



# 2018 ANNUAL REPORT

# CORPORATE INFORMATION

ABN 30 150 597 541

## Directors

Jeremy Kirkwood  
Andrew Munckton  
Trevor John Dixon  
Brian Dawes  
Giuseppe (Joe) Paolo Graziano

## Company secretary

Stephen Jones

## 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  
T (08) 9242 2227

## Share register

Advanced Share Registry Services  
PO Box 1156  
Nedlands WA 6909  
T (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**

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## FROM THE CHAIRMAN



**Jeremy Kirkwood**  
Chairman

### Dear Kin Mining Shareholder,

Please find enclosed the FY2018 Annual Report for Kin Mining NL (Kin or the Company) for what has been a transitional and, at times, difficult year for the business.

The Company began the year with expectations of commencing the Leonora Gold Project (LGP). Following receipt of the Definitive Feasibility Study in October 2017 the company secured debt funding and completed an equity raising in December 2017 enabling the Board to formally commence development of the LGP. Shortly following this decision, Kin suffered instability at the Board and senior management with Don Harper resigning as Managing Director and then David Sproule resigning as a Director. Brian Dawes and myself were appointed Directors in late February 2018 and then Andrew Munckton as Chief Executive in April. During this period, your Board made the decisions to firstly curtail and then, in May 2018, to suspend, development of the LGP.

On behalf of the current Board and Management team, I would like to assure shareholders that the decision taken to suspend development at the LGP was not taken lightly. After careful consideration, it was your Board's judgement that it was in the best interests of shareholders and the Company to slow the LGP's higher risk, fast-track to production. The suspension of development was completed in a way that will allow the future resumption of construction of the Cardinia plant.

The LGP remains a very valuable asset. It currently has more than 1 million ounces in Mineral Resources defined in a premier gold mining region that hosts numerous multi-million ounce gold deposits and highly profitable gold mining operations. I am grateful to our debt provider, Sprott Private Resource Lending (Collector), LP (Sprott), who have been understanding and constructive as we work through this recalibration of the LGP. The Company retains the option of repaying Sprott in full or keeping the facility available to support a recommencement of development of the LGP.

Our strategy is focussed on adding value to the LGP by testing the depth extensions of known deposits, upgrading and expanding Mineral Resources, simplifying and de-risking ore, water and power supply and completing a robust cost estimate and schedule for development.

There is still some way to go on this journey but we are making progress. The results from drilling of the Helens deposit within the Cardinia Mining Centre at the LGP have been very encouraging. Drilling in the second half of FY18 has identified new zones of mineralisation linking the Helens Main and Helens South zones. Significantly, the deepest



drill hole in the region returned a very encouraging 15.8m @ 3.77 g/t Au from 266m, underscoring the depth potential at Helens and the wider tenement package which has been subjected to very limited drilling below 100m.

This strategy of exploration, de-risking and project optimisation at the LGP will continue into FY19.

I believe we have now stabilised the Board and Management team so that the Company can focus on successfully executing our new strategy.

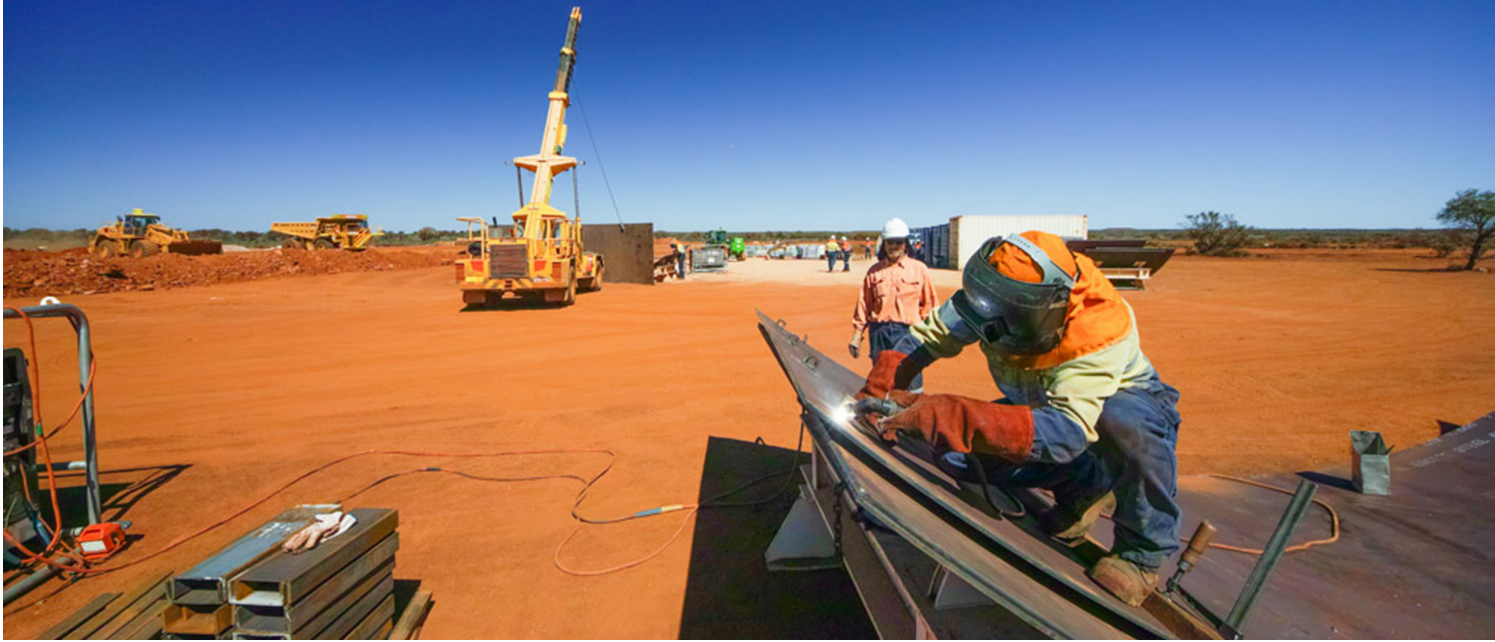
I thank all of Kin's Directors, management team, staff and contractors for their contribution during this demanding period. In particular, I extend my appreciation to Managing Director Andrew Munckton who joined in April 2018 and has provided strong leadership.

Finally, and most importantly, I would like to thank Kin shareholders for their patience and support throughout the year. Your Board understands the frustration caused by the development setback at the LGP. However, we are now on the way to building a more robust and sustainable gold project with the aim of maximising the long-term value of the LGP for our shareholders.

Yours sincerely,

**Jeremy Kirkwood**

Chairman



## 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 subsidiaries (together the “Group”) for the financial year ended 30 June 2018. In compliance with the provisions of the Corporations Act 2001, the Directors report as follows:



**Jeremy Kirkwood**  
Chairman

### DIRECTORS

The names of the directors in office during or since the end of the year are as follows. Directors were in office for the entire period unless otherwise stated.

- Jeremy Kirkwood (Appointed 26 February 2018)
- Andrew Munckton (Appointed Managing Director 1 August 2018)
- Trevor John Dixon
- Giuseppe (Joe) Paolo Graziano
- Brian Dawes (Appointed 20 February 2018)
- Don Harper (Resigned 13 February 2018)
- David Sproule (Resigned 20 February 2018)

#### **Mr Jeremy David Kirkwood, Chairman**

Jeremy Kirkwood has extensive experience in corporate strategy, investment banking and global capital market and provides strategic leadership and guidance to the Company’s board and management team.

Jeremy is a principal of Pilot Advisory Group and was previously a Managing Director at Credit Suisse, Morgan Stanley and Austock. He has primarily worked in public markets, undertaking merger and acquisitions and capital raisings for companies principally in the metals and mining, energy and infrastructure sectors.

Jeremy is currently the Chairman of Talisman Mining and previously served as a Director of ASX listed Zenitas Ltd (formerly BGD Corporation). He is also the Chair of Geelong Grammar School and a Director of Independent Schools Victoria.

Special Responsibilities:

- Nil

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

- Talisman Mining – Non-Executive Chairman, appointed 1 April 2016
- Zenitas Ltd (formerly BGD Corporation), resigned 2 March 2018



**Andrew Munckton**  
Managing Director

#### **Mr Andrew Munckton, Managing Director**

Andrew Munckton is an experienced geologist who has held senior management roles of both ASX-listed companies and gold operations in a career spanning more than 30 years.

Most recently, Andrew was Managing Director of a junior gold and base metals exploration and development company, Syndicated Metals Limited. His focus at Syndicated was on leading the acquisition and exploration of the Monument Gold Project in Western Australia which is adjacent to Dacian Gold's Mount Morgans gold mine. In this role he has had responsibility for overseeing exploration programs, feasibility studies, project assessments and acquisition, project divestments, joint ventures, capital raisings and general corporate strategy.

Andrew has also held the roles of Managing Director of Avalon Minerals, General Manager – Operations for Gindalbie Metals, General Manager Strategic Development of Placer Dome Asia Pacific and General Manager Operations of the Kanowna Belle, Paddington and Kundana gold mines over a period of 10 years.

He holds a Bachelor of Science (Geology) from the University of Western Australia and is currently a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Company Directors.

Special Responsibilities:

- Nil

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

- Syndicated Metals Limited – Managing Director, resigned 26 April 2018

#### **Mr Trevor John Dixon, Executive Director**



**Trevor Dixon**  
Executive Director

Trevor Dixon is a businessman with more than 30 years of experience in the mining and exploration sector in Western Australia. Starting out as an earthmoving contractor to the industry, Trevor developed a strong interest in mining and the identification of prospective mineral areas and acquisition of project areas of interest. He was a founding vendor to a number of companies including Jubilee Mines NL (Glencore PLC), Terrain Minerals Ltd (ASX: TMX) and Nzuri Copper Ltd (ASX: NZC), Kin Mining NL (ASX: KIN) and Torian (ASX: TNR).

During his time in the industry, he has had joint venture partners including Newcrest Mining Ltd, Independence Group NL, St Barbara Ltd, Normandy Poseidon, Ashton Mining, Regal Resources Ltd, Glencore PLC and currently holds Joint Venture/Royalty agreements with Stone Resources Limited, Kin Mining NL, Torian and Syndicated Metals.

Trevor's management experience spans the areas of contractual outcomes, Mining Act regulatory procedures and standards, tenement management and a long history of Native Title negotiations and resolutions.

Special Responsibilities:

- Nil

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

- Nil

#### **Mr Giuseppe (Joe) Paolo Graziano, Non-Executive Director / Company Secretary (resigned as Company Secretary on 30 July 2018)**



**Giuseppe Graziano**  
Non-Executive Director /  
Company Secretary

Mr Graziano is a Chartered Accountant with corporate and company secretarial experience. Mr Graziano has over 28 years' experience providing a wide range of business, financial and strategic advice to small cap unlisted and listed public companies and privately owned businesses in Western Australia's resource-driven industries. Since 2014 he has been focused on corporate advisory, company secretarial and strategic planning with listed corporations including Mergers & Acquisitions, Capital Raisings, Corporate Governance, ASX compliance and structuring.

Mr Graziano is currently a director of Pathways Corporate Pty Ltd a specialised Corporate Advisory business and holds the following Directorships in other Australian listed Companies:

## DIRECTORS (CONTINUED)

- Thred Ltd – Non-Executive Director (ASX: THD) appointed 1 August 2018
- Migme Ltd – Non-Executive Director (ASX: MIG) appointed 12 September 2018

Special Responsibilities:

- Nil

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

- Oz Brewing Ltd – Non-Executive Director appointed 15 April 2011 and ceased 18 August 2016
- Lithex Resources Ltd – Non-Executive Director appointed 5 December 2013 and ceased 2 December 2016
- 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 and ceased 1 August 2017
- The Carajas Copper Company Ltd – Non-Executive Director appointed 17 March 2016 and ceased 10 May 2016



**Brian Dawes**  
Non-Executive Director

### Mr Brian Dawes, Non-Executive Director

Brian is a mining engineer with extensive international mining industry experience. He holds a BSc in Mining from the University of Leeds UK, and is Member of the Australasian Institute of Mining and Metallurgy.

He has worked in the UK, Africa, the Middle East and across Australia and holds several First Class Mine Managers' Certificates of Competency. Brian's diverse expertise covers all key industry aspects from exploration through the discovery, feasibility, funding, approvals, project construction, commissioning, operations, optimisation, logistics, marketing, and closure phases. This includes site management and corporate responsibilities in a diversity of challenging and successful underground and open pit operations across many commodities and geographies; mainly in copper, nickel, gold, zinc and lead, with iron ore, graphite, and coal.

Brian is a Non-Executive Director of Talisman Mining, and has previously held a number of Executive positions with Jubilee Mines NL, Western Areas, LionOre Australia, WMC, Normandy Mining and Aberfoyle.

Special Responsibilities:

- Nil

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

- Talisman Mining Ltd – Non-Executive Director appointed 17 June 2009

### 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
J Kirkwood	1,328,156	-
T Dixon	12,152,660	6,037,500
G Graziano	8,843,750	5,075,000
B Dawes	361,182	-
A Munckton	37,366	-

### Principal Activities

The principal activity of the Group during the year were gold and base metals exploration and gold project development.





## REVIEW OF OPERATIONS

### LEONORA GOLD PROJECT

Kin Mining NL (Kin or the Company) holds 100% of the Leonora Gold Project (LGP), located approximately 30km northeast of Leonora and approximately 250km north-northwest of Kalgoorlie in Western Australia.

The LGP is situated in the heart of an active gold mining district that hosts several multi-million ounce operating gold mines including Sons of Gwalia, Mt Morgans, Wallaby and Granny Smith (refer Figure 1). This district is well serviced by infrastructure including a network of high-quality roads, gas pipelines, communications infrastructure, an airstrip with regular services to Perth and close proximity to an established mining workforce and supply network.

The LGP is a valuable asset, with a current Mineral Resource of +1Moz and significant near-deposit and regional exploration upside. Building on the current Mineral Resource and identifying new, higher grade ore sources are a key part of Kin's strategy during the upcoming 12 months. Testing the depth extension of known deposits targeting higher grade, sulphide mineralisation will be a key priority in FY19 following the successful drilling campaigns at the Helens prospect in FY18.

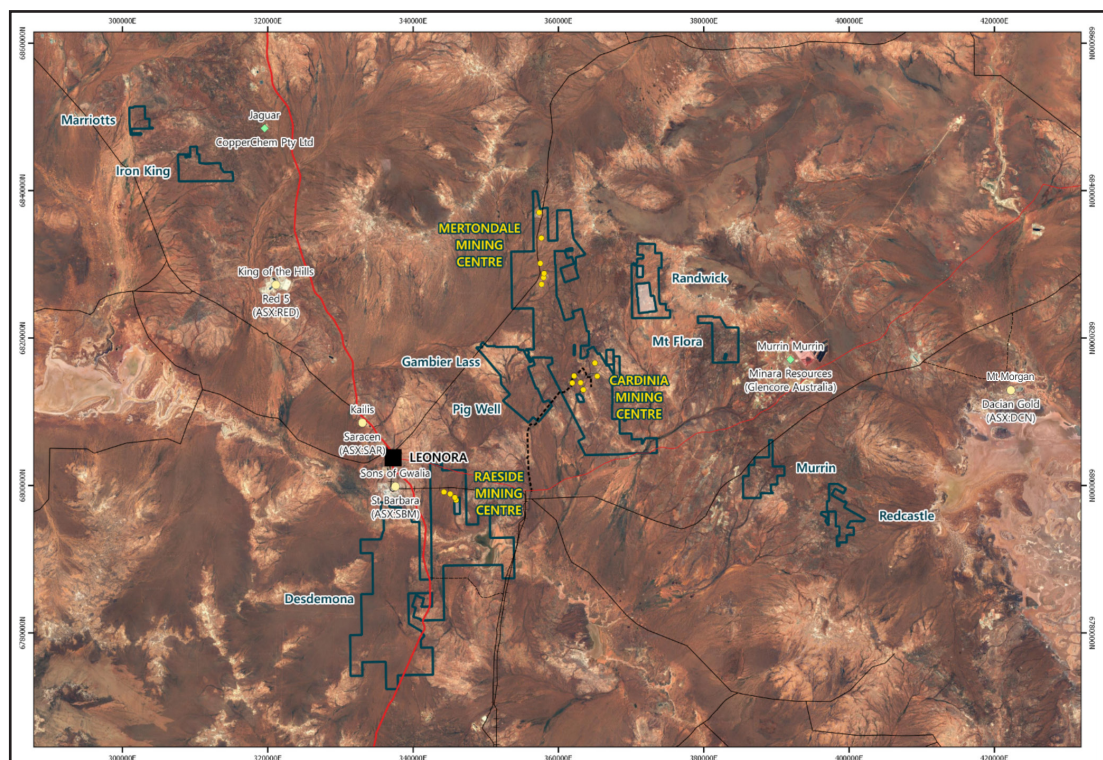


Figure 1: The Leonora Gold Project and surrounding deposits and gold mining operations

## LEONORA GOLD PROJECT (CONTINUED)

### Successful Exploration Program

The LGP is made up of three key mining centres which each host significant Mineral Resources – Mertondale (521,000oz), Cardinia (328,000oz) and Raeside (206,000oz) (refer Figure 2).

The Cardinia Mining Centre was the focus of exploration during the period with extensive drilling being completed at the Helens deposit in the second half of FY18 and earlier successful programs also being completed at Bruno-Lewis, Kyte and Triangle.

Drilling at Cardinia has targeted both shallow oxide mineralisation and deeper sulphide mineralisation. Only at the Helens deposit has the system been subject to effective testing below a depth of 100 metres.

A program of 1,436 metres of diamond drilling and 735 metres of (RC) drilling was also completed at Mertondale during FY18.

