



King Solomon Mines Limited

QUARTERLY REPORT FOR THE PERIOD ENDED 30 JUNE 2007

HIGHLIGHTS

- Delineation of large IP anomalies at Marmot Ridge porphyry copper prospect
- Drilling at Marmot Ridge recommenced on July 17
- Widespread hydrothermal alteration associated with strong surface copper anomalies identified through drilling at Wuritu
- Epithermal gold prospects identified at Naogaoshandu and Beyinhar North
- Acquisition of gold prospects in the Chifeng Mining District
- Successful \$10M capital raising and listing on ASX

EXPLORATION

MARMOT RIDGE COPPER PROJECT

A Vector IP survey was conducted through April-May over the 6 sq km alteration zone mapped by King Solomon in 2006. Resultant VIP anomalies were followed up in June by dipole-dipole IP lines that defined two substantial cupola-shaped IP drill targets centred approximately 1.7 km apart.

The easternmost IP anomaly lies east of King Solomon's initial trenching (which yielded several zones of better than 0.1% Cu). It is interpreted to commence approximately 200m below surface. None of the Company's first round of drill holes in 2006 came near this target.

The western anomaly – the larger of the two – would have been approached to within 100 metres but was not intersected by three of King Solomon’s 2006 diamond drill holes. In particular, it was approached by MR012 which displayed several sections of chalcopyrite dusting yielding anomalous copper values up to 800ppm.

In the course of the IP survey, propylitic style alteration was noted further to the north than had been observed previously. Potential remains to further extend the Marmot Ridge zone where sparse outcrops continue to be exposed through shifting sand cover.

The first diamond drill hole into the easternmost IP target commenced in July . Two fence-lines of holes up to 500m deep are planned to test the anomalous zones.

WURITU COPPER PROJECT

A 24 sq km hand-borne magnetic survey was conducted along the regional shear structure hosting the Company’s Oyut (previously named Malachite Ridge) copper prospect at Wuritu. The survey established a 1.8 km long package of lensoid magnetic anomalies enclosing the strongly malachite-littered ridge crest that is known by local Mongolian farmers as Oyut (Turquoise Place).

A total of 907 metres of diamond drilling was completed to investigate the potential for lode-style copper mineralisation beneath the Ridge. The first hole intersected strong hydrothermal alteration more typical of a porphyry-style system. Six subsequent holes over a 200m strike length demonstrated the presence of widespread chlorite-epidote-calcite altered metasediments overlying variably altered, strongly fractured and quartz-calcite stockwork veined granitic intrusives.

Assays received from the first four holes have produced significant copper anomalous zones near surface:

Drillhole	Northing	Easting	From (m)	To (m)	Interval (m)	% Cu
WR002	4819586	0725230	4.3	17.9	13.6	0.57
WR003	4819556	0725242	14.3	16.8	2.5	0.19

Weakly copper anomalous zones occur further down hole, suggesting a surface enrichment. Gold values up to 0.88 g/t Au occur erratically down hole.

In view of the unexpected and potentially large scale alteration system encountered in these first holes, the drill program has been suspended to allow for a 12 sq km IP survey.

Elsewhere in the Wuritu project area, a broad more or less circular magnetic anomaly located approximately 5 km east of Oyut has been targeted for follow-up investigation by IP survey.

BEYINHAR NORTH GOLD PROJECT

Systematic grid mapping of the two tenements previously referred to collectively as King Solomon's Sonid South gold exploration project has shown the two areas to be geologically distinct and they have consequently been separated into the Beyinhar North (74.7 sq km) and Naogaoshandu (47.2 sq km) gold projects. The Beyinhar North area lies immediately north-east along strike from a gold project at Beyinhar where Golden China Resources Corporation (ASX code GCX.AX) has reported a recent drill intercept of 77m at 4.1 g/t Au.

