

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments



Name of entity

Xref Limited

ARBN

122 404 666

Quarter ended ("current quarter")

31 March 2016

Under the conditions of listing on the ASX, Xref Limited (Xref) is required to provide a quarterly cashflow report to the ASX. Attached is the unaudited cashflow report for the quarter ended 31 March 2016.

This is the first quarterly cashflow report prepared using the trading activities of Xref since the acquisition of Xref by King Solomon Mines Limited (KSO) on the 18 January 2016. Under the conditions of the acquisition it is being treated as a 'reverse asset acquisition' under IFRS 2 and as a result the figures reported below show Xref transactions for the year commencing 1 July 2015 and quarter commencing 1 January 2016 as opposed to the KSO year start date of 1 April 2015. Further details of the transaction and its effects are contained in section 2.1 below

Xref had cash and term deposit balances of AU\$3.2 million at 31 March 2016 resulting in a cash movement of \$3.1 million for the quarter.

As part of the acquisition the closing cash balances of KSO at 18 January 2016 of \$3.7 million were transferred to Xref.

Cash usage from operating and investing activities was \$630,000 in the current quarter.

Operating cashflow during the quarter has seen expenditure incurred to increase capacity in staff levels across all parts of the business, that being in the sales, development and management areas. In addition continued development of the Xref platform as well as planned research and development activities has occurred. Resources have also been allocated to the opening of offices in the United Kingdom and Canada. Expenditures during the quarter are in accordance with the 'Growth Strategy' and proposed 'Use of Funds' detailed in the prospectus issued 23 November 2015

Cash receipts from clients was \$462,000 for the quarter ended 31 March 2016 compared to \$299,000 for the quarter ended 31 December 2015. This quarterly result is pleasing when comparing it to cash receipts for the 6 months ended 31 December 2015 which was \$536,000.



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Quarter ended ("current quarter")

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Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	462	998
1.2 Payments for		
(a) staff costs	(444)	(943)
(b) advertising and marketing	(86)	(181)
(c) research and development	(75)	(150)
(d) product manufacturing and operating costs	(24)	(35)
(e) administration and corporate costs	(394)	(724)
(f) other, including working capital	(6)	87
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income tax refund received (including R&D Tax Offset)	-	-
1.7 Other income -		
(a) Other income	-	-
Net Operating Cash Flows	(565)	(945)

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net Operating Cash Flows (brought forward)	(565)	(945)
Cash flows related to investing activities		
1.9 Payment for purchases of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(65)	(101)
(e) other non-current assets	-	-
1.10 Proceeds from sale of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material) -	-	-
Net investing cash flows	(65)	(101)
1.14 Total operating and investing cash flows	(630)	(1,046)
Cash flows related to financing activities		
1.15 Repayment of convertible notes	-	550
1.16 Proceeds from Prospectus Issue	3,770	3,770
Proceeds from exercise of options	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	(50)
1.20 Share Issue Cost	-	(33)
Net financing cash flows	3,770	4,237
Net increase (decrease) in cash held	3,140	3,191
1.21 Cash at beginning of quarter/year	131	81
1.22 Exchange rate adjustments	(23)	(24)
1.23 Cash at end of quarter	3,248	3,248

Payments to directors of the entity and associates of the directors	
	Current quarter
Payments to related entities of the entity and associates of the related entities	\$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	-
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 Explanation necessary for an understanding of the transactions

	Current quarter \$'000
The year to date \$3,770,000 in 1.16 represents cash balances acquired from King Solomon Mines as at close of day on 18th January 2016 after the share issue for the acquisition of Xref Pty Ltd	3,770

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	Current quarter \$'000
King Solomon Mines Limited (KSO) acquired Xref Pty Ltd by means of a share issue. However for accounting purposes this is regarded as a "Reverse Asset Acquisition" and accounting standards require the acquisition to be shown as if Xref Pty Ltd had acquired KSO.	
So the figures reported here show Xref Pty Ltd transactions for the year beginning 1 July 2015 rather than the KSO start of year 1 April 2015.	
This means that the acquisition costs incurred by KSO will only be as a reduction in the value placed on the KSO shell and the only acquisition costs shown above are those incurred by Xref Pty Ltd	
As part of the Acquisition, the \$550,000 convertible notes previously issued by Xref Pty Ltd were converted on 31 December 2015 to 3,375,000 shares in KSO.	
The date of acquisition is treated as at 18 January 2016 when King Solomon Mines Limited issued 50,000,000 shares and 50,000,000 performance rights to acquire Xref Pty Ltd.	
King Solomon Mines Limited issued 4,508,909 options on 1 February 2016 which were due upon the successful acquisition of Xref Pty Ltd.	

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

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

3.1 Loan facilities

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

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.

4.1 Cash on hand and at bank

Deposits at call

Term Deposits

Others

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,177	96
Deposits at call	-	-
Term Deposits	71	35
Others	-	-
Total: cash at end of quarter (item 1.23)	3,248	131

Acquisitions and disposals of business entities

5.1 Name of entity

5.2 Place of incorporation or registration

5.3 Consideration for acquisition or disposal

5.4 Total net assets

5.5 Nature of business

Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
n/a	n/a

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~/does not* (delete one)~~ give a true and fair view of the matters disclosed.

Sign here: *Robert Waring*

(~~Director~~/Company Secretary)

Print name: **Robert J Waring**

Date: **28 April 2016**