

12 October 2018

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

A handwritten signature in blue ink that reads "Jeremy J. Kirkwood". The signature is written in a cursive, flowing style.

Jeremy Kirkwood,
Chairman