



29 January 2019

Management

Andrew Munckton
Managing Director

Stephen Jones
Chief Financial Officer &
Company Secretary

Glenn Grayson
Exploration Manager

Board of Directors

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Executive Director
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441,371,337

Unlisted Options
37,235,750

Quarterly Activities Report to 31 December 2018

HIGHLIGHTS

Exploration:

- Completion of Phase 1 diamond drilling and commencement of Phase 2 drilling programs at the Lewis Prospect
- Phase 1 Diamond drilling returned broad intervals of epithermal gold mineralisation in mafic rock and narrower zones of gold-rich, VMS mineralisation in Volcaniclastic rocks at Lewis
- Results returned from Lewis confirm the pathway for:
 - Upgraded Mineral Resource Estimate
 - Simplified and expanded Lewis pit design
 - Incorporation into the Cardinia process plant design
- Metallurgical testwork underway for the seven diamond holes completed in the Phase 1 program

Cardinia Gold Project:

- Geological teams working from the Cardinia Gold Project plant site which remains on Care and Maintenance

Corporate:

- Partially underwritten non-renounceable rights issue raises approximately \$9.2 million (before costs) to support ongoing programs of drilling and development at Cardinia and general working capital
- Repayment of the outstanding balance on the Sprott Credit Facility with the facility remaining in place as a potential source of future funding
- Annual General Meeting held where resolutions brought forward under Section 249D of the Corporations Act were put to a shareholder vote and defeated by a majority of shareholders

Kin Mining NL (ASX: **KIN**) is pleased to report on its activities for the December 2018 quarter at its flagship 100% owned Cardinia Gold Project (CGP) in Western Australia. During the quarter the Company recommenced diamond drilling at Lewis which confirmed the styles of gold-rich mineralisation at the prospect. The support received from shareholders through the partially underwritten non-renounceable entitlement offer means that Kin is well funded for its current work program and also enabled the repayment of the outstanding balance on the senior secured credit facility (**Credit Facility**) with Sprott Private Resource Lending (Collector) LP (**Sprott**).

1. Exploration

1.1. Lewis Phase 1 Results

Phase 1 diamond drilling at Lewis was completed in mid-September 2018. Diamond cores from the seven hole program, were submitted for gold assay and subsequent multi-element assay after recognition of both epithermal gold and gold-rich volcanogenic massive sulphide (VMS) textures and mineralisation styles in the geological logging of the cores (Figure 1).

Diamond drilling was aimed at replicating previous RC drill intersections and confirming the style of mineralisation encountered at Lewis in fresh rock. Previous RC drilling had encountered gold over significant intersections (>30 metres) of generally lower grade mineralisation (0.5 g/t to 1.5 g/t Au) and occasional bonanza assays (>30 g/t Au) over 1 metre associated with an extensive Mafic–Felsic rock contact.

