

## 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	30 June 2014

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	20,317	79,953
1.2 Payments for (a) exploration & evaluation	(1,024)	(4,189)
(b) development	(468)	(3,168)
(c) production	(11,876)	(52,745)
(d) administration		
(i) Site administration	(2,874)	(11,395)
(ii) Corporate overheads	(3,128)	(9,530)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	142
1.5 Interest and other costs of finance paid	(91)	(247)
1.6 Income taxes paid		
1.7 Other (liquidation of environmental bonds)		12,149
<b>Net Operating Cash Flows</b>	<b>859</b>	<b>10,970</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	33	(59)
(b) equity investments		
(c) other fixed assets	(886)	(3,657)
1.9 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed assets		
1.10 Loans to other entities	17	(4)
1.11 Loans repaid by other entities		
1.12 Other (acquisition of sub)	322	383
<b>Net investing cash flows</b>	<b>(514)</b>	<b>(3,337)</b>
1.13 Total operating and investing cash flows (carried forward)	345	7,633

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	345	7,633
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	75	11,279
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(605)	(11,508)
1.18	Dividends paid		(3,297)
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	<b>(530)</b>	<b>(3,526)</b>
	<b>Net increase (decrease) in cash held</b>	<b>(185)</b>	<b>4,107</b>
1.20	Cash at beginning of quarter/year to date	13,111	8,830
1.21	Exchange rate adjustments to item 1.20	(17)	(28)
1.22	<b>Cash at end of quarter</b>	<b>12,909</b>	<b>12,909</b>

### 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	211
1.24	Aggregate amount of loans to the parties included in item 1.10	17

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

N/A

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

+ See chapter 19 for defined terms.

### 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	48
4.2 Development	132
4.3 Production	17,072
4.4 Administration	5,709
<b>Total</b>	<b>22,962</b>

### 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	12,395	12,597
5.2 Deposits at call	514	514
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>12,909</b>	<b>13,111</b>

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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 14,000,000 1,500,000	- - -	<i>Exercise price</i> \$0.75 \$0.30 \$1.15	<i>Expiry date</i> 12 September 2015 30 June 2015 29 November 2015
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	250,000	250,000	\$0.30	\$0.30
7.10	Expired during quarter	712,000	712,000	\$0.30	\$0.30
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 July 2014.....  
(Company secretary)

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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