

KIN MINING



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Making the grade



Drilling at Murrin Murrin



Alluvial gold from

Having beaten the odds to make a successful IPO last year, small-cap gold explorer Kin Mining is continuing to deliver attention-grabbing results.

FOUNDED BY PERTH-BASED prospector and business man Trevor Dixon in early 2011, Kin Mining NL (ASX: KIN) had a more 'embryonic' beginning than many mining companies today. He created the company on the advice of his friend Kerry Harmanis, to serve as a platform for developing six project areas he'd identified in Western Australia's north-eastern goldfields. Identifying and acquiring prospective mineral areas was nothing new for Dixon: he'd been

doing it for 20 years previous, but would always put the projects into Joint Venture or IPO deals.

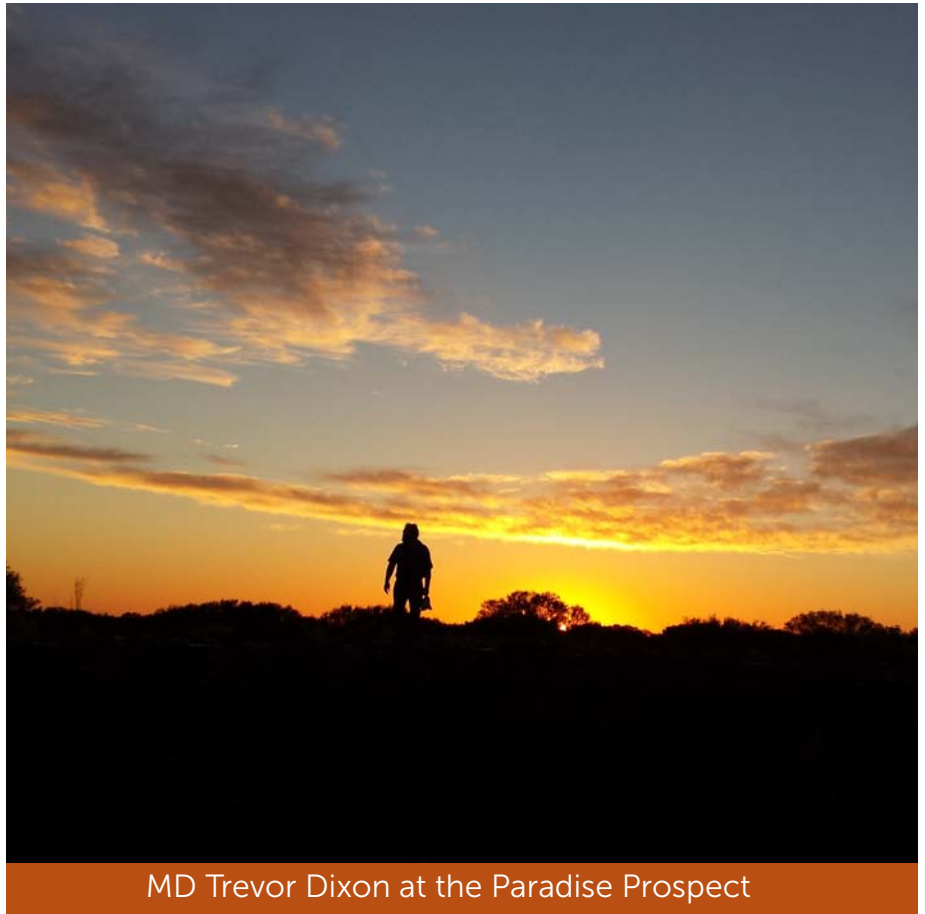
"Kerry said to me, Trevor, stop doing these JVs and IPO deals and just do it yourself," Dixon recalls. "So I decided to take up the challenge and founded Kin Mining."

Harmanis helped kick-start the company with an investment of A\$50,000, after which Dixon set about securing further capital. Unfortunately, the financial environment was far from ideal for launching a small-cap gold company.

"Getting listed was quite tough for us; we launched our offer document in August 2012 and in that difficult market, it took another four updates to our prospectus to secure admission to the list in September 2013," Dixon admits.



n Redcastle



MD Trevor Dixon at the Paradise Prospect

"We decided to put together some initiatives to provide further incentives for people to come into the IPO. The first, announced three months post listing, was to offer one option for every two shares held. The next was to ask our seed shareholders to enter into voluntary restriction agreements that tied up a significant proportion of their shareholdings for an additional six months post listing. That was well supported by our existing shareholders, which made it clear to the investing public that only a small portion of the shares would be hitting the market when we listed."