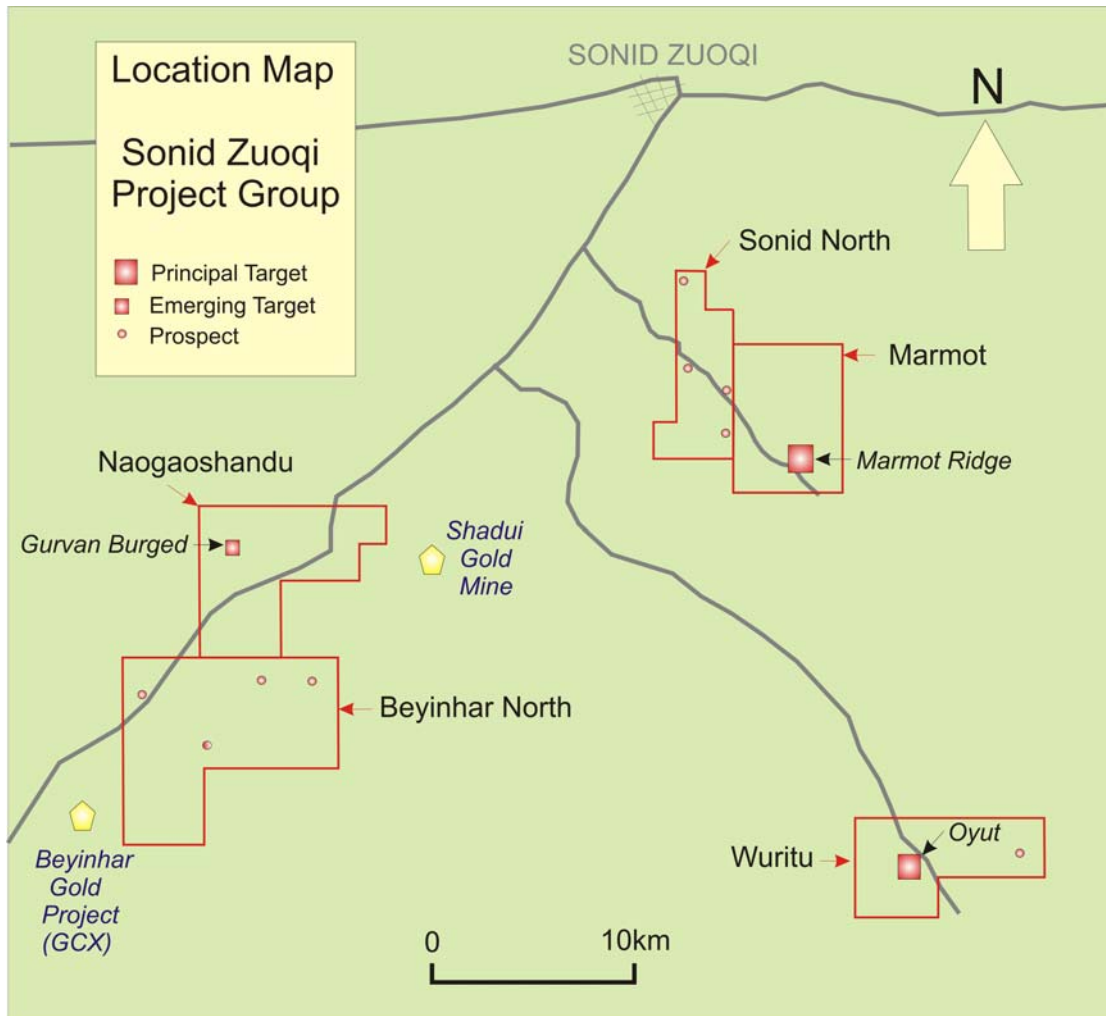
Work to date at Beyinhar North has delineated two northeast trending structural zones hosting quartz veining and/or quartz stockwork development and transecting both granitoids and overlying felsic tuffs and flows. A third zone, trending east-west, hosts similar quartz veining over a strike length of approximately 6 km.

A coarse suite of 26 lag samples has yielded 7 weakly anomalous gold (40 to 50 ppb Au) samples and a single erratic base metal result (170 ppm Cu, 1.77 g/t Ag, 50 ppm Pb and 16 ppm Mo). Detailed mapping and sampling of the structural zones has commenced and results are expected progressively throughout the September quarter.

NAOGAOSHANDU GOLD PROJECT

Systematic grid mapping through the Naogaoshandu area has discovered structurally-controlled epithermal level brecciation and silicification within chlorite schist for 500m along strike at the Gurvan Burged (Three Eagles) prospect. Reconnaissance sampling has yielded persistent arsenic anomalies up to 140 ppm; erratic gold anomalies up to 0.77 g/t; and silver anomalies up to 3.7 g/t. Detailed mapping and sampling is due to commence through the September quarter.





CHIFENG DISTRICT ACQUISITIONS

As reported on 30 May, King Solomon acquired three new gold projects during the quarter in the Chifeng mining district of central Inner Mongolia. While exploited primarily as a lead-zinc-silver district, well-documented gold, copper and molybdenum occurrences have drawn King Solomon to the region.

The Bu Dun Hua prospect features four outcropping quartz structures up to 360m long and 20m wide within a 1.5 km + zone of widespread hydrothermal alteration of brecciated acid pyroclastics and flows. There has been a small amount of artisanal mining undertaken on one of the structures. Near surface adit sampling has yielded background values in the order of 0.1 g/t Au. EM and IP surveys conducted by the Geology and Geophysical Division of the China Academy of Sciences has indicated the presence of a number of blind structures extending to depths of at least 450m below surface. These structures are untested and will be the focus of King Solomon's continuing exploration through the September quarter.

The Wang Jia Ying Zi project is a high-grade anatomising quartz vein system. Initial grab sampling by King Solomon has yielded values ranging from 1.48 to 5.24 g/t Au.

The Dong Gou Zi project is focused on a series of shallow excavations on a 3m wide shear zone that disappears under loess cover after approximately 150m of outcrop. While the outcrop is strongly oxidised, remnant sphalerite is locally visible.



GENERAL

King Solomon has established a well-equipped base camp at Sonid Zuoqi, recruited a number of local and expatriate geologists and continues to add to its technical team. It is progressing exploration on a number of fronts but with principal emphasis being on the potential large scale Marmot and now Wurutu, copper projects.

At the end of the June Quarter, the Company had cash on hand of \$8.512 Million.

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The information on mineralisation contained in this announcement 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 announcement.