



King Solomon Mines Limited

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an Extraordinary General Meeting (EGM) of King Solomon Mines Limited (the Company) will be held on Friday, 27 March 2015 at the Institute of Directors Meeting Room Facilities, Mezzanine Floor, Tower Building, 50 Customhouse Quay, Wellington, commencing at 10.30am (NZ time).

Business

Resolution 1 To Elect a Director – Mr Simon Thomas O’Loughlin

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That, for the purpose of Article 20.4(b) of the Company’s Constitution and for all other purposes, Mr O’Loughlin, who was appointed as a Director of the Company on 1 October 2014, retires and, being eligible, is re-elected as a Director”

Resolution 2 To Elect a Director – Mr Simon James Robson Taylor

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That, for the purpose of Article 20.4(b) of the Company’s Constitution and for all other purposes, Mr Taylor, who was appointed as a Director of the Company on 1 October 2014, retires and, being eligible, is re-elected as a Director”

Resolution 3 Ratification of Previous Issue of 15,398,500 Shares under Placements

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rules 7.1 and 7.4, and for all other purposes, the issue by way of the placement of 15,398,500 fully paid ordinary shares in the capital of the Company, being made up of 11,000,000 shares at A\$0.003 per share, which raised A\$33,000, and for 4,398,500 shares also at a price of A\$0.003 for services rendered to the Company, as detailed in the ASX announcement dated 12 August 2014, and as set out in the attached Explanatory Notes, is hereby approved.”



Resolution 4 Ratification of Previous Issue of 22,778,170 Shares under Placement

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rules 7.1 and 7.4, and for all other purposes, the issue by way of the placement of 22,778,170 fully paid ordinary shares in the capital of the Company at A\$0.003 per share, which raised A\$68,335, to clients of brokers Taylor Collison Limited, as detailed in the ASX announcement dated 1 October 2014, and as set out in the attached Explanatory Notes, is hereby approved.”

Resolution 5 Ratification of Previous Issue of 68,939,000 Shares under Placement

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rules 7.1 and 7.4, and for all other purposes, the issue by way of the placement of 68,939,000 fully paid ordinary shares in the capital of the Company at A\$0.002 per share, which raised A\$137,878 before costs, through the Underwriter of the three-for-two underwritten Renounceable Rights Issue, Taylor Collison Limited, to its clients, as detailed in the ASX announcement dated 22 December 2014 and as provided for in the Underwriting Agreement (refer to page 23 of the Offer Document dated 20 October 2014), and as set out in the attached Explanatory Notes, is hereby approved.”

Resolution 6 To Approve a Proposed Placement

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rules 7.1 and 7.3, and for all other purposes, Shareholders approve and grant the Directors the authority to issue up to 126,000,000 fully paid ordinary Shares in the Company in a proposed placement at an issue price of not less than 80% of the volume weighted average market price for King Solomon Mines Limited Shares on the five trading days prior to the issue of the Shares, particularly to fund its ongoing activities, in accordance with the terms and conditions as set out in the attached Explanatory Notes.”

Resolution 7 Change to the Constitution (Less than a Marketable Parcel)

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

“To amend the Constitution of the Company by inserting a new clause 9.10 into the Constitution immediately following existing clause 9.9, in the terms set out in Annexure A to this Notice of Extraordinary General Meeting at which this Resolution is passed, and in accordance with the terms and conditions as set out in the attached Explanatory Notes.”



Voting Exclusion Statements

In respect of Resolutions 3, 4 and 5 the Company will disregard any votes cast on those Resolutions by any person who participated in the issues and any associate of those persons.

The Company will disregard any votes cast on Resolution 6, being parties as detailed in the Explanatory Notes, who may participate in the proposed placement, or any associate of those parties, and a party who might obtain a benefit, except solely in the capacity of a holder of ordinary securities, and any associates of those parties.

However, in respect of Resolutions 3, 4, 5 and 6, the Company need not disregard any vote by any such persons if:

- it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- it is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

Each of these Resolutions is described in the attached Explanatory Notes which forms part of this Notice of Extraordinary General Meeting.

For and on behalf of the Board of Directors of King Solomon Mines Limited

Non-Executive Chairman
Dated: 18 February 2015



EXPLANATORY NOTES

The purpose of these Explanatory Notes (which forms part of the Notice of Extraordinary General Meeting dated 18 February 2015) is to provide shareholders with an explanation of the resolutions to be proposed and considered at the Extraordinary General Meeting of the Company to be held on 27 March 2015.

