

Kin Mining NL

ABN 30 150 597 541

Annual Report

30 June 2016



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CORPORATE INFORMATION

ABN 30 150 597 541

Directors

Terrence Ronald Grammer
Trevor John Dixon
Marvyn (Fritz) John Fitton
Giuseppe (Joe) Paolo Graziano

Company secretary

Giuseppe (Joe) Paolo Graziano

Registered office

First Floor
342 Scarborough Beach Road
OSBORNE PARK WA 6017

Principal place of business

First Floor
342 Scarborough Beach Road
OSBORNE PARK WA 6017
Tel: (08) 9242 2227

Share register

Advanced Share Registry Services
PO Box 1156
NEDLANDS WA 6909
Tel: (08) 9389 8033

Solicitors

Dominion Legal
104 Edward Street
PERTH WA 6000

Auditors

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

Securities Exchange Listing

Kin Mining NL shares are listed on the Australian Securities Exchange (ASX: KIN)





DIRECTORS' REPORT

The directors of Kin Mining NL ("Kin" or "the Company") submit herewith the consolidated annual financial report consisting of the company and its wholly owned subsidiary, namely Navigator Mining Pty Ltd, (together the "Group") for the financial year ended 30 June 2016. 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 as follows. Directors were in office for the entire period unless otherwise stated.

- o Terrence Ronald Grammer
- o Trevor John Dixon
- o Marvyn (Fritz) John Fitton
- o Giuseppe (Joe) Paolo Graziano

Terrence Ronald 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 of the successful nickel miner Western Areas NL in 1999, and was the exploration manager of the company from 2000 until retiring in 2004.

Special Responsibilities:

- Nil

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

- South Boulder Mines Ltd – Non-Executive Chairman until 15 July 2013
- Sirius Resources NL – Non-Executive Director since June 2010 until 21 September 2015
- Stratum Metals Ltd – Non-Executive Director until 4 February 2014
- Great Western Exploration Ltd – Non-Executive Director since July 2014

Mr Trevor John 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 Xstrata Plc (formerly Jubilee Mines NL), Terrain Minerals Ltd and Regal Resources Ltd.

Special Responsibilities:

- Nil

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

- Nil

Marvyn (Fritz) John Fitton, Non-Executive Director

Between 1969 and 1987, Mr Fitton worked as senior geologist for several international mining corporations, and was involved in several world class mineral discoveries. In 1987, Mr Fitton founded a 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 Xstrata Plc (formerly Jubilee Mines NL), Berkeley Resources Ltd, Trafford Resources Ltd, Athena Resources Ltd and Scotgold Resources Ltd.

Special Responsibilities:

- Nil

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

- Nil





DIRECTORS' REPORT (continued)

Giuseppe (Joe) Paolo 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. Mr Graziano has had 24 years' experience in business, financial and taxation advice to listed and unlisted companies in many industries including mining, resources, banking and finance.

Special Responsibilities:

- Nil

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

- Oz Brewing Ltd – Non-Executive Director since 15 April 2011 and ceased 18 August 2016
- Lithex Resources Ltd – Non-Executive Director since 5 December 2013
- Antares Mining Ltd – Non-Executive Director appointed 12 August 2015 and ceased 10 September 2015
- Castillo Copper Ltd – Non-Executive Director appointed 13 August 2015
- The Carajas Copper Company Ltd – Non-Executive Director appointed 17 March 2016 and ceased 10 May 2016

Interests in the shares and options of the Company.

The following relevant interests in shares and options of the Company were held by the directors as at the date of this report:

Directors	Fully paid ordinary shares	Share options
	Number	Number
T Grammer	1,406,113	630,000
T Dixon	10,008,001	1,050,000
M Fitton	1,774,000	325,000
G Graziano	7,001,668	500,000

Principal Activities

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





DIRECTORS' REPORT (continued)

REVIEW of OPERATIONS

Scoping Study (Leonora Gold Project)

The scoping study conducted by Auralia Mining Consultants Pty Ltd on the gold resources contained within the Leonora Gold Project (11.825Mt @ 1.9g/t Au for 722,300oz) returned a positive outcome. The scoping study utilised up to date mining costs and the current gold price. Results demonstrated an economically and technically viable gold project with considerable upside.

The scoping study analysed a 1M TPA processing throughput and a multi-ore source open cut mining scenario. A review of the combined sensitivity outputs for the Leonora Gold project (LGP) show a higher than standard sensitivity to most inputs where for every 10% change in processing and mining costs there is roughly a 10% change in the outputs for the discounted cash flow, total tonnes mined and recovered gold. The sensitivity to fluctuations in the price of gold is more pronounced where a 10% change in the gold price results in an approximate 25% change in the outputs. The higher than standard sensitivity in the Project is anticipated to be caused by the generally shallow nature of the Whittle shells produced.

Key financial parameters are tabled below.

Key Financial Parameter	Base Case A\$1500 oz	A\$1700 oz
NPV (A\$M)	\$56.30	\$105.50
Revenue (A\$M)	\$461.60	\$523.13
Operating Costs (A\$M)	\$318.90	\$318.90
Free Cash flow (A\$M)	\$142.70	\$204.30
Capital Costs (A\$M)	\$55.00	\$55.00
EBITD (A\$M)	\$87.70	\$149.30
C1 Cash Cost (A\$/oz)	\$1,010	\$1,010
AISC (A\$/oz)	\$1,185	\$1,185
IRR (%)	30%	48%
Payback (months)	45	30
* All key parameters based on scoping study inputs and Whittle pit shells and are indicative only		

Scoping Study Parameters – Cautionary Statement

The Scoping Study referred to in this report is based on low accuracy levels of technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Scoping Study will be realized. There is a low level of geological confidence associated with the Inferred Mineral Resource (approximately 1/3rd of all proposed process material from the Whittle results) and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources or that the production target itself will be realised.





DIRECTORS' REPORT (continued)

Resource Table for the Leonora Gold Project

Mineral Resources - Mertondale Area										
Project Area	Lower cut-off grade (g/t)	Indicated			Inferred			Total Resource		
		Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
MERTONDALE		(t)	(g/t)	Ounces	(t)	(g/t)	Ounces	(t)	(g/t)	Ounces
Mertondale 3/4	0.7	870,000	2.3	65,000	660,000	2.1	45,000	1,530,000	2.2	110,000
Merton's Reward	0.7	1,010,000	2.7	87,000	70,000	1.7	4,000	1,080,000	2.6	91,000
Tonto	0.7	970,000	1.9	60,000				970,000	1.9	60,000
Eclipse	0.7	620,000	1.8	35,000	250,000	1.7	14,000	870,000	1.8	49,000
Mertondale 5	0.7	320,000	3.2	33,000	160,000	2.7	13,000	480,000	3	46,000
Quicksilver	0.7	550,000	1.8	31,000	110,000	2.1	8,000	660,000	1.8	39,000
TOTAL		4,340,000	2.2	311,000	1,250,000	2.1	84,000	5,590,000	2.2	395,000
Mineral Resources - Cardinia Area - Bruno-Lewis-Kyte										
Project Area	Lower cut-off grade (g/t)	Indicated			Inferred			Total Resource		
		Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
BRUNO-LEWIS-KYTE		(t)	(g/t)	Ounces	(t)	(g/t)	Ounces	(t)	(g/t)	Ounces
Oxide	0.7	1,405,000	1.2	53,400	1,869,000	1.3	81,100	3,274,000	1.3	134,500
Transition	0.7	35,000	1.1	1,300	57,000	1.2	2,200	92,000	1.2	3,500
Fresh	0.7	1,000	1.5	100	31,000	1.3	1,300	32,000	1.3	1,400
TOTAL		1,441,000	1.2	54,800	1,957,000	1.3	84,600	3,398,000	1.3	139,400
Mineral Resources - Cardinia Area - Helens and Rangoon Deposit										
Project Area	Lower cut-off grade (g/t)	Indicated			Inferred			Total Resource		
		Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
HELENS and RANGOON		(t)	(g/t)	Ounces	(t)	(g/t)	Ounces	(t)	(g/t)	Ounces
Oxide	0.7	382,000	1.3	15,800	245,000	1.2	9,200	627,000	1.2	24,900
Transition	0.7	455,000	1.4	20,800	103,000	1.2	4,100	558,000	1.4	24,900
Fresh	0.7	67,000	1.5	3,300	15,000	1.6	800	82,000	1.5	4,100
TOTAL		904,000	1.4	39,900	363,000	1.2	14,100	1,267,000	1.3	53,900
Mineral Resources - Raeside Area -Leonardo, Forgotten Four and Krang Deposit										
Project Area	Lower cut-off grade (g/t)	Indicated			Inferred			Total Resource		
		Tonnes	Au	Au	Tonnes	Au	Au	Tonnes	Au	Au
RAESIDE		(t)	(g/t)	Ounces	(t)	(g/t)	Ounces	(t)	(g/t)	Ounces
Oxide	0.7	1,280,000	2.7	111,000				1,280,000	2.7	111,000
Transition	0.7	70,000	3	7,000	100,000	2.1	7,000	170,000	2.5	14,000
Fresh	0.7	110,000	2.6	9,000				110,000	2.6	9,000
TOTAL		1,470,000	2.7	127,000	100,000	2.1	7,000	1,570,000	2.6	134,000
Reportable Resources (0.7g/t Au cut-off inside \$2,000 per ounce pit shell)										
Combined 2012 JORC compliant resource 11.825Mt @ 1.9g/t Au for 722,300oz										





DIRECTORS' REPORT (continued)

Lewis Trial Mining

Open cut mining of the Lewis trial pit commenced during the fourth Quarter following mining approval from DMP, extensive reviews of available treatment options, optimisation studies and an evaluation of mining parameters.

The Lewis trial mining operation is viewed as a low start-up cost open cut mining exercise that will effectively test a portion of the larger Bruno-Lewis-Kyte supergene resource (3.4Mt @ 1.3g/t Au for 139,400 oz) and the economic viability of extraction and processing the ore.

The operation is permitted to mine two stage 1 pits and a greater stage 2 pit and treat the ore via on site Vat Leaching. Mining and processing studies returned positive outcomes with the adjustment of tighter mining constraints that incorporated less waste than previous open cut designs. As the mine development operation progressed alternative treatment options were considered.

Site works commenced and research and development on the metallurgical parameters and leach percolation properties of the test ore parcels were conducted. Small scale vat leach test work was initiated and percolation results received to date are viewed as positive.

Following the completion of a new pit optimisation study and the revised input parameters, which generated a more economically robust mine schedule, a single pit (Lewis East) was selected to be mined. The open pit mine area was marked out, survey control points identified and clearing of the mining area (Lewis East pit) commenced. The adjusted mine plan includes the extraction of approximately 15,000t of mineralised ore grade material.

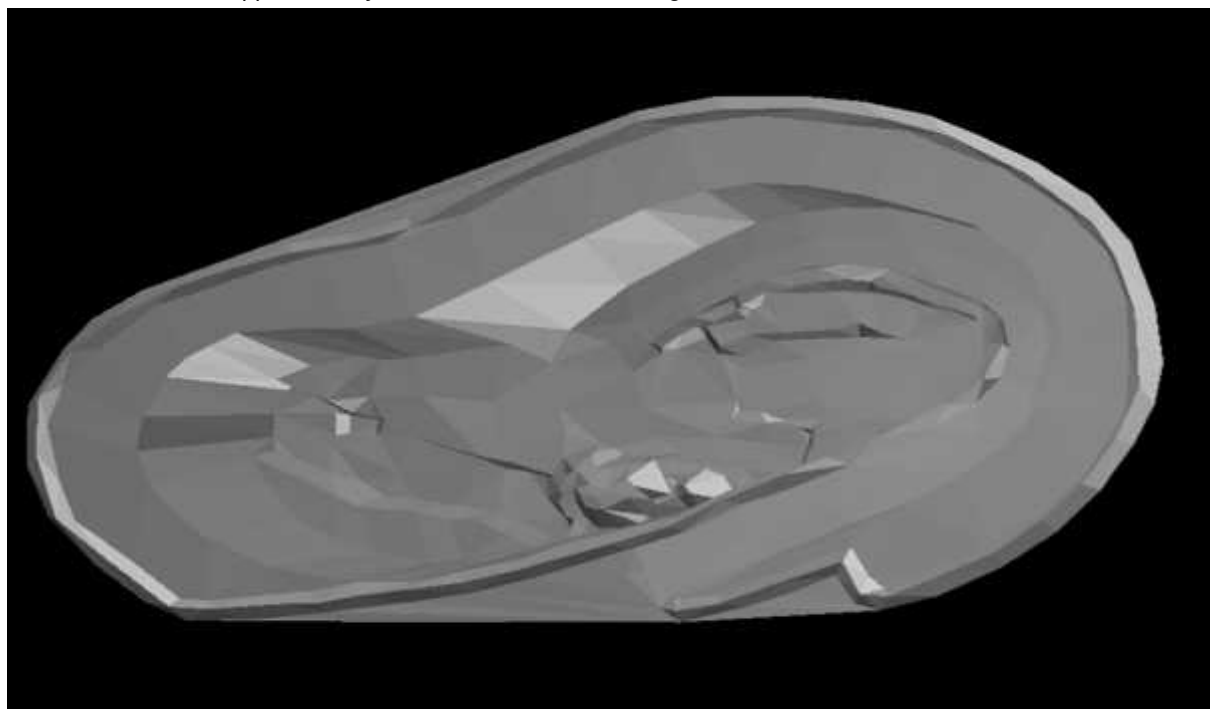


Figure 1 Schematic view of the refined Lewis East open cut trial mine pit shell

The objective of the mining exercise is to generate a positive cash return and also establish accurate mining costs that will assist with the evaluation and mine scheduling of the larger remaining Bruno-Lewis resource. The mining exercise will also determine accurate specific gravity data that can be incorporated into the Cardinia resource model and determine any additional metallurgical parameters of the ore zone.





DIRECTORS' REPORT (continued)

Progress at the Bruno-Lewis supergene deposit included finalisation of the geotechnical assessment and completion of five test pits (Figure 2) within the confines of the planned Lewis East and Lewis West open cuts to secure Run of Mine (RoM) ore for leaching and metallurgical testwork.

