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KING SOLOMON MINES LTD

ARBN 122 404 666

Notice of Annual Meeting
and Chairman's Letter

Chairman's Letter

23 June 2008

Dear Shareholder,

I am pleased to enclose our 2008 Annual Report and the notice for the annual shareholders' meeting which we are holding on Friday 15 August 2008 at the Duxton room 4, Duxton Hotel, 170 Wakefield Street, Wellington, commencing at 12.00 noon.

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

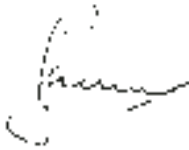
We will also be holding a briefing for Australian shareholders who are unable to attend the annual shareholders' meeting in Wellington. This will be held at 4.30 pm (AEST) on 18 August 2008 at the NSW Trade & Investment Centre, Level 47, MLC Centre, 19 Martin Place, Sydney, Australia.

Please note that there will not be any voting on resolutions at this briefing, as this will only take place at the annual meeting in Wellington on 15 August. If you 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 notice of annual meeting dated 23 June 2008.

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 (04) 905 9608 (NZ) or 1 800 061 569 (Australia).

We look forward to seeing you at the above meetings.

Yours sincerely,



John Quinn
Chairman

REGISTRATION FOR ANNOUNCEMENT DISTRIBUTION LIST

If you would prefer to receive our announcements, notices, annual reports or shareholder updates by email, please register your wish by:

Email to: enquiries@kingsolomonmines.com

Notice of Annual Meeting

Notice is given that the Annual Meeting of King Solomon Mines Limited ("the Company") will be held on Friday 15 August 2008 at the Duxton room 4, Duxton Hotel, 170 Wakefield Street, Wellington, commencing at 12.00 noon (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 Christopher David Castle 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 2009,
and that the Board of Directors of the Company be authorized to fix the auditor's remuneration."

Adoption of Employee Share Option Plan

3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:
"That approval is given, under ASX Listing Rule 7.2 – Exception 9, to the issue of securities by the Company under the Company's Employee Share Option Plan."

Voting restrictions on Resolution 3

The company will disregard any votes cast on Resolution 3 by:

- a director of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- an associate of that director (or those directors).

However, the Company need not disregard a vote if:

- it is cast by a person 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 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: 23 June 2008

Explanatory Notes

The purpose of these Explanatory Notes (which forms part of the Notice of Annual Meeting dated 23 June 2008) 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 15 August 2008.

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) are expected to retire at each AGM. Accordingly Mr Christopher Castle, being the longest serving director, has retired and, being eligible, offers himself for re-election. His details are set out on page 15 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 authorization to set the auditor's remuneration.

ADOPTION OF EMPLOYEE SHARE OPTION PLAN (RESOLUTION 3)

This item of business deals with an approval, for the purposes of clause 30 of the Constitution of the Company and ASX Listing Rule 7.2 – Exception 9 to the issue of shares and options to acquire ordinary shares in the capital of the Company under the Company's Employee Share Option Plan.

APPROVAL OF EMPLOYEE SHARE OPTION PLAN

Under the Constitution of the Company, the Board may issue additional shares in the capital of the Company and options to acquire shares to such persons as it sees fit. However, pursuant to clause 30 of the Constitution, because the Company is admitted to the Official List of the ASX, the Board's ability to issue additional shares and options is constrained by the ASX Listing Rules.

ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its expanded capital in any 12 month period without first obtaining shareholder approval. ASX Listing Rule 7.1 does not apply in certain cases. Under Listing Rule 7.2 – Exception 9, issues of shares and options made under an employee incentive scheme is not included under the 15% limit if the terms of the scheme are approved by shareholders and the issue is made within 3 years of the date of approval.

The Employee Share Option Plan

The Employee Share Option Plan ("the Plan") is an employee incentive scheme for the purposes of ASX Listing Rule 7.2 – Exception 9. The Plan, if approved, will enable the Company to issue options to subscribe for ordinary shares ("Options") on the terms and conditions provided for in the Plan and the specific terms of each individual offer, as approved by the Board.

The Plan is a key part of the longer term retention and incentive strategy of the Company. It is designed to provide incentives to the executive directors and Eligible Employees (as defined below) of the Company and to recognize their contribution to the Company's success.

The following is a brief summary of the Plan. Shareholders should, however, refer to and review the terms of the Plan.

Eligible Employees

"Eligible Employees" may be invited to participate in the Plan. "Eligible Employees" include full or part time employees and executive directors of the Company and any of its subsidiaries (referred to in the Plan as "the Group") In addition, any person (in the Plan referred to as a "Contractor") who:

- (a) contracts with the Group, or a person employed by another person who contracts with the Group, to perform work or render services, or to procure such work or services to be rendered, for the Group; and
- (b) has done so for the Group for more than 1 year; and
- (c) has received 70% or more of their income in the preceding year for providing such services,

is able to be deemed by the Board, in its absolute discretion, to be an "Eligible Employee."

