
PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

CAMERON STOCKBROKERS LIMITED

("Grantee")

DEED GRANTING OPTIONS

DEED GRANTING OPTIONS

THIS DEED is made the _____ day of _____, 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

CAMERON STOCKBROKERS LIMITED, a company duly incorporated under the laws of Australia and having its registered office at Hamilton, New South Wales, Australia (ACN 090 472 012) ("Grantee").

BACKGROUND

- A In consideration of the Grantee agree to act as the sponsoring broker of the Grantee in connection with its application for admission to the Official List of ASX, the Grantor has agreed to grant the Grantee an option to purchase shares in the capital of the Grantor.
- B The terms and conditions of the option are set out below.

OPERATIVE PROVISIONS:

1 Interpretation

- 1.1 In this Deed unless the context otherwise requires:
- (a) “Condition” means the Condition set out in clause 2.1;
 - (b) “Expiry Date” means the date which is 2 years after the date that the Shares are first listed for quotation on the Official List of ASX;
 - (c) “Issue Price” means the sum of A\$0.25 per Share;
 - (d) “Notice” means a notice of exercise of Option given in accordance with clause 3;
 - (e) “Option” means the option to acquire Shares granted to the Grantee pursuant to this Deed;
 - (f) “Option Shares” means 500,000 Shares subject to adjustment as provided in this Deed;
 - (g) “Share” means an ordinary share in the capital of the Grantor; and
 - (h) “Working Day” means a day when registered banks are customarily open for business in both Wellington and Auckland.

- 1.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

2 Condition

- 2.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:
 - (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
 - (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.
- 2.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect.

3 Grant of Options

- 3.1 The Grantor hereby grants to the Grantee, and the Grantee hereby accepts, the Option on the terms set out in this Deed.
- 3.2 The terms of the Option are:
 - (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
 - (b) The Option may be exercised at any time before the Expiry Date;
 - (c) The Option is not transferable; and
 - (d) The remaining provisions of this Deed.

4 Exercise of Option and Issue of Shares

- 4.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 4.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by:
 - (a) A bank cheque for the full amount of the Issue Price of the Option Shares; and
 - (b) If the Option Shares are to be issued at any time before the Expiry Date, a duly executed restrictive agreement in form and substance acceptable to ASX in respect of all of the Option Shares pursuant to which the Option Shares will be held in escrow until the Expiry Date.
- 4.3 The Grantor shall issue the Option Shares to the Grantee within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 4.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

5 Adjustment to number of shares and rights

- 5.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully satisfied and before the Option is exercised, and in particular, if during such time:
 - (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which it is entitled upon the exercise of the Option, receive the number of Shares that it would have been entitled to if it had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
 - (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be; and
- 5.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

6 Notice

- 6.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1742

- 6.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

7 Miscellaneous

- 7.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 7.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 7.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.

7.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

7.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED for an on behalf of)
CAMERON STOCKBROKERS LIMITED)

Director

Director

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

JOHN CHARLES QUINN

("Grantee")

DEED GRANTING OPTIONS

DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

JOHN CHARLES QUINN, Company Director, of Melbourne, State of Victoria, Australia ("Grantee").

BACKGROUND

C The Grantor has agreed to grant the Grantee an option to purchase shares in the capital of the Grantor.

D The terms and conditions of the option are set out below.

OPERATIVE PROVISIONS:

8 Interpretation

8.1 In this Deed unless the context otherwise requires:

- (a) "Approved Nominee" means in respect of the Grantee, any person who is:
 - (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;
 - (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,
- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 1,000,000 Shares subject to adjustment as provided in this Deed;

- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

8.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

9 Condition

9.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:

- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
- (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.

9.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect.

10 Grant of Options

10.1 The Grantor hereby grants to the Grantee, and the Grantee hereby accepts, the Option on the terms set out in this Deed.