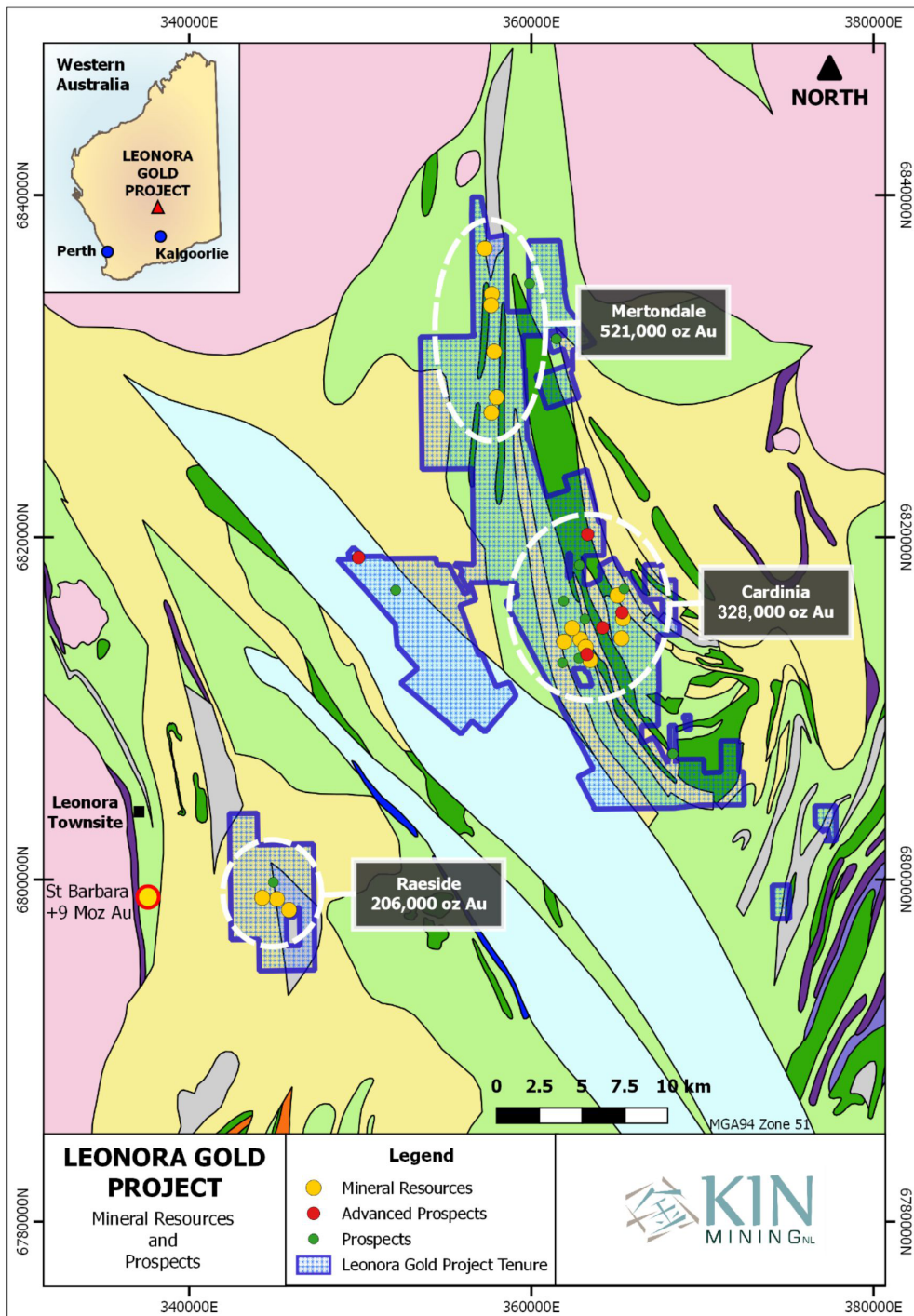


Figure 2: Regional interpreted geology (GSWA) of the LGP, highlighting the three mining centres

## HELENS

More than 15,000 metres of RC and Diamond drilling was completed at Helens during the period which was successful in extending the Helens Main Zone towards the Helens South deposit and demonstrating that higher grade primary mineralisation continues at depth. Gold mineralisation has now been traced over a strike length of 1,500 metres and results suggest a larger open pit development to extract the deeper primary ores may eventuate at Helens (refer Figure 3). Results from the FY18 drilling program have been incorporated into an updated Mineral Resource estimate in September 2018 that has been included in the September 2018 Mineral Resource estimate included later in this Directors Report. In a potentially significant result subsequent to the reporting period, the deepest hole drilled at Helens returned 15.8m @ 3.77 g/t Au from 266.4m in drill hole HE18RCD231 which has increased the potential for higher grade primary mineralisation in newly discovered mineralised positions parallel to the Helens Main Zone within the system. Other significant results are also shown in Figure 3.

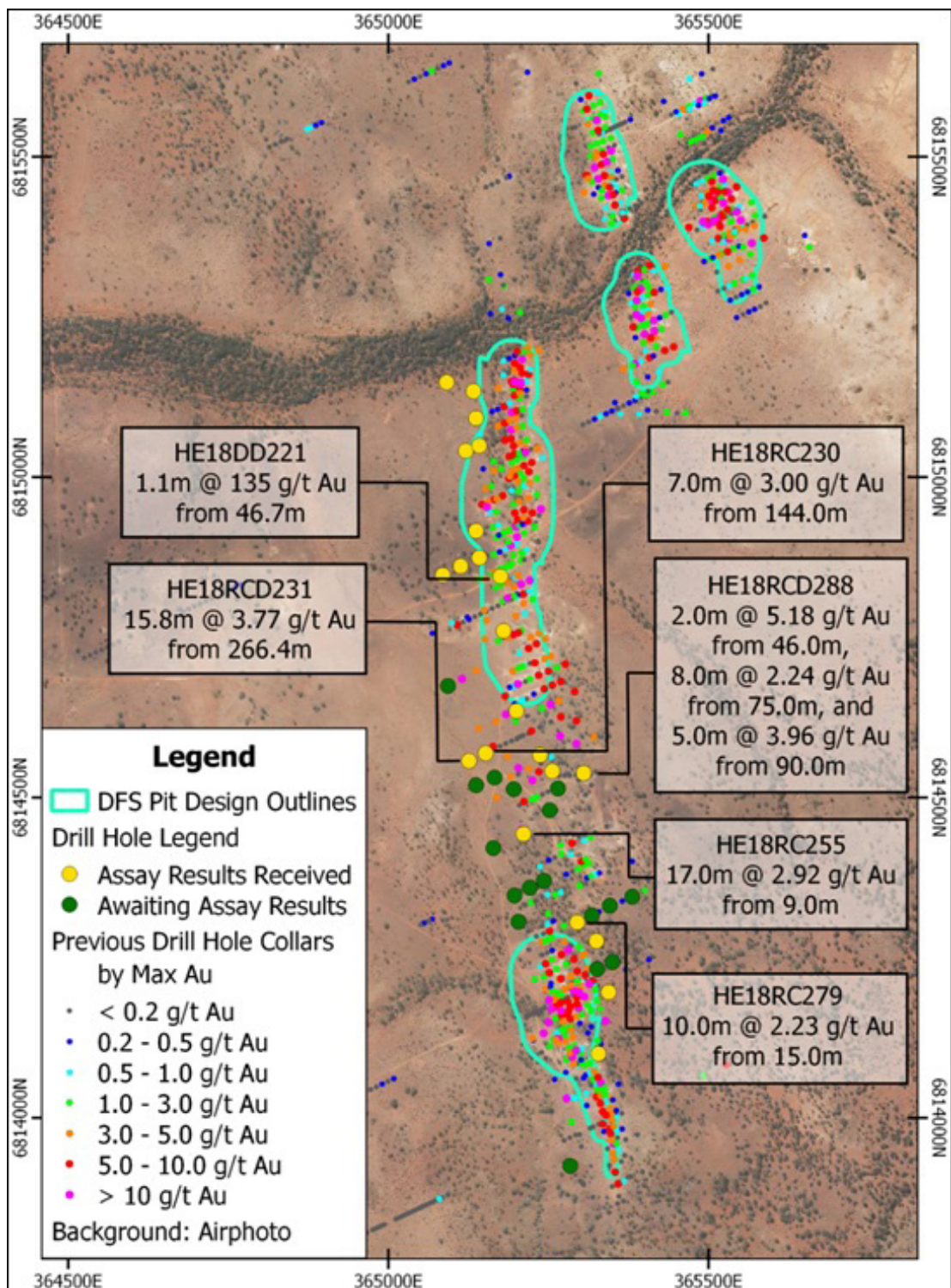


Figure 3: Plan view of Helens Main and Helens South showing recent drilling

HELENS (CONTINUED)

Drilling at the Helens deposit intersected higher grade gold mineralisation associated with altered and sulphide-rich shear zones in mafic and sedimentary rocks at both Helens Main and Helens South.

Two main shear structures at Helens Main are consistently present. Both shear zones are associated with basaltic flow contacts with fine grained sedimentary interflow units. The mineralised shear zones are marked by sericite alteration with silica flooding and minor quartz veining and fine sulphide mineralisation in mafic rocks.

One main shear structure is present at Helens South consistent with the Western Shear present at Helens Main, with sedimentary units mapped to the east. The significant proportion of the drilling into these deposits has been diamond drilling which, along with extensive surface mapping, continues to contribute to updated geological and structural interpretations of the area.

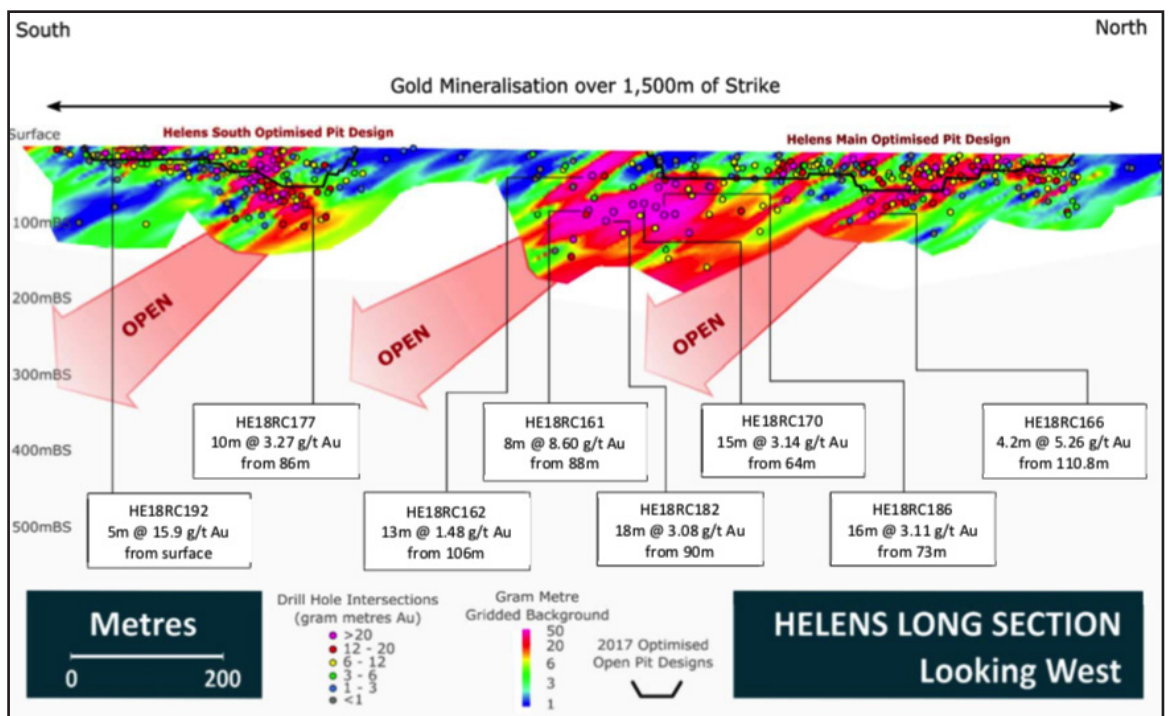


Figure 4: Long section of Helens and Helens South showing interpreted south plunging shoots

Consistent, primary mineralisation has been intersected at Helens Main:

- 14m @ 3.08 g/t Au from 88m (HE18RC160)
- 8m @ 8.60 g/t Au from 88m (HE18RC161)
- 15m @ 3.14 g/t Au from 64m (HE18RC170)
- 18m @ 3.08 g/t Au from 90m (HE18RC182)

In addition, drilling intersected previously undiscovered mineralised positions, east of the Helens Main Lode in the southern end of the Helens Main deposit. Assay results returned:

- 6m @ 11.9 g/t Au from 36m (HE18RC162)
- 7m @ 2.30 g/t Au from 95m (HE18RC163)
- 10m @ 2.25 g/t Au from 122m (HE18RC197)

High grade oxide and primary mineralisation intersected at Helens South:

- 10m @ 3.27 g/t Au from 86m (HE18RC177)
- 5m @ 15.9 g/t Au from surface (HE18RC192)
- 8m @ 3.90 g/t Au from 71m (HE18RC201)

## BRUNO-LEWIS

RC Drilling was conducted at Lewis South in the June quarter 2018 to test for depth extensions into fresh rock below the proposed Bruno-Lewis pit. Intersections encountered were generally thin (1m to 3m with occasional broader zones) and moderate grade (0.75 g/t Au to 2.06 g/t Au). Previous drilling had been conducted to test for supergene mineralisation only.

Eight RC holes were completed at Bruno for a total of 864m. The holes were aimed at intersecting porphyry intrusions which appear to control the gold mineralisation at depth below the pit design between 78m and 120m below surface.

Notable primary mineralisation included:

- 4m @ 1.45 g/t Au from 104m (BL18RC005)
- 4m @ 1.52 g/t Au from 50m (BL18RCD007)

Supergene mineralisation was intersected and extended in the south and east (Figure 5).

In addition, 7 Diamond holes were drilled into previously defined ore grade mineralised positions in fresh rock at Lewis South subsequent to FY18. These 7 diamond holes are providing additional metallurgical testwork samples to be input to the updated process plant design.

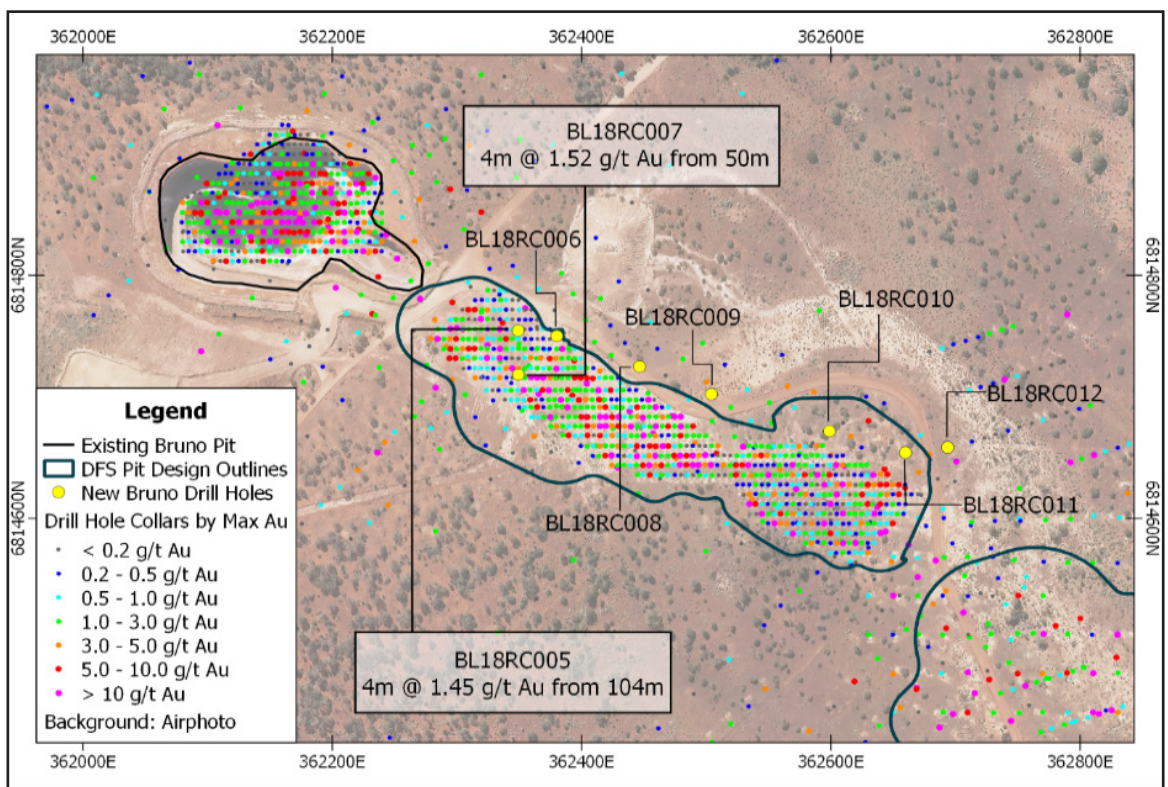


Figure 5: Drill hole plan of Bruno deposit with significant intersections drilled in FY18

## KYTE

A total of 44 Reverse Circulation (RC) drill holes for 2,796m were completed during February and March 2018 at Kyte. Deeper drilling identified narrow, high-grade primary gold mineralisation while drilling to the south has identified narrow gold mineralisation which will be incorporated into a model update.



## MERTONDALE

Diamond drilling at Mertondale was designed to test extensions to deeper mineralisation and to collect data to aid structural and geological interpretation and drill targeting. Four diamond drill holes completed which intersected the targeted shear structures that host the gold mineralisation. The mineralised system remains open at depth.