Business

Resolution 1 To Elect a Director – Mr Simon Thomas O’Loughlin

Article 20.3 of the Company’s Constitution allows the Directors to appoint, at any time, a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not, at any time, exceed the maximum number specified by its Constitution and by the corporations legislation. Article 20.4(b) of the Company’s Constitution provides that any Director appointed in accordance with Article 20.3 may retire at a general meeting and may seek re-election. Accordingly, Mr O’Loughlin resigns as a Director at this EGM and being eligible seeks approval to be re-elected as a Director.

Mr O’Loughlin was appointed as a Non-Executive Director of the Company on 1 October 2014. He is the founding member of O’Loughlins Lawyers, an Adelaide-based, medium-sized, specialist commercial law firm. Mr O’Loughlin also holds accounting qualifications, and has extensive experience and involvement with companies in the resources sector. He has also been involved in the listing and back-door listing of numerous companies on the ASX and National Stock Exchange. Mr O’Loughlin’s directorships include: Lawson Gold Limited (July 2013 – present); Goldminex Resources Limited (June 2012 – present); Reproductive Health Science Limited (April 2012 – February 2013 and August 2013 – August 2014); Oncosil Medical Ltd (March 2012 – July 2013); Kibaran Resources Limited (September 2010 – August 2014); Chesser Resources Limited (March 2006 – present); Petrathern Ltd (October 2003 – present); Aura Energy Limited (March 2006 – July 2013); Wolf Petroleum Ltd (September 2010 – April 2012); Bioxyne Limited (July 2008 – April 2012) and Avenue Resources Limited (April 2010 – March 2012).

Directors’ Recommendation: The Directors (except Mr O’Loughlin) recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 To Elect a Director – Mr Simon James Robson Taylor

Article 20.3 of the Company’s Constitution allows the Directors to appoint, at any time, a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not, at any time, exceed the maximum number specified by its Constitution and by the corporations legislation. Article 20.4(b) of the Company’s Constitution provides that any Director appointed in accordance with Article 20.3 may retire at a general meeting and may seek re-election. Accordingly, Mr Taylor resigns as a Director at this EGM and being eligible seeks approval to be re-elected as a Director.

Mr Taylor was appointed as a Non-Executive Director of the Company on 1 October 2014. Mr Taylor is a Geologist with over 25 years’ experience in exploration, project assessment and development in the resources sector. He is a member of the Australian Institute of Geoscientists and a graduate of Sydney University. He has had a diversified career as a resources professional providing services to resource companies and financial corporations at both a technical and corporate level. Mr Taylor’s geological experience spans a range of commodities including gold, fertilisers (phosphate and potash), base metals, nickel, uranium, coal and coal seam methane.



His experience includes Australia, as well as overseas countries such as Brazil, Turkey, Uganda, Tanzania, Mali, China, UK and North America.

Mr Taylor has provided consulting services to resource companies and financial corporations as a resource analyst. His analytical and technical expertise, combined with his corporate experience, have given him an ability to advise companies at an executive and Board level, including fundraising, acquisitions, promotion and recognising value opportunities to add shareholder value. Mr Taylor is currently a non-executive director with Chesser Resources Limited (March 2007 – present) and Oklo Resources Limited (August 2014 – present), and has held former directorships with Aguiar Resources Limited (Managing Director, November 2007 – December 2013), Bondi Mining Limited (July 2006 – March 2010) and Probiomics Limited (July 2008 – April 2012).

Directors' Recommendation: The Directors (except Mr Taylor) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 Ratification of Previous Issue of 15,398,500 Shares under Placements

Resolution 3 proposes the approval of the issue and allotment of a placement of 15,398,500 fully paid ordinary shares in the capital of the Company, which was announced to the ASX by the Company on 6 and 12 August 2014 pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 allows the Board to issue up to 15% of the Company's issued capital in any 12-month period without approval of the shareholders.

ASX Listing Rule 7.4 provides that an issue which is approved after it has been made is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1. The effect of the approval is to allow the Board of the Company to issue additional securities within the 15% limit under ASX Listing Rule 7.1 immediately after the resolution is adopted instead of having to wait until 12 August 2015 (which would be 12 months after the Placement was made).