10.2 The terms of the Option are:

- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
- (b) The Option may be exercised at any time after:
 - (i) the Condition is satisfied; and
 - (ii) the second anniversary of the date that the Company is admitted to the Official List of ASX and the Shares are quoted on that List; and
 before the first to occur of:
 - (iii) The Expiry Date; and
 - (iv) The Grantee ceasing to be a director of the Company or of any wholly owned subsidiary of the Company other than by reason of the death of Grantee;
- (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
- (d) The remaining provisions of this Deed.

11 Exercise of Option and Issue of Shares

- 11.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 11.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.
- 11.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 11.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

12 Adjustment to number of shares and rights

- 12.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully

satisfied and before the Option is exercised, and in particular, if during such time:

- (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
- (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be.

12.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

13 Notice

13.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1742

13.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

14 Miscellaneous

14.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.

- 14.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 14.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 14.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.
- 14.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **JOHN CHARLES QUINN**)
in the presence of)

Witness's Signature _____

Full Name _____

Occupation _____

Address _____

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

ANNA DI

("Grantee")

AMENDMENT TO DEED GRANTING OPTIONS

AMENDMENT TO DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

ANNA DI, Project Manager, of Auckland ("Grantee").

BACKGROUND

- E Pursuant to a Deed Granting Options dated 31 May 2006, the Grantor granted the Grantee options to acquire up to 13,000 ordinary shares in the capital of the Company ("respectively the "Original Deed" and the "Original Options").
- F The Grantor has, or is intending to:
- (a) Apply for admission to the Official Lists of the ASX; and
 - (b) Subdivided its ordinary shares on the basis of 15 for 1; and
 - (c) Make an offer to the public of up to 50 million new ordinary shares in its capital at an issue price of A\$0.20 per share.
- G The parties have agreed that as a result of the changes referred to above, the number and exercise price of the Original Options should be adjusted to take account of, among other things, the share split and the application for listing subject to the Company's application for admission to the Official Lists of the ASX being accepted.
- H The terms and conditions of the options as amended are set out below.

OPERATIVE PROVISIONS:

15 Interpretation

15.1 In this Deed unless the context otherwise requires:

- (a) "Approved Nominee" means in respect of the Grantee, any person who is:
 - (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;
 - (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,

- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 269,286 Shares subject to adjustment as provided in this Deed;
- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

15.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

16 Condition

- 16.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:
- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
 - (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.
- 16.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect and the Original Deed and the Original Options granted pursuant to it shall continue in full force and effect.

17 Amendment to Original Options

- 17.1 Immediately upon the satisfaction of the Condition, the Original Deed shall be amended such that the Original Options shall be of no further force and effect and the option to acquire Shares granted by the Company to the Grantee shall be the Option as set out in this Deed.
- 17.2 The terms of the Option are:
- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
 - (b) The Option may be exercised at any time after the Condition is satisfied and before the first to occur of:
 - (i) The Expiry Date; and
 - (ii) The Grantee ceasing to be a full time employee of the Company or of any wholly owned subsidiary of the Company other than by reason of the death of Grantee;
 - (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
 - (d) The remaining provisions of this Deed.

18 Exercise of Option and Issue of Shares

- 18.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 18.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares

and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.

- 18.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 18.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

19 Adjustment to number of shares and rights

- 19.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully satisfied and before the Option is exercised, and in particular, if during such time:
- (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
 - (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be.
- 19.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

20 Notice

- 20.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1743

- 20.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

21 Miscellaneous

- 21.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 21.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 21.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 21.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

21.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **ANNA DI**)
in the presence of)

Witness's Signature _____

Full Name _____

Occupation _____

Address _____

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

ALAN BRUCE BELL

("Grantee")

AMENDMENT TO DEED GRANTING OPTIONS

AMENDMENT TO DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

ALAN BRUCE BELL, Company Director, of Auckland ("Grantee").