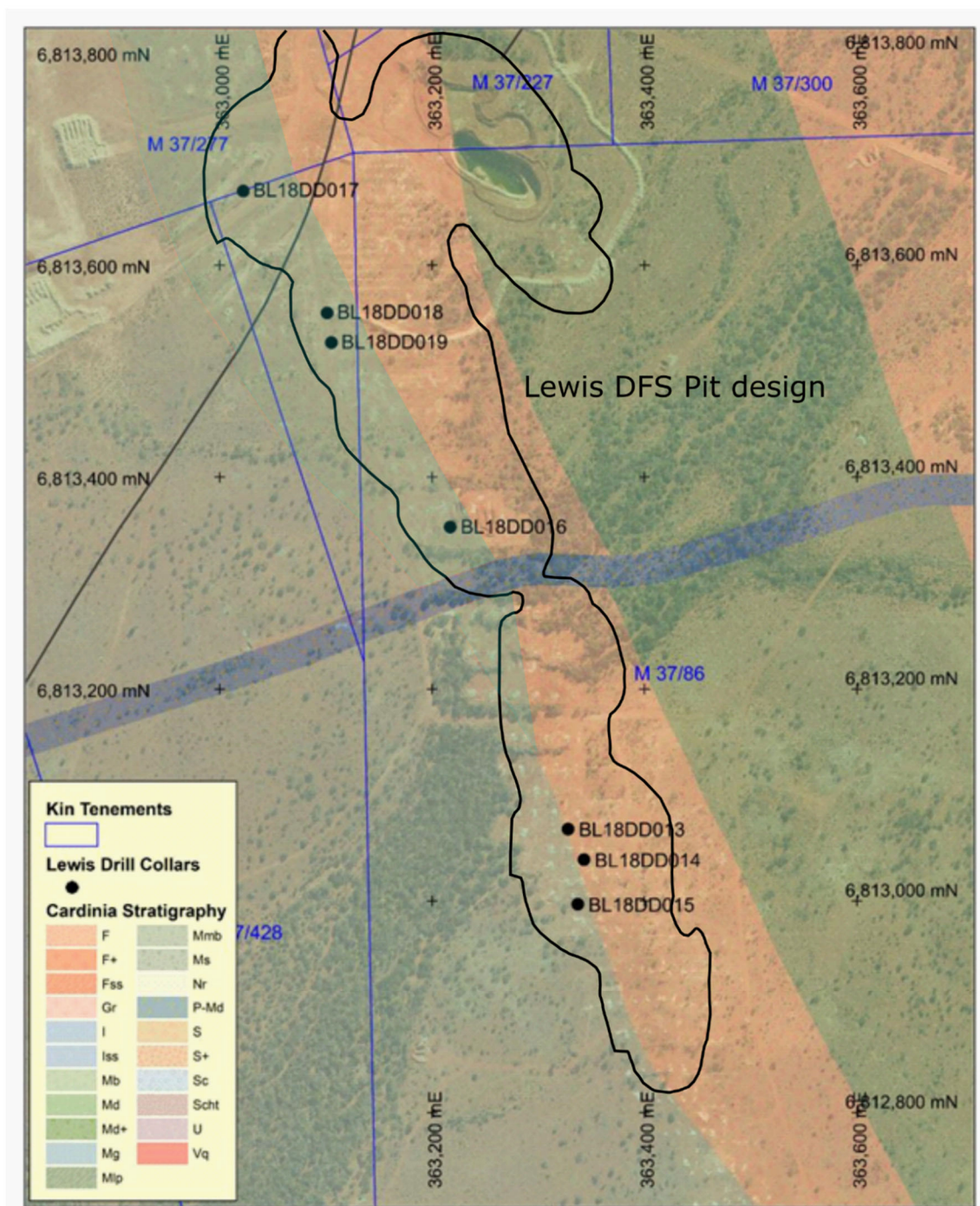


Figure 1. Drill hole location of the seven diamond drill holes at Lewis.

All holes from the Phase 1 diamond program intersected significant gold intervals associated with sulphide mineralisation, in a variety of geological styles. In addition, distinctive textures and alteration indicate a near surface mineralising environment consistent with sub-marine VMS and/or epithermal gold mineralising environments (refer to ASX announcement 10 December 2018). Highlights returned from multi-element assaying included the following:

Low sulphidation epithermal gold system – broad intervals of Potassic altered basalt:

- 20.8m @ 1.76 g/t Au, 2.40 g/t Ag (NSA for S and Te) from 17.4m (BL18DD016)
- 32.4m @ 1.16 g/t Au, 2.03 g/t Ag, 0.8% S and 0.5% Te from 39.6m (BL18DD018)
- 37.2m @ 1.04 g/t Au (multi-element assays pending) from 51.4m (BL18DD019)

Evidence of VMS mineralisation in the same system – gold-rich, massive and banded sulphides in felsic volcanoclastic sediments:

- 4.8m @ 17.6 g/t Au from 48.6m (multi-element assays pending) (BL18DD013)
- 0.5m @ 127.8 g/t Au, 115.0 g/t Ag, >10.0% S and 76.0 g/t Te from 50.3m (BL18DD014)
- 0.7m @ 6.6 g/t Au, 36.5 g/t Ag, 8.0% S and 7.0 g/t Te from 96.0m (BL18DD018)

