



King Solomon Mines Limited

Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau 2013, New Zealand
Office (within Australia): 1 800 061 569
(outside Australia): +64 4 905 9608
Fax: +64 4 905 9607
enquiries@kingsolomonmines.com
www.kingsolomonmines.com

8 February 2011

Dear King Solomon Mines Shareholder

OFFER PURSUANT TO THE KING SOLOMON MINES SHARE PURCHASE PLAN

Your Company is continuing with its pursuit of world class copper and gold deposits in Inner Mongolia, China. As you will be aware from our latest Quarterly Report, King Solomon Mines Limited (King Solomon Mines) has identified a cluster of porphyry intrusive targets at the Bu Dun Hua Porphyry Copper project and an extensive zone of anomalous gold mineralisation at the Mud House prospect.

The Company completed a Placement of approximately 20 million ordinary shares in the capital of the Company at A\$0.07 per share on 8 February 2011. Your Directors have decided to offer all shareholders the opportunity to acquire ordinary shares at the same price as the Placement through this offer (the Offer) which is being made pursuant to the Company's Share Purchase Plan (the SPP). We consider our prospects to be attractive and urge you to give this offer your full consideration.

The Company is able to make this offer to shareholders without providing a disclosure document in accordance with a class order relief granted by the Australian Securities and Investments Commission (the ASIC Class Order) and without having to register a prospectus in New Zealand or provide an investment statement pursuant to the New Zealand Securities Act (King Solomon Mines) Exemption notice 2011 (the NZ Exemption Notice).

The terms and conditions of the Offer are set out in this letter and the enclosed application form which forms a part of the Offer. A copy of the SPP is available on request at no charge.

Invitation to Participate in the King Solomon Mines Share Purchase Plan

Eligible Shareholders are offered the opportunity to purchase up to 214,286 ordinary shares in the capital of King Solomon Mines (the Shares) at an issue price A\$0.07 per Share free of brokerage and payable in full on application (the Issue Price). The maximum number of Shares which any one shareholder may take up pursuant to this Offer is 214,286 Shares having a total issue price of A\$15,000.00 and the maximum allowable number of Shares which may be offered to all Shareholders under this Offer is limited to 30% of the Company's issued capital. These limitations are required in order for the SPP to comply with the ASX Listing Rules, the ASIC Class Order and the NZ Exemption Notice. Accordingly if the Offer is fully subscribed it will raise approximately \$2.2 million through the issue of a maximum of 31,312,512 Shares.

In accordance with the provisions of the SPP, the Issue Price was determined by the Board of Directors of the Company at the date of the announcement of the Offer. The Issue Price of A\$0.07 per Share represents a 12.5% discount to the average market price of the Company's ordinary shares sold during the course of trading on the ASX during the five trading days

immediately preceding the date of announcement of this Offer. The last closing sale price of the Company's ordinary shares sold during the course of trading on the ASX on the day before the date of this Offer was A\$0.08 cents. The price for the Company's ordinary shares has varied between a low of A\$0.03 and a high of A\$0.10 over the last 52 weeks.

The Shares will be fully paid on issue and will rank equally with all other ordinary shares in the capital of the Company in all respects. The Company will apply for listing of the Shares on the ASX.

Eligibility

The Offer is available only to persons who were registered as shareholders at of the Company at 5:00 pm on the record date of 7 February 2011 and whose registered address is in Australia, New Zealand and any other jurisdiction in which it is lawful for the Company to offer the Shares (the Eligible Shareholders). There is no minimum shareholding requirement.

The Offer under the Plan is non-renounceable and therefore Eligible Shareholders may not transfer their rights to subscribe for Share under this Offer.

Application for Shares must be made in the Application Form accompanying this letter.