At Bruno-Lewis, and the greater Cardinia area, the ore zone is confined to a supergene zone that's generally contained between 20-50m below surface. The ore is essentially free dig with drill and blast and crushing components expected to be minimal.

Kin commenced mining approximately 15,000t of ore, as a first stage parcel, from a selected shallow higher grade zone (Lewis East) positioned within the larger Bruno-Lewis resource.

At the end of the fourth Quarter mined ore was stockpiled on site with the intention of trucking and treating the material at the Lakewood Gold Processing Facility located 5km south-east of Kalgoorlie-Boulder.

The Cardinia Resource is an integral asset of the overall JORC 2012 Gold Resources of the Leonora Gold Project 11.825Mt @ 1.9 g/t Au (722,300 oz Au).

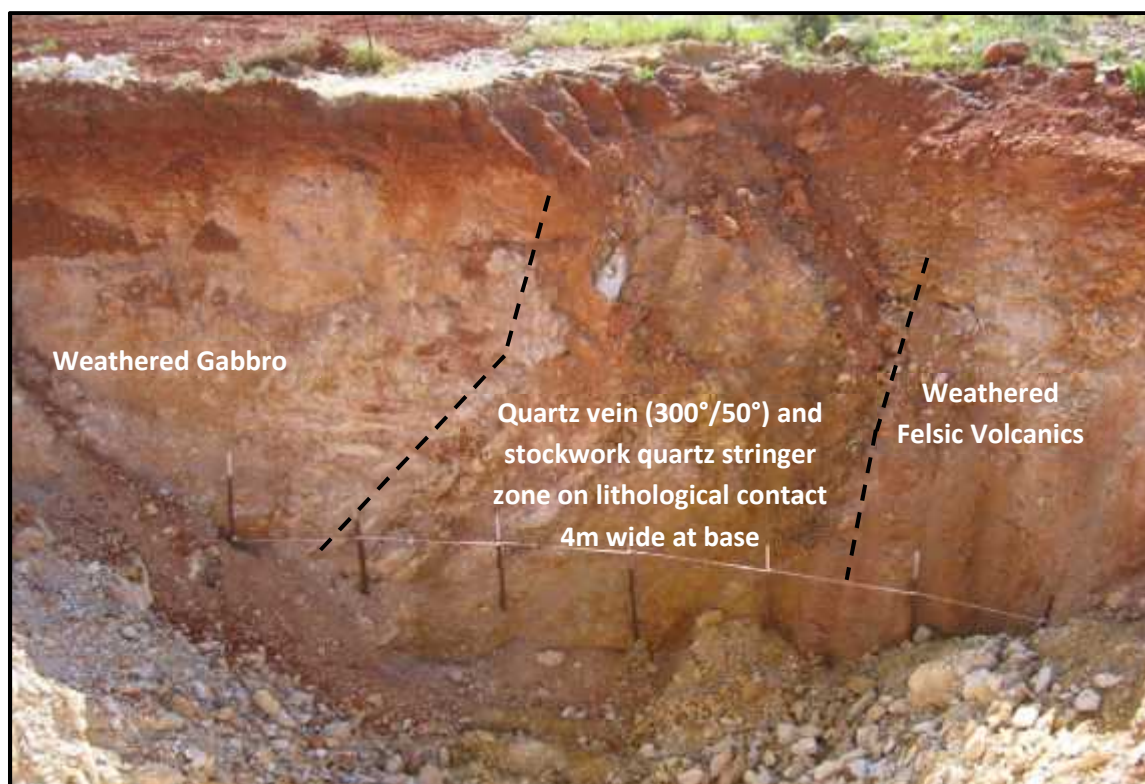


FIGURE 2 CROSS SECTION VIEW OF ORE IN THE NW FACE OF A SHALLOW TEST PIT AT LEWIS WEST; PEGS ARE SPACED AT ONE METRE INTERVALS AND THE TEST PIT IS FIVE METERS DEEP

Mining of the Lewis trial open pit is regarded as a successful trial mining operation that will produce valuable data on the physical properties of the ore at Cardinia for a minimal cost. The mining exercise is regarded as a significant milestone in the development of the company.





DIRECTORS' REPORT (continued)



Figure 3 Mining Fleet commence construction of the laydown area and site works infrastructure facilities for the Lewis east open pit trial mining operation

Merton's Reward

The Merton's Reward underground gold mine was mined at the turn of last century producing 60,524 oz Au at an average grade of 21g/t Au, making it one of the richest underground gold mines in the Eastern Goldfields. Evaluations of historical records (DMP reports 1899-1905) have provided a unique insight into the mining status of the time and details about the productive lodes from the original underground mining operation have been assessed.

In recent times the majority of historical drilling has focused on the upper half of the underground mine. The mineralised system has only been partially tested at depth and drill holes >150m deep are rare (Figure 4), there is limited drilling below this depth and potential remains to define extensions to the gold bearing lodes below this level (T1 and T2).

Evaluation of the resource database has highlighted several target zones (T1-T5) beneath the existing resources along the Mertondale Shear Zone (MSZ). Stratigraphy; lithology and structure have a major influence on the continuity and grade of gold mineralisation within the MSZ.

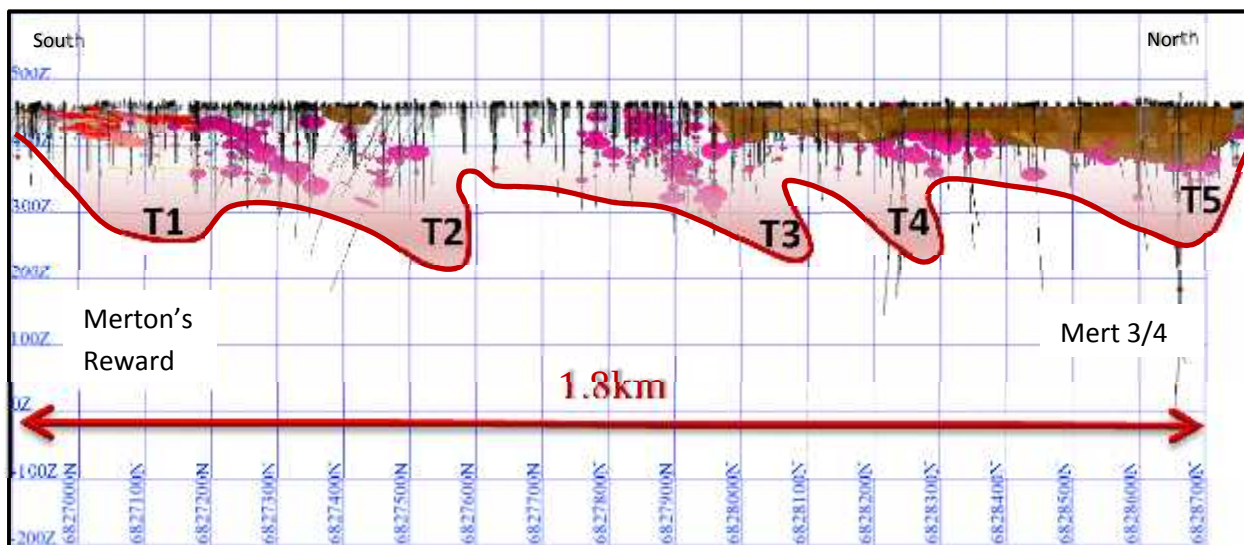


Figure 4 Long Section (looking west) highlighting the mineralised system. High grade intersections (+5g/t Au) indicated by magenta pods and the exploration target zones (T1-T5)





DIRECTORS' REPORT (continued)

Several RC drill campaigns were completed at Mertondale during the year focusing on expanding the Merton's Reward resource. The results extend T2 lode a further 100m down plunge (Figure 5), adding to the existing resource and confirming the new robust geological model. Three distinctive lode extensions that remain open at depth have now been defined. Future drill programs will focus on drill testing the extensions of the T1, T2 and M2 mineralisation at depth.

Standout RC drill intercepts returned from recent drilling include the following:

-) 5m @ 8.0g/t Au incl **1m @ 24.7g/t** Au MR15RC002
-) **29m @ 1.4g/t** Au incl 10m @ 1.7g/t Au and 7m @ 1.8g/t Au MR15RC003
-) **27m @ 2.7g/t** Au incl **2m @ 16.5g/t** and 5m @ 5.5g/t Au MR16RC004
-) 15m @ 1.8g/t Au incl 5m @ 3.8g/t Au MR16RC005
-) **1m @ 16.7g/t** Au and 1m @ 8.1g/t Au MR16RC006
-) **1m @ 10.7g/t** Au MR16RC008
-) 9m @ 2.2g/t Au incl 4m @ 3.7g/t Au and 7m @ 1.9g/t Au incl **1m @ 7.5g/t** Au MR16RC010
-) **22m @ 2.7g/t** Au incl 8m @ 4.7g/t Au MR16RC011
-) 6m @ 1.6g/t Au incl 1m @ 5.8g/t Au and 6m @ 2.5g/t Au incl **1m @ 9.5g/t** Au MR16RC014
-) 6m @ 3.0g/t Au from 29m incl 1m @ 9.1g/t Au and 6m @ 1.3g/t Au from 94m MR16RC019
-) **23m @ 2.1g/t** Au from 57m, incl **2m @ 8.7g/t** Au from 61m MR16RC020
-) 6m @ 1.2g/t Au from 115m and 5m @ 2.3g/t Au from 155m incl 2m @ 4.4g/t Au MR16RC021

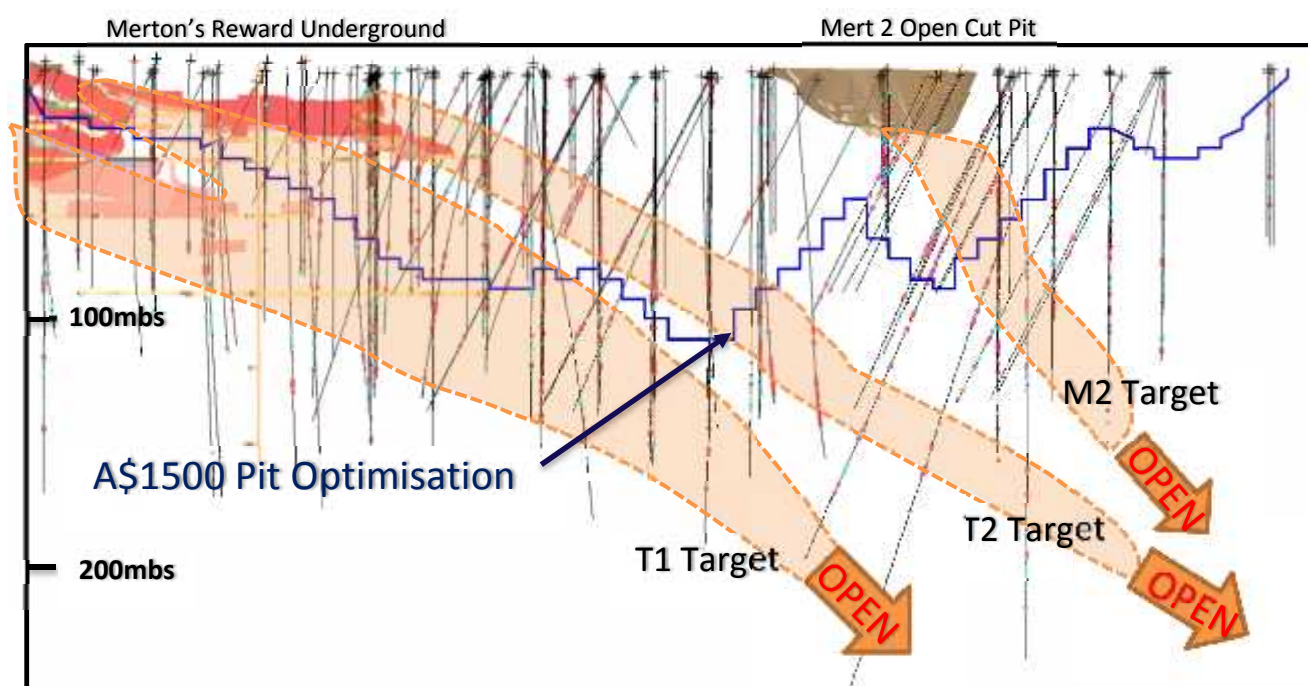


Figure 5 Merton's Reward - Mert 2 Long section highlighting ore shoot extensions below the A1,500 pit optimisation shell





DIRECTORS' REPORT (continued)

Evaluation of the RC drill programme targeting the Mertondale (T1 and T2 targets) resulted in defining NNE extensions to the Merton's Reward ore body (1,080,000t @ 2.6g/t Au) along strike and at depth. Drilling beneath the Mertondale 2 pit also intersected extensions to the mineralised lode. Both target areas remain open at depth and along strike.

The drill results are now incorporated into the resource model and additional drill targets have been defined. The recent drill programme confirmed the geological model and the extension to the intershear lodes, the mineralised Mertondale Shear Zone at Mertondale remains open.

An EIS application to drill a deep diamond drill hole targeting high grade lode extensions at depth has been approved by DMP. No deep drilling has taken place beneath the historic underground workings.

Future drill programs will be designed to test the strike extensions of the identified mineralisation and test the possibility of a duplication of the lode system at depth.

The targeted T1 and T2 lodes extend down plunge from the historic Merton's Reward underground workings (historic production +60,000oz). The assay results received to date correlate very well with the geological model and the spatial position of the projected lodes.



FIGURE 6 RC DRILL RIG SET UP AT MERTON'S REWARD DRILLING MR16RC005

A new resource calculation with the intention of expanding the current Merton's Reward resource of 1.08Mt @ 2.6g/t (91,000oz) is scheduled following compilation of the latest drill results.

Gwalia South

High priority drill targets have been defined at Gwalia South. Target definition studies focused on multiple north-west (310°) orientated structural displacements that truncate the N-S Leonora greenstone sequence. These faults are interpreted as the controlling structures that represent the plumbing system responsible for localising gold mineralisation in the Leonora district.