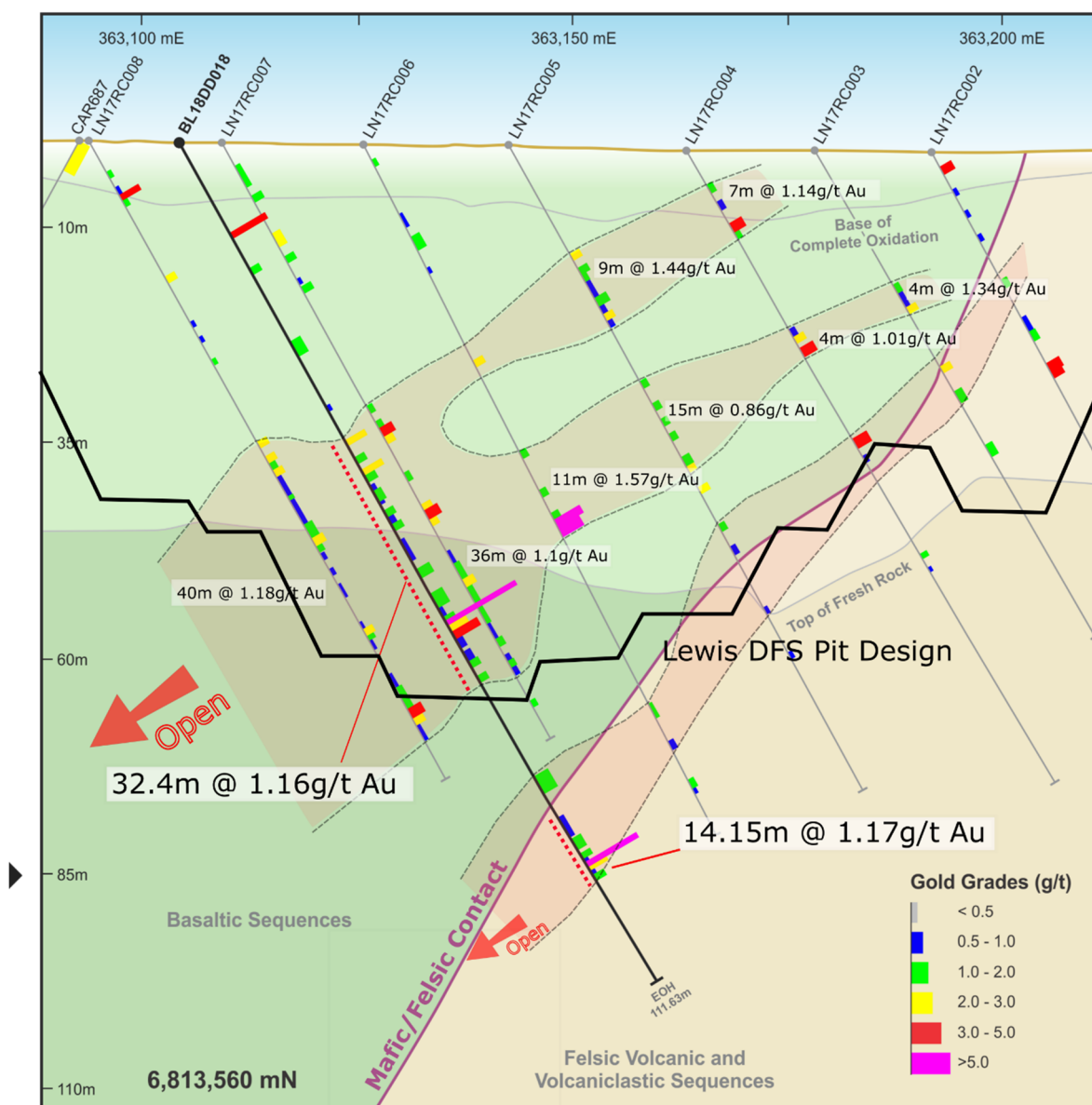


Figure 2. Cross section 6,813,560mN, illustrating location of gold-rich sulphides in Mafic and Volcaniclastic rocks associated with Epithermal alteration (upper zone) and the Mafic-Felsic contact (lower zone).

Detailed logging, along with multi-element results has identified features of a number of mineralising styles present at the Lewis deposit. Previously the Lewis deposit was interpreted to be supergene gold in the oxide and transition zones above a poorly defined primary source of mineralisation. Mineralisation styles commonly associated with VMS deposits, low sulphidation epithermal Au deposits and, as expected, greenstone hosted orogenic gold deposits have now been identified at Lewis.

The recognition of overlapping Au-rich VMS, Orogenic and epithermal Au mineralisation at Lewis raises a number of potential opportunities for the Company and the CGP.

Mineralising System

VMS and epithermal mineralisation features appear to be widespread over a distance of 25km, from Mertondale 5 and Tonto in the north to Cardinia in the south. Mineralisation also appears to be strongly associated with bi-modal (alternating Felsic and Mafic) volcanism across the project area. In particular, at the contact between Felsic and Mafic rocks where volcanoclastic rocks and sediments develop (Figure 2). Also present within the Cardinia and Mertondale region, Orogenic lode style mineralisation is found in the north at Merts Reward, Mertondale 3-4 and in the south at Websters (Quartz hosted vein array system). This variety of mineralisation types indicates an extensive and long-lived mineralising environment and increases the prospectivity of the project over a strike of more than 35km (Figure 3).

Resource Definition and Modelling

The previous geological interpretation at Lewis was a series of steeply dipping to sub-vertical shear zones that had limited depth extent and did not persist significantly into fresh rock. This subvertical mineralisation was pervasive and transected the Mafic–Felsic contact. A revised interpretation includes separation of VMS and epithermal dominant mineralisation within a west dipping stratigraphic framework. See Figure 2.