BACKGROUND

- I Pursuant to a Deed Granting Options dated 4 May 2006, the Grantor granted the Grantee options to acquire up to 75,000 ordinary shares in the capital of the Company ("respectively the "Original Deed" and the "Original Options").
- J The Grantor has, or is intending to:
- (a) Apply for admission to the Official Lists of the ASX; and
 - (b) Subdivided its ordinary shares on the basis of 15 for 1; and
 - (c) Make an offer to the public of up to 50 million new ordinary shares in its capital at an issue price of A\$0.20 per share.
- K The parties have agreed that as a result of the changes referred to above, the number and exercise price of the Original Options should be adjusted to take account of, among other things, the share split and the application for listing subject to the Company's application for admission to the Official Lists of the ASX being accepted.
- L The terms and conditions of the options as amended are set out below.

OPERATIVE PROVISIONS:

22 Interpretation

22.1 In this Deed unless the context otherwise requires:

- (a) "Approved Nominee" means in respect of the Grantee, any person who is:
 - (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;
 - (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,

- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 1,553,571 Shares subject to adjustment as provided in this Deed;
- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

22.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

23 Condition

- 23.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:
- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
 - (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.
- 23.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect and the Original Deed and the Original Options granted pursuant to it shall continue in full force and effect.

24 Amendment to Original Options

- 24.1 Immediately upon the satisfaction of the Condition, the Original Deed shall be amended such that the Original Options shall be of no further force and effect and the option to acquire Shares granted by the Company to the Grantee shall be the Option as set out in this Deed.
- 24.2 The terms of the Option are:
- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
 - (b) The Option may be exercised at any time after the Condition is satisfied and before the first to occur of:
 - (i) The Expiry Date; and
 - (ii) The Grantee ceasing to be either:
 - (A) A director of the Company or of any wholly owned subsidiary of the Company; or
 - (B) A full time employee of the Company or of any wholly owned subsidiary of the Company,other than by reason of the death of Grantee;
 - (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
 - (d) The remaining provisions of this Deed.

25 Exercise of Option and Issue of Shares

- 25.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 25.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.
- 25.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 25.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

26 Adjustment to number of shares and rights

- 26.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully satisfied and before the Option is exercised, and in particular, if during such time:
 - (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
 - (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be.
- 26.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

27 Notice

- 27.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1743

- 27.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

28 Miscellaneous

- 28.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 28.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 28.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 28.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

28.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **ALAN BRUCE BELL**)
in the presence of)

Witness's Signature _____

Full Name _____

Occupation _____

Address _____

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

CHRISTOPHER DAVID CASTLE

("Grantee")

DEED GRANTING OPTIONS

DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

CHRISTOPHER DAVID CASTLE, Company Director, of Onekaka, Golden Bay ("Grantee").

BACKGROUND

M The Grantor has agreed to grant the Grantee an option to purchase shares in the capital of the Grantor.

N The terms and conditions of the option are set out below.

OPERATIVE PROVISIONS:

29 Interpretation

29.1 In this Deed unless the context otherwise requires:

- (a) "Approved Nominee" means in respect of the Grantee, any person who is:
 - (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;
 - (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,
- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 350,000 Shares subject to adjustment as provided in this Deed;

- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

29.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

30 Condition

30.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:

- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
- (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.

30.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect.

31 Grant of Options

31.1 The Grantor hereby grants to the Grantee, and the Grantee hereby accepts, the Option on the terms set out in this Deed.

31.2 The terms of the Option are:

- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
- (b) The Option may be exercised at any time after:
 - (i) the Condition is satisfied; and
 - (ii) the second anniversary of the date that the Company is admitted to the Official List of ASX and the Shares are quoted on that List; and
 before the first to occur of:
 - (iii) The Expiry Date; and
 - (iv) The Grantee ceasing to be a director of the Company or of any wholly owned subsidiary of the Company other than by reason of the death of Grantee;
- (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
- (d) The remaining provisions of this Deed.

