



KSO



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

Unit 31, 2 Bishop Dunn Place
East Tamaki, Manukau 2013
New Zealand

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www.kingsolomonmines.com

20 June 2011

Dear Shareholder

I am pleased to enclose King Solomon Mines Limited's 2011 Annual Report and the Notice for the Annual Shareholders' Meeting to be held on Friday 29 July 2011 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 20 June 2011.

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.

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 29 July 2011 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 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 2012, and that the Board of Directors of the Company be authorised to fix the auditor's remuneration."

Issue of Options to Directors

3. To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- (a) "That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Managing Director Stephen McPhail on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."
- (b) "That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Executive Director Bruce Bell and on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."
- (c) "That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Executive Director Fu La on the terms summarised in the Explanatory Notes accompanying this notice of meeting, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him."

Ratification of Previous Issue of Shares under Placement

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

"That for the purposes of Listing Rule 7.4 of the Australian Securities Exchange ("the ASX") and for all other purposes, the issue by the Company of 20,427,446 fully paid ordinary shares in the capital of the Company at A\$0.07 per share in the Company to raise A\$1,429,921 by means of a private placement as announced to the ASX on 8 February 2011 and as set out in the attached Explanatory Notes, is hereby approved."

Adoption of Employee Share Option Plan (ESOP)

5. "That pursuant to ASX Listing Rules 7.2 (exception 9) and for all other purposes, the Company's Employee Share Option Plan Rules, as set out in the Explanatory Notes be approved."

Voting Exclusion Statements

The Company will disregard any votes cast on Resolutions 3(a)-(c) by:

- The Managing Director or any Executive Directors of the Company; and
- an associate of any of those Directors.

In respect of Resolution 4 the Company will disregard any votes cast on that resolution by any person who participated in the issue and any associate of those persons.

The Company will disregard any votes cast on Resolution 5 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 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: 20 June 2011

Explanatory Notes

The purpose of these Explanatory Notes (which forms part of the Notice of Annual Meeting dated 20 June 2011) 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 29 July 2011.

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 Chris Castle, 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.

Issue of Options to Directors (Resolutions 3 (A) – (C))

The Company proposes to grant 800,000 options ("the Options") to acquire fully paid ordinary shares in the capital of the Company ("the Shares") to Managing Director Stephen McPhail, 800,000 options to Executive Director Bruce Bell and 800,000 options to Executive Director Fu La, (the Executive Directors") and subject to the exercise of those Options and payment of the Exercise Price, the issue of that number of Shares to those Directors.

The proposed issue of Options to the Executive Directors would be the fourth issue under the Company's ESOP, the terms of which were approved by shareholders in at the Annual General Meeting held in August 2008 and are summarised in the notice of meeting for that meeting dated 23 June 2008. The Board has previously agreed to issue a total of 900,000 options to three Eligible Employees who are not Directors pursuant to the ESOP.

On 29 July 2009, Shareholders approved the issue of 900,000 options to each executive director pursuant to the King Solomon ESOP for no consideration, with an exercise price of 10 cents and an expiry date of 29 July 2014 which vest on 33% on 29 July 2010, 33% on 29 July 2011 and 34% on 29 July 2012.

Notwithstanding that Options may be issued to the Executive Directors under the terms of the ESOP, ASX Listing Rule 10.14 provides that the shareholders of the Company must first approve the proposed issue.

Shareholders are hereby advised of the following details concerning the proposed issue of options to the three Executive Directors for which your approval is sought. In accordance with Listing Rule 10.14 the Company advises:

1. All of the Executive Directors, being Stephen McPhail, Bruce Bell and Fu La are eligible to participate in the ESOP, subject to shareholder approval of any issue. Options are proposed to be issued to all three Executive Directors and the date by which the Company intends to issue the options will be not more than one month after the date of the meeting, although under ASX Listing Rule 10.15.7 they must be issued no later than 12 months after the meeting (29 July 2012).

2. The maximum number of Options that may be issued to each Executive Director is 800,000 with an exercise price of 50% above the 5 day volume weighted average price (VWAP) of the shares of the Company traded on ASX preceding the date of approval by shareholders at this meeting or 12 cents, whichever is the greater. The Options will vest 33% on 29 July 2012, 33% on 29 July 2013 and 34% on 29 July 2014 and will all have an expiry date of 29 July 2016 and, under the terms of the ESOP, are not transferable without the prior written consent of the Board. The Company will not apply for quotation of these Options on ASX. Funds raised on the exercise of Options will be used to increase working capital and the Company intends to apply for listing of any Shares issued pursuant to the exercise of Options which will, on issue, rank equally with all other ordinary shares in the capital of the Company in all respects.
3. No loans have been made or will be made by the Company to any of the three Executive Directors or to any associated person in relation to the issue of the proposed Options or the exercise of them.