As announced to the ASX on 12 August 2014, the Company issued 11,000,000 fully paid Shares to qualified sophisticated investors, at an issue price of A\$0.003, as previously announced to the ASX on 6 August 2014. The issue raised A\$33,000 to fund its acquisition of exploration projects, exploration work and for general working capital. The Shares issued rank equally in all respects with existing fully paid ordinary Shares in the Company. The Company also issued 4,398,500 fully paid ordinary shares at a price of A\$0.003 for services rendered to the Company, as also announced to the ASX on 12 August 2014, and this is made up of 3,333,333 fully paid ordinary shares at a price of A\$0.003 in connection with past and future consulting by the Company's corporate advisor and also 1,065,167 fully paid ordinary shares at a price of A\$0.003 as payment for past services in Inner Mongolia, China. Of these 4,398,500 shares allotted, 1,666,667 are voluntarily escrowed until 8 August 2015.

Resolution 4 Ratification of Previous Issue of 22,778,170 Shares under Placement

Resolution 4 proposes the approval of the issue and allotment of a placement of 22,778,170 fully paid ordinary shares in the capital of the Company, which was announced to the ASX by the Company on 25 September and 1 October 2014 pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 allows the Board to issue up to 15% of the Company's issued capital in any 12-month period without approval of the shareholders.

ASX Listing Rule 7.4 provides that an issue which is approved after it has been made is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1. The effect of the approval is to allow the Board of the Company to issue additional securities within the 15% limit under ASX Listing Rule 7.1 immediately after the



resolution is adopted instead of having to wait until 1 October 2015 (which would be 12 months after the Placement was made).

As announced to the ASX on 1 October 2014, the Company issued 22,778,170 fully paid Shares to clients of brokers Taylor Collison Limited, at an issue price of A\$0.003, as previously announced to the ASX on 25 September 2014. The issue raised A\$68,335 to fund its acquisition of exploration projects, exploration work and for general working capital. The Shares issued rank equally in all respects with existing fully paid ordinary Shares in the Company.

Resolution 5 Ratification of Previous Issue of 68,939,000 Shares under Placement

Resolution 5 proposes the approval of the issue and allotment of a placement of 68,939,000 fully paid ordinary shares in the capital of the Company, which was announced to the ASX by the Company on 20 October and 22 December 2014 pursuant to ASX Listing Rule 7.1. ASX Listing Rule 7.1 allows the Board to issue up to 15% of the Company's issued capital in any 12-month period without approval of the shareholders.

ASX Listing Rule 7.4 provides that an issue which is approved after it has been made is treated as having been made with approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1. The effect of the approval is to allow the Board of the Company to issue additional securities within the 15% limit under ASX Listing Rule 7.1 immediately after the resolution is adopted instead of having to wait until 22 December 2015 (which would be 12 months after the Placement was made).

As announced to the ASX on 22 December 2014, the Company issued 68,939,000 fully paid Shares through the Underwriter of the three-for-two underwritten Renounceable Rights Issue, Taylor Collison Limited, to its clients, at an issue price of A\$0.002, as previously announced to the ASX on 20 October 2014 on page 23 of the Offer Document. The issue raised A\$137,878 before costs to provide capital for the Company to undertake exploration work on its projects in Inner Mongolia, China and on other projects it may acquire, and to search for new business opportunities in the resource project area. The Shares issued rank equally in all respects with existing fully paid ordinary Shares in the Company.

Resolution 6 To Approve a Proposed Placement

The Company outlined in its 2014 Annual Report, and in recent Quarterly Reports, that it was examining new opportunities available to it, both locally and internationally. The Directors now seek the flexibility to raise additional equity to fund the planned expansion of the business. Therefore the Company seeks Shareholder approval for the proposed issue of up to 126,000,000 King Solomon Mines Limited fully paid ordinary Shares, which is approximately 15% of the Company's share capital, at an issue price of not less than 80% of the volume weighted average market price for King Solomon Mines Limited Shares calculated over the last five days on which sales in the Company's Shares are recorded before the day on which the issue is made. The purpose of this Resolution is to provide the Company with sufficient capacity to fund its proposed expenditure requirements by means of a placement of the Company's Shares.