Limit on Participation

The maximum number of Shares you may apply for is 214,286 Shares and the minimum subscription is for 10,000 Shares and thereafter in lots of 10,000 Shares or the maximum number. The limit will apply even if you receive more than one Offer from the Company (for example, because you are a joint shareholder of shares or because you hold more than one shareholding under separate share accounts) or if you hold ordinary shares as a custodian or a trustee.

The Company reserves the right to reject any application for Shares where it believes any terms of the Offer have not been complied with or which, if accepted, would not comply with the terms of the SPP.

Use of Funds

The funds obtained from this raising will be used to fund the proposed continuing exploration programs at both Bu Dun Hua (Copper-Molybdenum) and Mud-house (gold) as well as for general working capital requirements.

Price Risk

Whilst the Board has every confidence in the future of the Company, we must point out that owning shares in an exploration company such as King Solomon Mines Limited is a speculative form of investment. Shareholders should be aware there is a risk that the market price of the Shares may change between the date of this Offer and the date when the Shares are issued to you. The market value of the Shares you receive may rise or fall accordingly.

Payment

Payment in full must accompany your application. You have the option to apply in Australian dollars (A\$) or, if you are located in New Zealand, in New Zealand dollars (NZ\$). Shareholders located in New Zealand wishing to pay in A\$ should contact the Company to be sent an A\$ application form.

Shareholders using the NZ\$ option will pay NZ\$0.0921 per Share which is NZ\$921.00 for every 10,000 Shares. The issue price for the full entitlement of 214,286 Shares is NZ\$19,735.74.

The amount of the NZ\$ payment option was determined by the Company based on the exchange rate of A\$1.00=NZ\$1.316 quoted on the record date.

Offer Opening and Closing Dates

The offer opens at 9.00am Sydney time on **15 February 2011**

The offer closes at 5.00pm Sydney time on **15 March 2011**.

The Company may vary the date for closing the Offer and will announce such variation to the ASX.

Acceptance Instructions

If you would like to participate in the Offer, please return your completed application form, together with your cheque made payable to "King Solomon Mines Limited" representing the full amount of the Issue Price of the Shares applied for to be received by the Computershare no later than 5:00PM on the closing date of **15 March 2011** at the address set out in the Application Form. If you are paying in Australian currency you may also apply using the electronic facility referred to in the Application Form.

Applications will be considered on a first-come, first-served basis

Applications will be accepted on a first-come, first-served basis until the number of Shares to be issued by the Company in respect of accepted applications reaches 31,312,512 Shares which is the maximum number permitted pursuant to the SPP. All application monies for Shares received after that time will be returned to applicants as soon as possible.

The Directors have also agreed that, in relation to their own entitlements, due to the limited availability of shares, they will allow all applications by Eligible Shareholders to be satisfied before the issue of shares to any Director or Director related entity.

Any application in NZ\$ which results in an application exceeding A\$15,000 based on the prevailing NZ\$/A\$ exchange rate on the date of allotment, will be scaled back to conform with the A\$15,000 limit. The excess application monies over the A\$15,000 will be returned to applicants as soon as possible

Allotment

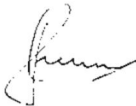
Shares will be allotted as soon as practicable after the Offer is closed. It is anticipated that allotments will be made no later than 31 March 2011.

Shareholders who wish to participate in this Offer are advised to lodge their application promptly to give themselves the best opportunity to have their application satisfied.

Contacts and Other Information

A full copy of the Company's most recent Annual Report and financial statements are available on request free of charge from the Company and on the Company's website (www.kingsolomonmines.com). If you have any questions about this Offer please call the Company's office on 1 800 061 569 (from Australia) or +64 4 905 9608 (outside Australia) during business hours.

Signed by each of the directors of King Solomon Mines Limited



Mr. John Quinn
Director



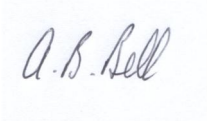
Mr. Chris Castle
Director



Mr. Fu La
Director



Mr. Stephen McPhail
Director



Mr. Bruce Bell
Director