The Directors of the Company have an absolute discretion as to whether to make offers of Options to Eligible Employees, to which Eligible Employees offers will be made and the number of Options to be made available to each such Eligible Employee.

Issue of Options under the Plan

The Board may from time to time and at their absolute discretion make offers in writing to Eligible Employees ("an Offer") inviting them to take up such number of Options under the Plan as the Board determines.

Options are issued for no cash consideration. The Board will specify in the Offer to Eligible Employees the exercise price (or the formula by which the exercise price is calculated) and the exercise period of the Options in the Offer.

The Board may also specify in the Offer any vesting requirements or any other requirements in relation to the Options.

The Options will not be listed or quoted on any stock exchange.

No transfer

An Eligible Employee to whom an Option has been issued is referred to as "the Option Holder". The Option Holder may not sell, transfer, mortgage, pledge or otherwise encumber an Option at any time other than with the prior written consent of the Board.

Shares

Each ordinary share allotted as a result of the exercise of an Option will rank *pari passu* with all other ordinary shares.

Following allotment of an ordinary share as a result of the exercise of an Option, the Company will make application, within the period specified in the Listing Rules, for the new share to be quoted on the ASX.

Limitation to size of Plan

In addition to the Board's discretion to issue options, there may be limitations under applicable fundraising legislation (i.e., the Corporations Act in Australia and the Securities Act in New Zealand) and the ASX Listing Rules as to the number of Options which can be issued by the Company under the Plan and the persons to whom the Options may be issued.

Cessation of Employment

Any Options issued under the Plan will automatically lapse if the Option Holder voluntarily resigns from employment with the Group (other than to take up employment with another member of the Group), or if the Option Holder is dismissed from employment for certain reasons. Similar provisions apply to Contractors who voluntarily terminate their contract for services to the Group or whose contract is terminated for cause.

The Board may allow up to a 6 month period to exercise the Options where the Option Holder ceases to be an employee or contractor if the Option Holder dies, retires, is made redundant, completes their contract of services or in any other circumstances where the Board believes it is fair and reasonable that such a period is given, in which the holder may exercise their options.

Change of Control, Amalgamations and Takeovers

Subject to the written consent of the Board and despite any vesting conditions not having been satisfied or waived by the Board, some or all Options held by a Option Holder or Option Holders may become exercisable during a takeover offer period, where an event causing a change of control (a person acquiring a relevant interest in 30% or more of the Company's voting securities) has occurred, an amalgamation proposal being made under section 221 of the Companies Act or pursuant to an application under Section 236 of the Companies Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company.

Powers of Directors

The Plan will be administered by the Directors of the Company in accordance with the Rules of the Plan.

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 (except in the case of Resolution 3 in respect of which directors of the Company (except a director who is ineligible to participate in any employee incentive scheme in relation to the Company) and their associates are prohibited from voting under the ASX Listing Rules) 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, 3 Mutu Road, Paekakariki, sent by mail to PO Box 69, Paekakariki 5034, New Zealand or by facsimile to: +644 905 9607. 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



King Solomon Mines Limited

Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau 2013, New Zealand
Office (within Australia): 1 800 061 569
(outside Australia): +64 4 905 9608
Fax: +64 4 905 9607
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 Wednesday, the 15th day of August 2008 and at any adjournment thereof.

SIGNED this..... day of 2008

INDIVIDUALS:

COMPANIES:

.....
SIGNATURE OF SHAREHOLDER

..... Limited
PRINT NAME OF COMPANY

.....
SIGNATURE OF SHAREHOLDER

By:
DIRECTOR

.....
SIGNATURE OF SHAREHOLDER

Name of Director:
(PLEASE PRINT)

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

Important: For Resolution 3 below

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of resolution 3, please place a mark in the box. By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he has an interest in the outcome of resolution 3 and that votes cast by the Chair of the meeting for resolution 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on resolution 3, the Chair will not cast your votes on that resolution and your votes will not be counted in calculating the required majority if a poll is called on that resolution.

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

Resolution 1

That Mr Christopher David Castle 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 2009,

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

FOR

AGAINST

ABSTAIN

Resolution 3:

That approval is given, under ASX Listing Rule 7.2 – Exception 9, to the issue of securities by the Company under the Company's Employee Share Option Plan. (Ordinary Resolution)

FOR

AGAINST

ABSTAIN

