Mr Trevor Dixon  
Mr Brian Dawes  
Mr Giuseppe Graziano

**Company Secretary**

Mr Stephen Jones

**Registered Office**

Level 1  
342 Scarborough Beach Road  
Osborne Park WA 6017  
Telephone: +61 8 9242 2227  
Email: [info@kinmining.com.au](mailto:info@kinmining.com.au)

**Share Registry**

Advanced Share Registry  
110 Stirling Highway  
Nedlands WA

**Solicitors**

Dominion Legal  
17 Lacey Street  
Perth WA 6000

**Web Address**

[www.kinmining.com.au](http://www.kinmining.com.au)

**ACN**

ACN 150 597 541

**ASX Code**

KIN