KIN MINING NL

ABN 30 150 597 541

Financial Report
for the Year Ended
30 June 2012

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Corporate Directory

Directors
Terry Grammer
Trevor Dixon
Marvyn (Fritz) Fitton
Giuseppe (Joe) Graziano

Company Secretary
Giuseppe (Joe) Graziano

Principal Activity
Gold and Base Metals Exploration

Registered Office
Ground Floor
342 Scarborough Beach Road
OSBORNE PARK WA 6017

Auditors
HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Directors' Report

The directors of Kin Mining NL ("the Company") submit herewith the annual financial report of the company for the financial year ended 30 June 2012. In order to comply with the provisions of the Corporations Act, the directors report as follows:

Directors

The names of the directors in office at any time during or since the end of the year are:

Terry Grammer – appointed 24 August 2011
Trevor Dixon – appointed 27 April 2011
Robert Lee Griffiths – appointed 27 April 2011 – resigned 24 August 2011
Marvyn (Fritz) Fitton – appointed 26 July 2011
Giuseppe (Joe) Graziano – appointed 27 April 2011

Information on Directors

Terry Grammer, Non-Executive Chairman

Mr Grammer is a geologist with over 35 years' experience in mining and mineral exploration with extensive experience in Australia, Africa, east Asia & New Zealand. He has been based in Western Australia since 1988 and has extensive professional experience in the exploration of gold, base metals and some industrial minerals. He was a founder and promoter in 1999 of the successful nickel miner Western Areas NL, and was exploration manager of the company from 2000 until retiring in 2004.

Special Responsibilities:
- Nil

Directorships held in other listed companies in the past 3 years:
- Fortis Mining Ltd.
- South Boulder Mines Ltd.
- Sirius Resources NL

Mr Trevor Dixon, Managing Director

Mr Dixon is a businessman with over 25 years' experience within the mining and exploration industry as an earthmoving contractor to the industry and as a private individual identifying prospective mineral areas and subsequently acquiring project areas of interest. He has been a founding vendor to a number of companies including Jubilee Mines NL (now Xstrata Plc), Terrain Minerals Ltd (ASX:TMX) and Regal Resources Ltd (ASX:RER).

Special Responsibilities:
- Nil

Directorships held in other listed companies in the past 3 years:
- Nil

Robert Lee Griffiths, Non-Executive Director (Resigned 24 August 2011)

Mr Griffiths has been involved in the mining, exploration and drilling industry for the past 30 years and in that time has developed close relationships with many mining companies through field operations and acquiring projects and tenements for various company floats. He has also been involved in the negotiation of commercial agreements relevant to the mining and exploration industry. For ten of those years with his knowledge of the Mining Act procedures, he has managed a successful exploration and field service providing management for field operations including drilling and tenement expenditures.

Directors' Report (cont)

Information on Directors (cont)

Robert Lee Griffiths, Director (cont)

Mr Griffiths is now the manager and driving force in the founding and operation of a mining service company that for the past three years has serviced companies throughout WA in the exploration and resource proving field.

Special Responsibilities:

- Nil

Directorships held in other listed companies in the past 3 years:

- Metaliko Resources Ltd

Marvyn (Fritz) Fitton, Non-Executive Director

Between 1969 and 1987 Mr Fitton worked as senior geologist for several international mining corporations, during which time he was involved in several world class mineral discoveries. In 1987 Mr Fitton founded Geological & Mining consulting firm Maprock Pty Ltd based in Perth WA. Since its formation, Maprock has been responsible for the preparation of numerous independent geological reports for inclusion in prospectuses for successful initial public offerings such as Jubilee Mines, Berkeley Resources, Trafford Resources, Athena Resources and Scotgold Resources.

Directorships held in other listed companies in the past 3 years:

- Nil

Giuseppe (Joe) Graziano, Non-Executive Director/Company Secretary

Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. He has experience in capital raisings, ASX compliance and regulatory requirements and is currently a director of Crowe Horwath, (Perth). Mr Graziano has had 22 years' experience in business, financial and taxation advice to listed and unlisted companies including mining, resources, banking and finance.

Directorships held in other listed companies in the past 3 years:

- Oz Brewing Ltd.

Directors' Report (cont)

Principal Activities

The principal activity of the company during the financial year was gold and base metals exploration.