32 Exercise of Option and Issue of Shares

- 32.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 32.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.
- 32.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 32.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

33 Adjustment to number of shares and rights

- 33.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully

satisfied and before the Option is exercised, and in particular, if during such time:

- (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
- (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be;

33.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

34 Notice

34.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1742

34.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

35 Miscellaneous

- 35.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 35.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 35.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 35.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.
- 35.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **CHRISTOPHER DAVID CASTLE**)
in the presence of)

Witness's Signature

Full Name

Occupation

Address

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

FU LA

("Grantee")

AMENDMENT TO DEED GRANTING OPTIONS

AMENDMENT TO DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

FU LA, Company Director, of Auckland ("Grantee").

BACKGROUND

- O Pursuant to a Deed Granting Options dated 7 June 2006, the Grantor granted the Grantee options to acquire up to 75,000 ordinary shares in the capital of the Company ("respectively the "Original Deed" and the "Original Options").
- P The Grantor has, or is intending to:
- (a) Apply for admission to the Official Lists of the ASX; and
 - (b) Subdivided its ordinary shares on the basis of 15 for 1; and
 - (c) Make an offer to the public of up to 50 million new ordinary shares in its capital at an issue price of A\$0.20 per share.
- Q The parties have agreed that as a result of the changes referred to above, the number and exercise price of the Original Options should be adjusted to take account of, among other things, the share split and the application for listing subject to the Company's application for admission to the Official Lists of the ASX being accepted.
- R The terms and conditions of the options as amended are set out below.

OPERATIVE PROVISIONS:

36 Interpretation

36.1 In this Deed unless the context otherwise requires:

- (a) "Approved Nominee" means in respect of the Grantee, any person who is:
 - (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;
 - (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,

- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 1,553,571 Shares subject to adjustment as provided in this Deed;
- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

36.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

37 Condition

- 37.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:
- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
 - (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.
- 37.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect and the Original Deed and the Original Options granted pursuant to it shall continue in full force and effect.

38 Amendment to Original Options

- 38.1 Immediately upon the satisfaction of the Condition, the Original Deed shall be amended such that the Original Options shall be of no further force and effect and the option to acquire Shares granted by the Company to the Grantee shall be the Option as set out in this Deed.
- 38.2 The terms of the Option are:
- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
 - (b) The Option may be exercised at any time after the Condition is satisfied and before the first to occur of:
 - (i) The Expiry Date; and
 - (ii) The Grantee ceasing to be either:
 - (A) A director of the Company or of any wholly owned subsidiary of the Company; or
 - (B) A full time employee of the Company or of any wholly owned subsidiary of the Company,other than by reason of the death of Grantee;
 - (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
 - (d) The remaining provisions of this Deed.

39 Exercise of Option and Issue of Shares

- 39.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 39.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.
- 39.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 39.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

40 Adjustment to number of shares and rights

- 40.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully satisfied and before the Option is exercised, and in particular, if during such time:
 - (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
 - (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be.
- 40.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option..

41 Notice

- 41.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1743

- 41.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

42 Miscellaneous

- 42.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 42.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 42.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 42.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

42.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **FU LA**)
in the presence of)

Witness's Signature _____

Full Name _____

Occupation _____

Address _____

PARTIES

KING SOLOMON MINES LIMITED

("Grantor")

AND

STEPHEN JAMES McPHAIL

("Grantee")

AMENDMENT TO DEED GRANTING OPTIONS

AMENDMENT TO DEED GRANTING OPTIONS

THIS DEED is made the

day of February 2007.

PARTIES

KING SOLOMON MINES LIMITED, a duly incorporated company having its registered office at 3 Motu Road, Paekakariki, New Zealand ("Grantor").

STEPHEN JAMES McPHAIL, Company Director, of Paekakariki ("Grantee").