The target areas have been poorly tested by previous exploration and historical drilling is limited to sparse shallow blade refusal aircore, generally spaced on 400m sections and isolated RC and diamond drilling. Historical exploration drilling confirms that the immediate strike extensions of the gold bearing Gwalia Mine sequence continues south, from the Sons of Gwalia mine, through Kin's tenement holding at Gwalia South.

The highly prospective host sequence encompassing the Sons of Gwalia (7Moz) underground mine and the Tower Hill pit (1Moz) granite-ultramafic contact, both present as priority target horizons.





DIRECTORS' REPORT (continued)

The prospective Gwalia Mine sequence (Gwalia slate/chert) and the Tower Hill (granite/ultramafic) contact lithologies extend south into the Project area (Figure 8). The Gwalia South tenements are positioned between 2.5km and 5.5km south of the Sons of Gwalia mine.

Identified target zones include the primary Sons of Gwalia type target (Gwalia Mine sequence) and the secondary target Tower Hill type (granite-ultramafic contact) styles of mineralisation (Figure 7). Kin Mining believe that:

-) Historic drilling failed to intersect the North-West faults.
-) Historic drilling has not drilled through the prospective lithological contacts.
-) Historic drilling has not adequately tested the target sequences at depth.

Several high priority structural drill targets have been identified at Gwalia South however rig access is limited to approximately 15-20% of the holding due to coverage by restricted DAA cultural and heritage areas.

Drill targets and the positioning of drill holes have been completed over accessible areas at Gwalia South (Figure 8). Both mineralisation styles have been selected as drill targets and a RC drilling program is in progress.

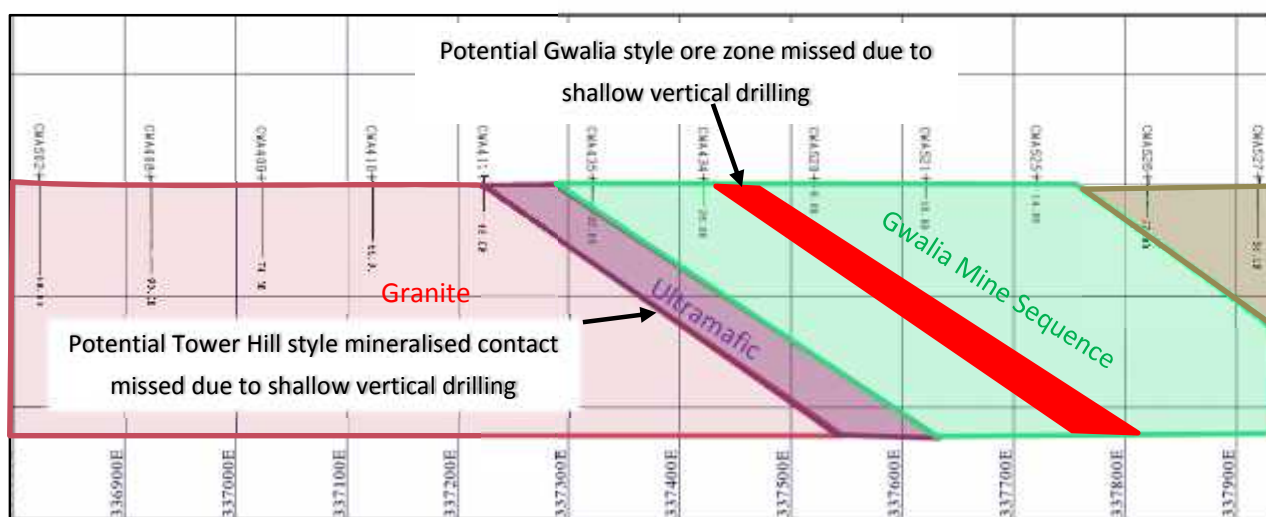


FIGURE 7 TYPICAL GEOLOGICAL CROSS SECTION (6795600mN) HIGHLIGHT THE SHALLOW POORLY TARGETED HISTORICAL DRILL LINES ACROSS THE PROSPECTIVE ULTRAMAFIC AND MAFIC VOLCANIC SEQUENCE THAT HOSTS THE SONS OF GWALIA MINE FURTHER NORTH

An Reverse Circulation (RC) drilling programme has been designed, nominally 1,600 metres, consisting of eleven RC holes (-60°/265°) drilling to depths of +150 metres over two drill traverses approximately 2.3km apart (Figure 8).



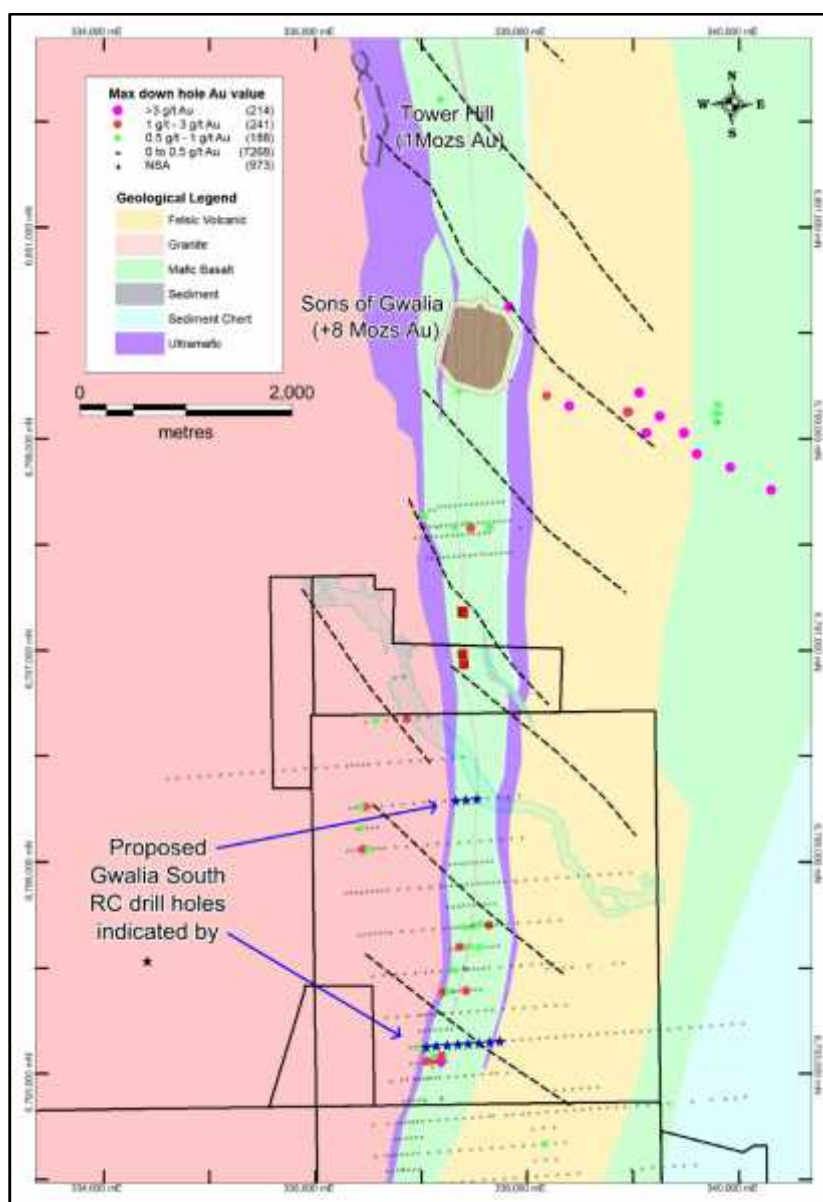
**DIRECTORS' REPORT (continued)**

FIGURE 8 GEOLOGICAL PLAN DISPLAYING PROPOSED RC DRILL COLLARS, PROXIMITY TO THE SONS OF GWALIA MINE AND THE GWALIA MINE SEQUENCE EXTENDING SOUTH THROUGH E37/1203.

Mt Flora

Kin Mining NL has received encouraging assay results from a recently completed auger soil geochemical programme over the entire Mt Flora tenement package. Five separate gold-in-soil anomalies (+5 ppb Au) have been identified (Figure 9). The most coherent and largest of the soil anomalies extends over 3.5 km in a north-westerly direction.

The centre portion of the main anomaly exhibits a significant higher grade core (+20ppb Au) with a maximum peak soil assay of **2,635ppb** gold. The soil anomaly coincides with three groups of old workings and cross cuts Mt Flora Syncline fold axis.

This large soil anomaly also encompasses a drill target where limited historical RAB drilling (20 hole programme to 30m depth) intersected a broad zone of shallow gold mineralisation returning **22m @ 0.53 g/t Au** from 8-30m. The RAB drill intersection was never followed up and presents as a walk up drill target.



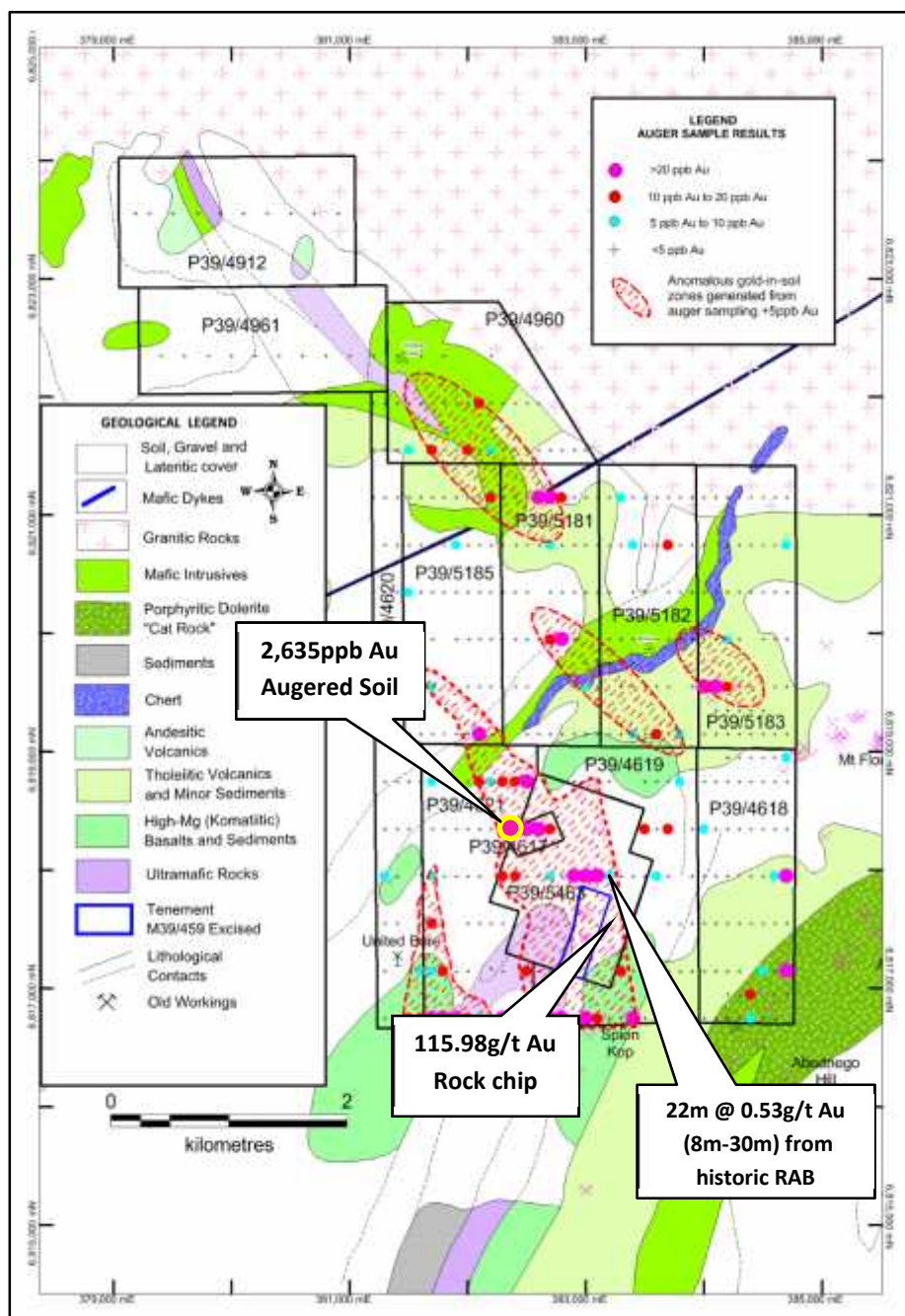
**DIRECTORS' REPORT (continued)**

FIGURE 9 MT FLORA TENEMENT PACKAGE, GEOLOGICAL INTERPRETATION AND DELINEATED GOLD-IN-SOIL ANOMALIES

Regional geology comprises a suite of NNE trending greenstones positioned on the western limb of the Kilkenny Syncline. To the north a porphyritic magnetic granite is in contact with the greenstone sequence. The greenstones at Mt Flora comprises a succession of tholeiitic mafic volcanics, high magnesian basalt, chert, ultramafic rocks and a variety of mafic intrusives including gabbroic and dioritic rocks. The area is viewed as prospective for gold mineralisation.

Aeromagnetic data covering the main anomalous zone displays several circular magnetic highs interpreted to possibly represent discrete buried syenite intrusions. Many of the region's largest gold mines, including the Wallaby deposit (7Moz) and Jupiter/Heffernans Find (+1Moz) are associated with similar "bullseye" magnetic anomalies associated with small syenite or alkali-granite intrusives.





DIRECTORS' REPORT (continued)

The main anomalous soil zone also encompasses a significant high-grade rock chip result, 115.98g/t Au and 0.684% Pb (repeat 1.26% Pb) which was returned from a channel sample across a galena rich quartz vein in an old historic working on P39/5463. The working is located 300m north along strike from the high grade (>1oz/t Au) historic Spion Kop workings.

Correlation of the recent geochemical results indicates that auger soil sampling is an effective method to delineate prospective gold target areas within the Mt Flora Project. Kin plans to follow up significant results with an infill, closer spaced multi-element geochemical soil programme around the identified gold-in-soils anomalies, to further refine targets for a maiden drilling programme.

Kin's Technical Director, Fritz Fitton said *"The recent soil geochemical results from Mt Flora are highly encouraging and coincide with previous anomalous rock chip assays and numerous historical workings that have never been drilled. The presence of several NW trending discrete aeromagnetic anomalies over the largest (3.5km x 1km) gold anomaly is considered favourable for the discovery of Wallaby/Jupiter style gold mineralisation at Mt Flora"*.

