



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

Update on Xref Pty Ltd Acquisition Completion of Mutual Due Diligence

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HIGHLIGHTS

- **King Solomon Mines Limited (ASX: KSO) progresses towards completion of the transaction with 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**
- **Both KSO and Xref have successfully completed the mutual due diligence process**
- **Xref business continues to grow at record rate since the announcement of the transaction**

KSO advises that further to the announced acquisition of 100% of Xref Pty Ltd (“Xref”) on 3 August 2015 (“Xref Transaction”), that both companies have completed the mutual due diligence process. The mutual due diligence process is the first condition precedent to completion of the Xref transaction.

The Xref transaction is subject to a number of other conditions 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 next key steps are KSO entering into binding full form sale and purchase documentation with the shareholders of Xref and KSO shareholder approval of the Xref transaction. Significant progress has been achieved on both steps and the Company will keep the market informed of progress towards completion.

The Xref Business

Xref is a Sydney-based company that allows prospective employers to seamlessly and professionally conduct pre-employment reference checks on suitable candidates via an online candidate-referencing system. It is a faster, more reliable and less expensive alternative to help companies improve their recruitment processes.

Since the announcement of the Xref transaction, Xref has completed a Pre-IPO capital raising of A\$550,000 to expand its team and software offering and expanded domestic sales at record month on month growth rates

KSO will update the market on further progress of the Xref transaction and business in due course.

A handwritten signature in black ink, appearing to read 'Simon O'Loughlin', is written over a light grey circular stamp.

Simon O'Loughlin
Chairman

ABOUT XREF PTY LTD

Xref is 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.

Xref was founded in 2010 by Executive Directors Lee-Martin Seymour and Tim Griffiths, initially to solve a dated, costly and inefficient process of conducting reference checks on suitable candidates. To date, Xref has not raised any external capital to fund the business and has been cash-flow positive since inception.

The Xref platform has experienced 246% compound annual user growth with an average of 500 new users per day signing up to its services. Xref has attracted clients including Nike, Woolworths, Westpac, PwC and AMP.

Xref set out to bring candidate referencing into the 21st century. Prior to Xref's innovative solution, industry best practices were cumbersome and expensive. Human resource managers spent on average two hours to source and analyse a single reference check. Not only was this process inefficient but it also opened up the company to security breaches, discrimination and potentially fraud. As a result recruiters and HR managers tended to out-source this function to aggregators and call centres, creating an additional cost to the recruiting process.

Xref's fully automated cloud-based platform allows recruiters / HR managers to safely and securely complete this function in the fraction of the time it traditionally takes. It takes on average approximately 15 seconds for the employer to make a reference request and on average is completed and returned within 24 hours. In addition, Xref's reports are highly analytical and provide insightful comparable data. On average users of Xref's technology have experienced a 98% success rate with 60% more data collected.

Xref's easy-to-use platform and simple business model allows users to purchase Xref credits to use at their discretion based on the individual hiring needs of each organisation. To date Xref has retained 91% of its customer base.