



King Solomon Mines Limited

QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

KEY HIGHLIGHTS FOR THE QUARTER

- **King Solomon Mines Limited has entered into a binding term sheet with Xref Pty Ltd**
- **Xref is an easy-to-use, mobile-ready, fully-reportable, cloud-based platform that recruitment teams use to conduct pre-employment reference checks.**
- **Xref automates what has traditionally been a time-consuming, phone-based exercise. Xref saves recruiters time, improves the quality of reference checks and reduces reference fraud.**
- **Xref is a high-growth business leveraged to the US\$15 billion Human Resource Technology Market and has attracted clients including Nike, Qantas, Westpac, PwC and AMP.**
- **Xref completed an interim financing of A\$550,000 to expedite growth**
- **Xref business continued its record growth with new clients and renewals comprising ASX50, ASX200, major Government agencies and global recruitment companies**
- **Xref implemented key platform developments that leverage Xref's valuable data, add margin and additional revenue streams**
- **King Solomon Mines Limited and Xref Pty Ltd executed the Sale and Purchase Agreement**

During the quarter on 3 August 2015, King Solomon Mines (“**KSO**”) announced the acquisition of 100% of Xref Pty Limited (“**Xref**” or the “**Company**”) including details of the transaction. On 28 September 2015, the company announced that mutual due diligence had been completed. On 28 October 2015, the company announced that a Sale and Purchase agreement had been executed and also provided an update on Xref’s progress.

Since announcing the acquisition, Xref has completed an interim financing of A\$550,000 and continued to experience substantial growth across its key performance metrics, effectively, increasing new sales of Xref 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 also continued to gain recognition across key industry verticals, winning new business in the areas of Legal, Media, Health and Aged-Care attracting a host of new high profile clients including Department of Justice NSW, Channel 7, Sunshine Coast Hospital Health service, Pacific Brands and Bank of New Zealand.

A meeting of shareholders is planned to be held on 26 November 2015 to approve the transaction.

Documentation for this is expected to be dispatched over the next week.

King Solomon Mines Limited

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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, with an average of 500 new users per day signing up to its services. Xref has attracted clients including Nike, Woolworths, Westpac, PwC and AMP.

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 15 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. To-date Xref has retained 91% of its customer base.

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.

Project	Exploration Licence	Area (km²)	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.