Operating Results

The net loss for the year after providing for income tax amounted to $21,634.

Review of Operations

Operations of Kin Mining NL during 2012 focused on raising seed capital to secure exploration projects from vendors and preparing the company for an Initial Public Offering on the Australian Securities Exchange.

Corporate Matters

Between September 2011 and April 2012 the company issued 4,000,000 shares at 5c to raise $200,000 seed capital from a group of Sophisticated Investors. The funds raised assisted the company to secure the Tenement Package and make Option Payments to the Vendors of the Exploration Projects.

In June 2012 the company issued a further 6,950,000 shares at 10c to raise further seed capital of $695,000 through an Information Memorandum to Sophisticated Investors. These funds have assisted the company in the preparation of the Prospectus for the Initial Public Offering and provide working capital to maintain the Tenement Package.

Matters Subsequent to the End of the Financial Year

The Company's Initial Public Offering opened on 23 August 2012 to raise a minimum of $2,500,000 and maximum of $4,000,000 at an issue price of 20c per share. The Company was unsuccessful in raising the minimum amount prior to the 15th November 2012 and has subsequently issued three supplementary prospectuses to continue raising the necessary funds and list on the Australian Securities Exchange by August 2013. If the minimum subscription of $2,500,000 is not achieved by August 2013 the company will consider a further capital raising to Sophisticated Investors under an Information Memorandum to be prepared.

Likely Developments & Expected Results of Operations

As the company currently has a prospectus to raise funds on issue it cannot undertake any exploration activity and thus there are no likely developments or expected results from operations until such time that the Initial Public Offering process is finalised.

Dividends Paid or Recommended

No dividends were paid during the year and no recommendation is made as to payments of future dividends.

Directors' Report (cont)

Meetings of Directors

During the year, 6 meetings of directors were held. Attendances by each director were as follows:

	Number eligible to attend	Number Attended
Terry Grammer – appointed 24 August 2011	6	6
Trevor Dixon – appointed 27 April 2011	6	6
Robert Lee Griffiths – appointed 27 April 2011 – resigned 24 August 2011	0	0
Marvyn (Fritz) Fitton – appointed 26 July 2011	6	3
Giuseppe (Joe) Graziano – appointed 27 April 2011	6	6

As at the date of this report the interests of the directors in the shares and options of the Company were:

Director	Ordinary Shares	Options over Ordinary Shares
Terry Grammer	-	-
Trevor Dixon	2,000,001	-
Robert Lee Griffiths	1	-
Marvyn (Fritz) Fitton	1,000,000	-
Giuseppe (Joe) Graziano	5,000,001	-

Remuneration Report (audited)

The emoluments for each director and key management personnel of the Company are as follows:

Year ended 30 June 2012	Short-term			Share-based payments	Termination Payments ***	Total
	Salary & Fees	*Consulting*	*Non Cash*	*Options*		
	$	*$*	*$*	*$*	*$*	*$*
Directors						
T Grammer	-	-	-	-	-	-
T Dixon	-	-	-	-	-	-
M Fitton	-	26,277	-	-	-	26,277*
R Griffiths	-	1,056	-	-	-	1,056**
J Graziano	-	9,478	-	-	-	9,478***
Company Secretary						
J Graziano	-	-	-	-	-	-
	-	36,811	-	-	-	36,811

Directors' Report (cont)

Remuneration Report (cont)

* Consulting fees paid to Mr M Fitton were paid to Maprock Pty Ltd for geological consulting services during the period. Mr Fitton is the sole director and shareholder of Maprock Pty Ltd.

** Consulting services rendered by Mr Griffiths were paid to RLG Exploration for field work on the tenements.

*** Consulting services rendered by Mr Graziano was via Crowe Horwath Perth for Accounting and Taxation services during the period.

This is the end of the Audited Remuneration Report.

Non-Audit Services

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor or a related practice of the auditor is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

No non-audit services have been provided by the Company's auditors during the year ended 30 June 2012. Remuneration paid to the Company's auditors is detailed in Note 12 of the financial report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 7.

Environmental Issues

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Signed in accordance with a resolution of the Board of Directors:

T. J. Dixon

MR TREVOR DIXON
DIRECTOR

Dated at Perth: 7 May 2013

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Kin Mining NL for the year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kin Mining NL.