At this stage the Company does not know how much capital will be raised, as it is dependent on the Share price at the time of any placement, if a placement proceeds at all. The quantum of capital raised will depend on investor interest and market factors at the time of the issue. King Solomon Mines Limited proposes to make the placement to professional, sophisticated and other investors to whom disclosure under Part 6D.2 of the Corporations Act is not required. None of the investors pursuant to the proposed capital raising will be related parties of the Company.



ASX Listing Rule 7.1 provides that a company must not, without prior approval of Shareholders and subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an Option), if the number of those securities exceeds 15% of the number of securities at the commencement of that 12-month period. The proposed issue is not in breach of ASX Listing Rule 7.1 and has not previously been approved by the Shareholders of the Company. Resolution 6 calls for Shareholder approval of the proposed issue pursuant to ASX Listing Rule 7.1. The effect of this Resolution will be to allow the Directors to issue Shares in the Company pursuant to the proposed capital raising during the period of three months after the date of the EGM, without using the Company's 15% annual placement capacity.

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders in relation to the proposed capital raising, for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) the maximum number of Shares to be issued is 126,000,000;
- (b) the Shares issued pursuant to this Resolution will be issued no later than three months after the date of the EGM and it is currently intended that allotment will occur on the same date or on two separate dates during this three-month period;
- (c) the issue price will be not less than 80% of the volume weighted average market price for King Solomon Mines Limited Shares calculated over the last five days on which sales in the Company's Shares were recorded before the day or days on which the issue is made;
- (d) the Directors will determine to whom the Shares will be issued to, but these persons will not be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary Shares in the capital of the Company and will rank equally, and be issued on the same terms and conditions as the Company's existing Shares;
- (f) the Company intends to use the funds raised from the proposed capital raising to raise funds for the purposes detailed above, and to provide funds for administration, corporate costs and to provide working capital; and
- (g) a voting exclusion statement is included in the Notice of EGM.

Resolution 7 Change to the Constitution (Less than a Marketable Parcel)

As of 9 February 2015, the Company had 792 shareholders, many of which hold a very small number of shares. The financial impact of maintaining a large register is significant both in terms of the cost of maintaining the register, processing notices of meetings, annual reports and shareholder communications, as well as in terms of the amount of executive time devoted to dealing with the resulting administration issues. In order to reduce the costs associated with maintaining the share register, the Company proposes to use provisions permitted by the ASX Listing Rules, which allow a company to include provisions in its constitution entitling the company to sell small shareholdings (also known as holdings of Less than Marketable Parcels). A small shareholder (or a shareholder with Less than a Marketable Parcel) is one that has a value of less than A\$500. The Company has approximately 522 such shareholdings on its register as at 9 February 2015.

The proposal, if approved, will be implemented by inserting a new clause 9.10 into the Company's Constitution. The ASX Listing Rules provide various safeguards for existing shareholders who may be affected by the change, including the ability of those shareholders to 'opt out' of the sale process. ASX Listing Rule safeguards for existing shareholders have been incorporated into the proposed clause 9.10 including:

1. the Company may only seek to sell a small shareholding once in a 12-month period;



2. the Company must notify the holder of the small shareholding in writing of its intention to sell that small shareholding;
3. the holder of the small shareholding must be given not less than six weeks from the date of the Company's notice in which to inform the Company that they wish to retain their small shareholding i.e. to 'opt out' of the sale process; and
4. the power to sell a small shareholding lapses once the announcement of a takeover bid for the Company is made, but can be started again once offers under the takeover bid have been closed.

If an existing holder of a small shareholding fails to provide the Company with written notice of their intention to retain their small shareholding after receiving notice of the Company's intention to sell those shares (or the holder fails to respond within the time frame specified in the notice), the Company is entitled to sell the shares. Positive action is therefore required by existing small shareholdings in order to retain their shareholdings. Holdings of Less than Marketable Parcels created after the adoption of clause 9.10 will not have the ability to opt out of the sale process. The Company will be able to sell these without further notice to the shareholder.

The costs of selling the shares (apart from income tax, capital gains tax or other personal taxes of the former holder) will be borne by either the Company or the purchaser. If the costs are borne by the Company, the costs of sale may be deducted from the proceeds of sale and the net proceeds (if any) from the sale will be forwarded to the former shareholder, less any amounts due, but not yet paid, by the former shareholder. Returned monies will be held by the Company without interest and, if and when applicable, dealt with under unclaimed money legislation.