BACKGROUND

S Pursuant to a Deed Granting Options dated 4 May 2006, the Grantor granted the Grantee options to acquire up to 75,000 ordinary shares in the capital of the Company (“respectively the “Original Deed” and the “Original Options”).

T The Grantor has, or is intending to:

- (a) Apply for admission to the Official Lists of the ASX; and
- (b) Subdivided its ordinary shares on the basis of 15 for 1; and
- (c) Make an offer to the public of up to 50 million new ordinary shares in its capital at an issue price of A\$0.20 per share.

U The parties have agreed that as a result of the changes referred to above, the number and exercise price of the Original Options should be adjusted to take account of, among other things, the share split and the application for listing subject to the Company's application for admission to the Official Lists of the ASX being accepted.

V The terms and conditions of the options as amended are set out below.

OPERATIVE PROVISIONS:

43 Interpretation

43.1 In this Deed unless the context otherwise requires:

- (a) “Approved Nominee” means in respect of the Grantee, any person who is:
- (i) A trustee of a trust which is, in the reasonable opinion of the Grantor, principally for the benefit of the Grantee or the immediate members of the family of the Grantee;

- (ii) A company which is, in the reasonable opinion of the Grantor, controlled by the Grantee or by the trustees of a trust to which paragraph (i) of this definition applies,
- (b) "Condition" means the Condition set out in clause 2.1;
- (c) "Expiry Date" means the 4 May 2011;
- (d) "Issue Price" means the sum of A\$0.30 per Share;
- (e) "Notice" means a notice of exercise of Option given in accordance with clause 3;
- (f) "Option" means the option to acquire Shares granted to the Grantee pursuant to this Deed;
- (g) "Option Shares" means 1,553,571 Shares subject to adjustment as provided in this Deed;
- (h) "Share" means an ordinary share in the capital of the Grantor; and
- (i) "Working Day" means a day when registered banks are customarily open for business in both Wellington and Auckland.

43.2 In the interpretation of this Deed:

- (a) The statements set out by way of "Background" are not intended to give rise to separate representations or obligations but are intended to assist in the interpretation of the "Operative Provisions" of this Deed;
- (b) Headings are for ease of reference only and do not affect the meaning of this Deed;
- (c) A reference to "A\$" is a reference to the lawful currency of Australia;
- (d) The singular includes the plural and vice versa and words importing a gender include other genders;
- (e) A reference to a clause, or paragraph is a reference to a clause or paragraph to this Deed;
- (f) A reference to a party includes its executors, administrators, successors and permitted assigns;
- (g) The words "includes" and "including" are to be read without limiting any other matter or thing; and
- (h) A reference to this Deed or any other document or legislation includes the document or legislation as varied or replaced from time to time.

44 Condition

- 44.1 The provisions of this Deed are subject to the condition subsequent that on or before 30 June 2007 or such other date as the parties agree in writing:
- (a) The Shares in the Company are subdivided on a ratio of 15 for 1 so that the total number of Shares on issue becomes 40,775,040;
 - (b) The Company is admitted to the Official List of the ASX and its Shares are listed for quotation on that Official List.
- 44.2 If the Condition is not fully satisfied by the date specified in that clause, then the provisions of this Deed shall have no further force and effect and the Original Deed and the Original Options granted pursuant to it shall continue in full force and effect.

45 Amendment to Original Options

- 45.1 Immediately upon the satisfaction of the Condition, the Original Deed shall be amended such that the Original Options shall be of no further force and effect and the option to acquire Shares granted by the Company to the Grantee shall be the Option as set out in this Deed.
- 45.2 The terms of the Option are:
- (a) The Grantee shall have the right to subscribe for the Option Shares at the Issue Price, payable in full upon exercise of the Option;
 - (b) The Option may be exercised at any time after the Condition is satisfied and before the first to occur of:
 - (i) The Expiry Date; and
 - (ii) The Grantee ceasing to be either:
 - (A) A director of the Company or of any wholly owned subsidiary of the Company; or
 - (B) A full time employee of the Company or of any wholly owned subsidiary of the Company,other than by reason of the death of Grantee;
 - (c) The Option is not transferable other than, in the event of the death of the Grantee before the Expiry Date, it may be transferred by operation of law and exercised by the personal representative or the heirs of the Grantee at any time before the Expiry Date; and
 - (d) The remaining provisions of this Deed.

