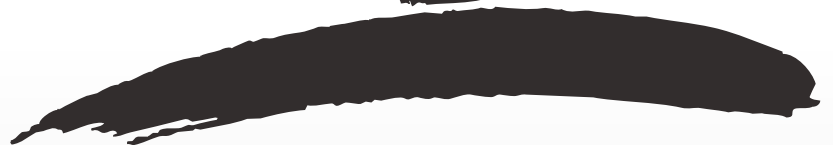




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KING SOLOMON MINES LTD

ARBN 122 404 666

Notice of Annual Meeting

with Chairman's Letter and Explanatory Notes



Chairman's Letter

King Solomon Mines Limited

83 Fisher Parade, Sunny Hills
Auckland 2010, New Zealand
Office (within Australia): 1 800 061 569
(outside Australia): +64 4 905 9608
Fax: +64 6 364 8497
enquiries@kingsolomonmines.com
www.kingsolomonmines.com

22 June 2012

Dear Shareholder

I am pleased to enclose King Solomon Mines Limited's 2012 Annual Report and the Notice for the Annual Shareholders' Meeting to be held on Wednesday 1 August 2012 at the Large Gallery, Turnbull House, 11 Bowen Street, Wellington, commencing at 11.00 am.

Shareholders should note that they will be able to ask questions or discuss matters arising from the Annual Report at the Annual Meeting.

If you are unable to attend the Annual Meeting in Wellington but would like to cast your vote on any of the resolutions proposed for the Annual Meeting, please lodge your proxy in accordance with the instructions contained with the enclosed Explanatory Notes which form part of the Notice of Annual Meeting dated 22 June 2012.

If you would like to attend the Annual Shareholder's Meeting we would be grateful if you could R.S.V.P. for catering either by email to enquiries@kingsolomonmines.com or by phoning 0800 546 476 (NZ) or 1 800 061 569 (Australia).

We look forward to seeing you.

A handwritten signature in black ink, appearing to read 'John Quinn', written over a light gray background.

John Quinn
Chairman

Notice of Annual Meeting

Notice is given that the Annual Meeting of King Solomon Mines Limited ('the Company') will be held on Friday 1 August 2012 at the Large Gallery, Turnbull House, 11 Bowen Street, Wellington, commencing at 11.00 am (NZ time).

AGENDA

Re-election of Directors

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

"That Mr John Charles Quinn be re-elected as director of the Company."

Appointment of Auditors

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

"That PricewaterhouseCoopers be re-appointed as auditors of the Company to:

- (a) hold office from the conclusion of this meeting to the conclusion of the next annual meeting; and
- (b) audit the financial statements of the Company for the year ending 31 March 2013, and that the Board of Directors of the Company be authorised to fix the auditor's remuneration."

Approval for Capital Raising

3. 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, approval is given for the Board of Directors of the Company to allot and issue up to 25,000,000 fully paid ordinary shares at an issue price that is at least equal to 80% of the average market price for the shares as traded on ASX calculated over the last 5 days on which sales in the shares are recorded before the day on which the issue is made and otherwise on the terms set out in the Explanatory Notes."

Voting Exclusion Statements

In respect of Resolution 3 the Company will disregard the any votes cast by any person who may participate in the proposed issue and any associate of those persons.

However 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 Annual Meeting.

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



Managing Director
Dated: 22 June 2012

Explanatory Notes

The purpose of these Explanatory Notes (which forms part of the Notice of Annual Meeting dated 22 June 2012) is to provide shareholders with an explanation of the resolutions to be proposed and considered at the Annual Meeting of the Company to be held on 1 August 2012.

Re-election of Directors (Resolution 1)

In accordance with the Corporate Governance Charter, adopted by the Board, the longest serving one-third of the Company's Directors (rounded down to the nearest whole number and excluding the Managing Director) are expected to retire at each Annual General Meeting Accordingly Mr John Quinn, being the longest serving director, has retired and, being eligible, offers himself for re-election. His details are set out on page 11 of the Annual Report.