An Updated Mineral Resource Estimate will be undertaken once further drilling is completed

Metallurgy and Processing

Previous metallurgical testwork in fresh rock at Lewis South (based on a single composite sample, 2017 DFS) resulted in gold recovery in standard CIL conditions of around 80% following high gravity recovery (38%). The partially refractory nature of the fresh rock mineralisation was never explained or investigated. It is likely that the previous single sample composite encountered sulphide mineralisation from both the Au-rich VMS and epithermal styles of gold and resulted in the low leachability of gold in the composite sample.

The current round of metallurgical testwork will separate and individually test the differing mineralisation styles for their separate metallurgical characteristics. The testwork will also provide an initial view of potential CGP treatment plant modifications to optimise recovery through the proposed processing circuit.

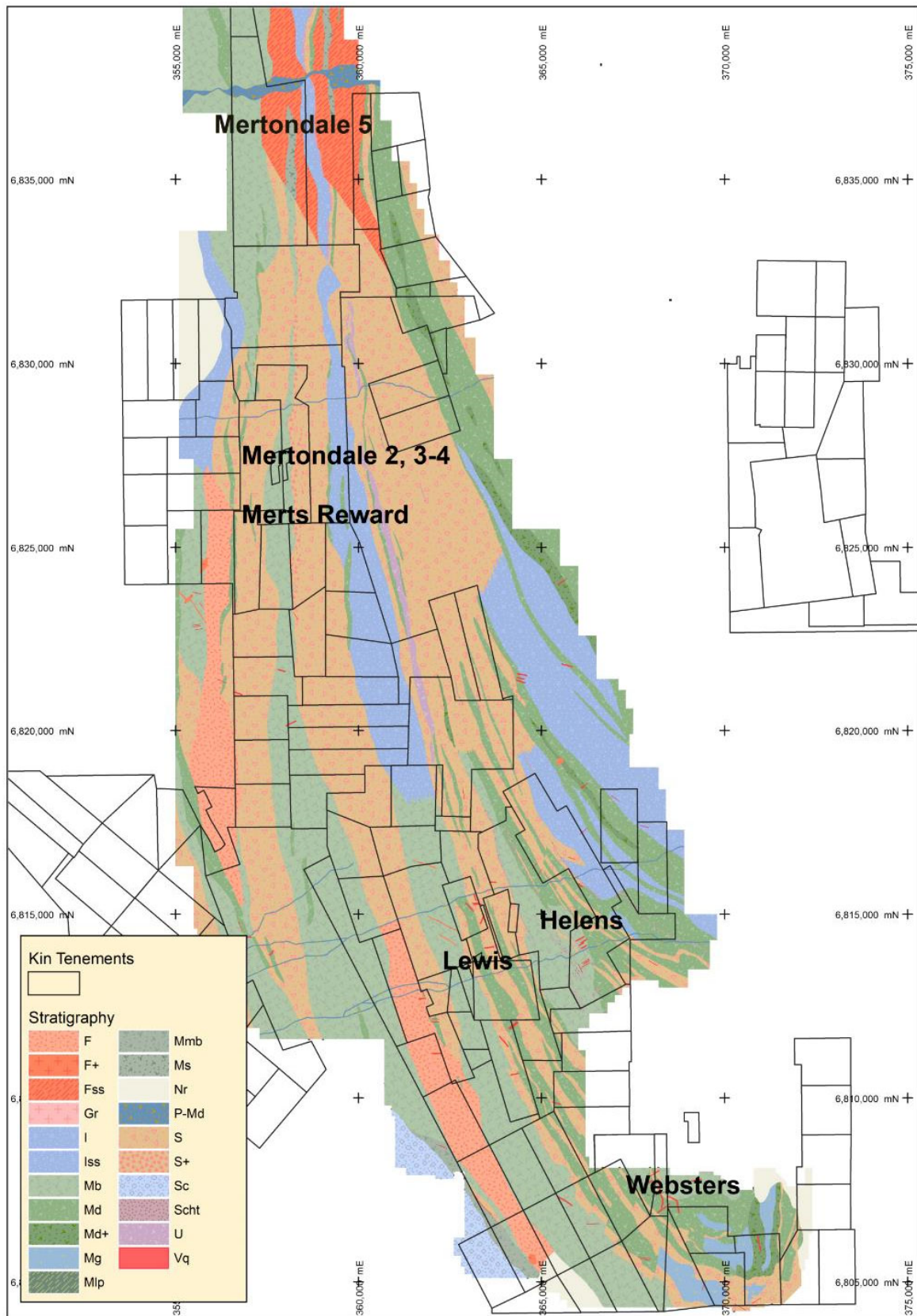


Figure 3. Plan view of the Cardinia Gold Project.