Gold anomalism was detected throughout the sheared intervals, with best results being:

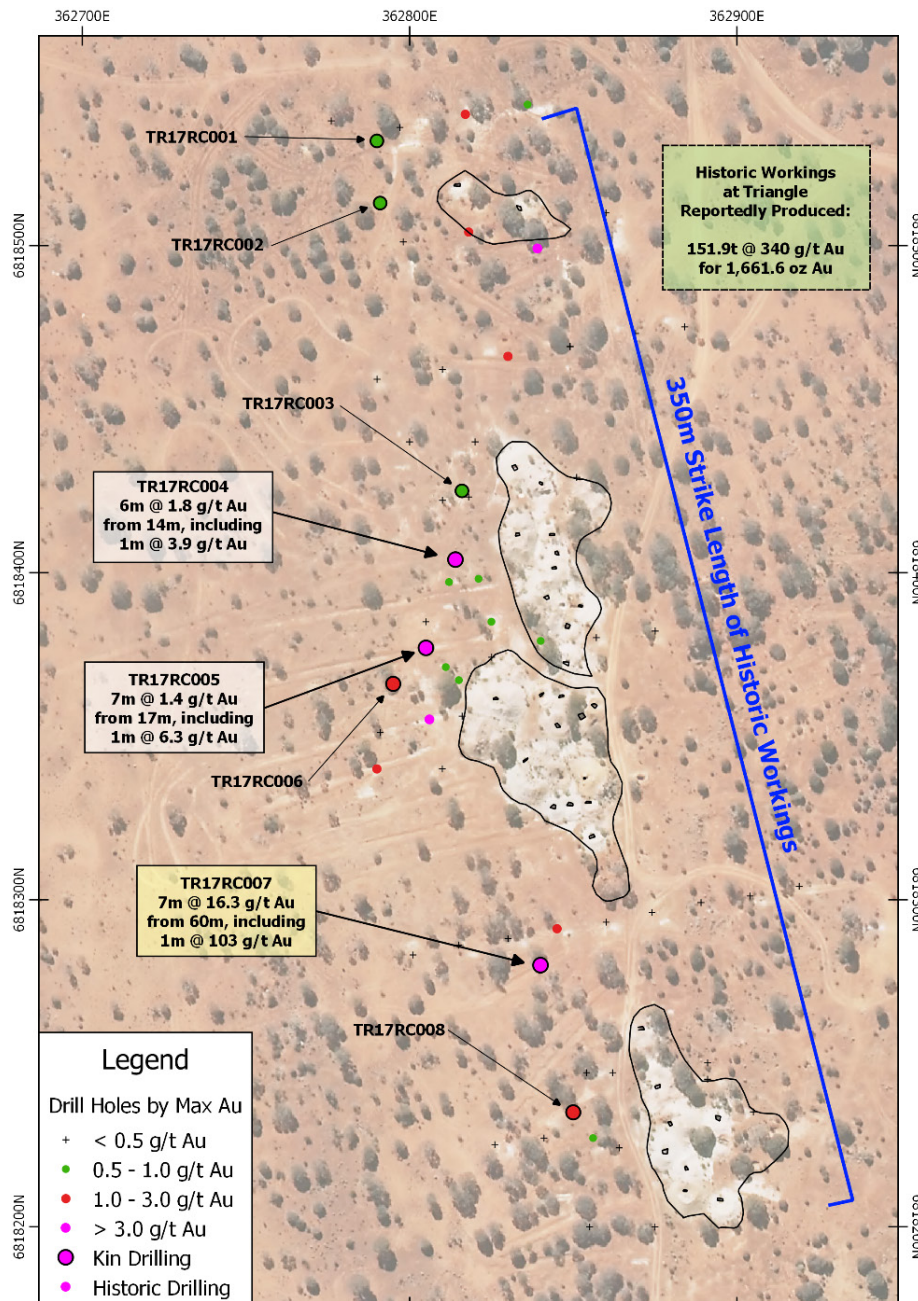
- 0.4m @ 6.5 g/t Au from 189.9m (MT18DD045)
- 4.7m @ 2.1 g/t Au from 72.2m (MT18DD046)
- 4.8m @ 2.2 g/t Au from 131.6m and 2.1m @ 2.7 g/t Au from 143.9m (MT18DD047A)

All drill holes intersected wide zones of shearing and anomalous levels of gold throughout significant portions of the drill holes. However, the shear zones contained relatively thin ore grade intercepts. The drilling confirmed that the gold-bearing system remains fertile at depth, and may host further significant gold mineralisation at and below the depths drilled to date.

The geological and structural information collected from the drill holes is currently being interpreted to update the geological model and Mineral Resource estimate of the Mertondale area. This work will flow into the development of additional drill targets which will be drilled in FY19.

## TRIANGLE

The Triangle Prospect is located on a line of extensive historic workings over a strike length of approximately 350m where historic production of 151.9t of ore at an extremely high grade of 340 g/t Au was reported. Underground mapping of the workings identified two distinct styles of gold mineralisation with north-dipping ferruginous quartz veining in a 340° orientation within a large alteration zone and crosscutting east-west quartz veins. In the December quarter 2017 Kin embarked on an eight-hole reconnaissance drill program, testing along strike and underneath the historic workings (Figure 6).



**Figure 6: Plan view of recent RC drilling at the Triangle Prospect**

Multiple high-grade gold intersections were returned demonstrating that primary gold mineralisation persists well below the historic workings. Mineralisation is hosted in a series of quartz veins within a sheared, highly altered dolerite. Results returned high-grade intersections with the standout intersection of:

- 7m @ 16.3 g/t Au from 60m including 1m @ 103.0 g/t Au (TR17RC007)

Results of the drilling indicate that the extent of the high-grade mineralisation is greater than previous explorers had interpreted, as the high-grade mineralisation intersected in TR17RC007 is approximately 40m below the deepest part of the historic workings. Furthermore, Kin's maiden drill campaign at Triangle intersected the high-grade mineralisation much deeper than that achieved in historic drilling by previous explorers. Follow-up work will be planned.

## Water Drilling

A total of 4,325m of RC drilling for water exploration was undertaken during the June quarter 2018. The aim of the program was to define sufficient bore holes that collectively could deliver 1.5 Mtpa of suitable quality water to the Cardinia process plant to support processing operations. Drilling was targeted around the Cardinia Creek area where previous RC drilling associated with gold exploration has intersected water at relatively shallow depths. Drilling in this area resulted in three RC holes (of 34 exploration holes drilled) yielding sufficient water (>5 litres/second each) to justify development testing.

In addition, water exploration drilling was undertaken at Bummer Creek, approximately 13km south east of the Cardinia plant site. Four RC holes (of 8 exploration holes) in this area intersected sufficient water (>5 litres/second each) to warrant development. Production bore development and testing during the September 2018 quarter was completed with 4 production bores (2 at Cardinia Creek and 2 at Bummer Creek) established. Further production bores are proposed at Bummer Creek to establish the sustainable water supply to the project.

## Mineral Resource

Following a highly successful 2016-17 exploration and resource definition drilling program, Kin updated the JORC (2012) Mineral Resource estimate for the LGP in August 2017. The August 2017 Mineral Resource was completed by Carras Mining Pty Ltd (CM).

Drilling to August 2017 delivered a 42% increase in total Mineral Resources to 22.3Mt at a grade of 1.43g/t Au for 1.02Moz Au. Of this estimate, 75% of the Resources were in the Indicated category, with the remainder Inferred. More than half of the Mineral Resource was contained within the Mertondale Mining Centre.

Other than the additional drilling on the Helens deposit (refer above) and the impact on the updated Mineral Resources statement for the Helens deposits (refer below) there are no new factors or changes to previously acquired data that would result in material changes to the previously reported Mineral Resources.

Further drilling at the Helens deposits during the second half of FY2018 resulted in a further 92% increase in the Mineral Resource for the Helens deposits from 37koz on August 2017 to 71koz in September 2018. The Companies Mineral Resources are shown in the below table.



## LGP Mineral Resources (September 2018)

DEPOSIT	CUT OFF g/t Au	INDICATED			INFERRED			TOTAL		
		TONNES (Mt)	AU (g/t)	AU (koz)	TONNES (Mt)	AU (g/t)	AU (koz)	TONNES (Mt)	AU (g/t)	AU (koz)
<b>METRONDALE</b>										
Mertons Rewards	0.5	2.75	1.37	121	0.36	1.33	15	3.11	1.37	137
Mertondale 3-4	0.5	2.08	1.50	100	0.48	1.33	21	2.56	1.47	121
Tonto	0.5	2.67	1.18	101	0.18	1.30	8	2.85	1.18	109
Mertondale 5	0.5	0.81	1.83	48	0.22	1.71	12	1.03	1.80	60
*Eclipse	0.5				1.23	1.39	55	1.23	1.39	55
*Quicksilver	0.5				0.81	1.54	40	0.81	1.54	40
<b>TOTAL</b>		<b>8.30</b>	<b>1.39</b>	<b>370</b>	<b>3.29</b>	<b>1.43</b>	<b>151</b>	<b>11.59</b>	<b>1.40</b>	<b>521</b>
<b>CARDINIA</b>										
Bruno Lewis Link	0.5	1.09	1.30	45	0.72	1.55	36	1.81	1.40	81
Lewis	0.5	2.48	1.21	96	0.22	1.31	9	2.70	1.22	105
Kyte	0.5	0.51	1.28	21	0.02	1.60	1	0.53	1.30	22
**Helens	0.5	0.62	2.18	43	0.41	2.07	28	1.03	2.14	71
Fiona	0.5	0.33	1.90	20	0.11	1.30	5	0.44	1.70	24
Rangoon	0.5	0.41	1.37	18	0.19	1.18	7	0.60	1.31	25
<b>TOTAL</b>		<b>5.44</b>	<b>1.39</b>	<b>243</b>	<b>1.67</b>	<b>1.59</b>	<b>86</b>	<b>7.11</b>	<b>1.44</b>	<b>330</b>
<b>RAESIDE</b>										
Michelangelo	0.5	2.47	1.61	128	0.09	1.51	4	2.56	1.61	132
Leonardo	0.5	0.75	1.81	44	0.15	1.23	6	0.90	1.71	50
*Forgotten Four	0.5				0.21	2.12	14	0.21	2.12	14
*Krang	0.5				0.15	2.11	10	0.15	2.11	10
<b>TOTAL</b>		<b>3.22</b>	<b>1.66</b>	<b>172</b>	<b>0.60</b>	<b>1.81</b>	<b>35</b>	<b>3.82</b>	<b>1.68</b>	<b>206</b>
<b>GRAND TOTAL</b>		<b>16.96</b>	<b>1.44</b>	<b>785</b>	<b>5.56</b>	<b>1.52</b>	<b>272</b>	<b>22.52</b>	<b>1.46</b>	<b>1,057</b>

MINING CENTRE	CUT OFF g/t Au	INDICATED			INFERRED			TOTAL		
		TONNES (Mt)	AU (g/t)	AU (koz)	TONNES (Mt)	AU (g/t)	AU (koz)	TONNES (Mt)	AU (g/t)	AU (koz)
Mertondale	0.5	8.30	1.39	370	3.29	1.43	151	11.59	1.40	521
Cardinia	0.5	5.44	1.39	243	1.67	1.59	86	7.11	1.44	330
Raeside	0.5	3.22	1.66	172	0.60	1.81	35	3.82	1.68	206
<b>TOTAL</b>		<b>16.96</b>	<b>1.44</b>	<b>785</b>	<b>5.56</b>	<b>1.52</b>	<b>272</b>	<b>22.52</b>	<b>1.46</b>	<b>1,057</b>

**Notes:**

All resources other than Helens, Eclipse, Quicksilver, Forgotten Four and Krang have been estimated by CM in 2017 and reported at 0.5g/t Au within Entech AUD2,200 pit shells.

\* Mineral Resources estimated by McDonald Speijers in 2009, audited by Carras Mining Pty Ltd in 2017 and reported in accordance with JORC 2012 using a 0.5g/t Au cut-off within Entech AUD2,200 pit shells.

\*\* Mineral Resources estimated by Jamie Logan in 2018 and reported @ 0.5g/t AU within a KIN AUD2,000 pit shell.

Totals may not tally due to rounding.

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

## Ore Reserve

In October 2017 a maiden Ore Reserve estimate was released as part of the LGP Definitive Feasibility Study (DFS). The estimate of 7.9Mt at a grade of 1.5g/t Au for 373,000oz Au was based on an assumed gold price of A\$1,575 an ounce.

The Ore Reserve, based on the 2017 Mineral Resources estimated by independent consultants Carras Mining was completed by independent mining consultants Entech Pty Ltd. A detailed financial model for the LGP that was generated as part of the DFS process was used in determining the Ore Reserve estimate.

### Leonora Gold Project - October 2017 Ore Reserve estimate

OPEN PIT MINE	CLASSIFICATION	TONNES (t)	GRADE (g/t)	METAL (oz. Au)
Tonto	Probable	210,000	1.5	10,000
Merton's Reward	Probable	1,285,000	1.7	71,000
Mertondale 3-4	Probable	952,000	1.3	39,000
Bruno Lewis Link / Lewis	Probable	2,479,000	1.2	94,000
Kyte	Probable	461,000	1.2	18,000
Helens	Probable	873,000	1.5	42,000
Rangoon	Probable	285,000	1.4	13,000
Michelangelo	Probable	1,230,000	1.9	75,000
Leonardo	Probable	158,000	2.1	11,000
<b>Operation Total</b>	<b>Probable</b>	<b>7,933,000</b>	<b>1.5</b>	<b>373,000</b>

Calculations have been rounded to the nearest 1,000 t of ore, 0.1 g/t Au grade and 1,000 oz. Au metal. Assume as gold price of A\$1,575/oz.

Totals vary due to rounding.

The company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Announcement of 2 October 2017 "Feasibility confirms a high margin gold mine for Kin at its Leonora Gold Project Project", and that all material assumptions and technical parameters underpinning the estimates in that announcements continue to apply and have not materially changed.

## Definitive Feasibility Study

Kin released the results of the Definitive Feasibility Study (DFS) for the LGP in October 2017, building on the 2016 Pre-Feasibility Study. The DFS investigated the economic viability of the LGP based on the mining and on-site treatment of the Ore Reserve derived from the Mertondale, Cardinia and Raeside Ore Reserves.

In 2017, Kin purchased the decommissioned 800,000tpa Lawlers processing plant and associated infrastructure located approximately 160km to the north northwest of the LGP. The October 2017 DFS incorporated the refurbishment of part of the Lawlers plant and the installation of a refurbished 2.5MW ball mill and six new CIL tanks to establish the Cardinia plant with a nominal throughput of between 1.2Mtpa and 1.5Mtpa dependent on ore feed. The proposed plant incorporated a two-stage crushing circuit feeding the 2.5MW ball mill, with gold extracted by gravity and CIL processes.

Key outcomes of the DFS are summarised as follows:

## Key Project Parameters

	TONNAGE	GRADE	OUNCES
<b>LPG MINERAL RESOURCES</b>			
Indicated Mineral Resources <sup>1</sup>	17.0Mt	1.4g/t	771,000
Inferred Mineral Resources <sup>1</sup>	5.3Mt	1.5g/t	252,000
<b>Total Resources</b>	<b>22.3Mt</b>	<b>1.4g/t</b>	<b>1,023,000oz</b>
<b>MATERIAL IN MINE PLAN</b>			
Probable Ore Reserve	7.9Mt	1.5g/t	(92%)
Inferred Mineral Resources	0.7Mt	1.4g/t	(8%)
<b>Total (totals vary due to rounding)</b>	<b>8.6Mt</b>	<b>1.5g/t</b>	<b>(100%)</b>
<b>CAPITAL COSTS</b>			
Final payment to Gold Fields Ltd for Lawlers Processing Plant acquisition (September 2018)			\$1.2M
Relocate, Refurbish and Upgrade Lawlers Processing Plant 1.5Mtpa			\$23.4M
Infrastructure Capital (Borefield, Roads & TSF "Lift 1")			\$2.8M
Pre-Production Mining & mine Establishment (Accommodation expansion, communications, Personnel, First Fill & Spares)			\$2.6M
Contingency +18%			5.4M
<b>Sub Total (Pre-production capital)</b>			<b>\$35.4M</b>
Tailings Storage Facility Construction			\$3.4M
Post-production infrastructure & demobilisation			\$1.8M
Contingency +15%			\$0.8M
<b>Sub Total</b>			<b>\$6.0M</b>
<b>TOTAL CAPITAL (LOM)</b>			<b>\$41.4M</b>
<b>PRODUCTION SUMMARY</b>			
<b>Key outcomes</b>			
Life of mine Production			7yrs
LOM Open Pit Strip Ratio (Waste:Ore)			8.0:1
<b>Total Recovered Gold</b>			<b>372koz</b>
Maximum Processing Rate			1.5Mtpa
LOM Mill Recovery			92.5%
<b>PROJECT ECONOMICS</b>			
Base Case Gold price(A\$)			\$1,600/oz
Exchange Rate (US\$:A\$)			0.78
Life of Mine Revenue (A\$)			\$596.1M
C1 Cash Costs <sup>2</sup>			\$957/oz
All-In-Sustaining Costs <sup>3</sup>			\$1,038/oz
Undiscounted Operating Cash Surplus			\$167.9M
Net Present Value NPV (8%)			\$107.4M
Internal Rate of Return (IRR)			77%

<sup>1</sup> Cut off grade 0.5 g/t Au

<sup>2</sup> C1 operating costs include all mining and processing costs, site administration

<sup>3</sup> AISC includes C1 costs + royalties, refining and sustaining capital, but excludes head office corporate costs and Tax

Totals vary due to rounding

## Commencement and Suspension of LGP Development

Following the outcomes of the DFS and the execution of a binding senior secured credit facility for US\$27M with Canadian based Sprott Private Resource Lending (Collector) LP, the Board of Kin announced in December 2017 that it had formally elected to proceed with the development of the LGP.

