

## 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 2014

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	17,615	59,636
1.2 Payments for (a) exploration & evaluation	(1,035)	(3,165)
(b) development	(705)	(2,700)
(c) production	(13,760)	(40,869)
(d) administration		
(i) Site administration	(3,776)	(8,521)
(ii) Corporate overheads	(856)	(6,401)
(iii) Other (any others etc.)		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	60	139
1.5 Interest and other costs of finance paid	(3)	(156)
1.6 Income taxes paid		
1.7 Other (liquidation of environmental bonds)		12,149
<b>Net Operating Cash Flows</b>	<b>(2,460)</b>	<b>10,112</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	(3)	(92)
(b) equity investments		
(c) other fixed assets	(870)	(2,771)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities		(21)
1.11 Loans repaid by other entities		
1.12 Other (acquisition of sub)		60
<b>Net investing cash flows</b>	<b>(873)</b>	<b>(2,824)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,333)</b>	<b>7,288</b>

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1.13	Total operating and investing cash flows (brought forward)	(3,333)	7,288
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	944	11,204
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		(10,903)
1.18	Dividends paid	(1,805)	(3,297)
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	(861)	(2,996)
	<b>Net increase (decrease) in cash held</b>	(4,194)	4,292
1.20	Cash at beginning of quarter/year to date	17,343	8,830
1.21	Exchange rate adjustments to item 1.20	(38)	(11)
1.22	<b>Cash at end of quarter</b>	13,111	13,111

### 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	299
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 1.23 includes salaries paid to directors and superannuation paid for the benefit of directors.

### 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 17 February 2014, the Company acquired Smoke Creek from Venus Metals Corporation Limited for a total consideration of \$1,000,000 payable by (i) \$250,000 in cash and (ii) \$750,000 in Company shares. A quarter of the shares will be held in voluntary escrow for 6 months, a further quarter of the shares will be held for 9 months and the remaining 50% of the shares will be held in escrow for 12 months.

On 24 December 2013, the Company entered into a binding agreement to acquire Mantle Diamonds Limited ("Mantle"), for a consideration of 13,566,317 ordinary fully paid shares in the Company. Completion of the acquisition was subject to a number of administrative conditions precedent which have been satisfied during the quarter and the transaction was concluded on 24 February 2014 with the issue of the shares to the vendors of Mantle.

+ See chapter 19 for defined terms.

- 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
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### 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		170
4.2	Development		5,558
4.3	Production		18,835
4.4	Administration		4,535
<b>Total</b>			<b>29,098</b>

### Reconciliation of cash

		Current quarter \$A'000	Previous quarter \$A'000
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.			
5.1	Cash on hand and at bank	12,597	8,829
5.2	Deposits at call	514	8,514
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>		<b>13,111</b>	<b>17,343</b>

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#### 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	EL28787 NT, Australia	-	-
	3013698 Ontario - Porcupine District, Canada	Acquired subsidiary held 100% of licence, which was cancelled in Mar 2014	-	-
6.2	Interests in mining tenements and petroleum tenements acquired or increased	See appendix for full list of tenements acquired		

#### 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	<b>Preference securities</b>	-	-	-
	(description)			
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<b>*Ordinary securities</b>	103,953,915	103,953,915	N/A
7.4	Changes during quarter			
	(a) Increases through issues	17,339,317	17,339,317	14,191,317 - non cash consideration 3,148,000 - \$0.30
	(b) Decreases through returns of capital, buy-backs	-	-	-

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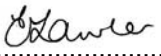
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(description and conversion factor)</i>	4,000,000	-	\$0.75	12 September 2015
		14,000,000	-	\$0.30	30 June 2015
		1,500,000	-	\$1.15	29 November 2015
		852,000	-	\$0.30	30 June 2014
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	3,148,000	Nil – escrow to 24 February 2014	\$0.30	30 June 2014
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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## 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: .....  ..... Date: ..30 April 2014.....  
(Company secretary)

Print name: .....Emma Lawler.....

## 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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Interests in mining tenements and petroleum tenements acquired or increased

Tenement reference	Location of Tenement	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
2006/29L	Botswana	Holds 100% of licence	-	100%
3768	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence		50%
3769	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4138	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4139	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4140	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4142	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4141	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4143	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
3760	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
3761	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
3762	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4097	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4098	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4099	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4100	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4101	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%

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4102	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4103	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4174	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4175	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4176	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4181	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4182	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4183	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4184	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4185	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4186	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4187	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4270	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4269	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4271	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4104	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4105	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4106	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4107	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%

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4108	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4109	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4110	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4432	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4433	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4434	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4234	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
4235	NWT, Canada	Subsidiary holds 50% interest in JV in respect of licence	-	50%
3763	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3764	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3765	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3766	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4144	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4145	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4111	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4112	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4113	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3770	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3719	NWT, Canada	Subsidiary holds 25% interest in JV in	-	25%

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		respect of licence		
3771	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4114	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3772	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4115	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
3773	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4116	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4117	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4118	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4119	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4120	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4121	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4122	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4123	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4124	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4125	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4126	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4127	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4128	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4129	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%

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4130	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4437	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4438	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4439	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4435	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4272	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4177	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4440	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4436	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4441	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4178	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4328	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4442	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4266	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4325	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4267	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4326	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4327	NWT, Canada	Subsidiary holds 25% interest in JV in respect of licence	-	25%
4268	NWT, Canada	Subsidiary holds 25% interest in JV in	-	25%

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		respect of licence		
3013698	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	--	--
4216482	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013687	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013668	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013646	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013648	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013647	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
4202624	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
4206505	Ontario - Thunder Bay District, Canada	Subsidiary holds 100% of licence	-	100%
3013699	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
3013666	Ontario - Porcupine District, Canada	Subsidiary holds 100% of licence	-	100%
4206426	Ontario - Larder Lake, Canada	Subsidiary holds 100% of licence	-	100%
4206425	Ontario - Larder Lake, Canada	Subsidiary holds 100% of licence	-	100%
P 80/1712	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1713	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1714	WA, Australia	Subsidiary owns	-	100%

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		100% of prospecting licence		
P 80/1715	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1716	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1717	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1718	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1719	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1720	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1721	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1722	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1723	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1724	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1725	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1734	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1735	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1736	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1737	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1738	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1739	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1740	WA, Australia	Subsidiary owns 100% of prospecting licence	-	100%
P 80/1741	WA, Australia	Subsidiary owns 100% of prospecting	-	100%

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		licence		
MLA80/621	WA, Australia	Subsidiary owns 100% of mining lease application	-	100%

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