1.2. Commencement of Lewis Phase 2

The Phase 2 diamond drilling program at Lewis commenced in mid-December 2018 and was designed to further define the distribution of the recently identified broader zones of epithermal mineralisation and the deeper, higher grade VMS style mineralisation over a strike of 1,200 metres (refer ASX announcement 10 December 2018). The program also aims to extend down dip the mineralisation within the Lewis pit design.

An initial six holes were completed prior to 31 December, and based on visual results and geological logging, an additional two holes are planned to be completed at Lewis during January 2019. Diamond core from the drilling is being dispatched for multi-element assaying with results expected during the March quarter 2019.

2. Cardinia Gold Project

2.1. Cardinia site

The Cardinia site remains on Care and Maintenance with geological and field-based work teams operating from the facility.

3. Corporate

3.1. Rights issue and underwriting

During the quarter, the Company launched and closed a partially underwritten, non-renounceable entitlement offer (Entitlement Offer) which raised gross proceeds of approximately A\$9.2 million. Funds raised were used for the repayment of the Sprott Credit Facility, and are being applied to continued work on the CGP, administration and additional exploration.

Under the Entitlement Offer, shareholders were entitled to subscribe for 2 new shares for every 5 shares held. The new shares were priced at A\$0.08 per share, representing an 11% discount to the last traded price of Kin shares and a 17% discount to the 10-day VWAP before the Entitlement Offer was announced.

Towards the end of the Entitlement Offer period, Kin received binding commitments from shareholders of the Company to subscribe for and underwrite A\$8.0 million of the potential total gross proceeds of A\$10.4 million.

At the close of the Entitlement Offer period, Kin had received valid acceptances for 48,862,150 new shares (to raise A\$3.9 million) which left a shortfall of 81,030,081 shares. In accordance with the underwriting agreement, the Company issued a further 66,289,610 new shares to raise an additional \$5.3 million.

Accordingly, this leaves a shortfall following the underwriting of 14,740,470 new shares. The Directors have reserved the right, subject to the requirements of the Corporations Act and ASX Listing Rules, to place any shortfall shares within three months after the closing date at the Directors discretion and at a price not less than the offer price. On 19 December 2018 the Company issued 1,489,000 of these shortfall shares.

3.2. Debt Repayment

On 24 December 2018 the Company advised it had repaid all but US\$1 of the senior secured credit facility (Credit Facility) with Sprott Private Resource Lending (Collector) LP (Sprott).

The Credit Facility was formalised on 23 December 2017 with the first drawdown of US\$5M occurring on 27 December 2017. Kin repaid US\$2M in August 2018 and a further US\$1.3M in November 2018. The final repayment of US\$1.7M (minus US\$1) has now been made.

Repaying the Facility in tranches allowed the Company to utilise its cash in the most effective manner to progress additional drilling and metallurgical work programs at the Helens and Lewis Deposits, undertake the Water Exploration and production bore drilling programs at Bummer Creek and Cardinia Creek and advance the project approvals all required to contribute to the Board's confidence to restart the construction phase of the CGP.

Sprott has expressed a desire to remain involved in the project and has agreed to leave the Credit Facility structure in place while Kin completes its work programs. Progress on those programs is ongoing with management confident of satisfactory resolutions to the items being investigated or reviewed.

3.3. Annual General Meeting

On 29 November 2019 Kin held its Annual General Meeting (AGM) where a total of 10 Resolutions were put to shareholders. These Resolutions included a number put forward by a group of shareholders following a request received by the Company on 17 October 2018 pursuant to Section 249D of the Corporate Act 2001 (Cth). These resolutions related to the removal of certain Directors and appointment of certain individuals to the Board of Kin (refer to ASX announcement dated 18 October 2018).

Kin shareholders voted in favour of the Board of Kin and no changes were made to the Directors of the Company. The Remuneration Report was adopted by shareholders. The motion to approve an additional 10% placement capacity was not carried.

-ENDS-

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About Kin Mining NL¹

Kin Mining NL (ASX: KIN) is a West Australian based gold development and exploration company. Kin's key focus is its 100% owned Cardinia Gold Project (CGP) located in the highly prospective North-Eastern Goldfields region of Western Australia. The CGP has a +1Moz¹ gold Mineral Resource defined in both supergene and deeper primary mineralisation with considerable potential to grow this resource with further drilling.

¹The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Announcement of 30 August 2017 "Kin Defines +1 Million ounces of Gold at the Leonora Gold Project", and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.