Government Co-Funded Exploration Drilling

An application for co-funded exploration assistance (EIS) for a single diamond drill hole at Merton's Reward has been accepted by the Department of Mines and Petroleum. The drilling program must be completed within the 12 months following acceptance of their offer.

Tenement Update

Several tenements at Murrin Murrin (P39/5176-5180) have been granted an extension of term for four years and two Exploration Licences at Desdemona (E40/285 and E40/283) have been extended for an additional five years.

Four tenements within the Cardinia tenement package at Nevertire (PL37/7264, PL37/7891 and PL37/78930) and Black Chief (PL37/7274) have been submitted to the DMP and recommended for Mining Lease approval, MLA37/1303 and MLA37/1304 respectively.

Statutory reporting requirements to DMP have been lodged.

Operating results for the year

The net loss for the year after providing for income tax amounted to \$1,116,171 (2015: \$1,148,561).

Review of financial conditions

Risk management

The Directors identify and manage risk and consider the business of mineral exploration, by its nature, contains elements of risk, with no guarantees of success.

The success of these activities is, amongst other things, dependent upon:

-) The discovery and/or acquisition of economically recoverable reserves;
-) Access to adequate capital;
-) Securing and maintaining title to interests;
-) Obtaining consents and approvals to undertake exploration and associated activities; and
-) Access to appropriately qualified and experienced operational management, contractors and other personnel.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year.





DIRECTORS' REPORT (continued)

Significant events after balance date

On 4 July 2016, the Company announced the appointment of Mr Don Harper as its new CEO commencing August 2016. Don is a qualified mining engineer with more than 25 years' industry experience with a strong track record of project management and taking resource projects from pre-feasibility stage into production. Don was the Chief Operating Officer of Sumatra Copper & Gold plc (ASX: SUM) and has held that position since January 2013. He was instrumental in taking the Tembang gold & silver Project from feasibility, through to bullion production.

Prior to Sumatra, Don was also Chief Operating Officer for two ASX listed gold companies. Don has also been involved in developing mining operations in South Africa and Zambia. He has held several senior management roles both in underground and open pit operations. Between 2003 and 2008 he was Managing Director of ASX-listed nickel & copper producer Fox Resources where he brought the Radio Hill Nickel/Copper mine from feasibility into full production. He was instrumental in taking Fox from a market capitalisation of \$30M to in excess of \$300M.

Don brings with him a strong combination of mine development, operational and corporate experience. Don holds a Bachelor of Engineering (Mining Engineering), from the West Australian School of Mines Kalgoorlie and is the holder of a Western Australian, First Class Mine Managers Certificate of Competency.

The Company announced on 29 July 2016, that the \$1 million loan provided by Mr Fritz Fitton, the company's Technical Director, to assist with the acquisition of the Leonora Gold Project in October 2014 will be extended for a further 12-month term commencing on the 24th October 2016 on the same terms and interest rate as previously announced.

As announced on 22 August 2016, the Company undertook a pro rata non-renounceable entitlement issue of approximately 22,620,723 ordinary fully paid shares (New Shares) on the basis of one (1) New Share for every four (4) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.22 per New Share, to raise up to approximately \$4,976,559 (Rights Issue or Offer). New Shares issued under the Rights Issue will rank equally with existing Shares on issue and the Company will apply for official quotation of the New Shares. The closing date of the Offer was 28 September 2016. As announced by the Company, on 22 September 2016, the Offer was partially underwritten.

Funds raised from the issue of \$4,976,559 (before costs) will be utilised for:

- J further development of the Leonora Gold Project including additional drilling and commencement of the Definitive Feasibility Study;
- J payment of the final balance to the Secured Creditor, Waterton Global Value LLP for the acquisition of the Leonora Gold Project; and
- J general working capital requirements.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Therefore, this information has not been presented in this report.

Environmental legislation

The Group is not subject to any significant environmental legislation.

Dividends

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract insuring the directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.





DIRECTORS' REPORT (continued)

Remuneration report (audited)

This report, which forms part of the directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Kin Mining NL for the financial year ended 30 June 2016. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

The KMP of the Group during or since the end of the financial year were the directors of the Company as follows:

Directors:

T Grammer	Chairman (non-executive)
T Dixon	Managing Director
M Fitton	Non-executive Director
G Graziano	Non-executive Director/Company Secretary

Except as noted, the named persons held their current positions for the whole of the financial year.

Remuneration philosophy

The performance of the Group depends upon the quality of the directors and executives. The philosophy of the Group in determining remuneration levels is to:

-) set competitive remuneration packages to attract and retain high calibre employees;
-) link executive rewards to shareholder value creation; and
-) establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration governance

The Company has not formed a remuneration committee. The role of a remuneration committee is instead carried out by the full Board in accordance with the Nomination and Remuneration Committee charter.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each director receives a fee for being a director of the Company. An additional fee is also paid for each Board committee on which a director sits. The payment of additional fees for serving on a committee recognises the additional time commitment required by directors who serve on one or more sub committees.

Fixed Remuneration

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Committee has access to external, independent advice where necessary.

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 director's fees 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.





DIRECTORS' REPORT (continued)

Remuneration report (continued)

Marvyn (Fritz) Fitton, Non- Executive Director

-) Director's fees of \$36,000 per annum.
-) 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.

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

-) Director's fees of \$36,000 per annum.
-) No formal consulting agreement in place; consulting fee of \$4,000 per month (2015: \$7,000) for Company Secretarial and Financial services is currently being paid.

Remuneration of Key Management Personnel

	Short-term employee benefits				Post-employment benefits	Equity	
	Salary & fees	Consulting	Non-monetary benefits	Other	Superannuation	Share options	Total
30 June 2016	\$	\$	\$	\$	\$	\$	\$
Directors							
T Grammer	50,000	-	-	-	4,750	1,898	56,648
T Dixon	156,000	-	-	46,968 ¹	14,820	10,440	228,228
M Fitton	36,000	35,475 ²	-	-	3,420	6,169	81,064
G Graziano	-	115,500 ³	-	-	-	9,491	124,991
	242,000	150,975	-	46,968	22,990	27,998	490,931

- 1 Mr T Dixon received \$46,968 for equipment hire (GST inclusive).
- 2 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 (GST inclusive).
- 3 Consulting services rendered by Mr Graziano were via Pathways Corporate Pty Ltd for Company Secretarial, and services during the period (GST inclusive).

	Short-term employee benefits				Post-employment benefits	Equity	
	Salary & fees	Consulting	Non-monetary benefits	Other	Superannuation	Share options	Total
30 June 2015	\$	\$	\$	\$	\$	\$	\$
Directors							
T Grammer	50,000	-	-	-	4,750	-	54,750
T Dixon	156,000	-	-	66,332 ¹	14,820	-	237,152
M Fitton	36,000	23,100 ²	-	-	3,420	-	62,520
G Graziano	-	132,000 ³	-	-	-	-	132,000
	242,000	155,100	-	66,332	22,990	-	486,422

- 1 Mr T Dixon received \$66,332 for equipment hire (GST inclusive).
- 2 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 (GST inclusive).
- 3 Consulting services rendered by Mr Graziano were via Pathways Corporate Pty Ltd for Company Secretarial, and services during the period (GST inclusive).





DIRECTORS' REPORT (continued)

Remuneration report (continued)

Shareholdings of key management personnel

2016	Balance at 01/07/15	Shares Purchased	Shares Issued	Shares Vendor Acquisition	Shares Disposed	Balance at 30/06/16
	No.	No.	No.	No.	No.	No.
Directors						
T Grammer	136,113	1,270,000	-	-	-	1,406,113
T Dixon	7,873,001	2,135,000	-	-	-	10,008,001
M Fitton	1,124,000	650,000	-	-	-	1,774,000
G Graziano	6,001,668	1,000,000	-	-	-	7,001,668
	15,134,782	5,055,000	-	-	-	20,189,782

2015	Balance at 01/07/14	Shares Purchased	Shares Transferred In	Shares Vendor Acquisition	Shares Disposed	Balance at 30/06/15
	No.	No.	No.	No.	No.	No.
Directors						
T Grammer	35,000	101,113	-	-	-	136,113
T Dixon	6,602,501	1,270,500	-	-	-	7,873,001
M Fitton	1,000,000	124,000	-	-	-	1,124,000
G Graziano	5,000,001	1,001,667	-	-	-	6,001,668
	12,637,502	2,497,280	-	-	-	15,134,782

Option holdings of key management personnel

2016	Balance at 01/07/15	Options Purchased	Options Disposed	Options Issued	Options Expired	Balance at 30/06/16
	No.	No.	No.	No.	No.	No.
Directors						
T Grammer	-	-	-	630,000	-	630,000
T Dixon	-	-	-	1,050,000	-	1,050,000
M Fitton	-	-	-	325,000	-	325,000
G Graziano	-	-	-	500,000	-	500,000
	-	-	-	2,505,000	-	2,505,000

2015	Balance at 01/07/14	Options Purchased	Options Disposed	Options Issued	Options Expired	Balance at 30/06/15
	No.	No.	No.	No.	No.	No.
Directors						
T Grammer	17,500	-	-	-	17,500	-
T Dixon	3,301,251	-	-	-	3,301,251	-
M Fitton	500,000	-	-	-	500,000	-
G Graziano	2,500,001	-	-	-	2,500,001	-
	6,318,752	-	-	-	6,318,752	-

No cash bonuses were granted during 2016 or 2015.

No amounts were unpaid on options exercised during the year.





DIRECTORS' REPORT (continued)

Remuneration report (continued)

Share options

During the year 1,475,000 share options were granted to Directors as compensation or remuneration during the year.

These options were valued using the Black & Scholes option pricing:

	Date of issue	3 September 2015
	Spot price at date of issue	\$0.093
	Exercise price	\$0.20
	Date exercisable	31 August 2017
	Volatility	90%
	Interest rate	2%
	Discount for lack of marketability	30%

Other transactions with Key Management Personnel

On 24 October 2014, the Company entered into a loan agreement with Mr Fitton to assist with the acquisition of the Leonora Gold Project for an amount of \$1,000,000, \$1,000,000 of which was outstanding at 30 June 2016 (30 June 2015: \$1,000,000). This loan is secured and earns interest at a rate of 15% p.a. Interest accrued at the reporting date is \$266,842 (2015: \$137,222). Interest paid during the year amounted to \$20,000 (2015: \$Nil). \$50,380 of the interest and \$14,620 in satisfaction of unpaid director fees were converted to equity during the year as approved by shareholders at a General Meeting held on 3 September 2015 and the term was extended from 24 October 2015 to 24 October 2016. As at 30 June 2016, the Company also has other payables due to Mr. Fritton amounting to \$29,782 (2015: \$14,620).

The Company entered into a loan agreement with Mr Dixon to assist with working capital funding for \$10,900 (2015: \$79,352), \$900 of which was outstanding at 30 June 2016 (30 June 2015: \$125,593). During the year, the Company paid \$10,000 in cash and converted \$25,593 of related party loan owing and \$49,207 in satisfaction of other payables to equity as approved by shareholders at a General Meeting held on 3 September 2016. During the year, the Company converted \$100,000 of related party loan owing to equity as part of the Share Purchase Plan Shortfall. No interest was payable or accrued. As at 30 June 2016, the Company also has other payables due to Mr. Dixon amounting to \$18,172 (2015: \$25,200).

The Company entered into a loan agreement with Mr Grammer to assist with working capital funding for \$350,000 (2015: \$21,114), \$251,114 of which was outstanding at 30 June 2016 (30 June 2015: \$Nil). During the year, the Company converted \$20,000 of related party loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. During the year, the Company converted \$100,000 of related party loan owing to equity as part of the Share Purchase Plan Shortfall. No interest was payable or accrued. As at 30 June 2016, the Company also has other payables due to Mr. Grammer amounting to \$37,781 (2015: \$Nil).

Pathways Corporate Pty Ltd, a company of which Mr Graziano is a Director, charged the Group director fees of \$115,500 (2015: \$132,000), including GST, \$30,800 of which was outstanding at 30 June 2016 (30 June 2015: \$50,750) and provided financial and associated services to the Group during the year on normal commercial terms and conditions. The Company entered into a loan agreement with Pathways Corporate Pty Ltd to assist with working capital funding for \$Nil (2015: \$15,000), \$Nil of which was outstanding at 30 June 2016 (30 June 2015: \$15,000). During the year, the Company converted \$48,000 of director fees and \$15,000 of the Pathways Corporate Pty Ltd loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. No interest was payable or accrued.

The Company entered into a loan agreement with Mr Graziano to assist with working capital funding for \$Nil (2015: \$37,000), \$Nil of which was outstanding at 30 June 2016 (30 June 2015: \$37,000). During the year, the Company converted \$37,000 of related party loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. No interest was payable or accrued.

END OF REMUNERATION REPORT



**DIRECTORS' REPORT (continued)**

Shares under option or issued on exercise of options

At the date of this report unissued ordinary shares or interests of the Company under option are:

Date options granted	Number of shares under option	Exercise price of option	Expiry date of option
3 September 2015	13,775,000	\$0.20	31 August 2017

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the exercise of an option are:

Number of shares issued	Amount paid for the shares
1,150,000	\$230,000

Directors' Meetings

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' meetings
Number of meetings held:	6
Number of meetings attended:	
T Grammer	6
T Dixon	6
M Fitton	6
G Graziano	6

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 a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

Details of amounts paid or payable to the auditor for all services provided during the year by the auditor are outlined in Note 21 to the financial statements. No non-audits services were provided during the year ended 30 June 2016 (2015: \$Nil). The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the impartiality and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional & Ethical Standards Board.





DIRECTORS' REPORT (continued)

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 33 and forms part of this directors' report for the year ended 30 June 2016.

Signed in accordance with a resolution of the directors.