The non-executive Directors (John Quinn and Chris Castle) who are ineligible to participate in the ESOP, recommend to shareholders that they support the resolution. The Remuneration Committee and eligible members of the Board have considered the appropriate number of Options to award each Executive Director and consider that it is in the best interests of the Company to incentivise the Executive Directors for the successful performance of the Company in this manner. The non-executive Directors (John Quinn and Chris Castle) do not have any interest in the outcome of the resolution.

Stephen McPhail, Bruce Bell and Fu La do not make any recommendation to members on the resolution because of their personal interest in the subject matter of this resolution.

Using the Binomial Option Pricing Model and a valuation date of 14 June 2011, when the share price was 7.5 cents, the 800,000 Options have a value of approximately 5.76 cents each. Accordingly the total value of Options proposed to be granted to each Executive Director is \$46,080. The assumptions used in the calculation are the risk free rate of 4.95%, based on the 5 year Australian Government Bond Rate, the exercise price of 12 cents compared to the share price of 7.5 cents on the valuation date, an expiry date of 29 July 2016 and a volatility of 111% factoring the historical share price volatility.

The 90 day Volume Weighted Share Price to 14 June 2011 for the Company was 10.3 cents.

It is noted that Stephen McPhail currently has a beneficial interest in 4,830,000 shares and a non-beneficial interest in 1,050,000 shares in the Company. Bruce Bell has 3,500,000 shares. Fu La has 7,500,000 shares. Each director also has 900,000 options over shares in the Company with an exercise price of 10 cents and expiry date of 29 July 2016.

The dilutionary effect of the issue of the additional 2,400,000 Options proposed to be issued to the three Executive Directors will be 1.39% of the expanded shares and options on issue (including the 3,600,000 options already issued under the King Solomon ESOP). Currently there are 166,287,552 ordinary shares on issue. At the date of this notice there are 3,600,000 options on issue with exercise prices of 10 -12 cents, which expire between 29 July 2014 and 25 March 2016.

Ratification of Previous Issue of Shares Under Placement (Resolution 4)

Resolution 4 proposes the approval of the issue and allotment of a placement of 20,427,446 fully paid ordinary shares in the capital of the Company which was made by the Company on 11 February 2011 ("the Placement") pursuant to ASX Listing Rule 7.4. Listing Rule 7.1 allows the Board to issue up to 15% of the Company's issued capital in any 12 month period without approval of the shareholders.

ASX Listing Rule 7.4 provides that an issue which is approved after it has been made is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1.

The effect of the approval of this resolution is to allow the Board of the Company to issue additional securities within the 15% limit under ASX Listing Rule 7.1 immediately after the resolution is adopted instead of having to wait until 12 February 2011 (which would be 12 months after the Placement was made).

Information Required by ASX Listing Rule 7.5

The following information in relation to the shares is provided to shareholders for the purposes of ASX Listing Rule 7.4:

- a) 20,427,446 ordinary shares in the capital of the Company were issued under the Placement;
- b) The shares were issued at \$0.07 per share;
- c) The shares were fully paid on issue and rank equally in all respects with all existing ordinary shares previously issued by the Company;
- d) The shares were allotted to professional and sophisticated investors pursuant to section 708 of the Corporations Act, most of whom were clients of Bell Potter Securities Limited; and
- e) 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.

ESOP Refreshed (Resolution 5)

Adoption of KSO Employee Share Option Plan ("the Plan" or "ESOP")

The ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its expanded capital in any 12 month period without requiring shareholder approval. Listing Rule 7.1 does not apply in certain cases set out in Listing Rule 7.2, including exception 9, where an issue under an employee incentive plan is made if within three years before the date of issue the terms of the plan are approved by shareholders. The terms and conditions of the KSO Employee Incentive Plan are submitted to shareholders for approval.

At the Company's Annual General Meeting held in August 2008, shareholders approved the adoption of the Company's ESOP. Following a recent review of the Plan adopted, the Board has decided to seek approval from shareholders to "refresh" the Plan in terms of ASX Listing Rule 7.2 as set out above. A copy of the full rules of the Plan, as summarised below, is available to shareholders free of charge on request.

