



King Solomon Mines Limited

ARBN 122 404 666

242 Marine Parade, Otaki 5512, New Zealand

Office (within Australia): 1 800 061 569

(outside Australia): +64 6 364 8462

Fax: +64 6 364 8497

enquiries@kingsolomonmines.com

www.kingsolomonmines.com

19 August 2015

Company Announcements Office
Australian Securities Exchange

Update on Xref Pty Ltd Acquisition

King Solomon Mines Limited (ASX:KSO or the Company) announced on 3 August 2015 a conditional binding term sheet to acquire Xref Pty Ltd (Xref), an easy-to-use, mobile-ready, fully-reportable, cloud-based platform that recruitment teams use to conduct pre-employment reference checks. The announcement on the proposed change to the nature of the Company's business referred to a number of conditions precedent, including KSO shareholders' approval, completion of a capital raising, compliance with Chapters 1 and 2 of the ASX Listing Rules, and re-admission to the official list of ASX. The proposed KSO capital raising would be for at least A\$3 million. Under the arrangement, Xref agreed to complete an interim funding to raise gross proceeds of up to A\$550,000 from existing and new investors.

Xref has now advised the Company that it has completed an oversubscribed interim funding capital raising of A\$550,000, through the issue of an unsecured convertible note instrument (1% per month coupon) that automatically converts to ordinary shares in KSO when the KSO and Xref Transaction is completed and when KSO recommences trading on ASX at a 20% discount to the issue price under a KSO Prospectus (currently under preparation). If the Transaction does not go ahead, the notes will convert into Xref ordinary equity or can be redeemed for their face value (plus any accrued interest) at the note holder's discretion (which would not involve KSO).

KSO and Xref are currently working through the conditions precedent, including the preparation of a Notice of Shareholders' Meeting, which will contain an expert's report. Preparation of a Prospectus for the capital raising is also underway. KSO expects to be able to provide the market with additional information on the Xref business in due course.

Yours sincerely

King Solomon Mines Limited

A handwritten signature in black ink, appearing to read 'Stephen McPhail', written in a cursive style.

Stephen McPhail

Managing Director

Xref Pty Ltd

Xref is a Sydney-based human resources 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. Founded in 2010 to solve a dated, costly and inefficient pre-employment referencing process, Xref's fully-automated cloud-based platform now allows recruiters / human resources managers to safely and securely complete this function in a fraction of the time traditionally required.

On average, it takes approximately 15 seconds for the employer to make a reference request, and the check is completed and returned within 24 hours. In addition, Xref's reports are highly analytical and provide insightful, comparable data. Typically users of Xref's technology have experienced a 98% success rate, with 60% more data collected.