

KING SOLOMON MINES LIMITED

FINANCIAL REPORT

FOR HALF YEAR ENDED 30 SEPTEMBER 2007

	Page
Directors' Report	2-3
Condensed Consolidated Income Statement	4
Condensed Consolidated Statement of Movements in Equity	5
Condensed Consolidated Balance Sheet	6
Condensed Consolidated Cash Flow Statement	7
Notes to the Condensed Financial Statements	8-14
Auditors' Report	15

KING SOLOMON MINES LIMITED

DIRECTORS' REPORT

FOR HALF YEAR ENDED 30 SEPTEMBER 2007

Your directors have pleasure in presenting the interim financial report for the half year ended 30 September 2007.

DIRECTORS

The names of directors who held office during or since the end of the half year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

John C. Quinn (Non-Executive Chairman)

Stephen J. McPhail (Managing Director)

A. Bruce Bell (Executive Director)

Fu La (Executive Director)

Christopher D. Castle (Non-Executive Director)

REVIEW OF OPERATIONS

The net loss of the Group for the half year ended 30 September 2007 amounted \$555,567 (half year ended 30 September 2006: \$509,525)

Corporate Activities

In March 2007 the Company successfully completed its Initial Public Offering and trading of its shares commenced on the Australian Stock Exchange on 18 April 2007 (ASX Code: KSO). The Company issued 50 million shares and raised \$10 million.

In May 2007 the Company completed the acquisition of an 85% interest in Chifeng Tianfeng Mineral Co. Limited which holds 3 exploration licences in the Chifeng region of Inner Mongolia, China. The remaining 15% interest in this company is held in trust by LaFu for King Solomon Mines Limited.

Exploration Activities

The acquisition of Bu Dun Hua, Wang Jia Ying Zi and Dong Gou exploration licences together with the splitting of Sonid South into Naogaoshandu and Beyinhar North projects increased the Company's portfolio from 5 projects to 9 projects over the half year. 5 new prospects have been established within these areas.

Marmot Ridge Copper-Molybdenum project (100% KSO)

The completion of IP surveys and drilling of 8 diamond drill holes for approximately 3,020m at Marmot Ridge has resulted in a substantial increase in the size of the alteration zone and has established the presence of an open-ended zone of copper-molybdenum veinlet development associated with porphyritic intrusives.

Wuritu Copper project (100% KSO)

Completion of magnetic and IP geophysical surveys and drilling of 8 diamond drill holes for approximately 1,199m at Wuritu resulted in the recognition of another large hydrothermal alteration system associated with surface copper mineralisation.

Beyinhar North Gold project (100%KSO),

Geological mapping, a magnetic survey and initial rock chip and lag sampling surveys at Beyinhar North, resulted in delineation of the Roadside gold prospect and the Far East poly-metallic vein prospect.

A subsequent project-wide 200m x 200m soil sampling program resulted in the delineation of several significant-sized anomalous gold zones. The largest, a roughly circular, 2km diameter zone of better than 20ppb Au and ranging up to 130ppb Au, lies immediately east of the Roadside prospect which lies along strike from the Golden China Resources Ltd. (ASX code GCX) Beyinhar gold project.

Du Dun Hua Copper-Gold project (100% KSO)

The first-pass mapping and sampling of the Bu Dun Hua gold-copper project has resulted in strong early surface sampling results leading to early drill program planning.

The information on mineralisation contained in this report accurately reflects information compiled by A B Bell, BSc, F AusIMM(CP), Executive Director a Competent Person (as defined by the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves), who has relevant experience in relation to such mineralisation and has consented to the inclusion of such information in this report.

KING SOLOMON MINES LIMITED

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	Note	30 September 2007 Unaudited \$	30 September 2006 Unaudited \$
Income			
Dividend Income		405	398
Foreign Exchange		-	26,242
Interest Received		194,268	12,958
		-----	-----
Total Income		194,673	39,598
Expenses			
Director Fees		195,898	-
Foreign Exchange		264,883	-
Occupancy		66,297	53,982
Professional Fees		23,415	267,101
Share Options		58,014	174,666
Other Expenses & Reporting		141,733	53,247
		-----	-----
Total Expenses		750,240	548,996
Loss before tax		(555,567)	(509,398)
Income Tax Expense		(131)	(127)
		-----	-----
Net Loss attributable to equity holders of the company		(555,698)	(509,525)
		=====	=====
		\$/share	\$/share
Loss Per Share			
Basic loss per share	9	(0.01)	(0.22)
Diluted loss per share	9	(0.01)	(0.22)

The above income statements should be read in conjunction with the accompanying notes.