Appointment and remuneration of Auditor (Resolution 2)

The New Zealand Companies Act 1993 ("the Companies Act") provides that at each Annual General Meeting the Company must appoint an auditor and fix the auditor's remuneration. PricewaterhouseCoopers has consented to continue as auditor of the Company. In order to make sure that the Company is able to obtain competitive rates, the Board seeks shareholder authorisation to set the auditor's remuneration.

Approval of proposed issue of shares (Resolution 3)

The Company seeks approval to issue up to 25,000,000 fully paid ordinary shares in the capital of the Company. The effect of this resolution is to allow the Directors to issue the shares without using the Company's annual 15% placement capacity.

Information Required by ASX Listing Rule 7.3

The following information in relation to the shares is provided to shareholders for the purposes of ASX Listing Rule 7.3:

- a) The maximum number of shares to be issued is 25,000,000;
- b) The shares must be issued by close of business on 31 October 2012 (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- c) The minimum issue price for the shares will be at least 80% of the average market price for the shares as traded on ASX calculated over the last 5 days on which sales in the shares are recorded before the day on which the issue is made;
- d) The Directors are yet to determine to whom the shares will be issued, however the allottees will be professional and sophisticated investors pursuant to section 708 of the Corporations Act identified by a broker to be engaged by the Company and who are not related parties of the Company;
- e) The shares will be fully paid ordinary shares in the capital of the Company and will rank equally with the currently issued shares; and
- f) The Company intends to use the funds raised from the issue to fund advancement of its exploration projects in Inner Mongolia and for general working capital.

General

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

Voting:

All of the resolutions 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.

All shareholders are entitled to attend and vote at the meeting 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 meeting. Proxies may be delivered to the offices of the Company, 83 Fisher Parade, Sunny Hills, Auckland 2010, New Zealand, sent by mail to PO Box 204-065 Highbrook, Auckland 2161, 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 want, please fill in the words "Chairman of the Meeting" in the proxy form. The Chairman has indicated that he will vote all proxies in favour of all three resolutions.



Proxy Form

KSO

King Solomon Mines Limited

83 Fisher Parade, Sunny Hills
Auckland 2010, New Zealand

Office (within Australia): 1 800 061 569

(outside Australia): +64 4 905 9608

Fax: +64 6 364 8497

enquiries@kingsolomonmines.com

www.kingsolomonmines.com

I/We

of

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

..... of

or failing him or her

..... of

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of Shareholders of the Company to be held on Friday, the 1st day of August 2012 and at any adjournment thereof.

SIGNED this day of 2012

INDIVIDUALS:

COMPANIES:

.....
SIGNATURE OF SHAREHOLDER

..... Limited
PRINT NAME OF COMPANY

.....
SIGNATURE OF SHAREHOLDER

By:
DIRECTOR

.....
SIGNATURE OF SHAREHOLDER

Name of Director:
(PLEASE PRINT)

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 3.

This form is to be used in favour of or against the following resolutions:

Resolution 1

That Mr John Charles Quinn be re-elected as director of the Company.
(Ordinary Resolution)

FOR

☐

AGAINST

☐

ABSTAIN

☐

Resolution 2

That PricewaterhouseCoopers be re-appointed as auditors of the Company to:

- (a) hold office from the conclusion of this meeting to the conclusion of the next annual meeting; and
- (b) audit the financial statements of the Company for the year ending 31 March 2013,

and that the Board of Directors of the Company be authorised to fix the auditor's remuneration. (Ordinary Resolution)

FOR

☐

AGAINST

☐

ABSTAIN

☐

Resolution 3

That for the purposes of ASX Listing Rules 7.1 and 7.3, approval is given for the Board of Directors of the Company to allot and issue up to 25,000,000 fully paid ordinary shares at an issue price that is at least equal to 80% of the average market price for the shares as traded on ASX calculated over the last 5 days on which sales in the shares are recorded before the day on which the issue is made and otherwise on the terms set out in the Explanatory Notes. (Ordinary Resolution)

FOR

☐

AGAINST

☐

ABSTAIN

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