



**King Solomon Mines Limited**

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26 May 2015

Dear Shareholder

**Notice of Intention to Sell Holdings of Less than Marketable Parcels**

Shareholders will be aware that at the Extraordinary General Meeting (EGM) of King Solomon Mines Limited (King Solomon Mines or the Company) held on 27 March 2015 shareholders resolved to amend the Company's Constitution by inserting a new clause (9.10) designed to facilitate the sale of holdings of less than marketable parcels.

In the Explanatory Notes to the Notice of Meeting the Company pointed out that the financial impact of maintaining such a large register is significant in several respects, including the cost of maintaining the register, processing notices of meetings, annual reports and shareholder communications, as well as the amount of executive time devoted to dealing with the resulting administration issues. Over 99% of those shareholders who voted in person or by proxy voted in favour of the resolution. Full details of the resolution and the results of the EGM can be found on the Company's website at [www.kingsolomonmines.com](http://www.kingsolomonmines.com) and on the ASX website.

The share register of the Company indicates that you are holding a "less than marketable parcel" of shares in the Company (Shares), being a parcel of Shares having a value of less than \$500, based on the closing price of Shares on ASX on 20 May 2015.

The Company has approximately 811 shareholders, of which approximately 517 hold less than a marketable parcel of Shares that in aggregate represent 63.75% of all issued Shares.

This notice is to inform you and all other holders of less than marketable parcels of Shares that in accordance with King Solomon Mines' Constitution and ASX Listing Rules, the Company intends to sell your Shares on your behalf unless you advise the Company that you wish to retain your Shares.

**If you would like the Company to sell your Shares, there is no need to do anything.** As soon as practicable after 9 July 2015, the Company will arrange for your Shares to be aggregated with the holdings of all other shareholders participating in the sale facility and sold on market. The Company will use its best endeavours to arrange the sale at the highest price obtainable at that time.

The costs and expenses associated with the sale of Shares under the sale facility, including any brokerage and stamp duty (if applicable), are payable either by the Company or the purchaser as the Directors may determine, as required by law. Where costs and expenses are incurred and paid by the Company the amount paid to you will be the net proceeds of sale. The net sale proceeds will be apportioned pro-rata amongst all participating shareholders according to the number of Shares sold on their behalves. For the avoidance of doubt, if following the deduction or allocation the resulting amount is negative or zero, nothing will be payable to the holder of the relevant Shares.

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Please note that there is no guarantee that the Company will be able to sell your Shares and the sale proceeds may differ from the market value of your Shares on 20 May 2015, depending on movements in the market price of the Company's Shares.

**If you would like to retain your existing Shares you must complete, sign and return the attached Share Retention Form by 5:00pm (Sydney time) on 9 July 2015.**

Should you have any questions regarding how the sale facility works please contact either the Company, or the Company's share registry, Computershare Investor Services Pty Limited, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Yours sincerely

**King Solomon Mines Limited**



**Stephen McPhail**  
Managing Director