Trevor John Dixon
Managing Director

Perth, Western Australia
29 September 2016

Competent Persons Statement

The information in this report that relates to mineral resources and exploration results at Mt Flora is based on information compiled by Mr. Marvyn John (Fritz) Fitton who is a Member of the Institute of Geoscientists and a Member of the Australian Institute of Mining and Metallurgy. Mr. Fitton is the Technical Director of Kin Mining NL 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. Fitton 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.

Competent Persons Statement

The information contained in this report that relates to mineral resources and exploration results is based on information compiled and reviewed by Paul Maher who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr. Simon Buswell-Smith who is a Member of the Australian Institute of Geoscientists (MAIG), both are employees of the company and fairly represents this information. Mr. Maher and Mr. Buswell-Smith have sufficient experience of relevance to the styles of mineralisation and the types of deposit under consideration, and to the activities undertaken to qualify as a Competent Person as defined in the 2012 edition of the "JORC Australian code for reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Maher and Mr. Buswell-Smith consent to the inclusion in the report of the matters based on information in the form and context in which it appears.

Forward Looking Statements

Certain information in this document refers to the intentions of Kin Mining NL, but these are not intended to be forecasts, forward looking statements or statements about future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of events in the future are subject to risks, uncertainties and other factors that may cause Kin Mining NL's actual results, performance or achievements to differ from those referred to in this announcement. Accordingly, Kin Mining NL, its directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of the events referred to in this announcement will actually occur as contemplated.



CORPORATE GOVERNANCE STATEMENT

This statement has been approved by the Board. It is current as at 31 July 2016.

KIN Mining approach to Corporate Governance

This Statement addresses how KIN Mining implements the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 3rd Edition (referred to as either ASX Principles or Recommendations).

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – *A listed entity should disclose:*

- a) *the respective roles and responsibilities of its board and management;*
- b) *those matters expressly reserved to the board and those delegated to management.*

Role of the KIN Mining Board ('the Board')

The Board is responsible for the governance of KIN Mining. The role of the Board is to provide overall strategic guidance and effective oversight of management. The Board derives its authority to act from KIN Mining Constitution.

The Board's responsibilities are set out in a formal Charter which the Board reviews every two years. The Charter was most recently reviewed in July 2016.

The major powers the Board has reserved to itself are:

-) overseeing the Company, including its control and accountability systems;
-) appointment, evaluation, rewarding and if necessary the removal of the Managing Director (or equivalent), the Company Secretary and senior management personnel;
-) ratifying the appointment, and where appropriate, the removal, of senior executives;
-) in conjunction with members of the senior management team, develop corporate objectives, strategies and operations plans and approve and appropriately monitor plans, new investments, major capital and operating expenditures, use of capital, acquisitions, divestitures and major funding activities;
-) establishing appropriate levels of delegation to the executive Directors to allow them to manage the business efficiently;
-) monitoring actual performance against planned performance expectations and reviewing operating information at a requisite level, to understand at all times the financial and operating conditions of the Company, including the reviewing and approving of annual budgets;
-) monitoring the performance of senior management, including the implementation of strategy, and ensuring appropriate resources are available to them;
-) identifying areas of significant business risk and ensure that the Company is appropriately positioned to manage those risks;
-) overseeing the management of safety, occupational health and environmental matters;
-) satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
-) satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, and internal control processes are in place and functioning appropriately
-) ensuring that appropriate internal and external audit arrangements are in place and operating effectively;
-) having a framework in place to help ensure that the Company acts legally and responsibly on all matters consistent with the code of conduct; and
-) reporting accurately to shareholders, on a timely basis.

Recommendation 1.2 – *A listed entity should disclose:*

- a) *undertake appropriate checks before appointing a person or putting forward to security holders a candidate for election, as a director;*
- b) *provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

The Group does not have a Nomination Committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identify suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for reappointment at the next subsequent AGM. The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 1.3 – *A listed entity should have a written agreement with each director and executive setting out the terms of their appointment.*

New Directors consent to act as a Director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Recommendation 1.4 – *The company secretary of a listed entity should be accountable directly to the chair, on all matters to do with the proper functioning of the board.*

KIN Mining Company Secretary fulfils a broad range of management responsibilities in addition to company secretarial duties. As a result, the formal reporting line of the Company Secretary is to the Chair. For any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has an indirect reporting line, and is accountable, to the Chair of the Board.

Recommendation 1.5 – *A listed entity should:*

- a) *have a diversity policy which includes requirements for the board to or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;*
- b) *disclose that policy or a summary of it; and*
- c) *disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:*
 1. *the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or*
 2. *if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.*

The Company has adopted a formal Diversity Policy and is committed to workplace diversity, with a particular focus on supporting the representation of women at the senior level of the Company and on the Company Board.

The Board will review this position on an annual basis and will implement measurable objectives as and when they deem the Company to require them.

The participation of women in the Company at the date of this report is as follows:

) Women employees in the Company	57%
) Women in senior management positions	0%
) Women on the Board	0%

The Company's Diversity Policy is available on its website.

Recommendation 1.6 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors;*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

Evaluation of Board and individual Directors

The Board of KIN Mining conducts its performance review of itself on an ongoing basis throughout the year. The small size of the Group and hands on management style requires an increased level of interaction between Directors and Executives throughout the year. Board members meet amongst themselves both formally and informally. The Board considers that the current approach that it has adopted with regard to the review of its performance provides the best guidance and value to the Group given its size.

Recommendation 1.7 – *A listed entity should:*

- a) *have and disclose a process for periodically evaluating the performance of its senior executives; and*
- b) *disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.*

The performance of senior management is reviewed annually in a formal process with the executive's performance assessed against the company and personal benchmarks. Benchmarks are agreed with the executives and reviews are based upon the degree of achievement against those benchmarks.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 2: Structure the Board to add value

KIN Mining Constitution provides for a minimum of three directors and a maximum of ten.

The Directors of KIN Mining at any time during the financial year are listed with a brief description of their qualifications, appointment date, experience and special responsibilities on pages 4 and 5 of the Annual Report.

The Board met regularly throughout the course of the financial year to discuss the Company's operational and financial activities.

Recommendation 2.1 – *The Board of a listed entity should:*

- a) *have a nomination committee which:*
 1. *Has at least three members, a majority of whom are independent directors; and*
 2. *Is chaired by an independent director;**and disclose:*
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable to discharge its duties and responsibilities effectively.*

The Group does not have a Nomination committee. The role of the Nomination Committee has been assumed by the full Board operating under the Nomination Committee Charter adopted by the Board.

Recommendation 2.2 – *The listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.*

The Group does not have an established board skills matrix on the mix of skills and diversity for Board membership. The Board continues to monitor the mix of skills and diversity on the Board however, due to the size of the Group, the Board does not consider it appropriate at this time to formally set matrix on the mix of skills and diversity for Board membership.

Recommendation 2.3 – *A listed entity should disclose:*

- a) *the names of the directors considered by the board to be independent directors;*
- b) *if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion and*
- c) *the length of service of each director.*

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the Annual Report is included in the Directors' Report. Directors of the Group are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgement.

The Board has accepted the following definition of an Independent Director:

"An Independent Director is a Director who is not a member of management, is a Non-Executive Director and who:

-) is not, and has not within the last three years, been employed in an executive capacity by the Company or another group member, and there has been a period of at least three years between ceasing such employment and serving on the Board;
-) is not, and has not within the last three years been, a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
-) is not, and has not within the last three years, a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
-) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
-) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
-) has no close family ties with any person who fall within any of the categories described above; or
-) has been a Director of the entity for such a period that his or her independence may have been compromised."

CORPORATE GOVERNANCE STATEMENT (continued)

In accordance with the definition of independence above, no Directors are considered independent. Accordingly, a majority of the Board is not independent. Given the size of the Group the current Board is deemed appropriate. There are procedures in place, as agreed by the Board, to enable Directors to seek independent professional advice on issues arising in the course of their duties at the Group's expense.

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in office
Mr. Terrence Ronald Grammer	3 years
Mr. Trevor John Dixon	3 years
Mr. Marvyn (Fritz) John Fitton	3 years
Mr. Giuseppe (Joe) Paolo Graziano	3 years

Recommendation 2.4 – *The majority of the Board of a listed entity should be independent Directors.*

As at 30 June 2016, the Board comprised one independent Chairman, two non-executive Directors and one executive Director. In accordance with the definition of independence above, only Mr Grammer is considered independent. Accordingly, a majority of the Board are not independent.

The Group does not have a majority of independent directors. The Directors consider that the current structure and composition of the Board is appropriate to the size and nature of operations of the Group.

Recommendation 2.5 – *The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.*

Under KIN Mining Constitution, the Board elects a Chairman from amongst the Directors. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.

KIN Mining Chairman, Terrance Grammer is considered an independent Director. The Directors consider that the current Chairman of the Board is appropriate to the size and nature of operations of the Group.

Recommendation 2.6 – *The listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.*

The formal letter of appointment and an induction pack provided to Directors contain sufficient information to allow the new Director to gain an understanding of:

-) The rights, duties and responsibilities of Directors;
-) The role of Board Committees;
-) The Code of Conduct; and
-) KIN Mining financial, strategic, and operational risk management position.

Directors are encouraged to take appropriate professional development opportunities approved by the Board.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – *A listed entity should:*

- a) *have a code of conduct for its directors, senior executives and employees; and*
- b) *disclose that code or a summary of it.*

KIN Mining has a Code of Conduct that applies to KIN Mining and its Directors, employees and contractors (all of which are referred to as "employees" in the Code).

The Code of Conduct sets out a number of overarching principles of ethical behaviour which cover:

-) Personal and Professional Behaviour;
-) Conflict of Interest;
-) Public and Media Comment;
-) Use of Company Resources;
-) Security of Information;
-) Intellectual Property/Copyright
-) Discrimination and Harassment;
-) Corrupt Conduct;

CORPORATE GOVERNANCE STATEMENT (continued)

-) Occupational Health and Safety;
-) Legislation;
-) Fair Dealing;
-) Insider Trading;
-) Responsibilities to Investors;
-) Breaches of the Code of Conduct; and
-) Reporting Matters of Concern.

Training about the Code of Conduct is part of the induction process for new KIN Mining Directors.

KIN Mining Code of Conduct is available on KIN Mining website.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 – *A board of a listed entity should:*

- a) *have an audit committee which:*
 - 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 - 2. *is chaired by an independent director, who is not the chair of the board, and disclose:*
 - 3. *the charter of the committee;*
 - 4. *the relevant qualifications and experience of the members of the committee; and*
 - 5. *in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard that integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board. The Directors consider this as appropriate to the size and nature of operations of the Group.

Charter of the Audit and Risk Management Committee

The Board has formally adopted an Audit and Risk Management Committee Charter but given the present size of the Group, has not formed a separate Committee. Instead the function of the Committee will be undertaken by the full Board in accordance with the policies and procedures outlined in the Audit and Risk Management Committee Charter. At such time when the Group is of sufficient size a separate Audit and Risk Management Committee will be formed.

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes both internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial and non- financial information. It is the Board's responsibility for the establishment and maintenance of a framework of internal control of the Group.

Recommendation 4.2 – *The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The officers of the Company assuming the roles of CEO and CFO have provided the Board with written assurances that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control and that the system is operating effectively in all material respects in relation to financial reporting risks.

Recommendation 4.3 – *A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

The external auditor attends KIN Mining Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to KIN Mining at least five business days before the day of the meeting. No questions were sent to the auditor in advance of the 2015 Annual General Meeting. Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by KIN Mining and the independence of the auditor.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – A listed entity should:

- a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
- b) disclose that policy or a summary of it.

Disclosure

KIN Mining Disclosure Policy describes KIN Mining continuous disclosure obligations and how they are managed by KIN Mining. The Policy is reviewed bi-annually and is published on KIN Mining website. It was most recently reviewed in July 2016.

Accountability

The Company Secretary reports to the Board quarterly on matters that were either notified or not notified to the ASX. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available on the KIN Mining website.

Financial market communications

Communication with the financial market is the responsibility of the full Board. Communication with the media is the responsibility of the Chairman. The Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

The substantive content of all market presentations about the half year and full year financial results and all statements relating to KIN Mining future earnings performance must be referred to, and approved by, the Board before they are disclosed to the market.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – A listed entity should provide information about itself and its governance to investors via its website.

KIN Mining website at www.kinmining.com.au provides detailed information about its business and operations. Details of KIN Mining Board Members can be found on the website.

The Investor Relations link on KIN Mining website provides helpful information to shareholder. It allows shareholders to view all ASX and media releases for the last year; various investor presentations; a copy of the most recent Annual Report and Annual Reports for at least the two previous financial years; and the notice of meeting and accompanying explanatory material for the most recent Annual General Meeting and the Annual General Meetings for at least the two previous financial years.

Shareholders can find information about KIN Mining corporate governance on its website at under the 'Corporate' link. This includes KIN Mining Corporate Governance Plan.

The Corporate Governance Plan includes:

-) Board Charter
-) Corporate Code of Conduct
-) Committee Charters
-) Continuous Disclosure Policy
-) Diversity Policy
-) Performance Evaluation Practices
-) Procedures for Selection and Appointment of Directors
-) Remuneration Policy
-) Risk Management and Internal Compliance and Control
-) Securities Trading Policy
-) Shareholder Communication Policy

Recommendation 6.2 – A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.

KIN Mining is committed to communicating effectively with its shareholders and making it easier for shareholders to communicate with the Group.

CORPORATE GOVERNANCE STATEMENT (continued)

KIN Mining promotes effective communication with shareholders and encourages effective participation at general meetings, information is communicated to shareholders:

-) Through the release of information to the market via the ASX;
-) Through the Annual Report, half yearly report and quarterly reports;
-) Through the distribution of the annual report and notices of annual general meeting;
-) Through shareholder meetings and investor relations presentations; and
-) The external auditors are required to attend the annual general meeting and are available to answer any shareholder questions about the conduct of the audit and preparation of the audit report.

Recommendation 6.3 – *A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.*

Notices of meeting sent to KIN Mining shareholders comply with the “Guidelines for notices of meeting” issued by the ASX in August 2007. Shareholders are invited to submit questions before the meeting and, at the meeting, the Chairman attempts to answer as many of these as is practical.

The Chairman also encourages shareholders at the meeting to ask questions and make comments about KIN Mining operations and the performance of the Board and senior management. The Chairman may respond directly to questions or, at his discretion, may refer a question to another Director.

