



\$1M Funding Secured For Lewis Production

25th February 2015

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48,285,357

ASX : KIN

Emerging Producer, Kin Secures \$1M in Funding

- **Up to \$1m in funding secured to fast-track mining opportunity at Lewis prospect, within the larger Cardinia resource.**
- **Cardinia is part of the Leonora Gold Project acquired by Kin only 1 year following listing on ASX.**
- **Kin is an emerging producer in the vicinity of world class gold mines**

Kin Mining NL (ASX: KIN) is very pleased to announce that it has signed a Binding Term Sheet for an investment of up to \$1,000,000 to take advantage of an early stage mining opportunity at the "Lewis Prospect" within the Cardinia Project Area (Figure 1).

Kin acquired the Leonora Gold Project only 1 year after listing on the ASX, after Navigator Resources Ltd appointed voluntary administrators due to operating difficulties at the Bronzewing Mine. The Leonora Gold project has indicated and inferred resources of 12.29Mt at 1.9g/t Au for 745,000oz Au (as announced by Navigator Resources Ltd – June 2012 Quarterly Report).

The Cardinia Project Area (part of the Leonora Gold Project) hosts the Cardinia resource (which totals 4.8Mt @ 1.3 g/t for 200,000oz – refer ASX announcement on 8 April 2014), and is a low cost entry point to production.

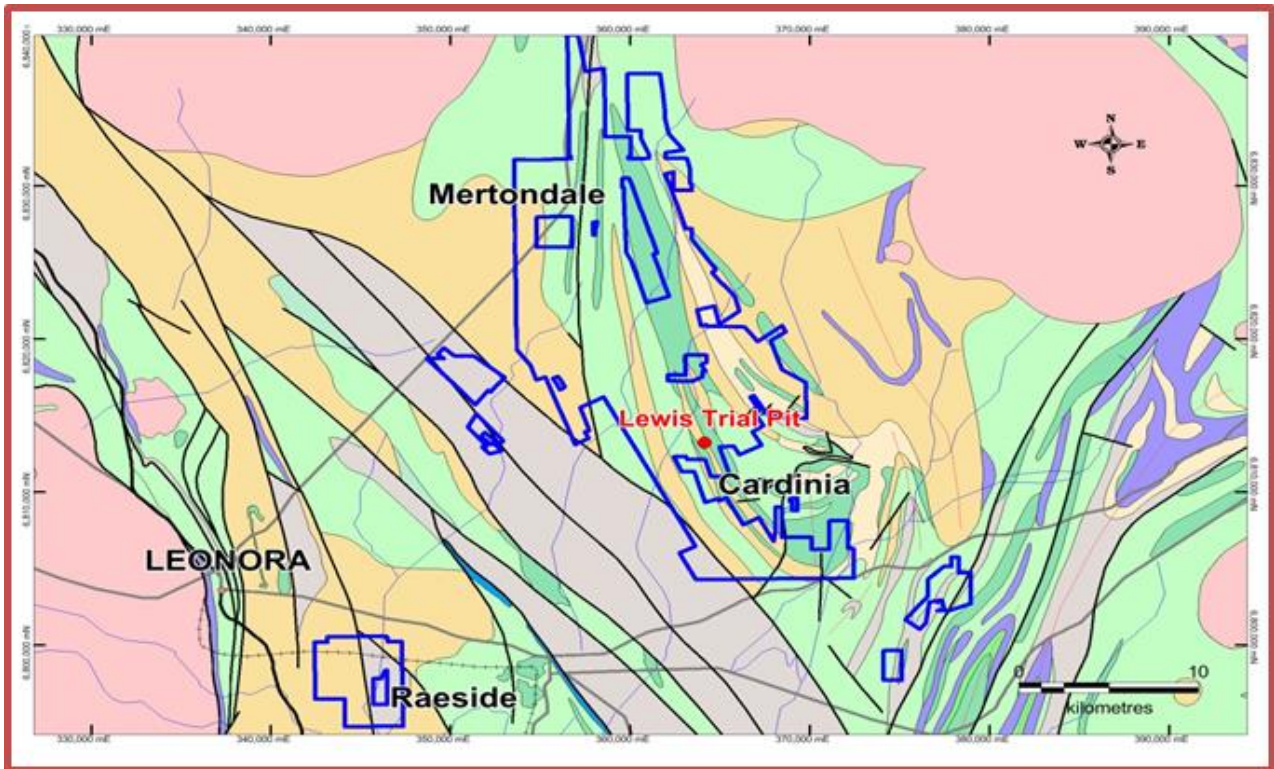


Figure 1 – Location of the Lewis Trial Pit within the Leonora Gold Project (LGP).

