

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity	
KIMBERLEY DIAMONDS LTD	
ABN	Quarter ended ("current quarter")
95 150 737 563	31 MARCH 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(94)	(187)
	(b) development	(2,622)	(12,866)
	(c) production	(0)	(0)
	(d) administration	(998)	(3,891)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	6
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (liquidation of environmental bonds)	-	-
Net Operating Cash Flows		(3,713)	(16,938)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	3,644
1.12	Other (de-consol of KDC entity)	-	(698)
Net investing cash flows		-	2,946
1.13	Total operating and investing cash flows (carried forward)	(3,713)	(13,992)
1.13	Total operating and investing cash flows (brought forward)	(3,713)	(13,992)

+ See chapter 19 for defined terms.

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	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,024	1,024
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	3,277	8,959
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	4,301	9,983
	Net increase (decrease) in cash held	588	(4,009)
1.20	Cash at beginning of quarter/year to date	361	4,959
1.21	Exchange rate adjustments to item 1.20	(5)	(6)
1.22	Cash at end of quarter	944	944

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	237
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Item 1.2 (a) Exploration YTD of AUD \$187k consist of the following

- Tilwane JV – exploration expenditure (\$15k)
- Alto Minerals (Spanish copper gold project) – exploration expenditure (\$172k)

Item 1.2 (b) Development YTD of AUD \$ 12.9 million, consisting of

- Lerala Diamond Mine – Capital & development expenditure for recommissioning of mine (\$12.9m)

Item 1.2 (d) Administration YTD of AUD \$3.9 million, consisting of

- Payment of Corporate salaries and payroll liabilities (\$1.7m),
- Insurance (\$0.3m)
- Rent, IT support, software maintenance, telecommunications, company filing fees and other corporate expenses (0.91m)
- Debt raising and loan establishment costs (0.31m)
- Audit and Taxation costs (0.25m)
- Legal fees (0.13m)
- Costs associated with securing the Ellendale Mine site (0.1m)
- Other costs (\$0.20m), including insurance, audit and care and maintenance fees for Lerala Diamond Mine and other companies within Mantle Group.

Item 1.11 is the repayment of a loan between KDL and KDC (no longer part of KDL group).

Item 1.12 relates to the cash balance of KDC group (now no longer part of KDL group) forming part of the closing balance for Q4 2015.

Item 1.14 25,036,773 shares issued in Q3 at \$0.10, valued at \$2.504M, \$1,024m in cash received, including \$20k shortfall shares issued in Q4 and 15M shares valued at \$1.5M converted from Debt to Equity on 29 January 2016. Total Shares from Rights issue in Q3 was 4,517,335, with 5,519,438 issued as shortfall. In Q4, 8,282,528 of shortfall shares have been issued to date.

Item 1.23 includes net salaries and superannuation paid to directors and related party payments.

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

On 29 January 2016, Kimberley Diamonds Ltd (KDL) and its lender, Zhejiang Huitong Auction Co Ltd, agreed to convert AU\$1.5m of debt to 15 million KDL shares at \$0.10 per share. These shares are escrowed for a period of 12 months from the date of their issue.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	39
4.2 Development	3,652
4.3 Production	3,611
4.4 Administration	1,681
Total	8,983

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	944	361
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		944	361

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
	Trillion Project , Ontario Canada 4206505, 3013699	Lapsed	100%	0%
6.2	Interests in mining tenements and petroleum tenements acquired or increased			
	-	-	-	-

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	*Ordinary securities	130,777,122	130,777,122	-	-
7.4	Changes during quarter				
	(a) Increases through issues	25,036,773	25,036,773	\$0.10	\$2,503,678
	(b) Decreases through returns of capital, buy-backs				
7.5	*Convertible debt securities (description)				
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	-		-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:


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(Company secretary)

Date: ..29 April 2016.....

Print name:Laila Green.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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