KING SOLOMON MINES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY


FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	Note	Share Capital Unaudited \$	Share Options Unaudited \$	Foreign Currency Translation Reserve Unaudited \$	Accumulated Loss Unaudited \$	Total Shareholder Funds Unaudited \$
Equity as at 1 April 2006		970,189	-	-	(480,985)	489,204
Issued Capital	7	886,339	-	-	-	886,339
Options Issued	7	-	174,666	-	-	174,666
Foreign Exchange		-	-	(30,986)	-	(30,986)
Loss for period		-	-	-	(509,525)	(509,525)
Equity as at 30 September 2006		<u>1,856,528</u>	<u>174,666</u>	<u>(30,986)</u>	<u>(990,510)</u>	<u>1,009,698</u>
Equity as at 1 April 2007		2,323,781	359,320	(49,975)	(1,519,864)	1,113,262
Issued Capital	7	10,000,000	-	-	-	10,000,000
Issued Capital Raising Expenses		(821,456)	-	-	-	(821,456)
Options Issued	7	-	71,375	-	-	71,375
Foreign Exchange		-	-	(153,289)	-	(153,289)
Loss for period		-	-	-	(555,698)	(555,698)
Equity as at 30 September 2007		<u>11,502,325</u>	<u>430,695</u>	<u>(203,264)</u>	<u>(2,075,562)</u>	<u>9,654,194</u>

KING SOLOMON MINES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	Note	30 September 2007 Unaudited \$	31 March 2007 Audited \$	30 September 2006 Unaudited \$
SHAREHOLDERS' FUNDS				
Share Capital	7	11,502,325	2,323,781	1,856,528
Share Options		430,695	359,320	174,666
Foreign Currency Translation Reserve		(203,264)	(49,975)	(30,986)
Accumulated Losses		(2,075,562)	(1,519,864)	(990,510)
		-----	-----	-----
TOTAL FUNDS EMPLOYED		9,654,194	1,113,262	1,009,698
		=====	=====	=====
REPRESENTED BY:				
CURRENT ASSETS				
Cash and cash equivalents	5	7,429,575	10,576,524	437,266
Prepayments		32,861	6,230	6,573
Other Receivables - Related Parties		16,472	1,989	1,967
Other Receivables - Other		201,385	60,215	44,902
		-----	-----	-----
Total Current Assets		7,680,293	10,644,958	490,708
CURRENT LIABILITIES				
Share Subscriptions		-	(10,016,877)	-
Accounts Payable - Related Parties		-	(75,940)	(27,669)
Accounts Payable - Other		(245,865)	(204,203)	(141,707)
		-----	-----	-----
Total Current Liabilities		(245,865)	(10,297,020)	(169,376)
		-----	-----	-----
NET CURRENT ASSETS		7,434,428	347,938	321,332
NON CURRENT ASSETS				
Property Plant and Equipment		271,012	94,283	104,916
Intangible assets		8,200	271	452
Exploration and evaluation assets	6	1,940,554	670,770	582,998
		-----	-----	-----
Total Non Current Assets		2,219,766	765,324	688,366
		-----	-----	-----
NET ASSETS		9,654,194	1,113,262	1,009,698
		=====	=====	=====

On behalf of the Board



Bruce Bell **Director** 7 December 2007



Stephen McPhail **Director** 7 December 2007

The above balance sheets should be read in conjunction with the accompanying notes.

KING SOLOMON MINES LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	Note	30 September 2007 Unaudited \$	30 September 2006 Unaudited \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash was received from:			
Interest		109,534	12,958
Dividends		274	398
		<u>109,808</u>	<u>13,356</u>
Cash was applied to:			
Payments to suppliers		672,251	296,029
		<u>672,251</u>	<u>296,029</u>
Net cash flow - Operating activities	10	(562,443)	(282,673)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash was applied to:			
Purchase of property plant and equipment		182,601	94,903
Purchase of intangible assets		8,390	467
Exploration expenditure		1,114,576	582,997
		<u>1,305,567</u>	<u>678,367</u>
Net cash flow - Investing activities		(1,305,567)	(678,367)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash was received from:			
Issue of shares		-	886,339
		<u>-</u>	<u>886,339</u>
Cash was applied to:			
Repayment of Share Oversubscriptions		387,967	-
Flotation Expenses		626,089	-
		<u>1,014,056</u>	<u>-</u>
Net cash flow - financing activities		(1,014,056)	886,339
Net cash flows from all activities		<u>(2,882,066)</u>	<u>(74,701)</u>
Cash at beginning of year		10,576,524	485,725
Exchange Gains / (Losses) on Cash Balances		(264,883)	26,242
Cash at end of period		<u>7,429,575</u>	<u>437,266</u>
Represented by:			
Cash at Bank		1,994,950	437,266
Short Term Bank deposits		5,434,625	-
Cash at end of period	5	<u>7,429,575</u>	<u>437,266</u>

The above cash flow statements should be read in conjunction with the accompanying notes.

