



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

19 January 2016

Company Announcements Office
Australian Securities Exchange

King Solomon Mines Limited Completes Acquisition of Xref Pty Ltd Issue of Shares and Performance Rights

King Solomon Mines Limited (King Solomon Mines or the Company) advises that it has issued and allotted 50,000,000 fully paid ordinary shares, and 16,666,667 A Class Performance Rights, 16,666,667 B Class Performance Rights and 16,666,666 C Class Performance Rights (all on a post-Consolidation basis) as consideration securities on settlement of the purchase of Xref Pty Ltd. This transaction was approved by shareholders at the Company's Extraordinary General Meeting held on 26 November 2015.

The issue of shares and performance rights took place after satisfaction of all the conditions precedent and completion of the acquisition of Xref Pty Ltd, including, but not limited to, the successful finalisation of the A\$4 million fundraising under the Offer in the Replacement Prospectus dated 7 December 2015 (the Prospectus). There have been no material subsequent events to alter the Company's consolidated statement of financial position as detailed in section 5 of the Prospectus. There are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus. The Company is in compliance with the Listing Rules and in particular listing rule 3.1.

Attached is the Appendix 3B for the issue of these 50,000,000 fully paid ordinary shares and 50,000,000 Performance Rights.

Board Changes

Following the finalisation of the acquisition of Xref Pty Ltd, and as detailed on pages 18 and 19 of the Prospectus, Mr Stephen McPhail has resigned as Managing Director and Mr Simon Taylor has resigned as a Non-Executive Director. Mr Lee-Martin Seymour has been appointed as Executive Director (Chief Executive Officer) and Mr Timothy Griffiths has been appointed Executive Director (Chief Technology Officer). Mr Timothy Mahony has been appointed a Non-Executive Director. Details of the remuneration arrangements, qualifications and experience of the Directors is set out on pages 18 and 19 of the Prospectus.

King Solomon Mines Limited

Robert J Waring
Company Secretary

Secondary Trading Exemption

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A. By the Company giving this notice, a sale of the Securities noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- a) the Company issued the Securities without disclosure to investors under Part 6D.2 of the Act;
- b) as at 19 January 2016 the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- c) as at 19 January 2016 there is no information:
 - i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - B) the rights and liabilities attaching to the Securities.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

King Solomon Mines Limited (ASX Code: KSO)

ARBN

122 404 666

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares and Performance Rights |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 50,000,000 fully paid ordinary shares and 50,000,000 Performance Rights |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 50,000,000 fully paid ordinary shares and 50,000,000 Performance Rights, as set out in the Notice for the Extraordinary General Meeting that was held on 26 November 2015. |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, all fully paid ordinary shares issued rank equally with King Solomon Mines Limited fully paid ordinary shares trading on the ASX under Code KSO, except that they are escrowed for the period detailed in 9 below.</p>
<p>5 Issue price or consideration</p>	<p>The shares and performance rights were issued as consideration for the purchase of Xref Pty Ltd – refer attached announcement.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Set out in attached ASX announcement and in detail in the Notice for the Extraordinary General Meeting that was held on 26 November 2015 and the Replacement Prospectus dated 7 December 2015.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>The Company received shareholder approval at its AGM on 28 August 2015 under ASX Listing Rule 7.1A.</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>509,375</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>Not Applicable</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	123,065,625, date of EGM 26 November 2015								
6f	Number of +securities issued under an exception in rule 7.2	Not Applicable								
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not Applicable								
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable								
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	34,431,698								
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	18 January 2016								
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">40,273,668</td> <td>Fully paid ordinary shares</td> </tr> <tr> <td style="text-align: right;">(825,000) =</td> <td>Less: Restricted Securities =</td> </tr> <tr> <td style="text-align: right;">39,448,668</td> <td>Shares to be quoted</td> </tr> </tbody> </table>	Number	+Class	40,273,668	Fully paid ordinary shares	(825,000) =	Less: Restricted Securities =	39,448,668	Shares to be quoted
Number	+Class									
40,273,668	Fully paid ordinary shares									
(825,000) =	Less: Restricted Securities =									
39,448,668	Shares to be quoted									

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
<p>9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p> <p>* The conversion ratio of the Performance Rights into ordinary shares upon achievement of a relevant Performance Milestone is one ordinary share for each Performance Right.</p>	675,000	Fully paid ordinary shares in escrow until 19 August 2016
	1,923,076	Fully paid ordinary shares in escrow until 18 January 2017
	48,226,924	Fully paid ordinary shares in escrow until late January 2017
	32,000	29 July 2016 Options – exercise price \$6.00
	16,666,667	A Class Performance Rights *
	16,666,667	B Class Performance Rights *
	16,666,666	C Class Performance Rights *
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>Fully paid ordinary shares have full participation in any future dividends. Performance Rights do not participate in dividends until they convert into fully paid ordinary shares.</p>	

Part 2 - Pro rata issue

11 to 33 – Not Applicable

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities (*tick one*)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 to 42 – Not Applicable

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(~~Director~~ / Company Secretary)

Date: **19 January 2016**

Print name: **Robert J Waring**

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	16,698,668 Post consolidation basis
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	123,065,625
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	139,764,293

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	20,764,644
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded– not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	509,375
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	20,964,644
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	509,375
Total [“A” x 0.15] – “C”	20,455,269 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	139,764,293 Post consolidation basis
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	13,976,429
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
“E”	0

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	13,976,429
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	13,976,429 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.