Kin has identified start-up pits known as “Lewis East and Lewis West” (M37/86 and M37/227), located within the existing Cardinia resource (Figure 2).

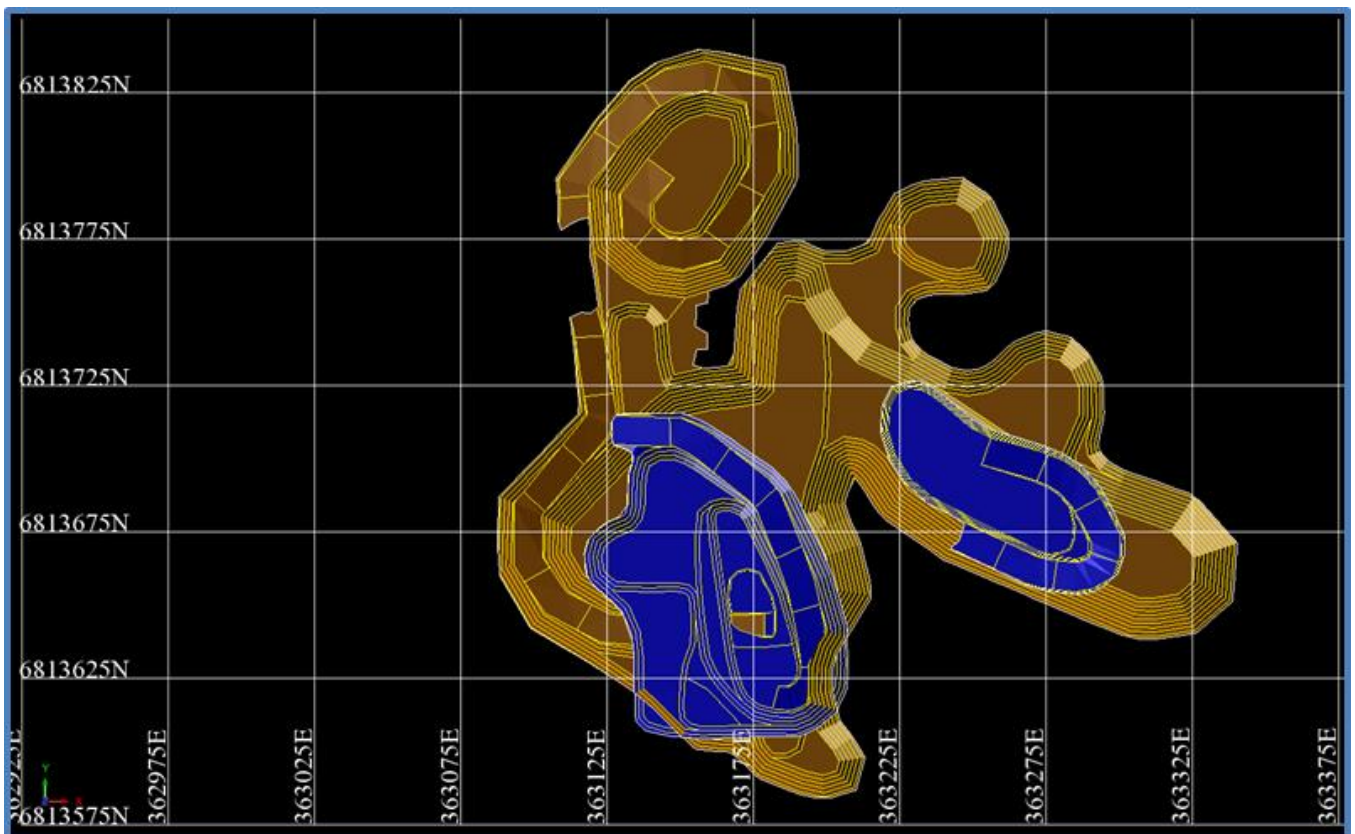


Figure 2 – Eastern and Western starter pit shells (blue) inside the greater Lewis deposit (brown) at Cardinia.