46 Exercise of Option and Issue of Shares

- 46.1 The Grantee may only exercise the Option in respect of all of the Option Shares.
- 46.2 The Grantee may exercise the Option by delivering to the Grantor a Notice stating that the Grantee wishes to exercise the Option which is accompanied by a bank cheque for the full amount of the Issue Price of the Option Shares and, if the Grantee wants the Option Shares to be issued to an Approved Nominee, the name of that Nominee together with information sufficient to enable the Grantor to determine whether the person is an Approved Nominee.
- 46.3 The Grantor shall issue the Option Shares to the Grantee, or where the Grantee has validly requested that the Option Shares be issued to an Approved Nominee, then to the Approved Nominee, within 5 Working Days after receipt of a Notice that complies with clause 4.2.
- 46.4 All of the Option Shares shall, on issue, be fully paid and shall rank equally in all respects with all other Shares.

47 Adjustment to number of shares and rights

- 47.1 The number of Option Shares will, subject always to the listing rules of the ASX, be increased or decreased to take account of any bonus issues, consolidation or subdivision of ordinary shares after the Condition is fully satisfied and before the Option is exercised, and in particular, if during such time:
 - (a) The Grantor issues Shares that are fully paid up from the reserves of the Grantor to all holders of Shares in proportion to the number of Shares held by each of them, then the Grantee will, in addition to the number of Option Shares to which he is entitled upon the exercise of the Option, receive the number of Shares that he would have been entitled to if he had held those Option Shares on the date on which entitlements to such additional Shares were determined; and
 - (b) There is a subdivision or consolidation of Shares then on issue, then the number Option Shares to be issued upon exercise of the Option will be increased or decreased in proportion to the subdivision or consolidation as the case may be
- 47.2 A Grantee cannot participate in new issues of securities of the Company in respect of the Option Shares without exercising the Option.

48 Notice

- 48.1 The address for service of any notice or communication to the Grantor will be as indicated below (or such other address or facsimile number as the Grantor may in writing advise the Grantee):

King Solomon Mines Limited
Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau City

Post Office Box 29091
Greenwoods Corner
Auckland 1347

Attention: Stephen McPhail
Facsimile Number: 09 265 1743

- 48.2 Any such notice or communication will be given or made by facsimile or by delivery and, if given, or made by facsimile, will be deemed to have been received at the time of transmission if an answerback is received and, if delivered, will be deemed to be received at the time of delivery **PROVIDED THAT** if the time of delivery is on a day which is not a Working Day or is after 5PM on a Working Day, then delivery will be deemed to have occurred on the next following Working Day.

49 Miscellaneous

- 49.1 Any modification or variation of this Deed must be in writing and shall not be of any force or effect unless executed by the parties.
- 49.2 Any party may waive a right reserved to that party by this Deed, but any such waiver shall be binding only if in writing and shall apply only to the particular occasion, circumstance or event to which the waiver relates.
- 49.3 If any provision of this Deed shall be held to be invalid for any reason, such invalidity shall not affect the validity or operation of any other provision of the Deed.
- 49.4 This Deed shall be governed by, and construed in accordance with, the laws of New Zealand.

49.5 Both parties shall bear their own costs in this matter.

EXECUTED as a Deed

SIGNED for an on behalf of)
KING SOLOMON MINES LIMITED)

Director

Director

SIGNED by **STEPHEN JAMES McPHAIL**)
in the presence of)

Witness's Signature _____

Full Name _____

Occupation _____

Address _____