Kin Mining's third initiative was to approach drilling companies Orbit Drilling, VM Drilling and SBD Drilling, who collectively agreed to commit

more than A\$1 million to the IPO in exchange for future drilling work.

"Those three companies ended up being the backbone that got us listed," comments Dixon.

"It was a win-win situation for the drillers and the company, and a novel way to get ourselves listed in what was, and is, a challenging environment."

Kin managed to raise \$2.58 million in the IPO – not much more than its minimum amount of \$2.5 million. But it was enough to get started, and the company has certainly made a good start.

Initial field work

Kin's six project areas fall within the Leonora District of Western Australia, known to be a well-

endowed mineral district furnished with several major gold mines and processing plants. They comprise three brownfields exploration project areas: Desdemona, Iron King and Murrin Murrin; and three greenfields exploration project areas: Redcastle, Mt Flora and Randwick.

Following the completion of the IPO, Dixon was joined by geologist Fritz Fitton and geological engineering Marcus L'Estrange on an eight-day field trip out to Kin's project areas. The intention was to familiarise themselves with the project areas, to decide where to drill first and to collect some samples. They ended up identifying several new gold and base metal targets, in addition to collecting 70 rock chip samples from historic mine workings in the area.

"Our best rock chip sample from the field trip was 115 grams per tonne (g/t) Au from the Mt Flora project area, which is quite spectacular really," Dixon enthuses.

"From a wider perspective, we got ore-grade intercepts from the majority of projects we visited on the trip, which was very encouraging."

In November 2013 Kin commenced an RC drilling programme at the Eastern Gabbro Prospect within the Murrin Murrin project area, comprising 17 holes for an estimated total of 1,304m. That was followed by a drilling programme on the Anzac Prospect within the Desdemona project area, comprising 48 holes for an estimated 2,490m on five lines. The area surrounding the Anzac prospect has produced historic anomalous rock chip assays of up to 1.75g/t gold, 4.3g/t silver and 1,160ppm arsenic.

Initial results for the Murrin Murrin programme were released on 14 January 2014 and indicated significant gold intersections. Sampling at 1m intervals for one hole (MM13RC013) identified 25m at 3.16g/t Au from 63m to end of hole, including 10m at 2.7g/t Au from 64m, and 6m at 8.19g/t Au from 82m to end of hole. That included 1m at 36g/t Au from 87m to end of hole.

"That drill hole was an excellent result, as it not only gave us general widths of mineralisation but clearly indicated that there would be more upside had we drilled a bit deeper," Dixon comments.

"So those results were extremely encouraging for us, and have prompted us to return to Murrin Murrin in February to further establish that result and look even deeper."

The shape of things to come

Results from the Anzac drilling campaign have not yet been released, but Dixon says the associated Desdemona project is Kin's lead project already.

"It sits on favourable shear zones and has our best base metal prospect called Kingfisher, which is a nickel-copper-cobalt prospect," he explains.

"Our geologists have yet to define a programme for me on that one, but we're excited about tackling it later this year."

Kin begins drilling at the Crystal Ridge prospect in the Iron King project area in February, and plans to follow that up with some drilling at the Redcastle project area. Kin is still building a historical database for the Randwick project area, and while the company



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is very excited about the Mt Flora rock chip samples, it will have to wait until mid-year to be granted the lease for the project.

"We're only just getting started and our geological team is still only small – we have one permanent and one part-time geologist," says Dixon.

"So we're very busy, and may take on some more geologists over the coming months to speed up the assessment process. Our aim in the short-to-medium term is to generate sufficient resource results with which to return to the market for more fundraising, with which to move these resources forward."

In the longer term, Kin aims to build sufficient resources to develop and eventually mine.

Having put everything on the line to start up his own mining company, Dixon doesn't intend to let anyone do the mining part for him.

"The ultimate goal was always to start a company embryonically, like we have, and then to build it into a serious mining company," he says.

"Collectively we have experience in exploring, developing and mining, and we're in exactly the right place to be doing what we're doing. I believe that, with our streamline business model of a great team and a well-endowed mineral district, we can achieve that end goal." **IRJ**

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