In the following few months, progress was made in a number of areas of construction including:

- The site administration building was established
- Clearing and grubbing activities were completed for the process plant site
- Dismantling of the Lawler's Plant was tendered
- Detailed engineering works for packages required to prepare the foundations for the CIL tanks, ball mill and crusher were commenced
- All CIL tank steel was procured, delivered to site and CIL tank construction was partially completed
- The 2.5MW ANI ball mill was delivered to site
- Earthworks for the foundations of major process plant components was commenced

Following changes to the composition of Kin's Board during the March quarter 2018, a review process of key aspects of the LGP commenced and it became apparent that the October 2017 DFS estimate of pre-production capital costs would need to be adjusted.

The Board determined to undertake a comprehensive review of the LGP to ensure that, before project development was resumed, it had a high degree of confidence in key project parameters, cost and time estimates, and a clear and certain funding path in place to complete the LGP. Accordingly, the Company engaged Como Engineers (Como) as its external and principal consultant to undertake an independent review of the LGP and generate new cost and time to complete estimates, along with a rigorous implementation plan for the LGP.

The preliminary report completed by Como confirmed that there are no fatal flaws with regard to the design of the Cardinia facility. However, Como identified a number of elements of the processing plant that required additional test work and design to optimise the project returns and accurately estimate the Capital and Operating cost of the facility. The Como report confirmed the Board's expectation that there will be a material increase in the capital costs to deliver the LGP.

In addition, Kin received a preliminary report into the LGP with a focus outside the Cardinia Process Plant from its CEO, Andrew Munckton which highlighted issues with the ore supply, water supply, infrastructure and approvals that had not kept pace with the schedule of the Plant construction. The report also highlighted opportunities to reduce risk and optimise the project's financial returns by matching the plant design to the ore supply.

Based on the information contained in the Como and CEO reports, the Board determined that the best path forward for the LGP was a suspension of plant construction activities until additional ore test work, water and power supply, engineering design, scheduling and cost estimates can be completed.

In May 2018, the Board made the difficult decision to suspend construction works on the LGP.

This decision was necessitated by the significant increase in the estimate of the pre-production capital cost for the Cardinia processing plant coupled with the requirement under the Sprott Debt Facility to have any shortfall in the cost to complete the project to be made up from shareholder supplied funds. Accordingly, Kin commenced the process of conducting further drilling, updates to the Mineral Resource, mine scheduling, metallurgical, water exploration, power supply, Tailing Storage Facility (TSF) and road infrastructure assessments, engineering design scheduling and cost estimates.

By early June 2018, the orderly shutdown of construction at the Cardinia process plant site had been completed and the project was formally placed on care and maintenance.

All construction facilities are safe and secure, and a program to make them operationally ready should construction be recommenced in the future is being undertaken. All assets were itemised, registered and equipment appropriately stored.

Kin's geology and exploration teams continue to operate out of the Cardinia site as the Company's exploration program across all project areas carries on.



## CORPORATE

### Board and Management Changes

A number of changes were made to the composition of the Board and Management during the period.

In July 2017, then Non-Executive Chairman Mr Trevor Dixon's role was expanded to include Tenement and Land Management and Business Development roles.

Mr Glenn Grayson joined Kin as Exploration Manager in January 2018. Mr Grayson is a geologist with deep experience in the WA Goldfields who has held senior exploration roles with Northern Star Resources Limited and Barrick Gold Corporation.

In February 2018, the Board accepted the resignation of Managing Director Don Harper and commenced the process to appoint a replacement.

Shortly thereafter, the Board undertook a restructure and transition in order to build greater capabilities to support the development of the LGP.

Mr Brian Dawes joined the Board as Non-Executive Director in February 2018 and Kin advised of its intention to appoint a new independent Chairman. Mr David Sproule also resigned as a Non-Executive Director.

Mr Jeremy Kirkwood joined the Board as Non-Executive Chairman in February 2018. Mr Kirkwood brings a wealth of experience in corporate strategy, investment banking and global capital markets. Mr Dixon stepped down as Chairman and continued as an Executive Director.

In April 2018, Mr Andrew Munckton was appointed as Chief Executive Officer. Mr Munckton is a geologist who has held senior management roles in ASX-listed companies and gold operations in a career spanning more than 30 years.

In August 2018 Mr Munckton joined the Board as Managing Director. At the same time, Company Secretary Joe Graziano stepped down from the role which was assumed by Chief Financial Officer Stephen Jones. Mr Graziano remains on the Kin Board as a Non-Executive Director.

Details of the current Board and Management team are contained in the Directors Report.

### Section 249D Notice

On 12 February 2018, Kin advised that it had received notice from a number of shareholders requesting the Company call a General Meeting of shareholders pursuant to section 249D of the Corporations Act 2001 to consider a resolution to remove Mr David Sproule as a Director.

Following changes to the Board as outlined above, the requisition notice was withdrawn on 28 February 2018.

## Sprott Credit Facility

In December 2017, Kin entered into an agreement with Sprott Private Resource Lending (Collector) LP ("Sprott") to provide a US\$27M (~A\$35M) senior secured credit facility (the "Credit Facility") to be used for the construction of the LGP.

The Credit Facility provided Kin with sufficient funding to carry out the necessary pre-production capital works to bring the LGP into production based on the forecast capital costs included in the Definitive Feasibility Study released in October 2017. An initial A\$6.5M (US\$5M) of funding was advanced to Kin in December 2017.

Following the suspension of construction at the LGP in May 2018, no further advances have been sought.

Subsequent to the end of the period, Kin agreed with Sprott to repay the outstanding balance of US\$5M on the Credit Facility and leave the Credit Facility in place as a potential source of future funding. A US\$2M payment was made in August 2018 and Kin advised Sprott of its current intention to repay the balance of US\$3M by 31 December 2018.

## Equity Capital Raisings

In December 2017, Kin undertook an equity capital raising to raise A\$10M (before costs) to be largely used to accelerate gold exploration at the LGP.

The capital raising comprised a Placement and Entitlement issue. The Company successfully raised A\$7M (before costs) from Institutional and Sophisticated investors via the issue of 28,000,000 fully paid ordinary shares at an issue price of A\$0.25 per Share.

A further A\$3M was raised via a pro-rata non-renounceable entitlement issue of approximately 12,000,000 ordinary fully paid shares (New Shares) priced at A\$0.25 per share on the basis of 1 New Share for every 16 Shares held by Eligible Shareholders. The entitlement issue closed oversubscribed in early February 2018.

In May 2018, following the decision to suspend construction of the LGP, Kin announced its intention to undertake a fully underwritten equity capital raising of approximately A\$11.3 million (before costs). Proceeds of the capital raising were to be directed towards the acceleration of exploration at the LGP and commencement of repayment of the Sprott Facility.

The capital raising comprised a fully underwritten Placement and Entitlement Offer. The Company raised approximately A\$2.4 million (before costs) from Institutional and Sophisticated Investors via the issue of 21,909,586 fully paid ordinary shares (Shares) at an issue price of A\$0.11 per Share.

The balance of A\$8.9 million (before costs) was raised through a fully underwritten non-renounceable rights issue of 1 new share for every 3 shares held by Eligible Shareholders, at an issue price of A\$0.11 per new share.

The Company received valid acceptances for 39,569,874 new shares and granted a further 33,162,333 Top Up New Shares after consultation with the Underwriter, Euroz Securities Ltd. The Underwriter managed the shortfall of 8,450,437 new shares in accordance with the Underwriting Agreement.

## Subsequent Events

On 2 July 2018 the Company announced the issue of 72,732,207 new shares issued at 11cents per share to raise \$8,000,542. On 4 July 2018 the Company announced the issue of 8,450,437 new shares issued at 11cents per share to raise \$929,548. Collectively these two amounts raised \$8,930,091 from the rights issue of one new share for every three existing shares initially announced on 30 May 2018. The proceeds from this rights issue are not reflected in the Consolidated Statement of Financial Position included in this Annual Report.

On 31 August 2018 the Company advised that it has reached agreement with Sprott to modify the US\$27M senior secured credit facility (discussed in Note 16 of the Financial Statements). The modifications to the Credit Facility include repayment in tranches of the US\$5M outstanding and a removal of all Facility covenants from the date of completion of repayment. Kin made the first tranche repayment of US\$2M in August 2018 and intends to repay the balance before 31 December 2018. Sprott has expressed a desire to remain involved in the LGP and has agreed to leave the Facility structure in place (with no costs or obligations on Kin) until Kin has completed its additional work programs.

## 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 subject to the environmental legislation of the State of Western Australia.

## 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.

## 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 2018. 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 Directors and other KMP of the Group during or since the end of the financial year were the directors of the Company as follows:

#### Directors:

J Kirkwood	Non-executive Chairman (commenced 26 February 2018)
A Munckton	Managing Director (commenced as MD on 1 August 2018)
T Dixon	Executive Director, Tenement and Land Manager and Business Development Manager
B Dawes	Non-executive Director (commenced 20 February 2018)
G Graziano	Non-executive Director and Company Secretary (resigned 1 August 2018 from Company Secretary role)
D Harper	Managing Director (commenced 13 February 2017, resigned 13 February 2018)
D Sproule	Non-executive Director (commenced 13 February 2017, resigned 20 February 2018)

#### Other Key Management:

A Munckton	Chief Executive Officer (commenced 26 April 2018)
S Jones	Chief Financial Officer and Company Secretary (Co Sec from 1 August 2018)
G Goh	General Manager - Development
G Grayson	Exploration Manager (commenced 9 January 2018)

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 REPORT (CONTINUED)

In considering the Group's performance and returns on shareholder wealth, the Board has regard to the following indicators of performance in respect of the current financial year and the previous four financial years:

	2018	2017	2016	2015	2014
Revenue	41,036	11,532	1,057	510	38,984
Net profit/(loss) after tax	(15,793,246)	(10,662,621)	(3,446,559)	(1,148,561)	(615,749)
Earnings per share	(8.00)	(9.29)	(4.92)	(2.53)	(1.79)
Share price at year-end	0.120	0.355	0.250	0.096	0.175

### 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.

### Executive directors and key management personnel remuneration

The Board is responsible for determining the remuneration policies for the Executive Directors and other key management personnel. The Board may seek external advice to assist in its decision making. The Company's remuneration policy for Executive Directors and key management personnel is designed to motivate Executive Directors and senior executives to pursue long term growth and success of the Company within an appropriate control framework promote superior performance and long term commitment to the Company. The main principles of the policy when considering remuneration are as follows:

- Executive Directors and key management personnel are motivated to pursue long term growth and success of the Company within an appropriate control framework;
- interests of key leadership are aligned with the long-term interests of the Company's shareholders; and
- there is a clear correlation between performance and remuneration.

The remuneration policy for Executive Directors and other key management personnel has three main components, fixed remuneration, short term incentives and longer term incentives.

#### 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.

#### Group's financial performance and link to remuneration

The Key Management Personnel's remuneration has a variable component for short term incentives and long term incentives to link the achievement of the Company's operational targets with the remuneration received by Executive Directors and other key management charged with meeting those targets.



## REMUNERATION REPORT (CONTINUED)

### Variable remuneration - short-term incentives

The objective of short term incentives is to link the achievement of the Company's operational targets with the remuneration received by Executive Directors and other key management charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the Executive Directors and other key management to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Actual payments granted to Executive Directors and other key management depend on the extent to which specific operating targets set by the Board are met.

At this time short term incentives in the form of cash bonuses and Performance Rights have been included in some Key management personnel contracts as disclosed in this Remuneration Report.

The aggregate of annual payments available to Executive Directors and other key management of the Company is subject to the approval of the Board.

### Variable remuneration - Long-term incentives

The Company has an approved Employee Share Scheme designed to facilitate long term incentive payments to employees in a manner that aligns this element of remuneration with the creation of shareholder wealth.

There has been no utilisation of the Employee Share Scheme at this time.

## Employment Contracts

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

#### Jeremy Kirkwood, Non-Executive Chairman

- Director's fees of \$50,000 per annum inclusive of statutory superannuation contributions.

#### Andrew Munckton, Managing Director

- Base annual remuneration of \$325,000 inclusive of statutory superannuation contributions.
- The appointment will be on an ongoing basis with termination provisions summarised below.
  - The employment agreement may be terminated by either party with three months' notice.
  - The employment agreement may be terminated by Kin Mining without notice for serious misconduct or other circumstances justifying summary dismissal. In this case only accrued legal entitlements will be paid.

#### Trevor Dixon, Executive Director

- Director
  - The term of the employment agreement is subject to the constitution unless otherwise terminated in accordance with the agreement.
  - Annual director's fees of \$36,000 per annum inclusive of statutory superannuation contributions.
  - Either party may terminate the agreement without cause by providing the Director with ninety days' notice.
  - Six months termination on loss of role on change of control.
  - Long term incentives as granted by the Board as part of a grant of benefits to Directors and subject to shareholder approval.
- Tenement, Land Manager & Business Development Manager
  - Annual salary of \$190,000 (including statutory superannuation) per annum.
  - Either party may terminate the agreement without cause by providing the Director with ninety days' notice.
  - 12 months' termination for change of control, change of role or termination by Employer.
  - Long term incentives as granted by the Board as part of a grant of benefits to Directors and subject to shareholder approval.

## REMUNERATION REPORT (CONTINUED)

### **Giuseppe (Joe) Paolo Graziano, Non-Executive Director**

- Director's fees of \$36,000 per annum inclusive of statutory superannuation contributions.
- Long term incentives as granted by the Board as part of a grant of benefits to Directors and subject to shareholder approval.

### **Brian Dawes, Non-Executive Director**

- Director's fees of \$36,000 per annum inclusive of statutory superannuation contributions.

### **Stephen Jones, Chief Financial Officer & Company Secretary**

- Base annual remuneration of \$250,000 exclusive of statutory superannuation contributions.
- The appointment will be on an ongoing basis with termination provisions summarised below.
  - The employment agreement may be terminated by either party with three months' notice.
  - The employment agreement may be terminated by Kin Mining without notice for serious misconduct or other circumstances justifying summary dismissal. In this case only accrued legal entitlements will be paid.
  - The employment agreement may be terminated immediately by the employee on a "Change of Control" or a "Change in Employment".
  - If the employment is terminated by the employer or by the employee following a change in control or employment the employer will pay an amount of 12 months on termination.

### **Gary Goh, General Manager, Development**

- Base annual remuneration of \$250,000 exclusive of statutory superannuation contributions.
- The appointment will be on an ongoing basis with termination provisions summarised below.
  - The employment agreement may be terminated by either party with three months' notice.
  - The employment agreement may be terminated by Kin Mining without notice for serious misconduct or other circumstances justifying summary dismissal. In this case only accrued legal entitlements will be paid.
  - The employment agreement may be terminated immediately by the employee on a "Change of Control" or a "Change in Employment".
  - If the employment is terminated by the employer or by the employee following a change in control or employment the employer will pay an amount of 12 months on termination.

### **Glenn Grayson, Exploration Manager**

- Base annual remuneration of \$190,000 exclusive of statutory superannuation contributions.
- The appointment will be on an ongoing basis with termination provisions summarised below.
  - The employment agreement may be terminated by either party with one months' notice.
  - The employment agreement may be terminated by Kin Mining without notice for serious misconduct or other circumstances justifying summary dismissal. In this case only accrued legal entitlements will be paid.
  - The employment agreement may be terminated immediately by the employee on a "Change of Control" or a "Change in Employment".
  - If the employment is terminated by the employer or by the employee following a change in control or employment the employer will pay an amount of 12 months on termination.

## REMUNERATION REPORT (CONTINUED)

### Remuneration of Key Management Personnel

30 June 2018	Short-term employee benefits			Post-employment benefits		Equity		Performance related	
	Salary and fees	Consulting	Non-monetary benefits	Other	Superannuation	Share options	Total	%	
	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Directors</b>									
J Kirkwood	15,628	-	-	-	1,485	-	17,113	-	
T Dixon	225,679	-	-	3,600 <sup>1</sup>	21,440	533,700	784,419	68%	
G Graziano	36,000	120,000 <sup>3</sup>	-	-	-	449,800	605,800	74%	
B Dawes	11,840	-	-	-	1,125	-	12,965	-	
D Harper	252,177	-	100,000 <sup>2</sup>	50,000 <sup>2</sup>	22,610	274,800	699,587	61%	
D Sproule	23,892	56,850 <sup>4</sup>	-	-	-	274,800	355,542	77%	
<b>KMP</b>									
A Munckton	53,028	-	-	-	5,220	-	58,249	-	
S Jones	260,417	-	50,000 <sup>5</sup>	25,000 <sup>5</sup>	20,884	-	356,301	21%	
G Goh	252,885	-	25,000 <sup>5</sup>	-	20,049	-	297,933	8%	
G Grayson	90,006	-	-	-	8,551	-	98,557	-	
	<b>1,221,552</b>	<b>176,850</b>	<b>175,000</b>	<b>78,600</b>	<b>101,364</b>	<b>1,533,100</b>	<b>3,286,466</b>		

1 Mr. T Dixon received \$3,600 for equipment hire (GST exclusive).

2 Mr. Don Harper received performance payments of \$100,000 in Performance Rights and \$50,000 in cash during 2018. No other cash bonuses were granted during 2018.

3 Consulting services rendered by Mr. Graziano were via Pathways Corporate Pty Ltd for Company Secretarial services during the period (GST exclusive).

4 Consulting fees paid to Mr. D Sproule were for processing plant consulting services during the period.

5 Non monetary benefits and Other benefits were paid in accordance with Short Term incentives in executive employment contracts.