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Perth, Western Australia
7 May 2013

L DI GIALLONARDO
Partner, HLB Mann Judd

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Kin Mining NL

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Kin Mining NL which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion, the financial report of Kin Mining NL is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*;

Basis of accounting

Without modifying our opinion, we draw attention to Note 1(a) to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion the remuneration report of Kin Mining NL for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

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L DI GIALLONARDO
Partner

Perth, Western Australia
7 May 2013

Directors' Declaration

The directors of the company declare that:

a) the financial statements and notes, as set out on pages 11 to 33 comply with Accounting Standards and the Corporations Act 2001 and other mandatory professional reporting requirements;

b) the financial statements and notes give a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended 30 June 2012; and

c) in the Directors' opinion, the financial statements and notes are prepared in accordance with International Financial Reporting Standards and Interpretations as adopted by the International Accounting Standards Board.

In the Directors' opinion:

(i) at the date of the declaration there are reasonable grounds to believe that the Company will be able to pay its debts and when they become due and payable; and

(ii) the Directors have been given the declaration by the Chief Executive Officer and Chief Financial Controller required by Section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

T. J. Dixon

MR TREVOR DIXON
DIRECTOR

Dated at Perth: 7 May 2013

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012 $
Revenue		
Revenue from ordinary activities	2	-
Other income	2(a & b)	2,791
Total Revenue		2,791
Expenses		
Depreciation	2(c)	(510)
Administration expenses		(8,242)
Consultant expenses and professional costs		(7,923)
Occupancy expenses		(7,750)
Total expenses		(24,425)
Loss before income tax		(21,634)
Income tax benefit	3	-
Loss for the year		(21,634)
Other comprehensive income		-
Total comprehensive loss for the year		(21,634)
Earning/ (loss) per share for profit / (loss) from continuing operations attributable to equity holders of the company:		
Basic loss per share (cents)	4	(0.002)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	NOTE	2012 $
CURRENT ASSETS		
Cash and cash equivalents	5	612,305
Receivables	6	32,176
TOTAL CURRENT ASSETS		644,481
NON CURRENT ASSETS		
Property, plant & equipment	7	3,458
Capitalised exploration and evaluation expenditure costs	8	190,053
TOTAL NON CURRENT ASSETS		193,511
TOTAL ASSETS		837,992
CURRENT LIABILITIES		
Trade and other payables	9	49,907
TOTAL CURRENT LIABILITIES		49,907
TOTAL LIABILITIES		49,907
NET ASSETS		**788,085**
EQUITY		
Issued capital	10(a)	809,719
Accumulated losses	11	(21,634)
TOTAL EQUITY		**788,085**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2012

	Attributable to equity holders		
	Ordinary Shares $	Accumulated Losses $	Total Equity $
Balance at 27 April 2011	-	-	-
Loss for the year	-	(21,634)	(21,634)
Transactions with owners in their capacity as owners			
Shares issued during the year	939,003	-	939,003
Share issue costs	(129,284)	-	(129,284)
Total contributions by owners	809,716	(21,634)	788,082
Balance at 30 June 2012	809,719	(21,634)	788,085

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012 $
Cash flows from operating activities		
Payments to suppliers and employees		(19,323)
Interest received		1,791
Net cash used in operating activities	16(b)	(17,532)
Cash flows from investing activities		
Capitalised exploration and evaluation expenditure		(100,179)
Payment for acquisition of mineral interests		(79,600)
Payments for property, plant and equipment		(3,968)
Net cash used in investing activities		(183,747)
Cash flows from financing activities		
Capitalised IPO Costs		(54,973)
Proceeds from issues of ordinary shares		939,003
Share issue costs		(72,446)
Proceeds from Loans - Directors		2,000
Net cash provided by financing activities		813,584
Net increase in cash and cash equivalents		612,305
Cash and cash equivalents at the beginning of the financial year		-
Cash and cash equivalents at the end of the financial year	16(a)	**612,305**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies

The financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Australian Accounting Interpretations. In accordance with the provisions of the Corporations Act 2001, the Directors have deemed that the first financial year of the Company as represented by this financial report, be for the period from the date of the Company's registration, 27 April 2011 to 30 June 2012.

The financial statements were authorised for issue by the Directors on 7th May 2013.

Basis of preparation
The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets.

