KIN MINING NL

ABN 30 150 597 541

Financial Report
for the Year Ended
30 June 2013

CONTENTS

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 2013. 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
Trevor Dixon
Marvyn (Fritz) Fitton
Giuseppe (Joe) Graziano

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
- Stratum Metals Ltd (Appointed February 2013)

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

Directors' Report (cont)

Information on Directors (cont)

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 24 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 $97,424, (2012 $21,634).

Review of Operations

Operations of Kin Mining NL during 2013 focused on raising capital to secure an Initial Public Offering on the Australian Securities Exchange.

Corporate Matters

The Company continues with its efforts to raise funds through an Initial Public Offering.

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 15 November 2012 and has subsequently issued four supplementary prospectuses, with the Fourth Supplementary Prospectus dated 1 August 2013.

The Board resolved to close the offer on 13 September 2013 in accordance with the requirements of the Fourth Supplementary Prospectus, following the company achieving the minimum subscription under the prospectus. The Company has raised $2,583,600 (before costs of the issue) and has been granted conditional listing approval by ASX. The Company is working on the finalisation of various conditions precedent to be admitted to the official list of ASX and expects this process to be finalised soon.

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	6	4
Trevor Dixon	6	6
Marvyn (Fritz) Fitton	6	5
Giuseppe (Joe) Graziano	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	-
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 2013	Short-term			Share-based payments	Termination Payments ***	Total
	Salary & Fees	*Consulting*	*Non Cash*	*Options*		
	$	*$*	*$*	*$*	*$*	*$*
Directors						
T Grammer	-	-	-	-	-	-
T Dixon	4,500	-	-	-	-	4,500
M Fitton	-	5,000*	-	-	-	5,000*
J Graziano	-	10,230**	-	-	-	10,230**
Company Secretary						
J Graziano	-	-	-	-	-	-
	4,500	15,230	-	-	-	19,730

* 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 Graziano were via Crowe Horwath Perth for Accounting and Taxation services during the period.

Directors' Report (cont)

Remuneration Report (cont)

Employment Contracts

Details of employment contracts currently in place with respect to directors' employment with the company are as follows:

Trevor Dixon, Managing Director

- Term of employment agreement is unlimited from the date Kin Mining NL is listed on the official list of ASX Limited, unless otherwise terminated in accordance with the agreement.
- Annual salary of $120,000 plus statutory superannuation and a director's fee of $36,000 per annum.
- The Company may terminate the agreement without cause by providing the Director with ninety days' notice, while the Director may terminate the agreement without cause by providing the Company with sixty days' notice.

Marvyn (Fritz) Fitton, Non- Executive Director

- Term of consultancy agreement is unlimited from the date Kin Mining NL is listed on the official list of ASX Limited, unless otherwise terminated in accordance with the agreement.
- Daily rate of $750 excluding GST plus a reasonable vehicle allowance.
- Either party may terminate the agreement without cause by providing the other party with one months' notice in writing. Upon termination of this agreement by either party, the Consultant is entitled to the service fees payable to the Consultant for work in progress up to and including the date of termination.
- The Consultant is not entitled to claim any compensation or damages from the Company in relation to that termination.

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.

During the year ended 30 June 2013, the Company's auditors provided non-audit services to the Company in the form of the Investigating Accountant's Report for the prospectus to raise funds as part of the IPO. 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 8.

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.

Directors' Report (cont)

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:

MR TREVOR DIXON
DIRECTOR

Dated at Perth: 1 October 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 2013, 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.

Perth, Western Australia
1 October 2013

L Di Giallonardo
Partner

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INDEPENDENT AUDITOR'S REPORT

To the members of Kin Mining NL

Report on the Financial Report

We have audited the accompanying financial report of Kin Mining NL ("the company"), which comprises the statement of financial position as at 30 June 2013, 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 for Kin Mining NL.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

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 and fair presentation of the financial report 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 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:

(a) the financial report of Kin Mining NL is in accordance with the *Corporations Act 2001*, including:
   (i) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2013. 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 2013 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Giallonardo.