## REMUNERATION REPORT (CONTINUED)

30 June 2017	Short-term employee benefits				Post-employment benefits	Equity	Performance related	
	Salary and fees	Consulting	Non-monetary benefits	Other	Super-annuation	Share options	Total	%
	\$	\$	\$	\$	\$	\$	\$	
<b>Directors</b>								
T Grammer	33,333	-	-	-	3,167	-	36,500	-
T Dixon	156,000	-	-	138,650 <sup>1</sup>	14,820	-	309,470	-
M Fitton	24,000	43,875 <sup>2</sup>	-	-	2,280	-	70,155	-
G Graziano	36,000	103,200 <sup>3</sup>	-	-	-	-	139,200	-
D Harper	236,250	-	-	50,000 <sup>4</sup>	22,444	-	308,694	16
D Sproule	10,500	45,000	-	-	-	-	55,500	-
<b>KMP</b>								
A Munckton	-	-	-	-	-	-	-	-
S Jones	31,250	-	2,969	-	-	-	32,219	-
G Goh	-	-	-	-	-	-	-	-
G Grayson	-	-	-	-	-	-	-	-
	<b>527,333</b>	<b>192,075</b>	<b>-</b>	<b>188,650</b>	<b>42,711</b>	<b>-</b>	<b>951,738</b>	

1 Mr. T Dixon received \$138,650 for equipment hire (GST exclusive).

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 exclusive).

3 Consulting services rendered by Mr. Graziano were via Pathways Corporate Pty Ltd for Company Secretarial, and services during the period (GST exclusive).

4 Mr. Don Harper received a cash bonus of \$50,000 during 2017. No other cash bonuses were granted during 2017.

## Shareholdings of key management personnel

2018	Balance at 01/07/17	Shares Purchased	Shares Issued	Shares Vendor Acquisition	Shares on Resignation	Balance at 30/06/18
	No.	No.	No.	No.	No.	No.
<b>Directors</b>						
J Kirkwood	-	-	-	-	-	-
T Dixon	10,582,660	520,000	1,050,000	-	-	12,152,660
G Graziano	7,605,418	238,332	500,000	-	-	8,343,750
B Dawes	-	270,886	-	-	-	270,886
D Harper <sup>1</sup>	250,000	39,381	380,083 <sup>2</sup>	-	(669,464)	-
D Sproule <sup>1</sup>	4,984,091	-	-	-	(4,984,091)	-
<b>KMP</b>						
A Munckton	-	-	-	-	-	-
S Jones	-	-	194,099 <sup>3</sup>	-	-	194,099
G Goh	-	-	97,050 <sup>4</sup>	-	-	97,050
G Grayson	-	-	-	-	-	-
	<b>23,422,169</b>	<b>1,068,599</b>	<b>2,221,232</b>	<b>-</b>	<b>(5,653,555)</b>	<b>21,058,445</b>

1 Messrs Harper and Sproule resigned on 13 February 2018 and 20 February 2018 respectively. The number of shares disposed is the number of shares they held at the time of their resignation.

2 Mr Harper was issued 380,083 shares on the conversion of performance rights upon the achievement of the performance hurdles included in his contract.

3 Mr Jones was issued 194,099 shares on the conversion of performance rights upon the achievement of the performance hurdles included in his contract.

4 Mr Goh was issued 97,050 shares on the conversion of performance rights upon the achievement of the performance hurdles included in his contract.

## REMUNERATION REPORT (CONTINUED)

2017	Balance at	Shares	Shares	Shares Vendor	Shares on	Balance at
	01/07/16	Purchased	Issued	Acquisition	Resignation	30/06/17
	No.	No.	No.	No.	No.	No.
<b>Directors</b>						
T Grammer	1,406,113	-	-	-	(1,406,113)	-
T Dixon	10,008,001	574,659	-	-	-	10,582,660
M Fitton	1,774,000	-	-	-	(1,774,000)	-
G Graziano	7,001,668	603,750	-	-	-	7,605,418
D Harper	-	250,000	-	-	-	250,000
D Sproule	-	4,984,091	-	-	-	4,984,091
<b>KMP</b>						
A Munckton	-	-	-	-	-	-
S Jones	-	-	-	-	-	-
G Goh	-	-	-	-	-	-
G Grayson	-	-	-	-	-	-
	<b>20,189,782</b>	<b>6,412,500</b>	<b>-</b>	<b>-</b>	<b>(3,180,113)</b>	<b>23,422,169</b>

## Option holdings of key management personnel

2018	Balance at	Options	Options	Options	Options	Balance at
	01/07/17	Purchased	Disposed	Issued	Expired	30/06/18
	No.	No.	No.	No.	No.	No.
<b>Directors</b>						
J Kirkwood	-	-	-	-	-	-
T Dixon	1,087,500	-	(1,050,000)	6,000,000	-	6,037,500
G Graziano	575,000	-	(500,000)	5,000,000	-	5,075,000
B Dawes	-	-	-	-	-	-
D Harper <sup>1</sup>	125,000	-	(3,125,000)	3,000,000	-	-
D Sproule <sup>2</sup>	2,037,500	-	(5,037,500)	3,000,000	-	-
<b>KMP</b>						
A Munckton	-	-	-	-	-	-
S Jones	-	-	-	-	-	-
G Goh	-	-	-	-	-	-
G Grayson	-	-	-	-	-	-
	<b>3,825,000</b>	<b>-</b>	<b>(9,712,500)</b>	<b>17,000,000</b>	<b>-</b>	<b>11,112,500</b>

1 Mr Harper resigned on 13 February 2018. 3,125,000 options were held at the time of resignation.

2 Mr Sproule resigned on 20 February 2018. The number of options disposed is the number of options held at the time of resignation.

## REMUNERATION REPORT (CONTINUED)

2017	Balance at 01/07/16	Options Purchased	Options Disposed	Options Issued	Options Expired	Balance at 30/06/17
	No.	No.	No.	No.	No.	No.
<b>Directors</b>						
T Grammer <sup>1</sup>	630,000	-	(630,000)	-	-	-
T Dixon	1,050,000	37,500	-	-	-	1,087,500
M Fitton <sup>1</sup>	325,000	-	(325,000)	-	-	-
G Graziano	500,000	75,000	-	-	-	575,000
D Harper	-	125,000	-	-	-	125,000
D Sproule	-	2,037,500	-	-	-	2,037,500
<b>KMP</b>						
A Munckton	-	-	-	-	-	-
S Jones	-	-	-	-	-	-
G Goh	-	-	-	-	-	-
G Grayson	-	-	-	-	-	-
	<b>2,505,000</b>	<b>2,275,000</b>	<b>(955,000)</b>	<b>-</b>	<b>-</b>	<b>3,825,000</b>

1 Messrs Grammer and Fitton resigned on 13 February 2017. The number of options disposed is the number of options they held at the time of their resignation.

## Share-based remuneration granted as compensation

For details of share-based payments granted during year refer note 18.

Options  
Granted as compensation

	Number granted	Grant date	Value per option at grant date	Value of options at grant date
			\$	\$
T Dixon	3,000,000	13-Oct-17	0.0836	250,766
T Dixon	2,000,000	13-Oct-17	0.0916	183,114
T Dixon	1,000,000	13-Oct-17	0.0998	99,820
G Graziano	2,000,000	13-Oct-17	0.0836	167,062
G Graziano	2,000,000	13-Oct-17	0.0916	182,987
G Graziano	1,000,000	13-Oct-17	0.0998	99,751
D Harper	1,000,000	13-Oct-17	0.0836	83,538
D Harper	1,000,000	13-Oct-17	0.0916	91,502
D Harper	1,000,000	13-Oct-17	0.0998	99,760
D Sproule	1,000,000	13-Oct-17	0.0836	83,538
D Sproule	1,000,000	13-Oct-17	0.0916	91,502
D Sproule	1,000,000	13-Oct-17	0.0998	99,760

## REMUNERATION REPORT (CONTINUED)

	Date exercised	Ordinary shares issued on exercise	Vesting and first exercise date	Last exercised date
T Dixon	31-Aug-17	1,050,000	31-Aug-15	31-Aug-17
G Graziano	25-Aug-17	500,000	31-Aug-15	31-Aug-17

The options were provided at no cost and expire on the earlier of their date or termination of the Key Management Personnel's employment.

### Exercised

	Number granted	Grant date	Value at exercise date (i)
T Dixon	1,050,000	31-Aug-15	351,750
G Graziano	500,000	31-Aug-15	172,500

(i) The value at the date of exercise of options that were granted as part of remuneration and exercised during the year has been determined as the intrinsic value of the options at the exercise date.

### Forfeited / lapsed during the year

	Number forfeited / lapsed during the year	Financial year granted
D Harper	125,000	30-Jun-16
D Harper	3,000,000	30-Jun-18
D Sproule	2,037,500	30-Jun-16
D Sproule	3,000,000	30-Jun-18

### Performance Rights holdings of key management personnel

2018	Balance at 01/07/17	Rights Issued	Rights Converted to shares	Rights Cancelled on resignation	Balance at 30/06/18
Directors	No.	No.	No.	No.	No.
J Kirkwood	-	-	-	-	-
T Dixon	-	-	-	-	-
G Graziano	-	-	-	-	-
B Dawes	-	-	-	-	-
D Harper <sup>1</sup>	-	4,000,000	(380,083)	(3,619,917)	-
D Sproule	-	-	-	-	-
<b>KMP</b>					
A Munckton	-	-	-	-	-
S Jones	-	194,099	(194,099)	-	-
G Goh	-	97,050	(97,050)	-	-
G Grayson	-	-	-	-	-
	-	<b>4,291,149</b>	<b>(671,232)</b>	<b>(3,619,917)</b>	-

<sup>1</sup> Mr Harper resigned on 13 February 2018. The number of performance rights issued was 4,000,000. The number of rights disposed includes 380,083 performance rights converted to shares (see above) and 3,619,917 performance rights held at the time of resignation.

## REMUNERATION REPORT (CONTINUED)

## 2017 – None

A \$50,000 cash bonus was paid to Mr Don Harper for performance related to Short Term Benefits in his employment contract during 2018. A further \$100,000 worth of performance rights vested for Mr Don Harper during 2018 and were converted into shares following the achievement of performance hurdles related to Short Term Benefits in his employment contract.

A \$25,000 cash bonus was paid to Mr Stephen Jones for performance related to Short Term Benefits in his employment contract during 2018. A further \$50,000 worth of performance rights vested for Mr Stephen Jones during 2018 and were converted into shares following the achievement of performance hurdles related to Short Term Benefits in his employment contract.

Performance rights worth \$25,000 vested for Mr Gary Goh during 2018 and were converted into shares following the achievement of performance hurdles related to Short Term Benefits in his employment contract.

Additional performance rights and cash bonuses have been granted to Mr Stephen Jones and Mr Gary Goh that vest and may be converted to shares following the achievement of future performance hurdles as follows:

Performance Hurdles	Conditions	Stephen Jones		Gary Goh	
		Performance Rights *	Cash Bonus	Performance Rights *	Cash Bonus
Capital Expenditure on LGP is within 10% of budget	Budget and contingency to be determined from the DFS with allocation and cash payment made within 1 month following internal accounts demonstrating the milestone	\$50,000	\$25,000	\$50,000	\$25,000
First Month of gold production exceeding 4,000 fine ounces output from the LGP	Allocation and cash payment made within 1 month following the milestone	\$50,000	\$25,000	\$75,000	\$25,000
Steady State production at design throughput of the LGP mill	Six months commercial production having achieved design throughput and gold output with allocation and cash payment made within 1 month following the milestone	\$50,000	\$25,000	\$75,000	\$25,000

\* Performance Rights will, subject to meeting the Performance Hurdles, vest into shares in the Employer in accordance with the following formula

$$\text{Number of shares} = \frac{\$ \text{ value of the Performance Rights}}{\text{Volume Weighted Average Price (VWAP) of the Employer's shares over the 5 days on which trading in the Employer's shares occurred leading up to and including the day prior to the vesting date}}$$

No amounts were unpaid on options exercised during the year.



## REMUNERATION REPORT (CONTINUED)

### Share options

During the year the following share options and performance rights were granted to Directors and KMP as compensation or remuneration.

<b>Directors</b>	Tranche 1 <sup>1</sup> Director Options	Tranche 2 <sup>1</sup> Director Options	Tranche 3 <sup>1</sup> Director Options	Performance Rights <sup>1</sup>	Total
J Kirkwood	n/a	n/a	n/a	n/a	n/a
T Dixon	3,000,000	2,000,000	1,000,000	n/a	6,000,000
G Graziano	2,000,000	2,000,000	1,000,000	n/a	5,000,000
B Dawes	n/a	n/a	n/a	n/a	n/a
D Harper	1,000,000	1,000,000	1,000,000	4,000,000 <sup>2</sup>	7,000,000
D Sproule	1,000,000	1,000,000	1,000,000	n/a	3,000,000
<b>KMP</b>					
A Munckton	-	-	-	-	-
S Jones	-	-	-	194,099	194,099
G Goh	-	-	-	97,050	97,050
G Grayson	-	-	-	-	-
	<b>7,000,000</b>	<b>6,000,000</b>	<b>4,000,000</b>	<b>4,291,149</b>	<b>21,291,149</b>

<sup>1</sup> Refer to Note 18 in the Financial Report for the details of the terms of the Options and Performance Rights issued.

<sup>2</sup> 380,083 of these rights were converted to shares and the remainder were cancelled following resignation.

### Other transactions with Key Management Personnel

Mr Trevor Dixon received \$3,600 for rental of motor vehicles to the Company during 2018. Mr Dixon also received \$27,852 in cash payment for a parcel of tenure that he sold to the Company in a prior year.

Pathways Corporate Pty Ltd, a company of which Mr. Graziano is a Director, charged the Group director fees of \$36,000 (2017: \$36,000), excluding GST, none of which was outstanding at 30 June 2018 (2017: Nil) and provided financial and associated services to the Group during the year on normal commercial terms and conditions. No interest was payable or accrued.

### END OF REMUNERATION REPORT

## 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
21 November 2016	100,000	\$0.332	21 November 2018
10 April 2017	12,235,750	\$0.40	31 March 2019
13 April 2017	5,000,000	\$0.27	10 April 2020
15 September 2017	9,000,000	\$0.75	15 September 2022
15 January 2018	1,000,000	\$0.36	15 January 2020
15 September 2017	6,000,000	\$1.00	15 September 2021
15 September 2017	4,000,000	\$1.25	15 September 2022

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:

Date options granted	Number of shares issued	Amount paid for the shares
3 September 2015	11,229,500	\$2,245,900

Details of ordinary shares issued by the Company during or since the end of the financial year as a result of the vesting of performance rights are:

Date performance rights vested	Number of shares issued	Amount paid for the shares
29 December 2017	380,083	Nil

Additional performance rights that will vest and may be converted to shares following the achievement of future performance hurdles are as follows:

Performance Hurdles	Conditions	Performance Rights *
Capital Expenditure on LGP is within 10% of budget	Budget and contingency to be determined from the DFS with allocation and cash payment made within 1 month following internal accounts demonstrating the milestone	\$100,000
First Month of gold production exceeding 4,000 fine ounces output from the LGP	Allocation and cash payment made within 1 month following the milestone	\$125,000
Steady State production at design throughput of the LGP mill	Six months commercial production having achieved design throughput and gold output with allocation and cash payment made within 1 month following the milestone	\$125,000

\* Performance Rights will, subject to meeting the Performance Hurdles, vest into shares in the Employer in accordance with the following formula.

$$\text{Number of shares} = \frac{\$ \text{ value of the Performance Rights}}{\text{Volume Weighted Average Price (VWAP) of the Employer's shares over the 5 days on which trading in the Employer's shares occurred leading up to and including the day prior to the vesting date}}$$

## 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
<b>Number of meetings held:</b>	8
<b>Number of meetings attended:</b>	
J Kirkwood	3 <sup>1</sup>
T Dixon	8
G Graziano	8
B Dawes	4 <sup>1</sup>
D Harper	3 <sup>1</sup>
D Sproule	3 <sup>2</sup>

<sup>1</sup> All meetings held while a director attended

<sup>2</sup> Missed one meeting

## 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 23 to the financial statements. No non-audit services were provided during the year ended 30 June 2018 (2017: \$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.

## 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 36 and forms part of this directors' report for the year ended 30 June 2018.

Signed in accordance with a resolution of the directors.



**Andrew Munckton**

Managing Director

Perth, Western Australia

28 September 2018

### Competent Persons Statement

The information contained in this report that relates to the 2017 Mineral Resources (excluding Helens that was updated in 2018) is based on information reviewed and compiled by Dr. Spero Carras of Carras Mining Pty Ltd (CM). Dr. Carras is a Fellow of the Australasian Institute Mining and Metallurgy (AusIMM) and has over 40 years experience 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. Mark Nelson, Consultant Geologist to CM with over 30 years experience and is a Member of the Australasian Institute Mining and Metallurgy (AusIMM) with sufficient experience in 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. Gary Powell Consultant Geologist to CM with over 30 years experience and is a Member of the Australasian Institute Mining and Metallurgy (AusIMM) and the AIG with sufficient experience in 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".

CM also acted as auditors of the 2009 McDonald Speijers resource estimates for Eclipse, Quicksilver, Forgotten Four and Krang.

Dr. S. Carras, Mr. Mark Nelson and Mr. Gary Powell consent to the inclusion in the report of the matters based on their information in the context in which it appears.

The information contained in this report relating to the 2018 Resource Estimation results for the Helens deposit relates to information compiled by Mr Jamie Logan. Mr Logan is a member of the Australian Institute of Geoscientists and is a full time employee of the company. Mr Logan has 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Logan consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information contained in this report relating to exploration results relates to information compiled or reviewed by Glenn Grayson. Mr Grayson is a member of the Australasian Institute of Mining and Metallurgy and is a full time employee of the company. Mr Grayson has 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 "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr. Grayson consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

### Competent Persons Statement (Ore Reserves)

The information contained in the report that relates to ore reserves at the Leonora Gold Project is based on information compiled or reviewed by Mr. Shane McLeay who is a fulltime employee of Entech Pty Ltd. Mr. McLeay confirms that he has read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition). He is a Competent Person as defined by the JORC Code 2012 Edition, having five years' experience which is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which he is accepting responsibility. He is a Fellow of The Australasian Institute of Mining and Metallurgy, he has reviewed the Report to which this consent statement applies, for the period ended 1 October 2017. He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Ore Reserves.