New Directors or Directors seeking re-election are given the opportunity to address the meeting and to answer questions from shareholders.

Recommendation 6.4 – *A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

Shareholders have the option of electing to receive all shareholder communications by e-mail. KIN Mining provides a printed copy of the Annual Report to only those shareholders who have specifically elected to receive a printed copy. Other shareholders are advised that the Annual Report is available on the KIN Mining website.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the KIN Mining Share Registry with an email address and elects to be notified of all KIN Mining ASX announcements.

The KIN Mining Share Register is managed and maintained by Advanced Share Registry Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via Advanced Share Registry Services Investor Online Login or by using the Advanced Share Registry Services website.

Principle 7: Recognise and manage risk

Recommendation 7.1 – *A board of a listed entity should:*

- a) *have a committee or committees to oversee risk, each of which:*
 - 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 - 2. *is chaired by an independent director, who is not the chair of the board, and disclose:*
 - 3. *the charter of the committee;*
 - 4. *the members of the committee; and*
 - 5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*

The Group does not have an Audit and Risk Management Committee. The role of the Audit and Risk Management Committee has been assumed by the full Board operating under the Audit and Risk Management Committee Charter adopted by the Board.

Details of the structure and Charter of the Audit and Risk Management Committee are set out in Recommendation 4.1.

Recommendation 7.2 – *The board or a committee of the board should:*

- a) *review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and*
- b) *disclose, in relation to each reporting period, whether such a review has taken place.*

CORPORATE GOVERNANCE STATEMENT (continued)

Risk Management Policies

KIN Mining has a number of other policies that directly or indirectly serve to reduce and/or manage risk. These include, but are not limited to:

-) Directors and Executive Offices' Code of Conduct
-) Code of Business Conduct
-) Dealing in Company Securities
-) Communications Strategy
-) Disclosure Policy
-) Risk Management and Internal Control Policy

Roles and responsibilities

The Risk Management Policy, and the other policies listed above, describes the roles and responsibilities for managing risk. This includes, as appropriate, details of responsibilities allocated to the Board.

The Board is responsible for reviewing and approving changes to the Risk Management Policy and for satisfying itself that KIN Mining has a sound system of risk management and internal control that is operating effectively. The Board annually reviews and approves KIN Mining main risk exposures and the mitigating actions.

Recommendation 7.3 – *A listed entity should disclose:*

- a) *If it has an internal audit function, how the function is structured and what role it performs; or*
- b) *If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.*

The Group does not have an established internal audit function given the size of its current operations. The risk management functions of the board are summarised under recommendations 7.1 and 7.2.

Recommendation 7.4 – *A listed entity should disclose whether it has any material exposure to economic and social sustainability risks and, if it does, how it manages or intends to manage those risks.*

The Board of KIN Mining informally monitors and manages the Groups exposure to economic, environment and social responsibility risks. The Board considers that the current approach that it has adopted with regard to the sustainability risk management process is appropriate to the size and nature of operations of the Group.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – *A board of a listed entity should:*

- a) *have a remuneration committee which:*
 1. *has at least three members, all of whom are non-executive directors and a majority of whom are independent; and*
 2. *is chaired by an independent director,**and disclose:*
 3. *the charter of the committee;*
 4. *the members of the committee; and*
 5. *as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*
- b) *if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The Board is responsible for determining and reviewing compensation arrangements for executive directors. The Board has formally adopted a Remuneration Committee Charter however given the present size of the Group, has not formed a separate Committee. Instead the function will be undertaken by the full Board in accordance with the policies and procedures outlined in the Remuneration Committee Charter. At such time when the Group is of sufficient size a separate Remuneration Committee will be formed.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

CORPORATE GOVERNANCE STATEMENT (continued)

Recommendation 8.2 – *A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

KIN Mining remuneration structure distinguishes between Executive and Non-Executive Directors. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors' Report on pages **18** to **21** of the Annual Report.

Recommendation 8.3 – *A listed entity which has an equity-based remuneration scheme should:*

- a) *have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- b) *disclose that policy or a summary of it.*

KIN Mining does not have a policy on whether participants in equity based remuneration schemes are able to enter into transactions which limit the economic risk of participating in those schemes as the Group does not have an equity based remuneration scheme.

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Kin Mining NL for the year ended 30 June 2016, 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
29 September 2016



D I Buckley
Partner

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Continuing operations			
Revenue:			
Interest income		1,057	510
Other income	2	750	694
Depreciation and amortisation expense		(48,988)	(19,529)
Administration expenses		(313,912)	(308,656)
Consultant expenses		(76,666)	(127,694)
Employee expenses		(355,573)	(384,534)
Share based payment expense		(27,998)	-
Interest expense		(352,445)	(228,890)
Occupancy expenses		(68,707)	(70,646)
Travel expenses		(21,348)	(9,816)
Loss before income tax expense		(1,263,830)	(1,148,561)
Income tax benefit	3	147,659	-
Net loss for the year		(1,116,171)	(1,148,561)
Other comprehensive income, net of income tax		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(1,116,171)	(1,148,561)
 Basic loss per share (cents per share)	6	 (1.59)	 (2.53)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,289,567	118,207
Trade and other receivables	9	246,262	35,543
Other current assets	10	96,072	91,406
Total current assets		1,631,901	245,156
Non-current assets			
Property, plant and equipment	11	260,235	243,143
Capitalised exploration and evaluation expenditure	12	9,278,366	6,947,978
Total non-current assets		9,538,601	7,191,121
Total assets		11,170,502	7,436,277
Liabilities			
Current liabilities			
Trade and other payables	13	1,070,753	462,723
Borrowings	14	3,110,283	1,350,549
Total current liabilities		4,181,036	1,813,272
Non-current liabilities			
Borrowings	14	-	1,440,188
Total Non-current liabilities		-	1,440,188
Total liabilities		4,181,036	3,253,460
Net assets		6,989,466	4,182,817
Equity			
Issued capital	15	9,961,007	6,066,185
Share based payments reserve	16	27,998	-
Accumulated losses		(2,999,539)	(1,883,368)
Total equity		6,989,466	4,182,817

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Total equity \$
Balance at 1 July 2014		4,145,082	(734,807)	-	3,410,275
Loss for the year		-	(1,148,561)	-	(1,148,561)
Total comprehensive loss for the year		-	(1,148,561)	-	(1,148,561)
Shares issued during the year		1,941,453	-	-	1,941,453
Share issue costs		(20,350)	-	-	(20,350)
		6,066,185	(1,883,368)	-	4,182,817
Balance as at 30 June 2015		6,066,185	(1,883,368)	-	4,182,817
Loss for the year		-	(1,116,171)	-	(1,116,171)
Total comprehensive loss for the year		-	(1,116,171)	-	(1,116,171)
Share based payments		-	-	27,998	27,998
Shares issued during the year		4,122,820	-	-	4,122,820
Share issue costs		(227,998)	-	-	(227,998)
Balance as at 30 June 2016		9,961,007	(2,999,539)	27,998	6,989,466

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS **FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from customers		750	694
Payments to suppliers and employees		(900,534)	(590,306)
Interest received		1,057	510
Finance costs		(20,000)	(228,890)
Net cash (outflow) from operating activities	8	(918,727)	(817,992)
Cash flows from investing activities			
Payments for property, plant and equipment		(66,080)	(223,043)
Payments Exploration and evaluation expenditure		(1,726,962)	(1,195,569)
Payments for acquisition of investment and related costs		-	(2,532,720)
Net cash (outflow) from investing activities		(1,793,042)	(3,951,332)
Cash flows from financing activities			
Proceeds from issue of shares		3,760,227	1,941,453
Payments for share issue costs		(227,998)	(20,350)
Proceeds from borrowings		360,900	2,793,073
Repayments of borrowings		(10,000)	-
Net cash inflow from financing activities		3,883,129	4,714,176
Net increase/(decrease) in cash and cash equivalents		1,171,360	(55,148)
Cash and cash equivalents at the beginning of the year		118,207	173,355
Cash and cash equivalents at the end of the year	8	1,289,567	118,207

The accompanying notes form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operating in Australia. The Group's principal activities are gold and base metals exploration.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2016

In the year ended 30 June 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group 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 Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issue not yet adopted

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 2016. 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 Group and, therefore, no change is necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 29 September 2016.

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

(d) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, 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 other factors that are considered to be relevant.

Capitalised exploration and evaluation expenditure

The Group's accounting policy is stated at 1(t). A regular review is undertaken of each area of interest to determine the reasonableness of continuing to carry forward costs in relation to that area of interest.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model, using the assumptions detailed in Note 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Going concern

Notwithstanding the fact that the Group has a working capital deficiency of \$2,549,135 at balance date, the directors are of the opinion that the Group is a going concern for the following reasons:

Loans from related parties total \$1,518,856 and form part of the working capital deficiency. Of this amount, \$1,266,842 being a secured loan from Mr Fritz Fitton, the Company's technical director. This has been extended subsequent to the year end for an additional 12 months commencing on 24 October 2016.

Subsequent to year end, as announced on 22 August 2016, the Company undertook a partially underwritten pro rata non-renounceable entitlement issue of approximately 22,620,723 ordinary fully paid shares (New Shares) on the basis of one (1) New Share for every four (4) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.22 per New Share, to raise up to approximately \$4,976,559 (Rights Issue or Offer) before costs. New Shares issued under the Rights Issue will rank equally with existing Shares on issue and the Company will apply for official quotation of the New Shares. The closing date of the Offer was 28 September 2016.

The funds raised will be used to meet the ongoing working capital and expenditure commitments of the Group. The Directors also anticipate that further equity raisings will be required and this will be assessed in the second half of 2016 and early 2017 in order to meet ongoing working capital and expenditure commitments. Should these equity raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be able to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amount stated in the financial report.

(f) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

-) has power over the investee;
-) is exposed, or has rights, to variable returns from its involvement in with the investee; and
-) has the ability to its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights if an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

-) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
-) potential voting rights held by the Company, other vote holders or other parties; rights arising from other contractual arrangements; and
-) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Basis of consolidation (continued)

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in subsidiaries. Any difference between the amount paid by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between:

-) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
-) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit and loss or transferred to another category of equity as specified/permitted by the applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue is capable of being reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

(h) Income tax

Deferred income tax is provided for on all temporary differences at balance date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

No deferred income tax will be recognised from the initial recognition of goodwill or of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss. No deferred income tax will be recognised in respect of temporary differences associated with investments in subsidiaries if the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the near future.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance date and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The carrying amount of deferred tax assets is reviewed at each balance date and only recognised to the extent that sufficient future assessable income is expected to be obtained. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- J when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- J receivables and payables, which are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Property, plant and equipment (continued)

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Land and buildings are measured at cost less accumulated depreciation on buildings and less any impairment losses recognised after the date of the revaluation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Freehold buildings	25 years
Plant and equipment	10 years
Motor Vehicles	5 years
Computer equipment	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of property, plant and equipment 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 an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income in the cost of sales line item.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(m) Trade and other receivables

Trade and other receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Trade and other receivables (continue)

The amount of the impairment loss is recognised in the statement of comprehensive income with other expenses when a trade receivable for which an impairment allowance had been recognised becomes uncollectible in subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previous written off are credited against other expenses in the statement of comprehensive income.

(n) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(q) Employee leave benefits

Wages, salaries, annual leave and sick leave

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee leave benefits (continue)

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Group.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(r) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(s) Earnings/ loss per share

Basic earnings/loss per share is calculated as net profit/loss attributable to members of the parent, 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 of the parent, 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.

(t) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

-) the rights to tenure of the area of interest are current; and
-) at least one of the following conditions is also met:
 - the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
 - exploration and evaluation activities in the area of interest have not at the balance 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.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Parent entity financial information

The financial information for the parent entity, Kin Mining NL, disclosed in Note 20 has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements.

Share-based payments

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2: REVENUE AND EXPENSES

Included in the loss for the year are the following items of revenue and expenses:

	2016 \$	2015 \$
<i>Revenue</i>		
Other income:		
) Secretarial	-	694
) Other income	750	-
	<u>750</u>	<u>694</u>
 <i>Expenses</i>		
) Depreciation of plant and equipment	22,162	8,852
) Depreciation of motor vehicles	25,136	8,985
) Depreciation of buildings	1,690	1,692
) Interest expense	352,445	228,890
	<u>401,433</u>	<u>248,419</u>

NOTE 3: INCOME TAX

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

	2016 \$	2015 \$
Loss before income tax	(1,263,830)	(1,148,561)
 Income tax expense calculated at 30% (2015: 30%)	(379,149)	(344,569)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
) Effect of expenses that are not deductible in determining taxable profit	92,287	22,074
) Effect of unused tax losses and tax offsets not recognised as deferred tax assets	286,862	322,495
) Research and development tax concession 2015	(147,659)	-
Income tax benefit reported in the consolidated statement of comprehensive income	<u>(147,659)</u>	<u>-</u>

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in this tax rate since the previous reporting period.

The Company's unused tax losses arising in Australia is \$5,954,275 (2015: \$5,667,413). These tax losses are available indefinitely for offset against future taxable profits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4: SEGMENT REPORTING

Operating segments are identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision maker (deemed to be the Board of Directors) in order to allocate resources to the segment and assess its performance. During the period, the Group operated predominantly in one business and geographical segment being mineral exploration in Australia. Accordingly, under the "management approach" outlined, only one operating segment has been identified and no further disclosure is required in the notes.

NOTE 5: ACQUISITION OF NAVIGATOR MINING PTY LTD

On 3 November 2014, Kin Mining NL acquired 100% of the voting shares of Navigator Mining Pty Ltd.

The total cost of the acquisition was \$2,925,000 and comprised an issue of equity instruments and cash. The Company issued 2,500,000 ordinary shares with a fair value of \$0.15c each, based on the quoted price of the shares Kin Mining NL at the date of exchange. The acquisition has been treated as an asset acquisition rather than a business combination.