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

1. GENERAL INFORMATION

These financial statements are presented in Australian Dollars being the Group's presentation currency unless otherwise noted.

King Solomon Mines Limited ('the Company') and its subsidiaries (together 'the Group') were incorporated for the purpose of exploring and developing gold, copper and other metallic deposits in China and are profit orientated entities.

The Company is a limited liability company incorporated on 28 January 2003 and domiciled in New Zealand. The address of its registered office is 3 Mutu Road, Paekakariki.

The financial statements of the Group have been prepared on a going concern basis. The Directors anticipate that King Solomon Mines Limited, as an exploration entity, will be required to raise additional capital in the future to continue as a going concern.

These consolidated financial statements were approved by the Board of Directors on 7 December 2007.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half yearly financial report does not include all notes of the type normally included within the annual financial report and therefore can not be expected to provide as full an understanding of the financial performance, financial position and financing activities of the Group as the full financial report. Accordingly, this report should be read in conjunction with the Annual Financial Report of King Solomon Mines Limited for the year ended 31 March 2007.

The principal accounting policies applied and to be applied in the preparation of these consolidated financial statements of the Group are set out below. These policies have been consistently applied to all the years, unless otherwise stated.

Basis of preparation

The consolidated financial statements of King Solomon Mines Limited Group have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand, including NZ IAS 34 which deals with Interim Financial Reporting.

Half Yearly financial statements are required under ASX rules. This is the Group's first set of half yearly unaudited financial statements under this requirement as the Company listed on 18 April 2007. Comparative figures for 30 September 2006 have been extracted using the same basis of preparation.

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Significant Accounting Policies

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

There is one change in accounting policy from those used in the preparation of the annual financial statements for the year ended 31 March 2007. Other than this one change noted below, the half yearly financial statements have been prepared using the same accounting policies as used in the preparation of the 31 March 2007 financial statements.

CHANGE IN ACCOUNTING POLICIES

The functional currency of the Company has changed from New Zealand dollars to Australian dollars. This change reflects the Company listing on the ASX and the influence of the Australian regulatory environment on the raising of any further capital.

Other than the change in functional currency, there has been no change in accounting policies in the period. The impact of changing the functional currency has not changed the equity of the Company and Group.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Directors believe there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. SEGMENT INFORMATION

4.1 Primary reporting format – business segments

As at 30 September 2007, the Group is organised into one main business segment; the activity of exploring and developing gold, copper and other metallic deposits. As there is only one main segment as at 30 September 2007 the disclosures on the face of the income statement and the balance sheet represent the Group's primary business segment.

4.2 Secondary reporting format – geographical segments

The Group operates its business of exploration in China with the administrative functions being performed in New Zealand and Australia. Material expenses arose from the geographic segment of China once the Group obtained a business licence on 15 June 2006 to operate in China.

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

	Australia Unaudited \$	New Zealand Unaudited \$	China Unaudited \$	Consolidated Unaudited \$
30 September 2007				
a) Segment revenue from external customers	-	-	-	-
b) Segment assets	97,577	5,899,812	3,902,670	9,900,059
c) Other segment info:				
Acquisition of property, plant and equipment and other non-current assets	-	28,998	1,447,631	1,476,629
Depreciation	-	(2,076)	(881)	(2,957)
Other Income and Expenses	(92,118)	(381,664)	(78,959)	(552,741)
Net Loss	<u>(92,118)</u>	<u>(383,740)</u>	<u>(79,840)</u>	<u>(555,698)</u>

	Australia Unaudited \$	New Zealand Unaudited \$	China Unaudited \$	Consolidated Unaudited \$
30 September 2006				
a) Segment revenue from external customers	-	-	-	-
b) Segment assets	-	406,814	772,261	1,179,075
c) Other segment info:				
Acquisition of property, plant and equipment and other non-current assets	-	18,155	666,520	684,676
Depreciation	-	(1,641)	(63)	(1,704)
Other Income and Expenses	-	(520,542)	12,721	(507,821)
Net Loss	<u>-</u>	<u>(522,183)</u>	<u>12,658</u>	<u>(509,525)</u>

5. CASH AND CASH EQUIVALENTS

	30 September 2007 Unaudited \$	31 March 2007 Audited \$	30 September 2006 Unaudited \$
Cash at Bank	1,994,950	10,576,524	437,266
Short Term Bank Deposits	5,434,625	-	-
	<u>7,429,575</u>	<u>10,576,524</u>	<u>437,266</u>

6. EXPLORATION AND EVALUATION EXPENDITURE

The group is still in the exploration phase of its operations in China, as such all exploration and evaluation expenses incurred since the grant of a business licence have currently been capitalised as exploration phase expenditure.