L Di Giallonardo
Partner

Perth, Western Australia
1 October 2013

Directors' Declaration

The directors of the company declare that:

a) the financial statements and notes, as set out on pages 12 to 32 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 2013 and of its performance for the year ended 30 June 2013; 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.

MR TREVOR DIXON
DIRECTOR

Dated at Perth: 1 October 2013

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 $	2012 $
Revenue			
Revenue from ordinary activities	2	-	-
Other income	2(a & b)	24,484	2,791
Total Revenue		24,484	2,791
Expenses			
Depreciation	2(c)	(2,463)	(510)
Administration expenses		(90,433)	(8,242)
Consultant expenses and professional costs		(5,250)	(7,923)
Occupancy expenses		(23,762)	(7,750)
Total expenses		(121,908)	(24,425)
Loss before income tax		(97,424)	(21,634)
Income tax benefit	3	-	-
Loss for the year		(97,424)	(21,634)
Other comprehensive income		-	-
Total comprehensive loss for the year		(97,424)	(21,634)
Earning/ (loss) per share:			
Basic loss per share (cents)	4	(0.051)	(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 2013

	NOTE	2013 $	2012 $
CURRENT ASSETS			
Cash and cash equivalents	5	155,306	612,305
Receivables	6	14,247	32,176
Prepaid IPO costs		197,827	-
TOTAL CURRENT ASSETS		367,380	644,481
NON CURRENT ASSETS			
Property, plant & equipment	7	8,081	3,458
Capitalised exploration and evaluation expenditure costs	8	314,592	190,053
TOTAL NON CURRENT ASSETS		322,673	193,511
TOTAL ASSETS		690,053	837,992
CURRENT LIABILITIES			
Trade and other payables	9	30,996	49,907
TOTAL CURRENT LIABILITIES		30,996	49,907
TOTAL LIABILITIES		30,996	49,907
NET ASSETS		**659,057**	**788,085**
EQUITY			
Issued capital	10(a)	778,115	809,719
Accumulated losses	11	(119,058)	(21,634)
TOTAL EQUITY		**659,057**	**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 2013

	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
Loss for the year	-	(97,424)	(97,424)
Transactions with owners in their capacity as owners			
Share issue costs	(31,604)	-	(31,604)
Total contributions by owners	778,115	(119,058)	659,057
Balance at 30 June 2013	778,115	(119,058)	659,057

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 2013

	NOTE	2013 $	2012 $
Cash flows from operating activities			
Receipts from customers		14,213	
Payments to suppliers and employees		(318,533)	(19,323)
Interest received		10,271	1,791
Net cash used in operating activities	16(b)	(294,049)	(17,532)
Cash flows from investing activities			
Capitalised exploration and evaluation expenditure		(124,260)	(100,179)
Payment for acquisition of mineral interests		-	(79,600)
Payments for property, plant and equipment		(7,086)	(3,968)
Net cash used in investing activities		(131,346)	(183,747)
Cash flows from financing activities			
Capitalised IPO costs		(28,000)	(54,973)
Proceeds from issues of ordinary shares		-	939,003
Share issue costs		(3,604)	(72,446)
Proceeds from loans - Directors		-	2,000
Net cash provided by/(used in) financing activities		(31,604)	813,584
Net (decrease)/increase in cash and cash equivalents		(456,999)	612,305
Cash and cash equivalents at the beginning of the financial year		612,305	-
Cash and cash equivalents at the end of the financial year	16(a)	**155,306**	**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 2013

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. The financial statements were authorised for issue by the Directors on 1st October 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 2013 of $97,424 and experienced net cash outflows from operating activities of $294,049. At 30 June 2013, the Company had current assets of $367,380, which included prepaid IPO costs of $197,827 and cash of $155,306.

As disclosed in Note 15, subsequent to balance date, the Company has raised $2,583,600 (before costs of the issue) pursuant to a prospectus and has been granted conditional listing approval by ASX. The Company is working on the finalisation of various conditions precedent to be admitted to the official list of ASX and expects this process to be finalised soon.

As a result, the Directors are of the opinion that the use of the going concern basis of accounting is appropriate.