Going Concern
This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the year ended 30 June 2012 of $21,634 and experienced net cash outflows from operating activities of $17,532. At 30 June 2012, the Company had current assets of $644,481.

The Directors believe there are sufficient funds to meet the Company's working capital requirements and as at the date of this report the Company believes it can meet all liabilities as and when they become due and payable. However the Directors recognise that additional funding through the successful completion of the Initial Public Offering will be required for the Company to commence to actively explore its mineral properties.

The Directors have reviewed the business outlook and the assets and liabilities of the Company and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will continue to be successful in securing additional funds through debt or equity issues or partial sale of its mineral properties as and when the need to raise working capital arises.

Critical Accounting Judgments & Estimates
In the application of IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

Compliance with IFRS
The financial report of Kin Mining NL complies with International Financial Reporting Standards (IFRS). The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

(b) Trade and other receivables
Trade receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

(c) Employee benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the entity in respect of services provided by employees up to reporting date.

(d) Financial assets
Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

(e) Financial instruments issued by the company

Debt and equity instruments
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(e) Financial instruments issued by the company (cont)

Transaction costs on the issue of equity instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(h) Income Tax

Current Tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(i) Exploration and Evaluation Expenditure

Identifiable exploration assets acquired are recognised as assets at their cost of acquisition.

Subsequent exploration and evaluation costs related to an area of interest are written off as incurred except they may be carried forward as an item in the statement of financial position where the rights of tenure of an area are current and one of the following conditions is met:

- the costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
- exploration and/or evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered through use or sale.

(j) Operating cycle

The operating cycle of the entity coincides with the annual reporting cycle.

(k) Payables

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Property, plant and equipment	10% to 66.67%

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(m) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs. The cost of mining stocks includes direct materials, direct labour, transportation costs and variable and fixed overhead costs relating to mining activities.

(n) Presentation currency

The entity operates entirely within Australia and the presentation currency is Australian dollars.

(o) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(p) Issued Capital

Issued capital is recognised at the fair value of the consideration received by the Company. Any transaction costs on the issue of shares are recognised directly in equity as a reduction of the share proceeds received.

(q) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that it transferred to the company, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(r) Earnings per share

Basic earnings per share is calculated as a net profit/loss attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS required the use of certain critical estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes option pricing model.

Exploration and evaluation assets

Acquisition, exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable areas, and active and significant operations in or relating to, the area of interest are continuing.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(u) Adoption of New and Revised Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013*).

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(u) Adoption of New and Revised Accounting Standards (cont)

financial assets and financial liabilities. The standard is not applicable until 1 January 2013* but is available for early adoption. When adopted, the standard will affect in particular the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair valued gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The Company has not yet been able to reasonably estimate the impact of these pronouncements on its financial statements.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Company has not yet decided when to adopt AASB 9.

*In December 2011, the IASB delayed the application date of IFRS 9 to 1 January 2015.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013).

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013).

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iv) Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. Summary of Significant Accounting Policies (cont)

(u) Adoption of New and Revised Accounting Standards (cont)

In September 2011, the AASB released a revised standard on accounting for employee benefits. It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset. This replaces the expected return on plan assets that is currently included in profit or loss. The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits. The amendments will have to be implemented retrospectively. The Company does not have any defined benefit plans and so is not impacted by the amendment. The Company has not yet decided when to adopt the new standard.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 2: Loss From Continuing operations	**2012** **$**
Loss from Continuing operations before income tax includes the following items of revenue and expenses	
(a) **Interest revenue**	1,791
(b) **Other income**	
Rent received	1,000
(c) **Operating Expenses**	
Depreciation of plant and equipment	510

Note 3: Income Tax

(a) The prima facie income tax expense on pre-tax accounting loss reconciles to the income tax expense in the financial statements as follows:

	2012 **$**
Loss from Operations	(21,634)
Income tax benefit calculated at 30%	(6,490)
	(6,490)
Movements in unrecognised timing differences	1,500
Tax losses not brought to account	4,990
Income tax benefit reported in the Statement of Comprehensive Income	-

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:

(a) assessable income is derived of a nature and of amount sufficient to enable the benefit from the deductions to be realised;
(b) conditions for deductibility imposed by the law are complied with; and
(c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 4: Loss per share

	2012 Cents Per Share
(a) Basic loss per share:	(0.002)

The loss for the year and the weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	2012 $
Loss for the year after income tax	(21,634)

	2012 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	8,938,646

(b) Diluted loss per share

The Company's potential ordinary shares, being its options and performance rights granted are not considered dilutive as the conversion of these options and performance rights would result in a decrease in the net loss per share.

