Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

King Solomon Mines Limited

ABN	Quarter ended ("current quarter")
34122404666	31 March 2013

Consolidated statement of cash flows

		Current quarter $A'000	Year (12 months) $A'000
	Cash flows related to operating activities		
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration & evaluation	(185)	(1,534)
	(b) development		
	(c) production		
	(d) administration	(146)	(505)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	16
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid	-	23
1.7	Other (provide details if material)	-	(39)
	Net Operating Cash Flows	(329)	(2,039)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	24	48
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	Net investing cash flows	24	48
1.13	Total operating and investing cash flows (carried forward)	(305)	(1,991)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(305)	(1,991)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	942
1.15	Proceeds from sale of forfeited shares	-	(38)
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	-	904
	Net increase (decrease) in cash held	(305)	(1,087)
1.20	Cash at beginning of quarter/year to date	607	1,402
1.21	Exchange rate adjustments to item 1.20	12	(1)
1.22	**Cash at end of quarter**	314	314

Payments to directors of the entity and associates of the directors Payments to 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	179
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

1.6 This represents Resident & Non Resident withholding tax deducted.
The bulk of the deductions are recovered on processing of annual tax returns.
This occurred on 26 September 2012 when $NZ 35,581 was recovered.
We have now received more tax back than has been paid to date.
1.7 Partial refund of Lease revenue received in advance in March 2012 quarter
1.8 The YTD figure is RMB 100,000 (part of RMB 2,600,000 total purchase price) for purchase of an office in Hohhot.
1.23 This is for fees, salaries, reimbursement of expenses (including GST).
The increase for the quarter reflects termination payments for director contracts. As part of the termination, directors waived all rights to foregone services fees which had been recorded as contingent liabilities. New contracts have been put in place with reduced fees and no termination payments.

+ See chapter 19 for defined terms.

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

Not Applicable

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.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Not Applicable	Not Applicable
3.2	Credit standby arrangements	Not Applicable	Not Applicable

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	-
4.2	Development	-
4.3	Production	-
4.4	Administration	107
	Total	**107**

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	164	507
5.2 Deposits at call	150	100
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	314	607

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Not Applicable			
6.2 Interests in mining tenements acquired or increased	Not Applicable			

+ See chapter 19 for defined terms.

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	**Preference +securities** *(description)*	Nil			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3	**+Ordinary securities**	223,139,260	223,139,260		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil			
7.5	**+Convertible debt securities** *(description)*	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7	**Options** *(description and conversion factor)*	3,100,000 165,000 1,963,000 1,000,000		*Exercise price* 10 12 12 5	*Expiry date* 29 July 2014 25 March 2016 29 July 2016 3 March 2014
7.8	Issued during quarter	Nil			
7.9	Exercised during quarter	Nil			
7.10	Expired during quarter	1,500,000 737,000 335,000		3.3 12 12	4 October 2015 29 July 2016 25 March 2016

+ See chapter 19 for defined terms.

7.11	**Debentures** *(totals only)*	Nil	
7.12	**Unsecured notes** *(totals only)*	Nil	

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 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 29/4/13
(Director/Company secretary)

Print name: Stephen McPhail

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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