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

As at 30 September 2007 the amount of liabilities arising from the exploration for and evaluation of mineral resources is \$153,085 (30 September 2006: \$47,267), (31 March 2007 \$1,135).

No income has been received from the exploration for and evaluation of mineral resources in the current period (30 September 2006: Nil).

The capitalised exploration and evaluation expenditure carried forward has been determined as follows:

	30 September 2007 Unaudited \$	31 March 2007 Audited \$	30 September 2006 Unaudited \$
<u>Exploration phase:</u>			
Opening balance - 1 April 2006	-	-	-
Opening balance - 1 April 2007	670,770	-	-
Expenditure incurred during the period	1,269,784	670,770	582,998
Closing balance	<u>1,940,554</u>	<u>670,770</u>	<u>582,998</u>

The exploration and evaluation expenditure has been allocated across the following prospects:

Prospect	30 September 2007 Unaudited \$	31 March 2007 Audited \$	30 September 2006 Unaudited \$
Sonid North	38,493	29,530	24,822
Naogaoshandu	53,211	14,765	12,411
Beyinhar North	129,016	14,765	12,411
Marmot	771,640	413,418	347,502
Wuritu	429,417	160,745	152,374
Amoyitele	81,512	37,547	33,478
Bu Dun Hua	374,168	-	-
Wang Jia Ying Zi	29,854	-	-
Dong Gou Zi	33,243	-	-
Total exploration and evaluation expenditure	<u>1,940,554</u>	<u>670,770</u>	<u>582,998</u>

7. SHARE CAPITAL

Following a 15 for 1 share split on 1 February 2007 increasing the number of shares from 2,718,336 to 40,775,040 shares, the Company undertook an Initial Public Offering of 40 million ordinary shares in its capital at an issue price of \$A0.20 with provision to accept oversubscriptions for an additional 10 million shares. Allotment was contingent on listing with the ASX. Listing occurred 18 April 2007.

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

Share Capital

Issued share capital is represented by:

	30 September 2007 Unaudited	31 March 2007 Audited	30 September 2006 Unaudited
Issue Price (\$)	11,502,325	2,323,781	1,856,528
Number of Shares	90,775,040	40,775,040	2,551,336
Average Issue Price (\$ per share)	0.13	0.06	0.73

All shares are fully paid and rank equally with regard to voting rights and distribution of profit. However 15,981,450 shares belonging to directors and their families are subject to an escrow agreement where they can not be sold until 18 April 2009.

Share Options

Options are currently issued to directors, an employee and to the lead broker (Cameron Sharebrokers Limited) who facilitated the float on 18 April 2007. All options are subject to an escrow agreement where options can not be exercised until 18 April 2009.

	30 September 2007		31 March 2007		30 September 2006	
	Average exercise price in \$A per share Unaudited	Options Unaudited	Average exercise price in \$A per share Audited	Options Audited	Average exercise price in \$A per share Unaudited	Options Unaudited
At 1 April 2006	-	-	-	-	-	-
At 1 October 2006	-	-	-	-	-	-
At 1 April 2007	0.30	6,279,999	-	-	-	-
At 1 April 2007	0.25	500,000	-	-	-	-
Converted	-	-	0.30	4,929,999	-	-
Granted	-	-	0.30	1,350,000	-	-
Granted	-	-	0.25	500,000	-	-
Forfeited	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Lapsed	-	-	-	-	-	-
	<u>0.30</u>	<u>6,779,999</u>	<u>0.30</u>	<u>6,779,999</u>	<u>-</u>	<u>-</u>

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The current option scheme replaced that in place prior to the restructuring on 1 February 2007.