### 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.



The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Kin Mining NL and its controlled entities have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2015 and became effective for financial years beginning on or after 1 July 2015.

The Group's Corporate Governance Statement for the financial year ending 30 June 2018 is dated as at 30 June 2018 and was approved by the Board on 3 September 2018. The Corporate Governance Statement is available on Kin Mining NL's website at [www.kinmining.com.au/corporate-profile/corporate-governance](http://www.kinmining.com.au/corporate-profile/corporate-governance).



Accountants | Business and Financial Advisers

**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 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements as set out in 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**  
**28 September 2018**

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

**D I Buckley**  
**Partner**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	Restated 2017 \$
<b>Continuing operations</b>			
Revenue:			
Interest income		41,306	11,532
Other income	3	14,908	6,658
Depreciation and amortisation expense		(156,535)	(54,161)
Administration expenses		(1,349,021)	(791,957)
Consultant expenses		(319,249)	(422,113)
Employee expenses		(1,301,728)	(894,481)
Share based payment expenses		(2,205,900)	(72,630)
Finance costs	3	(1,083,704)	(113,184)
Occupancy expenses		(118,515)	(119,421)
Travel expenses		(100,493)	(45,465)
Exploration and evaluation costs	2, 13	(7,379,015)	(8,300,513)
Provision for rehabilitation	15	(1,500,000)	-
Unrealised Foreign exchange losses		(335,300)	-
<b>Loss before income tax expense</b>		<b>(15,793,246)</b>	<b>(10,795,735)</b>
Income tax benefit	4	-	133,114
<b>Net loss for the year</b>		<b>(15,793,246)</b>	<b>(10,662,621)</b>
<b>Other comprehensive income, net of income tax</b>			
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year</b>		<b>(15,793,246)</b>	<b>(10,662,621)</b>
Basic loss per share (cents per share)	6	(8.00)	(9.29)

*The accompanying notes form part of these consolidated financial statements.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Notes	2018 \$	Restated 2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	2,195,518	6,654,391
Trade and other receivables	9	827,032	493,909
Inventory	10	14,738	14,738
Other current assets	11	16,554	10,474
<b>Total current assets</b>		<b>3,053,842</b>	<b>7,173,512</b>
<b>Non-current assets</b>			
Property, plant and equipment	12	12,429,794	2,800,385
<b>Total non-current assets</b>		<b>12,429,794</b>	<b>2,800,385</b>
<b>Total assets</b>		<b>15,483,636</b>	<b>9,973,897</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	2,292,251	2,394,877
Borrowings	16	5,431,384	2,478,967
<b>Total current liabilities</b>		<b>7,723,635</b>	<b>4,873,844</b>
<b>Non-current liabilities</b>			
Provisions	15	1,500,000	-
Borrowings	16	-	1,200,000
<b>Total non-current liabilities</b>		<b>1,500,000</b>	<b>1,200,000</b>
<b>Total liabilities</b>		<b>9,223,635</b>	<b>6,073,844</b>
<b>Net assets</b>		<b>6,260,001</b>	<b>3,900,053</b>
<b>Equity</b>			
Issued capital	17	43,175,285	26,805,451
Share based payments reserve		1,818,488	35,128
Accumulated losses		(38,733,772)	(22,940,526)
<b>Total equity</b>		<b>6,260,001</b>	<b>3,900,053</b>

*The accompanying notes form part of these consolidated financial statements.*



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

Notes	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Total equity \$
<b>Balance as at 1 July 2016 Restated</b>	9,961,007	(12,277,905)	27,998	(2,288,900)
Loss for the year	-	(10,662,621)	-	(10,662,621)
<b>Total comprehensive loss for the year</b>	-	(10,662,621)	-	(10,662,621)
Share based payments	-	-	7,130	7,130
Shares issued during the year	17,436,558	-	-	17,436,558
Share issue costs	(592,114)	-	-	(592,114)
<b>Balance as at 30 June 2017 Restated</b>	<b>26,805,451</b>	<b>(22,940,526)</b>	<b>35,128</b>	<b>3,900,053</b>
<b>Balance as at 1 July 2017 Restated</b>	26,805,451	(22,940,526)	35,128	3,900,053
Loss for the year	-	(15,793,246)	-	(15,793,246)
<b>Total comprehensive loss for the year</b>	-	(15,793,246)	-	(15,793,246)
Share based payments	-	-	1,783,360	1,783,360
Shares issued during the year	16,974,884	-	-	16,974,884
Share issue costs	(605,050)	-	-	(605,050)
<b>Balance as at 30 June 2018</b>	<b>43,175,285</b>	<b>(38,733,772)</b>	<b>1,818,488</b>	<b>6,260,001</b>

*The accompanying notes form part of these consolidated financial statements.*

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	Restated 2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	-
Payments to suppliers and employees		(11,623,186)	(8,953,488)
Interest received		41,306	11,532
Finance costs		(352,006)	(288,915)
<b>Net cash (outflow) from operating activities</b>	8	<b>(11,933,886)</b>	<b>(9,230,871)</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of plant and equipment		600,000	-
Payments for property, plant and equipment		(9,648,945)	(198,779)
<b>Net cash (outflow) from investing activities</b>		<b>(9,048,945)</b>	<b>(198,779)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		14,454,908	16,737,488
Payments for share issue costs		(605,050)	(592,114)
Proceeds from borrowings	8	6,398,100	-
Payments for borrowing transaction costs	8	(800,000)	-
Repayments of borrowings		(2,924,000)	(1,350,900)
<b>Net cash inflow from financing activities</b>		<b>16,523,958</b>	<b>14,794,474</b>
Net (decrease)/ increase in cash and cash equivalents		(4,458,873)	5,364,824
Cash and cash equivalents at the beginning of the year		6,654,391	1,289,567
<b>Cash and cash equivalents at the end of the year</b>	8	<b>2,195,518</b>	<b>6,654,391</b>

*The accompanying notes form part of these consolidated financial statements.*

# NOTES TO THE FINANCIAL STATEMENTS

## 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 are for the Group consisting of Kin Mining NL and its subsidiaries.

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 2018**

In the year ended 30 June 2018, 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 Standards and Interpretations in issue not yet adopted for the year ended 30 June 2018. As a result of this review, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted 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 28 September 2018.

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) Significant 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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

#### **Capitalised exploration and evaluation expenditure**

The Group's accounting policy is stated at 1(u). Also refer to Note 2.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Significant accounting estimates and judgements (continued)

#### **Mine development expenditure carried forward**

The recoverability of the carrying amount of mine development expenditure carried forward has been reviewed by the Directors. In conducting the review, the recoverable amount has been assessed by reference to the higher of "fair value less costs to sell" and "value in use". In determining value in use, future cash flows are based on:

- Estimates of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- Estimated production and sales levels;
- Estimate future commodity prices;
- Future costs of production;
- Future capital expenditure; and/or
- Future exchange rates

Variations to expected future cash flows, and timing thereof, could result in significant changes to the impairment test results, which in turn could impact future financial results.

#### **Mine rehabilitation provision**

The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

#### **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 18.

### (e) Going concern

Notwithstanding the fact that the Group incurred an operating loss of \$15,793,246 for the year ended 30 June 2018, had net cash outflow from operating activities of \$11,933,886 and investing activities of \$9,048,945, and is in a net current liability position of \$4,679,793, the directors are of the opinion that the Group is a going concern for the following reasons:

- Subsequent to year end, an amount of \$8,930,091 has been received by the company from the Non-Renounceable Rights Issue.
- The Directors are confident further capital raisings will be achieved.

The Directors anticipate that further equity raisings will be required in the forthcoming year to meet ongoing working capital and expenditure commitments.

Should the equity raisings not be completed, there is a material uncertainty that may cast significant doubt as to whether the Group will be available 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.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (f) Basis of consolidation (continued)

When the Company has less than a majority of the voting rights in 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.

#### 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.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Income tax (continued)

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.

#### Tax consolidation legislation

Kin Mining NL and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

Kin Mining NL recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

### (i) Other taxes

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

- 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
- 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).

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) Impairment of non-financial assets (continued)

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.

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:

Buildings	5 to 25 years
Plant and equipment	5 to 20 years
Motor Vehicles	5 years
Computer equipment	2 to 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 as a separate 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.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (l) Property, plant and equipment (continued)

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.

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) Inventories

Gold bullion, are physically measured or estimated and stated at the lower of cost and net realisable value. Cost comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs in getting such inventories to their existing location and condition, based on weighted average costs incurred during the period in which such inventories were produced. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and costs of selling the final product.

### (o) 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.

### (p) 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.



## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (q) 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.

#### **Restoration and rehabilitation**

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of development activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of abandoning sites, removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the balance date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each balance date.

The initial estimate of the restoration and rehabilitation provision is expensed in the statement of comprehensive income, or capitalised if asset recognition criteria are met. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

### (r) 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.

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.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (s) 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.

### (t) 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.

### (u) Exploration and evaluation

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstance in which case the expenditure may be capitalised:

- The existence of mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in the statement of comprehensive income.

The financial report has been prepared on the basis of the retrospectively applied voluntary change in accounting policy related to exploration and evaluation expenditure (refer to Note 2 for further details). The previous accounting policy was to capitalise exploration and evaluation incurred and carry forward as an asset when costs were expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations were continuing.

The directors believe that this change in policy will result in more relevant and reliable information in the financial report. Exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent statement of financial position and statement of comprehensive income. Furthermore, the newly adopted accounting policy is consistent with those of many other exploration and mining companies.

### (v) Parent entity financial information

The financial information for the parent entity, Kin Mining NL, disclosed in Note 22 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.

## NOTE 2: VOLUNTARY CHANGE IN ACCOUNTING POLICY

### (a) Exploration and Evaluation Accounting Policy

The financial report has been reported on the basis of a retrospectively applied voluntary change in accounting policy related to exploration and evaluation expenditure.

The new accounting policy is to expense exploration and evaluation expenditure to the profit or loss as incurred except in the following circumstance in which case the expenditure may be capitalised:

- The existence of a mineral deposit has been established however additional expenditure is required to determine the technical feasibility and commercial viability of extraction and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure.

The previous accounting policy was to capitalise exploration and evaluation expenditure incurred and carry forward as an asset when costs were expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations were continuing.

The directors believe that this change in policy will result in more relevant and reliable information in the financial report. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent statement of financial position and statement of comprehensive income. Furthermore, the newly adopted accounting system policy is consistent with those of many other exploration and mining companies.

### (b) Impact on Financial Statements

As a result of the change in the accounting policy of exploration and evaluation expenditure, prior year financial statements had to be restated. The amounts disclosed for the year ended 30 June reporting periods in the statement of financial positions as at 30 June 2018 and 30 June 2017 are after the change in accounting policy for exploration and expenditure.

NOTE 2: VOLUNTARY CHANGE IN ACCOUNTING POLICY (CONTINUED)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017

	Previously Stated 2017 \$	Loss Increase/ (Decrease) \$	Restated 2017 \$
<b>Continuing operations</b>			
Revenue:			
Interest income	11,532	-	11,532
Other income	6,658	-	6,658
Depreciation and amortisation expense	(54,161)	-	(54,161)
Administration expenses	(791,957)	-	(791,957)
Consultant expenses	(422,113)	-	(422,113)
Employee expenses	(894,481)	-	(894,481)
Share based payment expense	(72,630)	-	(72,630)
Finance costs	(113,184)	-	(113,184)
Occupancy expenses	(119,421)	-	(119,421)
Travel expenses	(45,465)	-	(45,465)
Exploration and evaluation costs	-	(8,300,513)	(8,300,513)
<b>Loss before income tax</b>	(2,495,222)	(8,300,513)	(10,795,735)
Income tax benefit	133,114		133,114
<b>Loss after tax</b>	(2,362,108)	(8,300,513)	(10,662,621)
<b>Other comprehensive income, net of income tax</b>			
Other comprehensive income	-	-	-
<b>Other comprehensive income for the year, net of income tax</b>	-	-	-
<b>Total comprehensive loss for the year</b>	(2,362,108)	(8,300,513)	(10,662,621)
Basic loss per share (cents per share)	(2.06)		(9.29)
Diluted loss per share (cents per share)	(2.06)		(9.29)

NOTE 2: VOLUNTARY CHANGE IN ACCOUNTING POLICY (CONTINUED)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Previously Stated 2017 \$	Loss Increase/ (Decrease) \$	Restated 2017 \$	Previously Stated 2016 \$	Loss Increase/ (Decrease) \$	Restated 2016 \$
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	6,654,391	-	6,654,391	1,289,567	-	1,289,567
Trade and other receivables	493,909	-	493,909	246,262	-	246,262
Inventory	14,738	-	14,738	-	-	-
Other	10,474	-	10,474	96,072	-	96,072
<b>Total current assets</b>	<b>7,173,512</b>	<b>-</b>	<b>7,173,512</b>	<b>1,631,901</b>	<b>-</b>	<b>1,631,901</b>
<b>Non-current assets</b>						
Property, plant and equipment	2,800,385	-	2,800,385	260,235	-	260,235
Capitalised exploration and evaluation expenditure	17,578,879	(17,578,879)	-	9,278,366	(9,278,366)	-
<b>Total non-current assets</b>	<b>20,379,264</b>	<b>(17,578,879)</b>	<b>2,800,385</b>	<b>9,538,601</b>	<b>(9,278,366)</b>	<b>260,235</b>
<b>Total assets</b>	<b>27,552,776</b>	<b>(17,578,879)</b>	<b>9,973,897</b>	<b>11,170,502</b>	<b>(9,278,366)</b>	<b>1,892,136</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	2,394,877	-	2,394,877	1,070,753	-	1,070,753
Borrowings	2,478,967	-	2,478,967	3,110,283	-	3,110,283
<b>Total current liabilities</b>	<b>4,873,844</b>	<b>-</b>	<b>4,873,844</b>	<b>4,181,036</b>	<b>-</b>	<b>4,181,036</b>
<b>Non-current liabilities</b>						
Borrowings	1,200,000	-	1,200,000	-	-	-
<b>Total non-current liabilities</b>	<b>1,200,000</b>	<b>-</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>6,073,844</b>	<b>-</b>	<b>6,073,844</b>	<b>4,181,036</b>	<b>-</b>	<b>4,181,036</b>
<b>Net assets</b>	<b>21,478,932</b>	<b>(17,578,879)</b>	<b>3,900,053</b>	<b>6,989,466</b>	<b>(9,278,366)</b>	<b>(2,288,900)</b>
<b>Equity</b>						
Issued capital	26,805,451	-	26,805,451	9,961,007	-	9,961,007
Share based payments reserve	35,128	-	35,128	27,998	-	27,998
Accumulated losses	(5,361,647)	(17,578,879)	(22,940,526)	(2,999,539)	(9,278,366)	(12,277,905)
<b>Total equity</b>	<b>21,478,932</b>	<b>(17,578,879)</b>	<b>3,900,053</b>	<b>6,989,466</b>	<b>(9,278,366)</b>	<b>(2,288,900)</b>

Statement of Cash Flows

Exploration and evaluation expenditure that is expensed is included as part of the cash flows from operating activities whereas exploration and evaluation expenditure that is capitalised is included as part of cash flows from investing activities. This has resulted in additional cash outflows from operating activities of \$6,600,392 for the year ended 30 June 2017. This has also resulted in a corresponding reduction of \$6,600,392 being reflected in the net cash outflows from investing activities for the same reporting period.

## NOTE 3: REVENUE AND EXPENSES

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

	2018	2017
	\$	\$
<b>Revenue</b>		
<b>Other income:</b>		
• Other income	14,908	6,658
	14,908	6,658

	2018	2017
	\$	\$
<b>Expenses</b>		
• Effective interest - royalty	369,231	-
• Interest expense	397,054	113,184
• Amortisation of transaction costs	317,419	-
	1,083,704	113,184

## NOTE 4: 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:

	2018	Restated 2017
	\$	\$
Loss before income tax	(15,793,246)	(10,795,735)
Income tax expense calculated at 30% (2017: 30%)	(4,737,974)	(3,238,721)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable loss:		
• Effect of expenses that are not deductible in determining taxable loss	764,407	134,313
• Effect of unused tax losses and tax offsets not recognised as deferred tax assets	3,973,567	3,104,408
• Research and development tax concession	-	(133,114)
Income tax benefit reported in the consolidated statement of comprehensive income	-	(133,114)

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 and its subsidiaries are part of an income tax consolidated group. The Company's unused tax losses arising in Australia including the current year losses is \$9,653,579 (2017: \$8,608,159). These tax losses are available indefinitely for offset against future taxable profits, subject to the Company passing the regulatory tests for continued use of the tax losses.

## NOTE 5: 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 6: LOSS PER SHARE

	2018 Cents per share	Restated 2017 Cents per share
Basic/diluted loss per share	(8.00)	(9.29)

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

	\$	Restated \$
Loss for the year	(15,793,246)	(10,662,621)
Weighted average number of ordinary shares for the purpose of basic/dilutive earnings per share	197,411,002	114,828,927

The potential ordinary shares that could be dilutive in the future are the options discussed at Note 17.

