



4 November 2014

Board of Directors

Terry Grammer

Chairman

Trevor Dixon

Managing Director

Fritz Fitton

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Shares on Issue:

43,352,850 (KIN)

Options on Issue:

19,362,512 at \$0.30

Expiring 31 January 2015

ASX: KIN

Kin Mining completes acquisition of Leonora Gold Project, WA

Evaluation of extensive gold inventory already well underway; drilling to commence shortly at high-grade Tonto prospect which represents an early-stage production opportunity

Highlights

- **Acquisition of Leonora Gold Project (LGP) from the Deed Administrator of Navigator Resources Ltd (Navigator) completed, with payment of \$1M cash on 3rd November and the issue of 1M KIN shares to secured creditor Waterton Global Value L.P.**
- **Evaluation of the extensive JORC (2004) Mineral Resource inventory already well underway, with the objective of upgrading it to JORC 2012 compliance as soon as possible. This is anticipated to be completed by Q1 2015.**
- **Close-spaced definition drilling scheduled to commence shortly at the high-grade Tonto gold deposit, a potential early-stage production opportunity within the overall LGP development.**
- **This drilling will commence immediately following the current drilling program at the Kingfisher nickel-copper target.**
- **Feasibility Study expected to commence on the LGP in Q1 2015, paving the way for Kin to advance its production strategy. Completion of the acquisition gives Kin full access to the Navigator assets, electronic database and server, including mine scheduling data from the previous trial mining exercise.**

Kin Mining NL (ASX: KIN) is pleased to advise that resource evaluation, drilling and feasibility activities will commence immediately at its newly acquired Leonora Gold Project (LGP) in WA following completion of the company-making transaction yesterday.

The achievement of this milestone, resulting in the immediate transfer of all of the LGP assets to Kin, marks a major step forward in the Company's strategy to fast-track its transition to production and cash-flow.

Kin reached agreement to acquire the LGP from the Deed Administrator of Navigator in April, with the transaction completed yesterday under the revised terms announced on 21 October 2014 (*see ASX Announcement – 21 October*).

Under the revised terms, Kin paid \$1 million to the Deed Administrator on 3rd November and has issued 1 million Kin shares to Waterton Global Value L.P.



The \$1 million is being provided by a loan provided by Mr Fritz Fitton, Kin's Technical Director, under terms announced on 21st October, with Waterton Global Value also providing a \$1.35 million vendor loan.

The Leonora Project, located 35km north-east of the mining centre of Leonora in WA's North-eastern Goldfields comprises the Mertondale, Cardinia, Raeside and Gambier Lass project areas, complementing KIN's current asset holdings in the area.

Kin has already embarked on technical studies aimed at the Project's existing Indicated and Inferred Resource base from JORC 2004 to JORC 2012 compliant status. This work is well advanced and is expected to be completed by Q1 2015, providing the foundation for the Company to embark on a Feasibility Study.

In addition, Kin intends to undertake a program of close-spaced resource definition drilling at the high-grade Tonto deposit, one of several deposits for which pit optimisation studies were completed by Navigator.

Kin has identified what it believes to be an early-stage production opportunity at Tonto and intends to drill out the near-surface portion of this deposit following completion of the current drilling program at the Kingfisher nickel-copper prospect (see *ASX Announcement – 3 November 2014*).

Kin's Managing Director Trevor Dixon said "the Company was very pleased to announce completion of the LGP transaction, with the transfer of the assets giving it full ownership of one of the largest undeveloped gold projects in Western Australia".

"This represents the culmination of a great deal of hard work, and I would like to take this opportunity to thank the Deed Administrator, Bryan Hughes, and everyone involved on both sides of the transaction – in particular those who have supported the transaction financially," he said.

"Kin now has a very large Gold inventory totalling approximately one million ounces on its books, with optimisations completed on a several high-grade pits which represent near-term production opportunities.

"We are confident that we can convert a significant proportion of our very large gold inventory, firstly into JORC 2012 ounces and then into mineable ounces and reserves, allowing us to make the transition to gold producer in the near term.

"This is an exciting time for Kin Mining, with the transaction completed this allows us to move forward and execute our growth strategy," Mr Dixon added.

Background on the Leonora Gold Project

Navigator produced 7,233oz at an average grade of 2.33g/t Au from trial mining of two pits at Leonora in 2010.

Total historical production from the Project area amounts to nearly 2Mt at an average grade of 4.92g/t gold for over 316,000oz.

Substantial planning and development work has already been completed at Leonora, with pit optimisation studies completed for each of the key deposits. Metallurgical test work has also returned positive results, including recoveries of 95% plus.

A CIP gold plant designed to treat 500kt/pa from the project has been the subject of a previous feasibility study to determine potential capital and operating costs.

A Pre-Feasibility Study completed by Navigator in 2009 for 97% of the total Mineral Resource demonstrated an economically viable project with considerable upside.

These studies also demonstrated that an additional 282,000oz are contained outside the main resource areas, highlighting the substantial exploration potential within the broader 308 km² tenement package.

Competent Persons Statement

The information in this report relates to Exploration Results based on information compiled by Paul Maher who is a member of the AusIMM and an employee of the company and fairly represents this information. Mr Maher has sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the JORC Australian code for reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Maher consents to the inclusion in the report of the matters based on information in the form and context in which it appears.