The gold mineralisation is hosted in a supergene blanket that covers the entire Lewis resource which is laterally extensive and predominantly sits between 6m and 25m below surface.

The Lewis starter pits are located within this larger supergene deposit and represent a shallow, free dig scenario which eliminates blasting costs. The two starter pits are designed to generate cash flow as they focus on higher grade ore close to surface.

Extensive close spaced grade control RC drilling on 5m by 8m centres has been completed from surface covering the entire starter pits, further reducing start-up costs.

On site leaching is envisaged as the quickest and lowest cost treatment option.

Kin's Managing Director said, *"This funding arrangement allows Kin to take advantage of an early stage mining opportunity at the Lewis prospect. Our focus is to transition Kin to a gold producer in a gold precinct that is renowned for gold production. The Lewis trial mining area represents an outstanding opportunity which has undergone extensive preliminary mine planning, providing a clearly defined pathway to production. Previous mining at Cardinia was extremely successful as the mined grades were better than expected."*

Competent Persons Statement

The information in this report that relates to mineral resources and exploration results is based on information compiled by Mr Paul Maher who is a Member of the Australian Institute of Mining and Metallurgy. Mr Maher is a full time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Maher has given his consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

A summary of the terms agreed are provided and are subject to various approvals from Waterton Global Value LP ("Waterton"), Regulatory Authorities and Shareholders as required.

Investment and Convertible Note	The Investor agrees to invest up to \$1,000,000 in three tranches in accordance with a Subscription Agreement and Convertible Note Funding Facility to be executed between the parties as soon as practicable following the execution of this Term Sheet . The three tranches will be as follows: 1. Tranche 1 – Placement of 833,333 Ordinary Shares at \$0.12c for an investment of \$100,000 on execution of the Subscription Agreement. 2. Tranche 2 – A \$400,000 Convertible Note Facility based upon 400,000 Convertible Notes convertible into ordinary shares in Kin. Tranche 2 will be payable on Kin receiving formal mining approval from the Department of Mines and Petroleum for the proposed mining operations to be undertaken by the company at the "Lewis Prospect" which forms part of the Cardinia Project Area and the approval of Waterton. 3. Tranche 3 – A \$500,000 Convertible Note Facility based upon 500,000 Convertible Notes convertible into ordinary shares in Kin. Tranche 3 will be payable on Kin completing the construction of the infrastructure required and Kin commencing mining operations at the "Lewis Prospect".
Maturity Date	The convertible note will mature after 2 years
Security	A 2nd Ranking charge over the shares in Navigator Mining Pty Ltd. Furthermore, the Security offered will be subject to approval by Waterton and the Shareholders of Kin at a General Meeting to be convened as soon as practicable once the formal documentation has been executed. The advance of Tranches 2 and 3 shall be subject to and conditional upon the approval by Waterton and shareholders of Kin.
Conversion Price Mechanism	Each convertible note converts into one fully paid ordinary share in Kin as follows: 1. If Kin's share price exceeds \$0.18c at the time of conversion then the note holder may convert all or part of their Convertible Note to Fully Paid Ordinary Shares at a 15% discount to the 30 day VWAP; 2. If Kin's share price is between \$0.12c and \$0.18c at the time of conversion then the note holder may convert all or part of their Convertible Note to Fully Paid Ordinary Shares at a 20% discount to the 30 day VWAP; 3. If Kin's share price is below \$0.12c at the time of conversion then the note holder may convert all or part of their Convertible Note to Fully Paid Ordinary Shares at 25% discount to the 30 day VWAP

Incentive	Kin agrees to the following incentive as key terms to this agreement: 1. Kin agrees to provide \$1,200,000 over the 2 year term either through the right to the physical Gold ounces extracted and processed from the current resource inventory from the “Lewis Prospect” within the Cardinia Project Area or cash as part consideration for the combined investment and Convertible Note
Interest	The obligation of Kin to deliver any physical Gold subject to and conditional upon Kin repaying the outstanding loan to Waterton from the cash-flow generated by the mining project and the release of the associated security documents by Waterton.
Condition	1. The obligation of Kin to deliver any physical Gold subject to and conditional upon Kin repaying the outstanding loan to Waterton from the cash-flow generated by the mining project and the release of the associated security documents by Waterton. 2. Kin reserves the right to retire the unconverted principal amount at any time during the two year period.