Consideration transferred

Acquisition date fair value of the consideration transferred:

	30 June 2015 \$
Shares issued at fair value (Note 15)	375,000
Cash paid (including deposit paid in previous period)	2,550,000
Total consideration	2,925,000
	Fair value at acquisition date \$
Deferred exploration and evaluation expenditure (Note 12)	2,753,957
Motor vehicles (Note 11)	47,470
Land and Buildings (Note 11)	123,573
Total consideration	2,925,000

NOTE 6: LOSS PER SHARE

	2016 Cents per share	2015 Cents per share
Basic/diluted loss per share	(1.59)	(2.53)

The loss and weighted average number of ordinary shares used in the calculation of basic/diluted loss per share is as follows:

	\$	\$
Loss for the year	(1,116,171)	(1,148,561)
Weighted average number of ordinary shares for the purpose of basic/dilutive earnings per share	70,116,096	45,344,394

The potential ordinary shares that could be dilutive in the future are the 14,925,000 options exercisable at \$0.20 before 31 August 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 7: DIVIDENDS

No dividends have been paid or declared since the start of the financial year and the directors do not recommend the payment of a dividend in respect of the financial year.

NOTE 8: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2016 \$	2015 \$
Cash and cash equivalents	1,289,567	118,207
	<u>1,289,567</u>	<u>118,207</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Reconciliation of net loss for the year to net cash flows from operating activities

	2016 \$	2015 \$
Net loss for the year	(1,116,171)	(1,148,561)
Depreciation of non-current assets	48,988	19,529
Share based payments	27,998	-
Accrued interest expense	352,445	-
R&D tax concession	(147,659)	-
(Increase)/decrease in assets:		
Trade and other receivables	(63,834)	45,473
Increase/(decrease) in liabilities:		
Trade and other payables	(33,072)	256,997
Provisions	12,578	8,570
Net cash from operating activities	<u>(918,727)</u>	<u>(817,992)</u>

Non-cash financing and investing activities:

Acquisition of exploration assets via issue of vendor shares (parent entity)

- 375,000

NOTE 9: TRADE AND OTHER RECEIVABLES

	2016 \$	2015 \$
<u>Trade receivables</u>		
Other debtors (GST)	78,793	28,276
Other debtors (ATO receivable and fuel credits refundable)	167,469	7,267
	<u>246,262</u>	<u>35,543</u>

Aging of past due but not impaired

There are no past due amounts at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: OTHER ASSETS

	2016	2015
	\$	\$
<u>Current</u>		
Prepayment – drilling	87,379	87,379
Prepayment – others	8,693	4,027
	<u>96,072</u>	<u>91,406</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings	Office equipment	Motor Vehicles	Total
	\$	\$	\$	\$
Balance at 1 July 2014	-	20,733	18,896	39,629
Additions	-	4,000	48,000	52,000
Net book value recognised on acquisition of Navigator Mining Pty Ltd	123,573	-	47,470	171,043
Depreciation charge for the year	(1,692)	(8,852)	(8,985)	(19,529)
<i>Balance at 30 June 2015</i>	<u>121,881</u>	<u>15,881</u>	<u>105,381</u>	<u>243,143</u>
Balance at 1 July 2015	121,881	15,881	105,381	243,143
Additions	-	46,989	19,091	66,080
Depreciation charge for the year	(1,690)	(22,162)	(25,136)	(48,988)
<i>Balance at 30 June 2016</i>	<u>120,191</u>	<u>40,708</u>	<u>99,336</u>	<u>260,235</u>

The useful life of the assets was estimated as follows for both 2016 and 2015:

Buildings	25 years
Plant and equipment	10 years
Motor vehicles	5 years
Computer equipment	3 years

NOTE 12: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	2016	2015
	\$	\$
Costs carried forward in respect of:		
<i>Exploration and evaluation phase – at cost</i>		
Balance at beginning of year	6,947,978	2,993,636
Expenditure incurred - cash	2,330,388	1,200,385
- issue of vendor shares	-	-
- fair value of exploration costs recognised on acquisition of Navigator Mining Pty Ltd	-	2,753,957
Total exploration and evaluation expenditure	<u>9,278,366</u>	<u>6,947,978</u>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13: TRADE AND OTHER PAYABLES (CURRENT)

	2016	2015
	\$	\$
Trade payables (i)	600,353	309,790
Other payables and accrued expenses	436,275	123,553
Annual leave	34,125	29,380
	<u>1,070,753</u>	<u>462,723</u>

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

NOTE 14: BORROWINGS

	2016	2016
	\$	\$
<u>Current</u>		
Other loans (i)		
<i>Unsecured</i>	1,591,426	-
Related party loans (iii)	252,015	213,327
<i>Secured</i>		
Related party loans (ii)	1,266,842	1,137,222
	<u>3,110,283</u>	<u>1,350,549</u>
<u>Non-Current</u>		
Other loans (i)	-	1,440,188
Total borrowings	<u>3,110,283</u>	<u>2,790,737</u>

Summary of borrowing arrangements

(i) Waterton Global Value L.P. provided \$1,350,000 as a vendor loan to the Company for a term of 24 months at an interest rate of 10% secured by a first ranking security over the assets of Navigator Mining Pty Ltd. The interest is capitalised and the loan and interest will be payable at the end of the 24 month term being 3 November 2016 or earlier as agreed between the parties. Included in the above balance is accrued interest at balance date of \$241,426 (2015: \$90,188).

(ii) Mr Fritz Fitton, the technical director of the Company, provided a loan of \$1,000,000 for a term of 12 months at an interest rate of 15% secured by the Company's assets, other than its shares in Navigator Mining Pty Ltd. The interest has been capitalised (\$266,842 at the reporting date), \$50,380 of the interest was converted to equity during the year end as approved by shareholders at a General Meeting held on 3 September 2015 and the term was extended from 24 October 2015 to 24 October 2016. Furthermore, the Company announced subsequent to year end that that an extension had been granted for repayment of the loan for a further 12 months commencing on 24 October 2016 on the same terms as advised above.

(iii) Directors and their associates have provided unsecured loans to the Company during the year totalling \$360,900 (2015: \$213,327), \$252,015 of which was outstanding at 30 June 2016 (30 June 2015: \$198,707). During the year, the Company converted \$312,213 of related party loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. The loans have no fixed term or interest chargeable.

Defaults and breaches

There have been no defaults or breaches during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 14: BORROWINGS (CONT'D)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

	2016	2015
	\$	\$
<u>Current</u>		
<i>Floating charge</i>		
Cash and cash equivalents	1,289,567	118,207
Receivables	246,262	35,543
Prepayments	96,072	91,406
Total current assets pledged as security	1,631,901	245,156
<u>Non-Current</u>		
<i>Floating Charge</i>		
Property, plant and equipment	260,235	243,143
Capitalised exploration and evaluation expenditure	9,278,366	6,947,978
Total non-current assets pledged as security	9,538,601	7,191,121
Total assets pledged as security	11,170,502	7,436,277

NOTE 15: ISSUED CAPITAL

	2016	2015
	\$	\$
Ordinary shares issued and fully paid	9,961,007	6,066,185

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

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Movement in ordinary shares on issue

	2016			2015	
	Issue Price	No.	\$	No.	\$
<i>Movements in ordinary shares</i>					
Balance at beginning of year		53,084,690	6,066,185	38,653,003	4,145,082
Share purchase plan	\$0.10	18,598,000	1,859,800	-	-
Issue of shares to sophisticated investors	\$0.10	5,830,200	583,020	-	-
Issue of shares to sophisticated investors	\$0.14	12,000,001	1,680,000	-	-
Issue of shares to Waterton Global Value L.P for the acquisition of Navigator Mining Pty Ltd (Note 5)	\$0.15	-	-	2,500,000	375,000
Rights issues	\$0.12	-	-	7,132,354	1,069,853
Issue of shares for 'Lewis prospect' funding	\$0.12	-	-	833,333	100,000
Placement of shares	\$0.10	-	-	3,966,000	396,600
Share issue costs		-	(227,998)	-	(20,350)
Balance at end of year		89,512,891	9,961,007	53,084,690	6,066,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 16: OPTIONS

Movement in options on issue

	2016 No.	2015 No.
Balance at the beginning of the year	-	19,326,512
Bonus options expired 31 January 2015	-	(19,326,512)
Options issued (i)	13,450,000	-
Options issued to Directors	1,475,000	-
Balance at the end of the year	14,925,000	-

(i) Unlisted Options issued as part of the Share Purchase Plan and Shareholder Approval exercisable at \$0.20 by 31 August 2017.

(ii) These options were valued using the Black & Scholes option pricing:

	Date of issue	3 September 2015
	Spot price at date of issue	\$0.093
	Exercise price	\$0.20
	Date exercisable	31 August 2017
	Volatility	90%
	Interest rate	2%
	Discount for lack of marketability	30%

NOTE 17: FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2015.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

Categories of financial instruments

	2016 \$	2015 \$
<u>Financial assets</u>		
Cash and cash equivalents	1,289,567	118,207
Other financial assets	342,334	126,949
	1,631,901	245,156
<u>Financial liabilities</u>		
Trade and other payables	600,353	405,378
Borrowings	3,110,283	2,790,737
Other financial liabilities	470,400	57,345
	4,181,036	3,253,460

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: FINANCIAL INSTRUMENTS (CONT'D)

The fair values of the Company's financial assets and liabilities approximate their carrying values.

Financial risk management objectives

The Group is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group seeks to minimise the effect of these risks, where the risk is significant to the performance of the Group, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The Group does not consider floating rate borrowings to be material.

Equity price risk

The Company is not exposed to any equity price risk as it has no investments in such assets.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Group uses publicly available financial information and its own trading record to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 17: FINANCIAL INSTRUMENTS (CONT'D)

The following table details the Company's and the Group's expected contractual maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

	Weighted average interest rate %	Less than 1 month \$	1 – 3 months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
30 June 2016						
Trade and other payables	-	1,070,753	-	-	-	-
Borrowings – interest bearing	14.25	-	-	1,638,029	1,530,404	-
Borrowings – non-interest bearing	-	-	-	252,015	-	-
	14.25	1,070,753	-	1,890,044	1,530,404	-

	Weighted average interest rate %	Less than 1 month \$	1 – 3 months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
30 June 2015						
Trade and other payables	-	462,723	-	-	-	-
Borrowings – interest bearing	14.25	-	-	-	2,577,410	-
Borrowings – non-interest bearing	-	-	-	213,327	-	-
	14.25	-	-	213,327	2,577,410	-

NOTE 18: COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets it has an interest in. Outstanding exploration commitments are as follows:

	2016 \$	2015 \$
Within one year	2,470,963	2,690,821
After one year but not more than five years	-	-
More than five years	-	-
	2,470,963	2,690,821

The Company has no contingent liabilities or assets for the years ended 30 June 2016 or 30 June 2015.

NOTE 19: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Kin Mining NL and the subsidiaries listed in the following table.

		% Equity interest		Parent Investment	
	Country of incorporation	2016 %	2015 %	2016 \$	2015 \$
Navigator Mining Pty Ltd	Australia	100	100	2,753,957	2,753,957

Kin Mining NL is the ultimate Australian parent entity and ultimate parent of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note. Details of transactions between the Group and other related entities are disclosed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 19: RELATED PARTY DISCLOSURE (CONT'D)

Other transactions with related parties

On 24 October 2014, the Company entered into a loan agreement with Mr Fitton to assist with the acquisition of the Leonora Gold Project for an amount of \$1,000,000, \$1,000,000 of which was outstanding at 30 June 2016 (30 June 2015: \$1,000,000). This loan is secured and earns interest at a rate of 15% p.a. Interest accrued at the reporting date is \$266,842 (2015: \$137,222). Interest paid during the year amounted to \$20,000 (2015: \$Nil). \$50,380 of the interest and \$14,620 in satisfaction of unpaid director fees were converted to equity during the year as approved by shareholders at a General Meeting held on 3 September 2015 and the term was extended from 24 October 2015 to 24 October 2016. As at 30 June 2016, the Company also has other payables due to Mr. Fritton amounting to \$29,782 (2015: \$14,620).

The Company entered into a loan agreement with Mr Dixon to assist with working capital funding for \$10,900 (2015: \$79,352), \$900 of which was outstanding at 30 June 2016 (30 June 2015: \$125,593). During the year, the Company paid \$10,000 in cash and converted \$25,593 of related party loan owing and \$49,207 in satisfaction of other payables to equity as approved by shareholders at a General Meeting held on 3 September 2016. During the year, the Company converted \$100,000 of related party loan owing to equity as part of the Share Purchase Plan Shortfall. No interest was payable or accrued. As at 30 June 2016, the Company also has other payables due to Mr. Dixon amounting to \$18,172 (2015: \$25,200).

The Company entered into a loan agreement with Mr Grammer to assist with working capital funding for \$350,000 (2015: \$21,114), \$251,114 of which was outstanding at 30 June 2016 (30 June 2015: \$Nil). During the year, the Company converted \$20,000 of related party loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. During the year, the Company converted \$100,000 of related party loan owing to equity as part of the Share Purchase Plan Shortfall. No interest was payable or accrued. As at 30 June 2016, the Company also has other payables due to Mr. Grammer amounting to \$37,781 (2015: \$Nil).

Pathways Corporate Pty Ltd, a company of which Mr Graziano is a Director, charged the Group director fees of \$115,500 (2015: \$132,000), including GST, \$30,800 of which was outstanding at 30 June 2016 (30 June 2015: \$50,750) and provided financial and associated services to the Group during the year on normal commercial terms and conditions. The Company entered into a loan agreement with Pathways Corporate Pty Ltd to assist with working capital funding for \$Nil (2015: \$15,000), \$Nil of which was outstanding at 30 June 2016 (30 June 2015: \$15,000). During the year, the Company converted \$48,000 of director fees and \$15,000 of the Pathways Corporate Pty Ltd loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. No interest was payable or accrued.