Existing shareholders should be aware that the costs of selling the shares may be such that they equal or exceed the proceeds of sale. In that case, if the costs are initially borne by the Company, once deducted from the proceeds of sale, there may be no net proceeds to distribute to shareholders whose shares are sold. If the costs of sale exceed the proceeds of sale, the excess costs will be borne by the Company.

In accordance with the ASX Listing Rules, the proposed clause 9.10 provides that, where applicable, the net sale proceeds (if any) will not be sent until the Company has either received a certificate relating to the small shareholding or the Company is satisfied that the certificate has been lost or destroyed.

If the Company is entitled to exercise its sale powers, unless the Directors resolve otherwise, the exercise of the powers removes the right to vote the shares. Any unpaid interim or final dividends will be forwarded with the net sale proceeds or, if there are no such proceeds, then sent separately. Former shareholders will not be entitled to receive distributions from the time the power of sale becomes effective. If the record date for such a distribution occurs before sale, where applicable, the securities distributed will also be sold and, in any event, the cash proceeds of sale or other cash distribution will be sent to the former holder with the net sale proceeds.

The Board believes this provision strikes an appropriate balance between the rights of shareholders and seeking to control the significant costs associated with a large share register with a high level of shareholders holding Less than a Marketable Parcel.

A copy of proposed clause 9.10 is set out in Annexure A to this Explanatory Note.

Shareholders should consider clause 9.10 carefully. There may be taxation or social security implications of sales of Less than Marketable Parcels under the proposed clause 9.10. Those implications will be dependent upon personal circumstances. If you are in doubt as to the effect of the clause or its possible impact on you, you should consult your financial or other professional adviser.



General

The shares mentioned in Resolutions 3 to 6 all rank equally in all respects with the existing fully paid ordinary shares in the Company.

Voting

Resolutions 1 to 6 are ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders who are entitled to vote on the resolution and who exercise their right to vote. Resolution 7 is a Special Resolution requiring 75% of the votes cast to be in favour of Resolution 7.

All shareholders are entitled to attend and vote at the EGM or to appoint a proxy or representative (in the case of a corporate shareholder) to attend and vote on their behalf. A proxy need not be a shareholder of the Company. A Proxy Form is enclosed and completed Forms (or, if a corporate shareholder prefers, a completed appointment of representative) must be received at the offices of the Company, no later than 48 hours before the time of holding the EGM. Proxies may be delivered to the offices of the Company, 242 Marine Parade, Otaki 5512, New Zealand, sent by mail to PO Box 15-005, Otaki 5542, New Zealand or by facsimile to: +646 364 8497. If the Form is completed under a power of attorney, a copy of the power together with a certificate of non-revocation must accompany the completed form.

The Chairman of the Company has advised that he is prepared to act as proxy for any shareholder who wishes him to do so. If that is what you require, please fill in the words “Chairman of the Meeting” on the Proxy Form. The Chairman has indicated that he will vote all undirected proxies in favour of all Resolutions.



ANNEXURE A – PROPOSED CLAUSE 9.10

9.10 Small Shareholdings (Less than Marketable Parcels)

9.10.1 In this clause 9.10:

- **Marketable Parcel** has the same meaning as given to that term in the ASX Listing Rules; and
- **Less than a Marketable Parcel** means a shareholding that is less than a Marketable Parcel, and any other terms and expressions given a meaning in the ASX Listing Rules, the ASX Settlement Operating Rules or other rules relating to CHESS, have the same meaning as given to these terms in those rules.

9.10.2 The Directors may cause to be sold, and the Company may sell, a shareholder's shares if the shareholder holds Less than a Marketable Parcel of shares of a particular class, in accordance with this clause 9.10. In that respect:

- (a) clauses 9.10.3 to 9.10.6 (inclusive) apply to Less than Marketable Parcels held at the date on which this clause 9.10 is adopted by Special Resolution;
- (b) clauses 9.10.7 and 9.10.8 apply to Less than Marketable Parcels created after the date on which this clause 9.10 is adopted by Special Resolution; and
- (c) clause 9.10.9 and following, apply to all Less than Marketable Parcels,

and, in each case, except to the extent provided to the contrary by law or the ASX Listing Rules, the Company may treat a holding of shares in a class as Less than a Marketable Parcel whether or not it knows if, or ought to know if, the holder of that parcel holds (legally or beneficially) shares of the same class under a similar name, another name or through a trustee, nominee or custodian.