The Number of Securities Issued Under the ESOP since the Date of Last Approval

On 29 July 2009, Shareholders approved the issue of 900,000 options to each executive director pursuant to the King Solomon ESOP for no consideration, with an exercise price of 10 cents and an expiry date of 29 July 2014 which vest on 33% on 29 July 2010, 33% on 29 July 2011 and 34% on 29 July 2012. The Board has previously agreed to issue a total of 900,000 options to three Eligible Employees who are not Directors pursuant to the ESOP.

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 recognise their contribution to the Company's success.

The following is a brief summary of the Plan. Shareholders may wish to refer to and review the terms of the Plan, a copy of which is available to shareholders free of charge on request.

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 the three Executive Directors of the Company and their associates are prohibited from voting under the ASX Listing Rules and in the case of Resolution 5 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, Unit 31, 2 Bishop Dunn Place, East Tamaki, Manukau 2013, sent by mail to PO Box 204-065 Highbrook, Auckland 2161, 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 five resolutions.

Terms and Conditions of Options Proposed to be Issued under ESOP

The Options will entitle the holders to subscribe for fully paid ordinary Shares in the Company on the following terms:

- Each Option entitles the holder to acquire one fully paid ordinary Share in the Company.
- The Options may be exercised at any time. Each Option may be exercised by forwarding the Company, at its principal office, the exercise notice, duly completed, together with payment by way of cheque or bank draft drawn on an Australian bank in Australian dollars for the sum of with an exercise price of 50% above the 5 day volume weighted average price (VWAP) of the shares of the Company traded on ASX preceding the date of approval by shareholders at the 2011 Annual General Meeting or 12 cents, whichever is the greater, per Option exercised. The Options will vest 33% on 29 July 2012, 33% on 29 July 2013 and 34% on 29 July 2014 and will all have an expiry date of 29 July 2016 and, under the terms of the ESOP.
- The Options are not transferable without the prior written consent of the Board and only then may be transferred after they vest by an instrument in the form commonly used for transfer of Options at any time until 29 July 2016, subject to any restrictions which may be imposed by ASX if the Company is listed upon ASX.
- Option holders shall be permitted to participate in new issues of securities on the prior exercise of Options in which case the Option holders shall be afforded the period of at least nine (9) business days prior to and inclusive of the record date (to determine Entitlements to the Issue) to exercise the Option.
- Shares issued on the exercise of Options will be issued not more than fourteen (14) days after receipt of a properly executed exercise notice and application monies. Shares allotted pursuant to the exercise of an Option will rank equally with the then issued ordinary Shares of the Company in all respects. Official quotation of the Shares will be sought.
- In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital at the time of the reconstruction.
- If there is a bonus Issue to Shareholders, the number of Shares over which the Option is exercisable may be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus Issue.

Completing your Proxy Form

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, Unit 31, 2 Bishop Dunn Place, East Tamaki, Manukau 2013;
- **Mailed** to PO Box 204-065 Highbrook, Auckland 2161, New Zealand; or
- **Faxed** to: +644 905 9607.

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 Friday, the 29th day of July 2011 and at any adjournment thereof.

SIGNED this day of 2011

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 5.

Important: For Resolution 5 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 5, 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 5 and that votes cast by the Chair of the meeting for resolution 5 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 5, 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.

Resolution 1

That Mr Christopher David Castle be re-elected as director of the Company.
(Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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 2012,

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

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 3

3(a): That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Managing Director Stephen McPhail on the terms summarised in the Explanatory Notes accompanying this notice of meeting at which this resolution is passed, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him. (Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3(b): That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Executive Director Bruce Bell on the terms summarised in the Explanatory Notes accompanying this notice of meeting at which this resolution is passed, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him. (Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3(c): That pursuant to ASX Listing Rule 10.14 and for all other purposes, the Company approves the issue of 800,000 options to Executive Director Fu La on the terms summarised in the Explanatory Notes accompanying this notice of meeting at which this resolution is passed, and subject to the exercise of those options and payment of the Exercise Price, the issue of that number of fully paid ordinary shares in the capital of the Company to him. (Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4

That for the purposes of Listing Rule 7.4 of the Australian Securities Exchange ("the ASX") and for all other purposes, the issue by the Company of 20,427,446 fully paid ordinary shares in the capital of the Company at A\$0.07 per share in the Company to raise A\$1,429,921 by means of a private placement as announced to the ASX on 8 February 2011 and as set out in the attached Explanatory Notes, is hereby approved. (Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 5

That pursuant to ASX Listing Rules 7.2 (exception 9) and for all other purposes, the Company's Employee Share Option Plan Rules, as set out in the Explanatory Notes be approved. (Ordinary Resolution)

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