## 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:

	2018 \$	2017 \$
Cash at bank and on hand	2,165,518	3,654,391
Short-term deposits	30,000	3,000,000
	2,195,518	6,654,391

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

Short-term deposits are made for varying periods of between one day and 3 months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

## NOTE 8: CASH AND CASH EQUIVALENTS (CONTINUED)

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

	2018 \$	Restated 2017 \$
Net loss for the year	(15,793,246)	(10,662,621)
Depreciation of non-current assets	156,535	54,161
Amortisation of finance transaction costs	317,419	-
Share based payments	2,205,900	72,630
Accrued interest expense	-	(175,731)
Interest paid in shares	45,033	-
R&D tax concession	-	147,659
Foreign exchange	354,094	-
Effective interest - royalty	369,231	-
(Increase)/decrease in assets:		
Trade and other receivables	(334,589)	(309,708)
Increase/(decrease) in liabilities:		
Trade and other payables	(754,263)	(57,382)
Provisions	1,500,000	-
Net cash outflow from operating activities	(11,933,886)	(10,930,992)

### Changes in liabilities arising from financing activities

	Related party loans \$	Vendor Finance \$	Spratt Credit Facility \$	Total \$
Balance as at 1 July 2017	1,278,967	2,400,000	-	3,678,967
Cash flows from financing activities				
Proceeds from borrowings	-	-	6,398,100	6,398,100
Borrowing transaction costs	-	-	(800,000)	(800,000)
Repayments of borrowings	(524,000)	(2,400,000)	-	(2,924,000)
Net cash from/(used in) financing activities	(524,000)	(2,400,000)	5,598,100	2,674,100
Repayments of borrowings through equity	(754,967)	-	-	(754,967)
Borrowing transaction costs through equity	-	-	(1,207,460)	(1,207,460)
Exchange differences	-	-	354,094	354,094
Changes in fair value	-	-	-	-
Effective interest - royalty	-	-	369,231	369,231
Amortisation of transaction costs	-	-	317,419	317,419
Balance as at 30 June 2018	-	-	5,431,384	5,431,384



## NOTE 9: TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
<b>Trade receivables</b>		
Other debtors (GST)	690,118	382,070
Other debtors	42,900	-
Other debtors (ATO receivable and fuel credits refundable)	94,014	111,839
	827,032	493,909

### Aging of past due but not impaired

There are no past due amounts at the reporting date.

## NOTE 10: INVENTORY

	2018	2017
	\$	\$
Gold bullion	14,738	14,738
	14,738	14,738

## NOTE 11: OTHER ASSETS

	2018	2017
	\$	\$
<b>Current</b>		
Prepayment – others	16,554	10,474
	16,554	10,474

## NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings \$	Assets in construction \$	Plant and equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2016	120,191	-	40,708	99,336	260,235
Additions	2,520,000	-	69,311	5,000	2,594,311
Depreciation charge for the year	(3,353)	-	(33,558)	(17,250)	(54,161)
<i>Balance at 30 June 2017</i>	<i>2,636,838</i>	<i>-</i>	<i>76,461</i>	<i>87,086</i>	<i>2,800,385</i>
Balance at 1 July 2017	2,636,838	-	76,461	87,086	2,800,385
Additions	285,700	8,796,970	583,267	740,007	10,405,944
Disposal	-	(620,000)	-	-	(620,000)
Depreciation charge for the year	(12,558)	-	(57,857)	(86,120)	(156,535)
<i>Balance at 30 June 2018</i>	<i>2,909,980</i>	<i>8,176,970</i>	<i>601,871</i>	<i>740,973</i>	<i>12,429,794</i>

The useful life of the assets was estimated as follows for both 2018 and 2017:

Buildings	5 to 25 years
Plant and equipment	5 to 20 years
Motor vehicles	5 years
Computer equipment	2 to 3 years

### Impairment

Following the temporary curtailment of the Cardinia Processing Plant in April 2018 and the full suspension in May 2018, the recoverable amount of the cost to date for the work in progress on the Cardinia Processing Plant was reviewed for impairment. Following the review, the Directors have determined that the recoverable amount exceeds the carrying value and that no impairment exists. The recoverable amount estimation was based on the estimated value in use and was determined at the cash-generating unit level. The cash-generating unit consists of the operating assets associated with the Leonora Gold Project in Leonora, WA, which is comprised of the process plant (\$8.8m) and other property, plant and equipment associated with the project (\$2.6m). The recoverable amount of the project has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a 7 year period. The discount rate applied to cash flow projections is 8% (refer to page 15, the Directors' Report, Table 3. Key Project Parameters for further detail on assumptions). Property, plant and equipment was reviewed for specific write offs of items which are not expected to be utilised in the future following the temporary curtailment. As a result of the review no material items required write off.

## NOTE 13: CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE

	2018 \$	2017 \$
<b>Exploration and evaluation phase – at cost</b>		
Cumulative exploration and evaluation at beginning of year	17,578,879	9,278,366
Expenditure incurred - cash	7,379,015	9,507,597
- issue of shares	-	330,000
Trial mine gold production	-	(1,537,084)
<b>Cumulative exploration and evaluation expenditure at the end of the year</b>	<b>24,957,894</b>	<b>17,578,879</b>
Exploration and evaluation expenditure expensed to the statement of comprehensive income in the current period	(7,379,015)	(8,300,513)
Exploration and evaluation expenditure carried forward on the balance sheet	-	-

During the period the Company changed its accounting policy for the treatment of exploration and evaluation costs. The change is discussed in more detail in Note 2.

## NOTE 14: TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
<b>Current</b>		
Trade payables (i)	1,799,132	1,887,993
Other payables and accrued expenses	338,197	440,694
Annual leave	154,922	66,190
	2,292,251	2,394,877

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

## NOTE 15: PROVISIONS

	2018 \$	2017 \$
<b>Non-Current</b>		
Restoration and rehabilitation provision	1,500,000	-
	1,500,000	-

## NOTE 16: BORROWINGS

	2018	2017
	\$	\$
<b>Current</b>		
<i>Unsecured</i>		
Related party loans (ii)	-	1,278,967
Vendor finance (iii)	-	1,200,000
<i>Secured</i>		
Sprott Credit Facility (i)	5,431,384	-
	5,431,384	2,478,967
<b>Non-Current</b>		
<i>Unsecured</i>		
Vendor finance (iii)	-	1,200,000
<b>Total borrowings</b>	<b>5,431,384</b>	<b>3,678,967</b>

### Summary of borrowing arrangements

- (i) The Company has entered into a credit agreement with Sprott Private Resource Lending (Collector), LP (Sprott) to provide a USD\$27M senior secured credit facility to be used for the construction of the 100% owned Leonora Gold Project. The credit facility includes the following key terms:
- First payback is required 18 months after first drawdown (expected 28 June 2019)
  - Annual interest rate of 8.00%, plus the greater of US 12-month LIBOR or 1.00%
  - 3,500,000 KIN ordinary shares were issued to Sprott on closing with the shares escrowed until 24 April 2018
  - 1.5% NSR on first 100,000oz gold produced by the LGP
  - 3-year loan term, repayments beginning June 2019

On 27 December 2017, the Company received the first tranche drawdown of this facility of USD\$5M which has been recorded in the Statement of Financial Position net of the transaction costs related to the facility. The effective rate of this facility (based on the initial drawdown only and the total of the transaction costs) is 63% however this rate will reduce if further funds are drawn down. There was an immaterial change in fair value of loan based on the change in gold price from 1st draw down to 30 June 2018.

This facility is secured by a General Security Deed and Mining Tenement Mortgage.

The company had an additional USD\$22M to drawdown under the facility at balance date.

- (ii) Related party loans include
- a. Mr. Fritz Fitton, the technical director of the Company at the time, provided a loan of \$1,000,000 on 24 October 2014 for a term of 12 months at an interest rate of 15%. Interest of \$45,033 has been recorded in the current period. Outstanding principal of \$1,000,000 and interest of \$207,621 was repaid during the period with no amounts outstanding at period end (2017: \$1,154,967). This loan is now fully repaid.
  - b. Mr. Terry Grammer has previously provided loans that have all been repaid. At 30 June 2017 \$124,000 remained owing. These loans had no fixed term or interest chargeable.
  - c. No new unsecured loans have been provided by Directors and their associates during the year (2017: \$Nil).
- (iii) On 28 June 2017 the Company exercised its option to acquire the Lawlers Mill from Agnew Gold Mining Company Pty Ltd (Goldfields). The terms of this transaction included two payments to Goldfields of \$1,200,000 each. Both payments have been made in the current period.

## NOTE 17: ISSUED CAPITAL

	2018	2017
	\$	\$
<b>Ordinary shares issued and fully paid</b>	43,175,286	26,805,451

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

	2018		2017	
	No.	\$	No.	\$
<b>Movements in ordinary shares</b>				
Balance at beginning of year	161,696,184	26,805,451	89,512,891	9,961,007
Rights issues	34,665,303	5,598,984	22,665,723	4,986,458
Placement of shares	28,000,000	7,000,000	3,750,000	750,000
Share Purchase Plan issues	-	-	20,721,500	4,144,300
Placement	-	-	20,049,375	6,415,800
Issue of shares to settle transaction costs	3,500,000	875,000	-	-
Issue of shares to a Director after satisfaction of performance rights condition	380,083	100,000	-	-
Issue of shares to a former Director in repayment of amounts owing	2,785,714	750,000	-	-
Issue of shares to former Directors for past services	1,000,000	330,000	-	-
Issue of shares to employees after satisfaction of performance rights condition	291,149	75,000	-	-
Issue of shares to consultants	-	-	601,695	131,000
Issue of shares to vendor	-	-	1,000,000	330,000
Conversion of options	11,229,500	2,245,900	3,395,000	679,000
Share issue costs	-	(605,050)	-	(592,114)
Balance at end of year	243,547,933	43,175,285	161,696,184	26,805,451

## NOTE 18: OPTIONS AND PERFORMANCE RIGHTS

### Movement in options on issue

	2018		2017	
	No.	Weighted average exercise price \$	No.	Weighted average exercise price \$
Balance at the beginning of the year	28,865,750	0.297	14,925,000	0.200
Options issued to former Directors for past services (i)	2,000,000	0.750	-	-
Options issued to Directors (ii)	17,000,000	0.960	-	-
Options issued to consultants (iii)	1,000,000	0.360	100,000	0.332
Options issued (iv)	-	-	12,235,750	0.400
Options issued (v)	-	-	5,000,000	0.270
Options exercised (vi)	(11,229,500)	0.200	(3,395,000)	0.200
Options cancelled on expiry (vii)	(300,500)	0.200	-	-
Balance at the end of the year (viii)	37,335,750	0.653	28,865,750	0.297

- i. Unlisted Options issued as part of approvals granted at the 15 September 2017 Shareholder General Meeting exercisable at \$0.75 by 15 September 2020. Refer to Tranche 1 below for valuation assumptions.
- ii. The following Unlisted Options were issued as part of approvals granted at the 15 September 2017 Shareholder General Meeting. There were no vesting conditions attached to the options.

	Tranche 1	Tranche 2	Tranche 3
<b>Number of options issued</b>	7,000,000	6,000,000	4,000,000
<b>Date of issue</b>	15/9/17	15/9/17	15/9/17
<b>Spot price at date of issue</b>	0.33	0.33	0.33
<b>Exercise price</b>	0.75	1.00	1.25
<b>Date exercisable</b>	15 September 2020	15 September 2021	15 September 2022
<b>Volatility</b>	85.07%	85.07%	85.07%
<b>Interest rate</b>	2.08%	2.08%	2.08%
<b>Discount for lack of marketability</b>	30%	30%	30%
<b>Fair value per option</b>	0.0836	0.0916	0.0998

## NOTE 18: OPTIONS AND PERFORMANCE RIGHTS (CONTINUED)

- iii. Unlisted options issued for the purpose described were valued using the Black & Scholes option pricing as shown below:

	2018
<b>Purpose of issue</b>	in accordance with a mandate and part of transaction fee for arranging the Project Finance Facility
<b>No. of Options</b>	1,000,000
<b>Date of issue</b>	15 January 2018
<b>Spot price at date of issue</b>	\$0.270
<b>Exercise price</b>	\$0.360
<b>Date exercisable</b>	15 January 2020
<b>Volatility</b>	94%
<b>Interest rate</b>	1.96%
<b>Discount for lack of marketability</b>	30%
<b>Total fair value</b>	\$82,460

- iv. Unlisted Options issued as part of Share Purchase Plan and Shareholder Approval exercisable at \$0.40 by 31 March 2019.

Unlisted Incentive Options issued as part of a Subscription and Settlement Deed in full and final settlement arising in relation to a dispute as announced on 12 April 2017. Options are exercisable at \$0.27 by 10 April 2020.

- v. Exercised during the period.

Period of		Exercised number	Exercise date	Share price at exercise date
Year to 30 June 2017	\$0.20 options	3,395,000	31 August 2017	\$0.17 to \$0.41
Year to 30 June 2018	\$0.20 options	11,229,500	31 August 2017	\$0.285 to \$0.390

- vi. 300,500 Unlisted options with an exercise price of \$0.20 expired unexercised on 31 August 2018.
- vii. The share options outstanding at the end of the year had an exercise price between \$0.27 and \$1.25 and a weighted average remaining contractual life of 740 days.

### Movement in performance rights on issue

	2018		2017	
	No.	Value of performance rights \$	No.	Value of performance rights \$
Balance at the beginning of the year	-	-	-	-
Issued to Director (i)	4,000,000	400,000	-	-
Issued to employees (ii)	291,149	75,000	-	-
Vested in Directors (i)	(380,083)	(100,000)	-	-
Vested in employees (ii)	(291,149)	(75,000)	-	-
Cancelled on resignation of Director (i)	(3,619,917)	(300,000)	-	-
Balance at the end of the year	-	-	-	-

## NOTE 18: OPTIONS AND PERFORMANCE RIGHTS (CONTINUED)

- i. Performance Rights were issued to the previous Managing Director as part of approvals granted at the 15 September 2017 Shareholder General Meeting. These performance rights come in four equal tranches and are each subject to a range of vesting conditions in line with the performance of the company and its projects. The number of shares is determined by dividing each \$100,000 tranche by a 5 day VWAP prior to vesting date. 380,083 performance rights were converted to shares during the period on completion of the relevant vesting conditions. The remaining performance rights were cancelled on resignation of the Managing Director.
- ii. Various employees were issued performance rights when the performance hurdles were met. These performance rights are subject to a range of vesting conditions in line with the performance of the company and its projects. The number of shares issued for performance rights is determined by dividing each dollar of performance right by a 5 day VWAP prior to vesting date. 291,149 performance rights were converted to shares during the period. Additional performance rights and cash bonuses have been granted to employees in accordance with executive contracts that vest and may be converted to shares following the achievement of future performance hurdles as discussed in the Remuneration Report.

## NOTE 19: 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 2017.

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

	2018	2017
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	2,195,518	6,654,391
Other financial assets	168,205	519,121
	2,363,723	7,173,512
<b>Financial liabilities</b>		
Trade and other payables	1,799,132	1,887,993
Borrowings	5,431,384	3,678,967
Other financial liabilities	493,119	506,884
	7,723,635	6,073,844

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.



## NOTE 19: FINANCIAL INSTRUMENTS (CONTINUED)

### Market risk

The value of the 1.5% NSR in the first 100,000oz gold produced by the LGP payable to Sprott under the Sprott Credit Facility is exposed to market risk in relation to the future gold price. A 10% change in the future price of gold would change the value of the total royalty payable to Sprott by approximately \$240,000.

There has been no other 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.

### Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The Sprott Credit Facility is a level 3 in the fair value hierarchy. The fair value is impacted by the estimated timing of the cashflows and the future gold price.

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly with the Board. Valuation processes and fair value changes are discussed among the Board at least every year, in line with the Group's reporting dates.

The fair value of the Sprott Credit Facility is estimated using a present value technique. There was immaterial change in fair value of the Sprott Credit Facility based on the change in timing of cashflows and the future gold price from first draw down to 30 June 2018.

## NOTE 19: FINANCIAL INSTRUMENTS (CONTINUED)

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.

<b>30 June 2018</b>	Weighted average interest rate %	Less than 1 month \$	1 – 3 months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
Trade and other payables	-	2,292,251	-	-	-	-
Borrowings – interest bearing	(a)	-	2,700,878	2,730,506	-	-
	15	2,292,251	2,700,878	2,730,506	-	-

(a) The annual interest rate is 8.00%, plus the greater of US 12-month LIBOR or 1.00%

<b>30 June 2017</b>	Weighted average interest rate %	Less than 1 month \$	1 – 3 months \$	3 months – 1 year \$	1 – 5 years \$	5+ years \$
Trade and other payables	-	2,394,877	-	-	-	-
Borrowings – interest bearing	15	-	-	1,154,967	-	-
Borrowings – non-interest bearing	-	-	1,324,000	-	1,200,000	-
	15	2,394,877	1,324,000	1,154,967	1,200,000	-

## NOTE 20: 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:

	2018 \$	2017 \$
Within one year	2,485,040	2,248,092
After one year but not more than five years	-	-
More than five years	-	-
	2,485,040	2,248,092

### Contingencies

The company has entered into various agreements that include royalty obligations in the event that certain parameters are achieved. These parameters are production based such that the royalty is only paid when production is made.

Other than discussed above the Company has no further contingent liabilities or assets for the years ended 30 June 2018 or 30 June 2017.

## NOTE 21: RELATED PARTY DISCLOSURE

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

	Country of incorporation	% Equity interest		Parent Investment	
		2018 %	2017 %	2018 \$	2017 \$
Navigor Mining Pty Ltd	Australia	100	100	21,339,175	2,753,957
Leonora Gold Plant Holdings Pty Ltd	Australia	100	100	2	2
Leonora Gold Plant Pty Ltd	Australia	100	100	10,696,968	2
Kin East Pty Ltd	Australia	100	-	2,261,834	-
Kin West WA Pty Ltd	Australia	100	-	2,831,130	-
Kin Tenement Holdings Pty Ltd	Australia	100	-	2	-

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.

### Other transactions with related parties

On 24 October 2014, the Company entered into a loan agreement with Mr. Fitton, a former director, to assist with the acquisition of the Leonora Gold Project for an amount of \$1,000,000, at 30 June 2018 this loan had been fully repaid (at 30 June 2017 \$1,000,000 plus \$154,967 in capitalised interest remained outstanding). This loan was unsecured and earned interest at a rate of 15% p.a. Interest accrued during the year amounted to \$45,033 (2017: \$65,695).