9.10.3 The Company may give written notice to a shareholder that:

- (a) generally explains the effect of this clause 9.10;
- (b) states that the shareholder's shares that form the Less than Marketable Parcel will be sold or disposed of by the Company;
- (c) allows the shareholder to be exempt from this clause 9.10 in respect of the notice given but without limiting the Company's ability to give further notices in respect of that Less than Marketable Parcel when permitted to do so under this clause 9.10, if the shareholder provides the Company with written notice by the date specified in the Company's notice (being a date not less than six weeks from the date of the Company's notice) informing the Company that the shareholder wishes to retain its Less than Marketable Parcel and if the relevant shares are not to be sold or disposed of; and
- (d) provides a form of election for the purposes of allowing the shareholder to notify their intention to retain their Less than Marketable Parcel that is the subject of the notice.

Accidental or immaterial defects in the notice given by the Company will not invalidate the notice.

9.10.4 If by 5:00pm in the place and on the date specified in the Company's notice:

- (a) the Company has not received from the shareholder a notice electing to be exempt from this clause 9.10 in respect of the notice given by the Company and stating their intention to retain their Less than Marketable Parcel; or
- (b) the shareholder has not increased their holding to a Marketable Parcel of shares,



then the shareholder is taken to have irrevocably appointed the Company as their agent to sell or otherwise dispose of the Less than Marketable Parcel that is the subject of the notice.

9.10.5 Subject to clause 9.10.6, the Directors and the Company can only send a notice to a shareholder under clause 9.10.3 once in any 12-month period.

9.10.6 If:

- (a) a takeover bid for the Company is announced or made (as applicable) after notice is given, in accordance with clause 9.10.3, but before an agreement for the sale of shares is entered into, the notice by the Company lapses and the agency of the Company ends; and
- (b) a new notice may be given by the Company under clause 9.10.3 after the close of offers under the takeover bid despite clause 9.10.5.

9.10.7 The Company may also sell a shareholder's Less than Marketable Parcel if the shares of a particular class held by the shareholder are in a new holding created by a transfer of shares on or after the date this clause 9.10 is adopted by Special Resolution, and the number of shares of that class in the remaining holding is less than a Marketable Parcel at the time:

- (a) a transfer document is initiated; or
- (b) if applicable, a paper-based transfer is lodged for registration.

9.10.8 The Company may give a shareholder referred to in clause 9.10.7 a notice in writing stating that the Company intends to sell or dispose of the relevant Less than Marketable Parcel. Whether or not the Company gives notice under this clause, a shareholder to whom clause 9.10.7 applies cannot opt out of the sale process and, on the transfer being initiated or the transfer being lodged as referred to in clause 9.10.7 (as applicable), the shareholder is irrevocably taken to have appointed the Company as their agent to sell or otherwise dispose of the Less than Marketable Parcel that has been created. If a notice is given to a holder of a Less than a Marketable Parcel under this clause, accidental or immaterial defects in the notice will not invalidate the notice.

9.10.9 If the Company exercises its powers under clauses 9.10.3 and 9.10.4, 9.10.6 or 9.10.7 (and unless the Directors decide otherwise):

- (a) all the former shareholders' interests in the shares forming the Less than Marketable Parcel are extinguished (including, but not limited to the right to vote);
- (b) all monetary claims against the Company, in respect of the Less than Marketable Parcel for interim or final dividends declared but not paid, or for other forms of monetary distribution due but not paid, are to become a debt due under, and in accordance with, this clause 9.10, irrespective of the date(s) on which they would otherwise have been due for payment but without affecting the characterisation of the amount as a dividend or otherwise; and
- (c) all claims against the Company in respect of the Less than Marketable Parcel, for bonus shares or other securities or distributions, the record date for which is after the date on which the Company's appointment as sale agent is effective but before the date of sale or transfer, are to likewise be sold by the Company with the net proceeds after deducting the costs of sale to become a debt due under, and in accordance with, this clause 9.10.

9.10.10 The Company may sell, transfer or otherwise dispose of Less than Marketable



Parcels (which, for the purposes of clause 9.10.10 and following, includes any right to a bonus share, security or distribution to be sold under clause 9.10.9(c)):

- (a) through a broker, or electronic broking system as soon as reasonably practicable at a price the Directors consider to be the best price reasonably obtainable for the shares at the time they are sold, transferred or disposed of; or
- (b) by any other means or in any other manner and on any terms that the Directors may determine.