Compliance with IFRS
The financial report of Kin Mining NL complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising of the financial statements and notes thereto, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (cont)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (cont)

(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.

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 2013

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%

(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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (cont)

(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.

(r) Earnings/loss per share

Basic earnings/loss 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/loss per share is calculated as net profit/loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

1. Summary of Significant Accounting Policies (cont)

(s) Critical accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires 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

In the year ended 30 June 2013, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2013. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 2: Loss From Continuing operations	2013 $	2012 $
Loss from Continuing operations before income tax includes the following items of revenue and expenses		
(a) Interest revenue	10,271	1,791
(b) Other income		
Rent received	7,400	1,000
Secretarial services	6,813	-
	14,213	1,000
(c) Operating Expenses		
Depreciation of plant and equipment	2,463	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:

	2013 $	2012 $
Loss from operations	(97,424)	(21,634)
Income tax benefit calculated at 30%	(29,227)	(6,490)
	(29,227)	(6,490)
Movements in unrecognised timing differences	300	1,500
Tax losses not brought to account	28,927	4,990
Income tax benefit reported in the Statement of Comprehensive Income	-	-
Deferred tax assets have not been recognised in respect of the following items:		
Tax losses – revenue	33,917	4,990
Deductible temporary differences	1,800	1,500
	35,717	6,490

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 2013

Note 4: Loss per share	**2013 Cents Per Share**	**2012 Cents Per Share**
(a) Basic loss per share:	(0.051)	(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:

	2013 $	**2012 $**
Loss for the year after income tax	(97,424)	(21,634)

	2013 No.	**2012 No.**
Weighted average number of ordinary shares for the purposes of basic earnings per share	18,950,003	8,938,646

(b) Diluted loss per share

The Company has no potential ordinary shares in the form of options or performance rights granted.

Note 5: Cash and cash equivalents

	2013 $	**2012 $**
Cash at bank	155,037	612,302
Cash on hand	269	3
	155,306	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	**2013**	**2012**
(a) Current	**$**	**$**
Other receivables – GST refundable	6,312	6,626
Trade debtors	3,220	550
Other debtor – seed capital	-	25,000
Other debtor – credit card	503	-
Other debtor – ATO receivable	4,212	-
	14,247	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 2013

Note 7: Property, Plant & Equipment

	Office Equipment $	Total $
Year ended 30 June 2013		
Opening net book value	3,458	3,458
Additions	7,086	7,086
Disposals	-	-
Profit/(loss) on sale	-	-
Depreciation charge for the year	(2,463)	(2,463)
Closing net book value	8,081	8,081
At 30 June 2013		
Cost or fair value	11,054	11,054
Accumulated depreciation	(2,973)	(2,973)
Net book value	8,081	8,081

	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 Costs

	2013 $	2012 $
Exploration and evaluation phase:		
Opening balance – tenement acquisitions	190,053	-
Costs of acquisition of interests during the financial year	17,359	79,600
Current year expenditure	107,180	110,453
Expenditure written off	-	-
Closing balance - tenement acquisitions	314,592	190,053

The recoverability of the carrying amounts of exploration and evaluation 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 2013

Note 9: Current trade and other payables	2013 $	2012 $
Accrued expenses	6,000	17,138
Trade creditors	24,004	30,769
Directors loans	-	2,000
Other creditor	345	-
Other creditor – PAYG payable	647	-
	30,996	49,907

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

Note 10: Issued Capital	2013 $	2012 $
(a) Issued capital	778,115	809,719

Movements in share capital were as follows:

Year ended 30 June 2013		Issue Price	Fully Paid Ordinary Shares	$
1 July 2012	Opening Balance		18,950,003	809,719
30 September 2012	Share Issue Costs		-	(3,604)
30 June 2013	IPO Costs		-	(28,000)
30 June 2013	Closing Balance		18,950,003	778,115