Note 5: Cash and cash equivalents

	2012 $
Cash at bank	612,302
Cash on hand	3
	612,305

(a) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 17. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 6: Receivables

(a) Current

Other receivables – GST refundable	6,626
Trade debtors	550
Other debtor – seed capital	25,000
	32,176

None of the above receivables are past due or impaired. Refer to Note 17 for the Company's financial risk management and policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 7: Property, Plant & Equipment

	Office Equipment $	Total $
Year ended 30 June 2012		
Opening net book value	-	-
Additions	3,968	3,968
Disposals	-	-
Profit/(loss) on sale	-	-
Depreciation charge for the year	(510)	(510)
Closing net book value	3,458	3,458
At 30 June 2012		
Cost or fair value	3,968	3,968
Accumulated depreciation	(510)	(510)
Net book value	3,458	3,458

Note 8: Capitalised Exploration & Evaluation Expenditure Assets

	2012 $
Opening balance – tenement acquisitions	-
Costs of acquisition of interests during the financial year	79,600
Current year expenditure	110,453
Expenditure written off	-
Closing balance - tenement acquisitions	190,053

The recoverability of the carrying amounts of exploration and valuation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 9: Current trade and other payables

	2012 $
Accrued Expenses	17,138
Trade Creditors	30,769
Directors Loans	2,000
	49,907

Refer to Note 17 for the Company's financial risk management and policies.

Note 10: Issued Capital

	2012 $
(a) Issued Capital	809,719

Movements in share capital were as follows:

Year ended 30 June 2012		Issue Price	Fully Paid Ordinary Shares	$
27 April 2011	Opening Balance		3	3
21 Sept 2011	Issue of Shares	$0.001	4,000,000	4,000
21 Sept 2011	Issue of Shares	$0.01	4,000,000	40,000
21 Sept 2011	Issue of Shares	$0.05	2,000,000	100,000
27 Oct 2011	Issue of Shares	$0.05	1,000,000	50,000
23 Apr 2012	Issue of Shares	$0.05	500,000	25,000
6 Jun 2012	Issue of Shares	$0.1	6,950,000	695,000
15 Jun 2012	Share Issue Costs			(72,446)
30 Jun 2012	Issue of Promoter Shares	$0.05	500,000	25,000
30 Jun 2012	IPO Costs			(56,838)
30 June 2012	Closing Balance		18,950,003	809,719

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At the shareholders meetings, each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. Refer to Note 17(b) for the Company's capital risk policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 11: Accumulated Losses

	2012 $	2011 $
Balance at beginning of financial year	-	-
Net Loss	(21,634)	-
Balance at end of financial year	(21,634)	-

Note 12: Remuneration of Auditors

	2012 $	2011 $
Audit or review of the financial report	5,000	-
	5,000	-

The auditor of Kin Mining NL is HLB Mann Judd.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 13: Related Party Disclosures

(a) Other transactions with Director related entities

Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Disclosures relating to Key Management Personnel are set out in Note 14.

	2012 $
(i) Payment to Maprock Pty Ltd, an entity related to Marvyn (Fritz) Fitton, in satisfaction of Geological Technical Services.	26,277
(ii) Payments made to RLG Exploration, a business of which is related to Mr Robert Lee Griffiths, for the provision of Tenement Field Costs.	1,056
(iii) Payments made to Crowe Horwath Perth a company which is related to Mr Giuseppe (Joe) Graziano, for the provision of Accounting and Corporate services	9,478

Note 14: Key Management Personnel Disclosures (cont)

(e) Shareholdings of Key Management Personnel

2012	Opening Balance	Shares Acquired**	Balance held at appointment	Shares Disposed	Balance held at resignation	Balance at 30/6/12
	No.	No.	No.	No.	No.	No.
Directors						
T Grammer	-	-	-	-	-	-
T Dixon	-	2,000,001	-	-	-	2,000,001
M Fitton	-	1,000,000	-	-	-	1,000,000
R Griffiths	-	1	-	-	1	1
J Graziano	-	5,000,001	-	-	-	5,000,001
	-	8,000,003		-	1	8,000,003