9.10.11 The Company may:

- (a) initiate an Holding Adjustment to move all shares or other securities relating to Less than Marketable Parcels from a CHESS Holding to an Issuer Sponsored Holding or a Certificated Holding, or to take any other action the Company considers necessary or desirable to effect a sale, transfer or disposal of Less than Marketable Parcels;
- (b) exercise any and all powers under applicable law to affect a sale, transfer or disposal of Less than Marketable Parcels;
- (c) receive the purchase money or any other form of consideration considered acceptable by the Directors (with or without security for payment) for sale, transfer or disposal of Less than Marketable Parcels;
- (d) convert any non-cash consideration or security received in respect of sale, transfer or disposal of Less than Marketable Parcels, into cash;
- (e) appoint a person to sign any agreement, transfer or other necessary instruments and documents considered by the Directors to be necessary or convenient to effect a sale, transfer or disposal of Less than Marketable Parcels;
- (f) appoint brokers and other professional advisers to assist with, or advise in respect of, the Company's exercise of its powers and discretions under this clause 9.10; and
- (g) enter into the applicable register the name of any person to whom the shares, securities or other distribution that comprise Less than Marketable Parcels, are sold, or transferred or disposed.

9.10.12 Any person who acquires shares, securities or other forms of distribution that formed all or part of Less than Marketable Parcels, is entitled to assume that the Company and the Directors (as applicable):

- (a) properly exercised its powers and discretions under this clause 9.10 in respect of the sale, transfer or disposal of the shares, securities or other form of distribution; and
- (b) properly applied, or will properly apply, the proceeds from the sale, transfer or disposal of the shares, securities or other form of distribution in accordance with this clause 9.10,

and the buyer or transferor will receive good title to the shares, securities or other form of distribution without being affected by any actual or claimed breach of this clause 9.10 by the Company or any other person in respect of the exercise of the Company's powers and discretions under this clause 9.10. The remedy (if any) of any person aggrieved by an actual or claimed breach of this Constitution in respect of the exercise of the Company's powers and discretions under this clause 9.10 is in damages only and against the Company exclusively.

9.10.13 The costs and expenses associated with the sale, transfer or disposal of Less than Marketable Parcels, including any brokerage and stamp duty (if applicable), are payable by the Company or the purchaser as the Directors may determine or as



required by law. Where costs and expenses are incurred and paid by the Company, the amount paid may be deducted from the proceeds of sale of the Less than Marketable Parcel, and where they are paid in respect of a number of Less than Marketable Parcels, the costs and expenses may be allocated to the parcels sold in such manner as the Directors may determine to be appropriate in all the circumstances. For the avoidance of doubt, if, following the deduction or allocation, the resulting amount is negative or zero, nothing is payable to the holder of the relevant Less than Marketable Parcels.

9.10.14 The Company may deduct from the proceeds of sale, transfer or disposal of Less than Marketable Parcels, any amounts due to the Company by the former holder of that Less than Marketable Parcel.

- 9.10.15 (a) The net proceeds (if any) of sale, transfer or disposal of Less than Marketable Parcels of a former holder; and
(b) any monies that are a debt due to that former holder under clause 9.10.9(b) or
(c) less any amounts due to the Company by that former holder,

(together called Sale Proceeds) will be paid by the Company to the former holder of the Less than Marketable Parcel by sending the Sale Proceeds by cheque to the address noted on the share or securities register for the holder before the sale, transfer or disposal of the Less than Marketable Parcel took place. The sending of the Sale Proceeds discharges the Company from its obligation to pay any or all of the Sale Proceeds as a debt due by the Company. If applicable, the Sale Proceeds will not be sent to the former holder of a Less than Marketable Parcel unless:

- (d) the Company has received any share certificate or other indicia of title to securities relating to the Less than Marketable Parcel; or
(e) the Directors are satisfied that the certificate or other indicia has been lost or destroyed.

The Directors may require such evidence as to loss or destruction (including the provision of statutory declarations) as they may determine and neither the Directors nor the Company will be liable to the former holder of a Less than Marketable Parcel or to any other person for reliance on such evidence.

