



King Solomon Mines Limited
ARBN 122 404 666



Xref Limited
NZBN 9429036173259

QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2015

Key Highlights For The Quarter

- **King Solomon Mines Limited (ASX:KSO) has finalised the acquisition of Xref Pty Ltd**
- **King Solomon Mines Limited will shortly be renamed Xref Limited (ASX:XF1)**
- **Xref Pty Ltd is an easy-to-use, mobile-ready, fully-reportable, cloud-based platform that recruitment teams use to conduct pre-employment reference checks.**
- **Xref Pty Ltd automates what has traditionally been a time-consuming, phone-based exercise. Xref Pty Ltd saves its clients time, improves the quality of reference checks and reduces reference fraud.**
- **Xref Pty Ltd is a high-growth business leveraged to the US\$15 billion Human Resource Technology Market and currently services more than 26 industry verticals.**
- **KSO completed its Prospectus financing of A\$4,000,000 to expedite growth**
- **Xref Pty Ltd's business continued its record growth with new clients and renewals comprising ASX50, ASX200, major Government agencies and global recruitment companies**
- **Xref Pty Ltd implemented key platform developments that leverage its valuable data, add margin and additional revenue streams**

On 3 August 2015 KSO announced the proposed acquisition of 100% of Xref Pty Ltd, including details of the transaction. On 28 September 2015, KSO announced that mutual due diligence had been completed. On 28 October 2015, KSO advised that a Sale and Purchase Agreement had been executed. During the Quarter Xref Pty Ltd completed an interim financing of A\$550,000. On 4 January 2016 KSO advised that it had completed the Offer in the Replacement Prospectus dated 7 December 2015 (the Prospectus) raising A\$4,000,000 through the issue of 20,000,000 shares at A\$0.20. On 20 January 2016 the Company announced that it had issued and allotted 50,000,000 fully paid ordinary shares, and 16,666,667 A Class Performance Rights, 16,666,667 B Class Performance Rights and 16,666,666 C Class Performance Rights (all on a post-Consolidation basis) as consideration securities on settlement of the purchase of Xref Pty Ltd. The fundraising and the Xref Pty Ltd purchase transaction had been approved by shareholders at the KSO Extraordinary General Meeting held on 26 November 2015. The issue of shares and performance rights took place after satisfaction of all the conditions precedent and completion of the acquisition of Xref Pty Ltd. There have been no material subsequent events to alter KSO's consolidated statement of financial position as detailed in section 5 of the Prospectus.



King Solomon Mines Limited



Xref Limited

Board Changes

Following the finalisation of the acquisition of Xref Pty Ltd on 18 January 2016, and as detailed on pages 18 and 19 of the Prospectus, Stephen McPhail resigned as Managing Director and Simon Taylor resigned as a Non-Executive Director. Lee-Martin Seymour was appointed as Executive Director (Chief Executive Officer), Timothy Griffiths was appointed Executive Director (Chief Technology Officer) and Timothy Mahony was appointed a Non-Executive Director.

Business Update

Xref Pty Ltd has continued to experience substantial growth across its key performance metrics, effectively, increasing new sales of Xref Pty Ltd credits at a rate in excess of 100% on an annualised basis, in conjunction with experiencing a greater than 200% increase in usage of credits from existing clients on an annualised basis.

Xref Pty Ltd also continued to gain recognition across key industry verticals, winning new business in the areas of Legal, Media, Health, Government, Telecoms and Aged-Care. Xref now services more than 26 key industry verticals.

King Solomon Mines Limited

Lee-Martin Seymour

CEO / Executive Director

About Xref Pty Ltd

Xref is a Sydney-based Human Resource Technology company, with a focus on online candidate referencing workflow solutions that allow prospective employers to seamlessly and professionally conduct pre-employment reference checks on suitable candidates.

Xref was founded in 2010 by Executive Directors Lee-Martin Seymour and Tim Griffiths, initially to solve a dated, costly and inefficient process of conducting reference checks on suitable candidates. To-date, Xref has not raised any external capital to fund the business and has been cash-flow positive since inception. The Xref platform has experienced 246% compound annual user growth.

Xref set out to bring candidate referencing into the 21st century. Prior to Xref's innovative solution, industry best practices were cumbersome and expensive. Human resource (HR) managers spent on average two hours to source and analyse a single reference check. Not only was this process inefficient, but it also opened up companies to security breaches, discrimination and, potentially, fraud. As a result, recruiters and HR managers tended to outsource this function to aggregators and



call centres, creating an additional cost to the recruiting process. Xref’s fully-automated cloud-based platform allows recruiters / HR managers to safely and securely complete this function in a fraction of the time it traditionally took. It takes, on average, approximately 30 seconds for the employer to make a reference request and, on average, it is completed and returned within 24 hours. In addition, Xref’s reports are highly analytical and provide insightful comparable data. On average, users of Xref’s technology have experienced a 98% success rate with 60% more data collected.

Xref’s easy-to-use platform and simple business model allow users to purchase Xref credits to use at their discretion based on the individual hiring needs of each organisation.

SCHEDULE OF TENEMENTS

The Sonid North tenement is located in the Sonid Zouqi Banner (County) of Inner Mongolia, China. Bu Dun Hua is located in the Wengniute Banner (County) of Inner Mongolia, China. KSO continues with its review as to whether or not it will sell or joint venture these tenements.

Project	Exploration Licence	Area (km ²)	Interest
Sonid North	T15120091102036733	18.61	100%*
Bu Dun Hua	T15120090420028565	18.78	100%*

* The Company holds the rights to its exploration projects through a 90% equity interest in Inner Mongolia Plate Mining Limited (Plate), a Sino-foreign incorporated joint venture that holds the two exploration licences referred to above. The remaining 10% interest in Plate is held by Inner Mongolia Ao Meng Xin Economic and Trade Co., Ltd (AMX), which is jointly owned by Fu La, who manages the Company’s China operations, and his wife Na Dong. The rights of the Company and AMX as shareholders of Plate are governed by an equity joint venture contract. AMX holds its 10% interest in Plate on trust for the Company.