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 15: Events Occurring After the Reporting Period

The Company's Initial Public Offering opened on 23 August 2012 to raise a minimum of $2,500,000 and maximum of $4,000,000 at an issue price of 20c per share. The Company was unsuccessful in raising the minimum amount prior to the 15th November 2012 and has subsequently issued three supplementary prospectuses to continue raising the necessary funds and list on the Australian Securities Exchange by August 2013. If the minimum subscription of $2,500,000 is not achieved by August 2013 the company will consider a further capital raising to Sophisticated Investors under an Information Memorandum to be prepared.

Note 16: Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position, as follows:

	2012 $
Cash at bank and on hand	612,305

(b) Reconciliation of Operating Loss After Income Tax to Net Cash Flows From Operations

Loss for the year	(21,634)
Depreciation	510
Changes in assets and liabilities:	
Trade and other payables	35,768
Receivables	(32,176)
Net cash (used in) operating activities	(17,532)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 17: Financial Instruments

Financial risk management and policies

Kin Mining NL's exploration activities will be funded by equity and are not exposed to significant financial risks. There are no speculative or financial derivative instruments. Funds are invested for various short term periods to match forecast cash flow requirements.

The Company holds the following financial instruments:

	2012 $
Financial assets	
Cash and cash equivalents	612,305
Trade and other receivables	32,176
	644,481

	2012 $
Financial liabilities	
Trade and other payables	49,907
	49,907

The Company's principal financial instruments comprise cash and short-term deposits. The Company does not have any borrowings.

The main purpose of these financial instruments is to fund the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company are capital risk, credit risk, liquidity risk, and interest rate risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

(a) Credit risk

Management does not actively manage credit risk.

The Company has no significant exposure to credit risk from external parties at year end. The maximum exposure to credit risk at the reporting date is equal to the carrying value of financial assets at 30 June 2012.

Cash at bank is held with internationally regulated banks. As at 30 June 2012, all cash and cash equivalents were held with A-1+ rated banks.

Other receivables are of a low value and all amounts are current. There are no trade receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 17: Financial Instruments (cont)

(b) Capital risk

Kin Mining NL's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year ended 30 June 2012, Kin Mining NL's strategy was to keep borrowings to a minimum. The company's equity management is determined by funds required to undertake exploration activities and meet its corporate and other costs.

(c) Liquidity risk

Maturity profile of financial instruments

Prudent liquidity risk management implies maintaining sufficient cash balances and access to equity funding.

The Company's exposure to the risk of changes in market interest rates relate primarily to cash assets and floating interest rates.

The directors monitor the cash-burn rate of the Company on an on-going basis against budget and the maturity profiles of financial assets and liabilities to manage its liquidity risk.

As at reporting date the Company had sufficient cash reserves to meet its requirements. The Company has no access to credit standby facilities or arrangements for further funding or borrowings in place.

The financial liabilities the Company had at reporting date were trade payables incurred in the normal course of the business. These were non interest bearing and were due within the normal 30-60 days terms of creditor payments.

The following table sets out the carrying amount, by maturity, of the financial instruments including exposure to interest rate risk:

As at 30 June 2012	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	612,305	-	-	612,305	3.75%
Receivables & other	32,176	-	-	32,176	
	644,481	-	-	644,481	
Financial Liabilities:					
Trade payables and Provisions	49,907	-	-	49,907	-
	49,907	-	-	49,907	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Note 17: Financial Instruments (cont)

Interest Rate Risk

The sensitivity analysis has not been determined for the exposure to interest rate risk, because Directors of Kin Mining NL consider it to be immaterial.

(c) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature.

The Company's principal financial instruments consist of cash and deposits with banks, accounts receivable and trade payables. The main purpose of these non-derivative financial instruments is to finance the entity's operations.

Note 18: Commitments for expenditure

	2012 $
(b) Exploration commitments	
The company has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:	
Not later than 1 year	100,000
Later than 1 year and not later than 2 years	600,000
Later than 2 years and not later than 5 years	1,250,000
	1,950,000

Note 19: Contingent Liabilities

The Company has no contingent liabilities at the date of this report.

Note 20: Dividends

No dividends were paid or declared during the year ended 30 June 2012 (2011: Nil).