In 2016 the Company entered into a loan agreement with Mr. Grammer, a former director, to assist with working capital funding for \$350,000, none of which was outstanding at 30 June 2018 (30 June 2017: \$124,000). There were no new loans with Mr. Grammer in the current year. During the year, the Company repaid \$124,000 of the related party loan owing. No interest was payable or accrued. As at 30 June 2018, the Company has no other payables due to Mr. Grammer (2017: \$27,781).

During the year the Company settled an outstanding payable to Mr Trevor Dixon for \$18,172. The company also paid \$3,600 to Mr Dixon in rental fees for motor vehicles hired to the Company and paid \$27,852 to Mr Dixon in settlement of a purchase of a tenure package from prior years. As at 30 June 2018, the Company has no other payables due to Mr. Dixon (2017: \$18,172).

Pathways Corporate Pty Ltd, a company of which Mr. Graziano is a Director, charged the Group director fees of \$36,000 (2017: \$36,000), excluding GST, none of which was outstanding at 30 June 2018 (2017: Nil) and provided financial and associated services to the Group during the year on normal commercial terms and conditions. No interest was payable or accrued.

## NOTE 22: PARENT ENTITY DISCLOSURES

### Financial position

	2018 \$	Restated 2017 \$
<b>Assets</b>		
Current assets	3,039,104	7,158,774
Non-current assets	10,944,532	559,461
Total assets	13,983,636	7,718,235
<b>Liabilities</b>		
Current liabilities	7,723,635	3,673,844
Non-current liabilities	-	-
Total liabilities	7,723,635	3,673,844
<b>Equity</b>		
Issued capital	43,175,285	26,805,451
Share based payment reserve	1,818,488	35,128
Accumulated losses	(38,733,772)	(22,796,188)
Total equity	6,260,001	4,044,391

## NOTE 22: PARENT ENTITY DISCLOSURES (CONTINUED)

### Financial performance

	2018	2017
	\$	\$
Loss for the year	(15,937,584)	(19,888,945)
Other comprehensive income	-	-
Total comprehensive loss	(15,937,584)	(19,888,945)

The Parent Entity (Kin Mining NL) has no commitments or contingencies other than as disclosed in these Notes to the Consolidated Financial Statements.

## NOTE 23: AUDITOR'S REMUNERATION

The auditor of Kin Mining NL is HLB Mann Judd.

	2018	2017
	\$	\$
<b>Auditor of the parent entity</b>		
Audit or review of the consolidated financial statements	43,492	35,500
	43,492	35,500

## NOTE 24: KEY MANAGEMENT PERSONNEL

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

	2018	2017
	\$	\$
Short-term employee benefits	1,652,002	876,808
Post-employment benefits	101,364	42,711
Share based payments	1,533,100	-
	3,286,466	919,519

## NOTE 25: SUBSEQUENT EVENTS

On 2 July 2018 the Company announced the issue of 72,732,207 new shares issued at 11cents per share to raise \$8,000,542. On 4 July 2018 the Company announced the issue of 8,450,437 new shares issued at 11cents per share to raise \$929,548. Collectively these two amounts raised \$8,930,000 from the rights issue of one new share for every three existing shares initially announced on 30 May 2018. The proceeds from this rights issue are not reflected in the Consolidated Statement of Financial Position included in this Annual Report.

On 31 August 2018 the Company advised that it has reached agreement with Sprott to modify the US\$27M senior secured credit facility (discussed in Note 16 above). The modifications to the Credit Facility include repayment in tranches of the US\$5M outstanding and a removal of all Facility covenants from the date of completion of repayment. Kin made the first tranche repayment of US\$2M in August 2018 and intends to repay the balance before 31 December 2018. Sprott has expressed a desire to remain involved in the LGP and has agreed to leave the Facility structure in place (with no costs or obligations on Kin) until Kin has completed its additional work programs.

## 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 2018 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 2018.

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



Managing Director

Dated this 28th day of September 2018

## INDEPENDENT AUDITOR'S REPORT



Accountants | Business and Financial Advisers

**Independent Auditor's Report**  
To the Members of Kin Mining NL

**REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of Kin Mining NL ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2018, 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, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 1(e) in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty*

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## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



*Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p><b>Accounting for the Sprott Credit Facility</b> Note 16</p> <p>The Group's Sprott Credit Facility is a financial liability carried at amortised cost, and includes a royalty based on 1.5% of the first 100,000 ounces produced from the Leonora Gold Project. This has the effect of changing the fair value of the loan which must be recorded in profit or loss after inception.</p> <p>The accounting for the Sprott Credit Facility is considered a key audit matter due to the judgement required to estimate the fair value element of the loan and because the loan is material.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Considering the key terms of the Sprott Credit Facility agreement;</li> <li>- Agreeing cash drawdowns by the Group from the lender;</li> <li>- Recalculating the carrying value of the financial liability;</li> <li>- Considering whether the classification of the financial liability as current or non-current was appropriate; and</li> <li>- Considering the adequacy of the disclosures included within the financial statements.</li> </ul>
<p><b>Carrying value of the Leonora Gold Project</b> Note 12</p> <p>An impairment assessment was conducted by management during the year in relation to the assets comprising the Leonora Gold Project due to the existence of impairment indicators following the curtailment of construction.</p> <p>The Leonora Gold Project assets include property, plant and equipment with a carrying value of \$11.4 million.</p> <p>The impairment assessment conducted under AASB 136 <i>Impairment of Assets</i> involved a comparison of the recoverable amount of the Leonora Gold Project assets with their carrying amounts in the financial statements. Recoverable amount is based upon the higher of fair value less costs of disposal and value-in-use.</p> <p>The evaluation of the recoverable amount of these assets is considered a key audit matter as it was based upon a value-in-use calculation which required significant judgement in verifying the key assumptions supporting the expected discounted future cash flows of the Leonora Gold Project.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Obtaining an understanding of the key controls associated with the preparation of the model used to assess the recoverable amount of the Leonora Gold Project;</li> <li>- Critically evaluating management's methodology in the value-in-use model and the basis for key assumptions;</li> <li>- Performing sensitivity analyses around the key inputs used in the cash flow forecasts that either individually or collectively would be required for assets to be impaired;</li> <li>- Reviewing the mathematical accuracy of the value-in-use model;</li> <li>- Comparing value-in-use to the carrying amount of assets comprising the cash-generating unit;</li> <li>- Considering whether the assets comprising the cash-generating unit had been correctly allocated;</li> <li>- Comparing forecast cash flows to the latest Board approved forecasts;</li> <li>- Considering the results of independent technical reports obtained subsequent to the curtailing of construction;</li> </ul>



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



Key Audit Matter	How our audit addressed the key audit matter
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- |   |  |
|---|--|
| <p><b>Change of accounting policy</b><br/>Note 2</p> <p>During the current year, the Group changed its accounting policy in relation to deferred exploration and evaluation expenditure. In previous reporting periods, exploration and evaluation expenditure was capitalised under AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>. The accounting policy of the Group in this respect has been changed to expense exploration expenditure as incurred on the basis described in Note 2.</p> <p>Management has assessed this change against accounting standards requirements with respect to voluntary changes in accounting policies and the change in accounting policy is on the basis that it will result in more relevant and reliable information in the financial report.</p> <p>The change in accounting policy resulted in the restatement of affected 30 June 2017 balances and the disclosure of the impact of the change for each financial statement line item affected.</p> <p>The change in accounting policy was considered a key audit matter as it was determined to be important to the users understanding of the financial statements as a whole, was material in size and nature and involved the most communication with those charged with governance.</p> | <p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> <li>- Considering the appropriateness of the discount rate used; and</li> <li>- Assessing the appropriateness of the disclosures included in the relevant notes to the financial report.</li> </ul> |
|---|--|

- |  |  |
|--|--|
| <p>The change in accounting policy was considered a key audit matter as it was determined to be important to the users understanding of the financial statements as a whole, was material in size and nature and involved the most communication with those charged with governance.</p> | <ul style="list-style-type: none"> <li>- We considered the appropriateness of the change in accounting policy ensuring that the disclosure requirements set out in accounting standards were complied with, including that the change provided more relevant financial information to the users of the financial report; and</li> <li>- We reconciled the restated balances to the prior year audited balances ensuring that the change was correctly calculated and disclosed.</li> </ul> |
|--|--|

#### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



#### Responsibilities of the Directors 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 preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)



From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT ON THE REMUNERATION REPORT****Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Kin Mining NL for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

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.

  
HLB Mann Judd  
Chartered Accountants

Perth, Western Australia  
28 September 2018

  
D I Buckley  
Partner

## ADDITIONAL SECURITIES EXCHANGE INFORMATION

### SHAREHOLDING

#### (a) Distribution schedule and number of holders of equity securities at 25 September 2018

	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)	152	187	232	796	341	1,708
Unlisted Options – 33.2c 21/11/18	-	-	-	1	-	1
Unlisted Options – 40c 31/03/19	-	25	17	123	20	185
Unlisted Options – 27c 10/04/20	-	-	-	-	1	1
Unlisted Options – 36c 15/01/20	-	-	-	-	1	1
Unlisted Options – 75c 15/09/20	-	-	-	-	6	6
Unlisted Options – \$1.00 15/09/21	-	-	-	-	4	4
Unlisted Options – \$1.25 15/09/22	-	-	-	-	4	4

The number of holders holding less than a marketable parcel of fully paid ordinary shares at 25 September 2018 is 305.

#### (b) 20 largest holders of quoted equity securities as at 25 September 2018

The names of the twenty largest holders of fully paid ordinary shares (ASX Code: KIN) as at 25 September 2018

RANK	NAME	NUMBER	PERCENTAGE
1	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	22,727,271	7.00
2	TREVOR JOHN DIXON	12,082,910	3.72
3	PERSHING NOMINEES PTY LTD <WILSON HTM A/C>	9,474,472	2.92
4	IPARKS PROPERTY GROUP PTY LTD	9,090,910	2.80
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	8,608,282	2.65
6	HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	8,445,543	2.60
7	HARMANIS HOLDINGS PTY LTD <HARMAN FAMILY A/C>	7,455,210	2.30
8	MOSTIA DION NOMINEES PTY LTD <MARK ROWSTHORN FAMILY A/C>	7,025,569	2.16
9	GIUSEPPE PAOLO GRAZIANO <THE CYGNET A/C>	6,800,000	2.09
10	ROGUE INVESTMENTS PTY LTD	6,000,001	1.85
11	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	5,767,891	1.78
12	MITCHELL FAMILY INVESTMENTS (QLD) PTY LTD <MITCHELL FAMILY INVEST A/C>	5,720,061	1.76
13	CITICORP NOMINEES PTY LIMITED	5,540,874	1.71
14	MARVYN JOHN FITTON	5,274,472	1.62
15	ACN 112 940 057 PTY LTD	5,025,699	1.55
16	KAMJOH PTY LTD	4,001,564	1.23
17	MEADOW HEAD INVESTMENTS PTY LTD <SPROULE FAMILY A/C>	4,000,000	1.23
18	A.C.N 112 940 057 PTY LTD	3,733,334	1.15
19	ERNIO EOLINI <THE EOLINI FAMILY A/C>	3,692,188	1.14
20	MR JOSEPHUS ANTONIO GROOT	3,439,744	1.06
<b>Total</b>		<b>143,905,995</b>	<b>44.32</b>

**(c) Substantial Shareholders**

	HOLDER	SHARES	PERCENT
1	Harmanis Holdings Pty Ltd	23,182,422	7.14%
2	Delphi Unterehrensberatung Aktiengesellschaft	22,727,271	6.99%
3	Michele Canci	22,409,019	6.90%

**(d) Unquoted Securities**

The number of unquoted securities on issue at 25 September 2017:

UNQUOTED SECURITIES	NUMBER ON ISSUE	EXERCISE PRICE	EXPIRY DATE
Unquoted Options	100,000	33.2c	21/11/18
Unquoted Options	12,235,750	40c	31/3/19
Unquoted Options	5,000,000	27c	10/4/20
Unquoted Options	9,000,000	75c	15/9/20
Unquoted Options	6,000,000	\$1.00	15/9/21
Unquoted Options	4,000,000	\$1.25	15/9/22
Unquoted Options	1,000,000	36c	15/1/20

**(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 information as required by listing rule 5.3.3

MURRIN MURRIN 50 kms East of Leonora		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
M39/279	66.66%	
M39/1121	0%	
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%	
P39/5861	0%	
P39/5862	0%	
P39/5863	0%	
P39/5864	0%	

MT FLORA 50 kms East North East of Leonora		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
M39/1118	0%	
P39/4617	100%	
P39/4618	100%	
P39/4619	100%	
P39/4620	100%	
P39/4621	100%	
P39/5181	100%	
P39/5182	100%	
P39/5183	100%	
P39/5185	100%	
P39/5463	100%	
P39/5859	0%	
P39/5860	0%	

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%	
E37/1315	0%	
E37/1326	0%	
E40/283	100%	
E40/285	100%	
E40/323	100%	
E40/366	100%	
E40/369	0%	
M40/330	100%	
P37/8350	100%	
P37/8390	100%	
P37/8500	100%	
P37/8504	100%	
P40/1263	100%	
P40/1283	100%	
P40/1464	0%	

REDCASTLE 65 kms South West of Laverton		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
M39/1108	100%	
M39/1119	0%	
P39/4834	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
M37/1316	100%	
P37/7806	0%	Expired 23/06/18
P37/7995	100%	
P37/7996	100%	
P37/7997	100%	
P37/7998	100%	
P37/7999	100%	
P37/8000	100%	
P37/8001	100%	
P37/8965	100%	
P37/8966	100%	
P37/8967	100%	
P37/8968	100%	
P37/8969	0%	
P37/8970	0%	
P37/8971	100%	
P37/8972	100%	
P37/8973	100%	

IRON KING / VICTORY 45 kms North North West of Leonora		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
E37/1134	100%	
M37/1327	100%	Granted 18/04/18
P37/7175	0%	Converted to M37/1327
P37/7176	0%	Converted to M37/1327
P37/7177	0%	Converted to M37/1327
P37/7194	0%	Converted to M37/1327
P37/7195	0%	Converted to M37/1327
P37/7196	0%	Converted to M37/1327
P37/7197	0%	Converted to M37/1327
P37/7198	0%	Converted to M37/1327
P37/8359	100%	
P37/8414	100%	
P37/8415	100%	
P37/8455	100%	
P37/8458	100%	
P37/8459	100%	
P37/8460	100%	
P37/8461	100%	
P37/8491	100%	

PIG WELL		
25 kms East of Leonora Townsite		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
P37/8948	100%	
P37/8949	100%	
P37/8950	100%	
P37/8951	100%	
P37/8952	100%	
P37/8953	100%	
P37/8954	100%	
P37/8955	100%	
P37/8956	100%	
P37/8957	100%	
P37/8958	100%	
P37/8959	100%	
P37/8960	100%	
P37/8961	100%	
P37/8962	100%	
P37/8963	100%	
P37/8964	100%	
P37/8974	100%	
P37/8975	100%	
P37/8976	100%	
P37/8977	100%	
P37/8978	100%	

RAESIDE		
8 kms East of Leonora Townsite		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
E37/868	100%	
E37/1103	100%	
L37/77	100%	
L37/125	100%	
M37/1298	100%	
E37/1300	100%	

CARDINIA / MERTONDALE		
35 kms East & North East of Leonora Townsite		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
L37/65	100%	
L37/106	100%	
L37/127	100%	
L37/128	100%	
L37/195	100%	
L37/196	100%	
L37/226	100%	
L37/232	100%	Granted 31/05/2018
M37/81	100%	
M37/82	100%	
M37/86	100%	
M37/88	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	100%	
M37/720	100%	
M37/1284	100%	
M37/1303	100%	
M37/1304	100%	
M37/1315	100%	
M37/1318	100%	
M37/1319	100%	
M37/1320	100%	
M37/1323	100%	
M37/1325	100%	
M37/1328	100%	Granted 14/05/2018
M37/1329	0%	
M37/1330	0%	
M37/1331	100%	Granted 14/05/2018
M37/1332	0%	
M37/1333	0%	
P37/7756	100%	
P37/7757	100%	
P37/7758	100%	
P37/7759	100%	
P37/7760	100%	
P37/7761	100%	
P37/7892	0%	Converted to M37/1331
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%	

CARDINIA / MERTONDALE (continued)			35 kms East & North East of Leonora Townsite		
TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER	TENEMENT ID	OWNERSHIP AT END OF QUARTER	CHANGE DURING QUARTER
P37/8536	100%		P37/8991	100%	
P37/8537	100%		P37/8992	100%	
P37/8538	100%		P37/8993	100%	
P37/8539	100%		P37/8994	100%	
P37/8540	100%		P37/8995	100%	
P37/8541	100%		P37/8996	100%	
P37/8542	100%		P37/8997	100%	
P37/8543	100%		P37/8998	100%	
P37/8737	100%		P37/8999	100%	
P37/8738	100%		P37/9000	100%	
P37/8739	100%		P37/9001	100%	
P37/8740	100%		P37/9002	100%	
P37/8741	100%		P37/9003	100%	
P37/8742	100%		P37/9004	100%	
P37/8743	100%		P37/9122	0%	
P37/8744	100%		P37/9123	0%	
P37/8795	100%		P37/9124	0%	
P37/8938	100%		P37/9125	0%	
P37/8939	100%		P37/9126	0%	
P37/8940	100%		P37/9127	0%	
P37/8941	100%		P37/9128	0%	
P37/8942	100%		P37/9129	0%	
P37/8943	100%		P37/9130	0%	
P37/8944	100%		P37/9131	0%	
P37/8945	100%		P37/9132	0%	
P37/8946	100%		P37/9133	0%	
P37/8947	100%		P37/9134	0%	
P37/8988	100%		P37/9135	0%	
P37/8989	100%		P37/9136	0%	
P37/8990	100%		P37/9137	0%	







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