The Company entered into a loan agreement with Mr Graziano to assist with working capital funding for \$Nil (2015: \$37,000), \$Nil of which was outstanding at 30 June 2016 (30 June 2015: \$37,000). During the year, the Company converted \$37,000 of related party loan owing to equity as approved by shareholders at a General Meeting held on 3 September 2016. No interest was payable or accrued.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 20: PARENT ENTITY DISCLOSURES

Financial position

	2016	2015
	\$	\$
<u>Assets</u>		
Current assets	1,631,901	245,156
Non-current assets	9,614,966	7,189,997
Total assets	11,246,867	7,435,153
<u>Liabilities</u>		
Current liabilities	4,165,105	1,812,148
Non-current liabilities	-	1,440,188
Total liabilities	4,165,105	3,252,336
<u>Equity</u>		
Issued capital	9,961,007	6,066,185
Share based payment reserve	27,998	-
Accumulated losses	(2,907,243)	(1,883,368)
Total equity	7,081,762	4,182,817

Financial performance

	2016	2015
	\$	\$
Loss for the year	(1,073,221)	(1,148,561)
Other comprehensive income	-	-
Total comprehensive loss	(1,073,221)	(1,148,561)

NOTE 21: AUDITOR'S REMUNERATION

The auditor of Kin Mining NL is HLB Mann Judd.

	2016	2015
	\$	\$
<i>Auditor of the parent entity</i>		
Audit or review of the consolidated financial statements	36,000	23,000
	36,000	23,000

NOTE 22: KEY MANAGEMENT PERSONNEL

The aggregate compensation made key management personnel of the Group is set out below:

	2016	2015
	\$	\$
Short-term employee benefits	439,943	463,432
Post-employment benefits	22,990	22,990
Share based payments	27,998	-
	490,931	486,422

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 23: SUBSEQUENT EVENTS

On 4 July 2016, the Company announced the appointment of Mr Don Harper as its new CEO commencing August 2016. Don is a qualified mining engineer with more than 25 years' industry experience with a strong track record of project management and taking resource projects from pre-feasibility stage into production. Don was the Chief Operating Officer of Sumatra Copper & Gold plc (ASX: SUM) and has held that position since January 2013. He was instrumental in taking the Tembang gold & silver Project from feasibility, through to bullion production.

Prior to Sumatra, Don was also Chief Operating Officer for two ASX listed gold companies. Don has also been involved in developing mining operations in South Africa and Zambia. He has held several senior management roles both in underground and open pit operations. Between 2003 and 2008 he was Managing Director of ASX-listed nickel & copper producer Fox Resources where he brought the Radio Hill Nickel/Copper mine from feasibility into full production. He was instrumental in taking Fox from a market capitalisation of \$30M to in excess of \$300M.

Don brings with him a strong combination of mine development, operational and corporate experience. Don holds a Bachelor of Engineering (Mining Engineering), from the West Australian School of Mines Kalgoorlie and is the holder of a Western Australian, First Class Mine Managers Certificate of Competency.

The Company announced on 29 July 2016, that the \$1 million loan provided by Mr Fritz Fitton, the company's Technical Director, to assist with the acquisition of the Leonora Gold Project in October 2014 will be extended for a further 12-month term commencing on the 24th October 2016 on the same terms and interest rate as previously announced.

As announced on 22 August 2016, the Company undertook a pro rata non-renounceable entitlement issue of approximately 22,620,723 ordinary fully paid shares (New Shares) on the basis of one (1) New Share for every four (4) Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.22 per New Share, to raise up to approximately \$4,976,559 (Rights Issue or Offer). New Shares issued under the Rights Issue will rank equally with existing Shares on issue and the Company will apply for official quotation of the New Shares. The closing date of the Offer is 28 September 2016. As announced by the Company, on 22 September 2016, the Offer was partially underwritten.

Funds raised from the issue of \$4,976,559 (before costs) will be utilised for:

-) further development of the Leonora Gold Project including additional drilling and commencement of the Definitive Feasibility Study;
-) payment of the final balance to the Secured Creditor, Waterton Global Value LLP for the acquisition of the Leonora Gold Project; and
-) general working capital requirements.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Kin Mining NL (the 'Company'):
 - a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the year then ended; and
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
 - c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2016.

This declaration is signed in accordance with a resolution of the board of directors.



Trevor John Dixon
Managing Director

Dated this 29th day of September 2016

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 consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply 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 about 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 Group'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 and its controlled entities' 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*.

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 Group's financial position as at 30 June 2016 and 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(c).

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1(e) to the financial report which states that the Directors anticipate that further equity raising will be required in order to meet ongoing working capital and expenditure commitments. Should these equity raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

A handwritten signature in blue ink that reads 'D I Buckley'.

**D I Buckley
Partner**

**Perth, Western Australia
29 September 2016**

ADDITIONAL SECURITIES EXCHANGE INFORMATION

1. Shareholding

(a) Distribution schedule and number of holders of equity securities at 19 September 2016

	1 -1,000	1,001 - 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (KIN)	119	66	120	280	119	704
Unlisted Options – 20c 31/08/16	-	4	6	58	29	97

The number of holders holding less than a marketable parcel of fully paid ordinary shares at 19 September 2016 is 127.

(b) 20 largest holders of quoted equity securities as at 19 September 2016

The names of the twenty largest holders of fully paid ordinary shares (ASX Code: KIN) as at 19 September 2016 are:

Rank	Name	Number	Percentage
1	TREVOR JOHN DIXON	9,947,001	10.97
2	GIUSEPPE PAOLO GRAZIANO <THE CYGNET A/C>	5,826,668	6.43
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,536,929	5.00
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED A/C 2	4,111,551	4.54
5	GBM INVESTMENTS NO 1 PTY LTD	3,385,715	3.73
6	ADVANCED MINING & CIVIL PTY LTD <AMC UNIT A/C>	2,500,000	2.76
7	ROGUE INVESTMENTS PTY LTD	2,040,000	2.25
8	ERNIO EOLINI <THE EOLINI FAMILY A/C>	2,000,000	2.21
9	MARVYN JOHN FITON	1,774,000	1.96
10	MR CHRISTOPHER ROBERT ROGERSON	1,500,000	1.65
11	TERRENCE RONALD GRAMMER	1,336,113	1.47
12	PATHWAYS CORPORATE PTY LTD	1,175,000	1.3
13	HAY STREET PROPERTY PTY LTD	1,071,428	1.18
14	MR ERIC RUSSELL HENDERSON	1,056,964	1.17
15	HARMANIS HOLDINGS PTY LTD <THE HARMAN FAMILY A/C>	1,030,000	1.14
16	DR INGRID VAN BREMEN	1,015,000	1.12
17	BOTSIS HOLDINGS PTY LTD	1,000,000	1.1
18	BLACK PRINCE PTY LTD <BLACK PRINCE SUPER FUND A/C>	1,000,000	1.1
19	HARMANIS HOLDINGS PTY LTD <THE HARMAN FAMILY A/C>	970,000	1.07
20	A C N 112 940 057 PTY LTD	833,333	0.92
Total		48,109,702	53.07%

ADDITIONAL SECURITIES EXCHANGE INFORMATION

(c) Substantial Shareholders

	Holder	Shares	Percent
1	GBM Investments No1 Pty Ltd, Botsis Holdings Pty Ltd, Hay Street Property Pty Ltd, Taswa Pty Ltd as trustee for the Kopejtka Share Trust and Mr Franciscus Sibbel ¹	10,214,285	11.30%
2	Trevor Dixon	10,008,001	11.03%
3	Giuseppe Graziano	7,001,688	9.65%

Note 1: HSBC Custody Nominees (Australia) Ltd is the registered holder of securities for Taswa Pty Ltd as trustee for the Kopejtka Share Trust.

(d) Unquoted Securities

The number of unquoted securities on issue at 21 September 2016:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options	13,775,000	20c	31/08/2017

(e) Voting Rights

Each fully paid ordinary share carries the rights of one vote per share.

(f) Restricted Securities

There are no restricted securities under ASX imposed escrow.

(g) On-Market Buy-Back

There is currently no on-market buy-back in place.

Tenement Schedule**Tenement information as required by listing rule 5.3.3**

DESDEMONA 20 kms South of Leonora Townsite		
Tenement ID	Ownership at end of Quarter	Change During Quarter
E37/1152	100%	
E37/1156	100%	
E37/1201	100%	
E37/1203	100%	
P37/8500	100%	
P37/8504	100%	
E40/283	100%	
E40/285	100%	
E40/323	100%	
M40/330	100%	
P37/8350	100%	
P37/8390	100%	
P40/1263	100%	
P40/1283	100%	
P40/1284	100%	
P40/1285	100%	
P40/1286	100%	
P40/1287	100%	

MURRIN MURRIN 50 kms East of Leonora		
Tenement ID	Ownership at end of Quarter	Change During Quarter
M39/279	66.66%	
P39/4913	100%	
P39/4914	100%	
P39/4915	100%	
P39/4916	100%	
P39/4980	100%	
P39/5112	100%	
P39/5113	100%	
P39/5164	100%	
P39/5165	100%	
P39/5176	100%	
P39/5177	100%	
P39/5178	100%	
P39/5179	100%	
P39/5180	100%	

MT FLORA 50 ms East North East of Leonora		
Tenement ID	Ownership at end of Quarter	Change During Quarter
P39/4617	100%	
P39/4618	100%	
P39/4619	100%	

P39/4620	100%	
P39/4621	100%	
P39/4912	100%	
P39/4960	100%	
P39/4961	100%	
P39/5181	100%	
P39/5182	100%	
P39/5183	100%	
P39/5185	100%	
P39/5463	100%	

IRON KING / VICTORY 45 kms North North West of Leonora		
Tenement ID	Ownership at end of Quarter	Change During Quarter
P37/7175	100%	
P37/7176	100%	
P37/7177	100%	
P37/7194	100%	
P37/7195	100%	
P37/7196	100%	
P37/7197	100%	
P37/7198	100%	
P37/8455	100%	
P37/8458	100%	
P37/8459	100%	
P37/8460	100%	
P37/8461	100%	

REDCASTLE 65 kms South West of Laverton		
Tenement ID	Ownership at end of Quarter	Change During Quarter
P39/4550	100%	
P39/4593	100%	
P39/4834	100%	
P39/4839	100%	
P39/5097	100%	
P39/5098	100%	
P39/5099	100%	
P39/5100	100%	
P39/5101	100%	
P39/5102	100%	
P39/5103	100%	
P39/5105	100%	
P39/5267	100%	

RANDWICK 45 kms North East of Leonora		
Tenement ID	Ownership at end of Quarter	Change During Quarter
P37/7283	100%	

P37/7284	100%	
P37/7806	100%	
P37/7995	100%	
P37/7996	100%	
P37/7997	100%	
P37/7998	100%	
P37/7999	100%	
P37/8000	100%	
P37/8001	100%	

MERTONDALE		
35 kms East & North East of Leonora Townsite		
Tenement ID	Ownership at end of Quarter	Change During Quarter
P37/7171	100%	
M37/1308	0%	Tenement Application

CARDINIA / MERTONDALE		
35 kms East & North East of Leonora Townsite		
Tenement ID	Ownership at end of Quarter	Change During Quarter
L37/106	100%	
L37/127	100%	
L37/128	100%	
L37/195	100%	
L37/196	100%	
L37/65	100%	
M37/1284	100%	
M37/223	100%	
M37/227	100%	
M37/231	100%	
M37/232	100%	
M37/233	100%	
M37/277	100%	
M37/299	100%	
M37/300	100%	
M37/316	100%	
M37/317	100%	
M37/422	100%	
M37/428	100%	
M37/487	100%	
M37/594	100%	
M37/646	80%	
M37/720	100%	
M37/81	100%	
M37/82	100%	
M37/86	100%	
M37/88	100%	
P37/7241	100%	
P37/7242	100%	
P37/7243	100%	
P37/7244	100%	
P37/7245	100%	
P37/7246	100%	
P37/7247	100%	

P37/7248	100%	
P37/7249	100%	
P37/7250	100%	
P37/7251	100%	
P37/7252	100%	
P37/7253	100%	
P37/7254	100%	
P37/7255	100%	
P37/7256	100%	
P37/7257	100%	
P37/7258	100%	
P37/7259	100%	
P37/7260	100%	
P37/7261	100%	
P37/7262	100%	
P37/7263	100%	
P37/7264	100%	
P37/7265	100%	
P37/7266	100%	
P37/7267	100%	
P37/7268	100%	
P37/7269	100%	
P37/7270	100%	
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P37/7276	80%	
P37/7277	100%	
P37/7655	100%	
P37/7656	100%	
P37/7657	100%	
P37/7658	100%	
P37/7659	100%	
P37/7660	100%	
P37/7661	100%	
P37/7662	100%	
P37/7663	100%	
P37/7664	100%	
P37/7665	100%	
P37/7666	100%	
P37/7667	100%	
P37/7668	100%	
P37/7669	100%	
P37/7670	100%	
P37/7671	100%	
P37/7672	100%	
P37/7673	100%	
P37/7674	100%	
P37/7675	100%	
P37/7697	100%	
P37/7698	100%	
P37/7699	100%	
P37/7700	100%	
P37/7701	100%	
P37/7702	100%	
P37/7703	100%	
P37/7704	100%	
P37/7705	100%	

P37/7706	100%	
P37/7707	100%	
P37/7708	100%	
P37/7711	100%	
P37/7712	100%	
P37/7713	100%	
P37/7714	100%	
P37/7715	100%	
P37/7716	100%	
P37/7736	100%	
P37/7737	100%	
P37/7738	100%	
P37/7756	100%	
P37/7757	100%	
P37/7758	100%	
P37/7759	100%	
P37/7760	100%	
P37/7761	100%	
P37/7805	100%	
P37/7891	100%	
P37/7892	100%	
P37/7893	100%	
P37/7953	100%	
P37/7954	100%	
P37/7969	100%	
P37/7970	100%	
P37/7971	100%	
P37/7972	100%	
P37/7973	100%	
P37/7974	100%	
P37/7975	100%	
P37/7976	100%	
P37/7977	100%	
P37/7978	100%	
P37/7979	100%	
P37/8007	100%	
P37/8196	100%	
P37/8199	100%	
P37/8209	100%	
P37/8210	100%	
M37/1303	0%	
M37/1304	0%	

RAESIDE		
8 kms East of Leonora Townsite		
Tenement ID	Ownership at end of Quarter	Change During Quarter
M37/1298	100%	
E37/1103	100%	
E37/868	100%	
L37/125	100%	
L37/77	100%	