Year ended 30 June 2012		Issue Price	Fully Paid Ordinary Shares	$
27 April 2011	Opening Balance		3	3
21 September 2011	Issue of Shares	$0.001	4,000,000	4,000
21 September 2011	Issue of Shares	$0.01	4,000,000	40,000
21 September 2011	Issue of Shares	$0.05	2,000,000	100,000
27 October 2011	Issue of Shares	$0.05	1,000,000	50,000
23 April 2012	Issue of Shares	$0.05	500,000	25,000
6 June 2012	Issue of Shares	$0.1	6,950,000	695,000
15 June 2012	Share Issue Costs		-	(72,446)
30 June 2012	Issue of Promoter Shares	$0.05	500,000	25,000
30 June 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 2013

Note 11: Accumulated Losses

	2013 $	2012 $
Balance at beginning of financial year	(21,634)	-
Net Loss	(97,424)	(21,634)
Balance at end of financial year	(119,058)	(21,634)

Note 12: Remuneration of Auditors

	2013 $	2012 $
Audit or review of the financial report	6,500	5,000
Investigating accountant's report	10,000	-
	16,500	5,000

The auditor of Kin Mining NL is HLB Mann Judd.

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.

	2013 $	2012 $
(i) Payment to Maprock Pty Ltd, an entity related to Marvyn (Fritz) Fitton, in satisfaction of Geological Technical Services.	5,000	26,277
(ii) Payments made to Crowe Horwath Perth a company which is related to Mr Giuseppe (Joe) Graziano, for the provision of Accounting and Corporate services	10,230	9,478
(iii) Payments made to Trevor Dixon	4,500	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 14: Key Management Personnel Disclosures

(a) Shareholdings of Key Management Personnel

2013	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
J Graziano	5,000,001	-	-	-	-	5,000,001
	8,000,002	-	-	-	-	8,000,002

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						
R Griffiths	-	1	-	-	1	1
T Grammer	-	-	-	-	-	-
T Dixon	-	2,000,001	-	-	-	2,000,001
M Fitton	-	1,000,000	-	-	-	1,000,000
J Graziano	-	5,000,001	-	-	-	5,000,001
	-	8,000,003		-	1	8,000,003

b) Remuneration of Key Management Personnel

	2013	2012
	$	$
Short-term employee benefits	19,730	36,811

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 15 November 2012 and has subsequently issued four supplementary prospectuses, with the Fourth Supplementary Prospectus dated 1 August 2013.

The Board resolved to close the offer on 13 September 2013 in accordance with the requirements of the Fourth Supplementary Prospectus, following the company achieving the minimum subscription under the prospectus. The Company has raised $2,583,600 (before costs of the issue) and has been granted conditional listing approval by ASX. The Company is working on the finalisation of various conditions precedent to be admitted to the official list of ASX and expects this process to be finalised soon.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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:

	2013 $	2012 $
Cash at bank and on hand	155,306	612,305

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

Loss for the year	(97,424)	(21,634)
Depreciation	2,463	510
Changes in assets and liabilities:		
Trade and other payables	(18,912)	35,768
Trade and other receivables	(180,176)	(32,176)
Net cash (used in) operating activities	(290,049)	(17,532)

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:

	2013 $	2012 $
Financial assets		
Cash and cash equivalents	155,306	612,305
Trade and other receivables	212,074	32,176
	367,380	644,481
Financial liabilities		
Trade and other payables	30,996	49,907
	30,996	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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 17: Financial Instruments (cont)

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 2013.

Cash at bank is held with internationally regulated banks. As at 30 June 2013, 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.

(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 2013, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 17: Financial Instruments (cont)

(c) Liquidity risk (continued)

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

As at 30 June 2013	<1 year	1 – 5 years	Over 5 years	Total	Weighted average effective interest rate %
Financial Assets:					
Cash	155,306	-	-	155,306	2.50%
Receivables & other	212,074	-	-	212,074	-
	367,380	-	-	367,380	
Financial Liabilities:					
Trade payables and provisions	30,996	-	-	30,996	-
	30,996	-	-	30,996	

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	

(d) Interest Rate Risk

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 18: Commitments for expenditure	**2013** **$**	**2012** **$**
(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	600,000	100,000
Later than 1 year and not later than 2 years	650,000	600,000
Later than 2 years and not later than 5 years	1,800,000	1,250,000
	3,050,000	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 2013 (2012: Nil).