Information on the previous scheme:

	Average exercise price in \$NZ per share		Average exercise price in \$NZ per share		Average exercise price in \$NZ per share	
	Options Unaudited	Options Unaudited	Options Audited	Options Audited	Options Unaudited	Options Unaudited
At 1 April 2006	-	-	-	-	-	-
At 1 October 2006	-	-	1.80	238,000	-	-
At 1 April 2007	-	-	-	-	-	-
Granted	-	-	-	-	1.80	238,000
Converted to New Options	-	-	1.80	(238,000)	-	-
Exercised	-	-	-	-	-	-
Lapsed	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1.80</u>	<u>238,000</u>

8. INVESTMENT IN SUBSIDIARIES

On 8 March 2006, King Solomon Mines Limited and Inner Mongolia Ao Meng Xin Economic and Trade Co. Limited signed an agreement to form Inner Mongolia Plate Mining Limited, a sino foreign equity joint venture of which King Solomon Mines Limited owns 90% and Inner Mongolia Ao Meng Xin Economic and Trade Co. Limited holds 10% in trust for King Solomon Mines Limited due to Chinese regulatory requirements.

As King Solomon Mines Limited effectively owns 100% of this subsidiary and retains all the risks and rewards of ownership, the Group has not accounted for any minority interest.

The King Solomon Mines Limited subsidiary Inner Mongolia Plate Mining Co Limited entered into an agreement on 25 May 2007 to acquire 85% of the shares in Chifeng Tianfeng Mineral Co. Limited. whose sole assets are 3 exploration licences in the Chifeng mineral district of Inner Mongolia. The remaining 15% is held by King Solomon Mines Limited director Fu La under a trust agreement for King Solomon Mines Limited. The cost of the acquisition was 2,500,000 RMB (\$A397,749) with accompanying legal costs of \$3,867.

The full cost of the purchase is recognised in exploration expenditure as the directors consider the purchase to be a fair reflection of the price of the licences at the time. As Chifeng Tianfeng Mineral Co. Limited has undertaken no activity on its own behalf since acquisition, no profit or loss for the period is recognised by the Group for Chifeng Tianfeng Mineral Co. Limited. Nor is there a gain or loss recognised on this investment as the directors do not consider the value of the investment is in any way impaired.

KING SOLOMON MINES LIMITED

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

9. EARNINGS PER SHARE

	30 September 2007 Unaudited \$	30 September 2006 Unaudited \$
Loss attributable to equity holders of the Company	(555,698)	(509,525)
Weighted average number of ordinary shares on issue	86,130,231	2,284,973
Basic earnings per share (\$ per share)	(0.01)	(0.22)
Diluted earning spe share (\$ per share)	(0.01)	(0.22)

10. RECONCILIATION OF FINANCIAL PERFORMANCE AND OPERATING CASH FLOW

	30 September 2007 Unaudited \$	30 September 2006 Unaudited \$
(loss) for period	(555,698)	(509,525)
Non Cash items		
Amortisation	115	15
Depreciation	2,957	1,704
Share Options	71,375	174,666
Foreign Currency Translation Movement	(153,289)	(30,986)
Foreign Exchange	264,883	(26,242)
Movement in Working Capital		
Other Receivables - Related Parties	(14,483)	-
Other Receivables - Other	(141,170)	(26,989)
Prepayments	(26,631)	5,820
Accounts Payable - Related Parties	(75,940)	-
Accounts Payable - Other	65,438	128,864
Net Cash used in operating activities	<u>(562,443)</u>	<u>(282,673)</u>

11. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

The Group had no other commitments, nor contingent assets or liabilities at 30 September 2007 (30 September 2006: Nil).

12. SUBSEQUENT EVENTS

There are no subsequent events for this period.

Accountants' Report

To the shareholders of King Solomon Mines Limited

We have reviewed the interim financial statements ("financial statements") on pages 4 to 14. The financial statements provide information about the past financial performance and cash flows of the Group, comprising King Solomon Mines Limited and its subsidiaries ("the Group") for the half year ended 30 September 2007 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 8 and 9.

Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 30 September 2007 and its financial performance and cash flows for the half year ended on that date.

Accountants' responsibilities

We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

Basis of opinion

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the half year ended 30 September 2007 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

We have no relationship with or interests in King Solomon Mines Limited or its subsidiaries other than in our capacities as accountants conducting this review and auditors under the Companies Act 1993.

Review opinion

We have reviewed the financial performance and cash flows of the Group for the half year ended 30 September 2007 and its financial position as at that date.

Based on our review nothing has come to our attention that causes us to believe that the financial statements do not present fairly the financial position of the Group as at 30 September 2007 and its financial performance and cash flows for the half year ended on that date in accordance with both International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34, Interim Financial Reporting.

Our review was completed on 7 December 2007 and our review opinion is expressed as at that date.

PricewaterhouseCoopers