Interest will not be payable by the Company to the former holder of a Less than Marketable Parcel in respect of any of the Sale Proceeds (irrespective of the length of time the Sale Proceeds may be held by the Company). However, the Company is entitled to the interest on any account into which the Sale Proceeds may be deposited, pending the Sale Proceeds being paid to the former holder. Nothing in this clause obliges the Company to pay such Sale Proceeds into an account with a financial institution or, if in fact paid into such an account, a separate account for the former holder(s) to the intent the account may be a Company account into which Sale Proceeds of other former holders of Less than Marketable Parcels, other Company monies or both are inter-mingled.

9.10.16 If:

- (a) certificates are not provided by the former holder of a Less than Marketable Parcel under clause 9.10.15 within any period determined by the Directors; or
(b) the Sale Proceeds sent to a former holder of a Less than Marketable Parcel are returned to the Company for any reason,

the Company's obligation to:



- (c) in the case of non-provision of certificates or other indicia of title, pay the Sale Proceeds and thereby to pay any debt due under clause 9.10.9(b) or (c); or
- (d) deal with the Sale Proceeds in any way (but without affecting the discharge of debt under clause 9.10.15),

will be discharged by depositing the relevant Sale Proceeds into an account with a financial institution. The deposit may be made into an account that also holds proceeds in respect of other former holders of Less than Marketable Parcels, other Company monies or both. Pending deposit of Sale Proceeds into the account, interest will not be payable by the Company to the former holder of a Less than Marketable Parcel for the period before Sale Proceeds are paid into an account (irrespective of the length of time the money is held by the Company). The former holder will also not be entitled to any interest (or a pro rata proportion of any interest) payable in respect of deposited Sale Proceeds. All such interest will accrue for the benefit of the Company.

9.10.17 Sale Proceeds deposited into an account under clause 9.10.16 (less applicable account fees, costs, charges and taxes) after such period as the Directors may determine or the law may permit, may be dealt with by the Company as unclaimed property or unclaimed monies under the Corporations Act or other unclaimed money legislation in the State of New South Wales (as applicable) irrespective of the jurisdiction in which the former holder(s) of Less than Marketable Parcel(s) may be resident or domiciled.

9.10.18 A certificate in writing from the Company, signed by a Director or Company Secretary, certifying:

- (a) that a Less than Marketable Parcel was sold or disposed of in accordance with this clause 9.10; or
- (b) any other act, matter of thing in respect of the exercise of powers or discretions by the Company under this clause 9.10,

is sufficient evidence of those matters for all purposes and may be relied on by third parties.



King Solomon Mines Limited

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PROXY FORM

Return Proxy Form:

- by mail or hand delivery to: 242 Marine Parade, Otaki 5512, New Zealand; or
- by facsimile to: +64 6 364 8497.

I/We _____

of _____

being a Shareholder / Shareholders of King Solomon Mines Limited (the Company) hereby appoint

_____ of _____

or failing him / her

_____ of _____

as my / our proxy to vote for me / us on my / our behalf at the Extraordinary General Meeting of Shareholders of the Company to be held at the at the Institute of Directors Meeting Room Facilities, Mezzanine Floor, Tower Building, 50 Customhouse Quay, Wellington, on Friday, 27 March 2015 and at any adjournment thereof.

Proxy Voting Instructions

If you do not wish to direct your proxy how to vote, please insert an X in the box. ☐

By marking this box, you acknowledge that, if the Chairman is your proxy, the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him, other than as proxy holder, will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolutions.

If the Chairman of the Meeting is voting as your proxy, he intends to vote any undirected proxies held on the item of business in favour of the Resolution on that item of business.

Signature of shareholder (companies to execute under seal if appropriate)

SIGNED this _____ day of _____ 2015

If you desire to direct your proxy/proxies how to vote, please insert an X in the appropriate box. If you do not direct your proxy/proxies, the proxy holder may vote as they think fit or may abstain from voting.

Business

	For	Against	Abstain
Resolution 1 - To Elect a Director – Mr Simon Thomas O’Loughlin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - To Elect a Director – Mr Simon James Robson Taylor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Ratification of Previous Issue of 15,398,500 Shares under Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Ratification of Previous Issue of 22,778,170 Shares under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Ratification of Previous Issue of 68,939,000 Shares under Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - To Approve a Proposed Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - Change to the Constitution (Less than a Marketable Parcel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>