



## King Solomon Mines Limited

### QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2009

#### REVIEW OF OPERATIONS

**The Inner Mongolia field season has recommenced with a combination trenching and mapping program over the South Ridge and Three Eagles gold prospects at Naogaoshandu.**

**At Marmot Ridge, field and drill-core checking of an updated Cu-Mo mineralisation model derived from 2008 results is under way prior to 2009 drill-site selection.**

**Field trials of the use of MMI (mobile metal ion) sampling for sensing through sand cover have commenced at Naogaoshandu, Beyinhar North and Wuritu.**

#### INTRODUCTION

The first two months of the March 2009 quarter were taken up by completion of the data analysis as well as report and map preparation documenting KSO's 2008 field season. By mid March improving weather conditions allowed for re-opening of the field camp at Sonid Zuoqi and re-commencement of field activity. KSO's field plan for the June quarter is to focus on its gold projects in the Sonid Zuoqi district while preparing for a recommencement of drilling at its Marmot Ridge Copper-Molybdenum project.

#### NAOGAOSHANDU GOLD PROJECT (King Solomon 100%)

The late 2008 discovery of gold mineralisation both east and south of the Three Eagles (West) prospect was described in the December 2008 quarterly report. The first priority of the current season has been to follow-up these discoveries by trenching and detailed mapping. By mid April eleven trenches totalling 1,263m had been completed, mapped and sampled - five at South Ridge and six at Three Eagles Central. A further two trenches have been excavated at the Far Eastern prospect approximately 7km east of Three Eagles. Over 400 trench channel samples have been despatched to the laboratory

and a full set of results is expected by mid May. It is anticipated that further trenching will be undertaken prior to drilling with final decisions on site selection dependent on assay results.

Geological mapping completed through 2008 had established the presence of a regional scale, gently northward dipping shear zone (Naogaoshandu Deformation Zone) separating a topographically higher geological domain hosting the Three Eagles, South Ridge and other prospects from a topographically lower domain to the south (Fig 1). The shear complex hosting the mineralisation appears to be parallel or sub-parallel to this major feature.

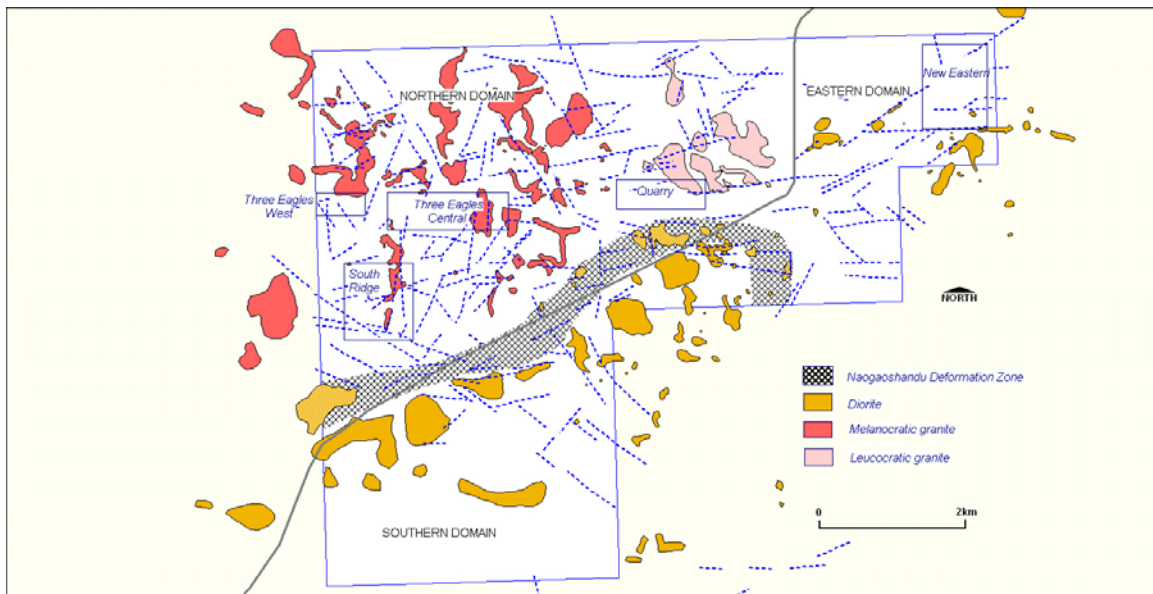


Fig. 1 Naogaoshandu structural setting and prospect locations

While the South Ridge and Three Eagles prospects have been identified and approached as discrete targets it is becoming evident that they are sub-zones within a much larger structural setting that is likely to link with the New Eastern prospect area.

Mapping of the shear complex is continuing. RC chips from the early 2008 Three Eagles West RC scout drilling are being re-logged in light of the new mineralisation model that is emerging from the trenching and associated mapping program.



Fig. 2 Commencement of trench excavation at Three Eagles Central

### **MARMOT COPPER-MOLYBDENUM PROJECT (King Solomon 100%)**

Processing of the large amount of drill-hole, geophysical, geochemical and mapping data accumulated through 2008 has been a priority through the northern winter period. The most salient observation from this work is that Cu mineralization appears to be strengthening to the west, the best Cu intercepts to date deriving from the westernmost of KSO's drill-holes. Work is now well advanced on a three dimensional model linking all drill-holes in order to facilitate viewing of intrusive geometries and their relationships to mineralisation. A review of the drill core for tighter definition of the various diorite phases is required for completion of the model, and this work has also commenced.

The Marmot Ridge alteration system has the components necessary for discovery of a large scale porphyry Cu-Mo system within the boundaries of the large property position held by KSO. Best indications from the analysis completed to date are that exploration should be moving westward from the main area of drilling to date and perhaps deeper than so far tested.

### **OTHER PROJECTS**

Widespread sand cover has been a challenge encountered on most of KSO's Inner Mongolian projects. The use of mobile metal ion geochemistry for "seeing through" a

range of transported cover rocks has been documented in successful cases that merit trials of this specialised sampling/assay geochemical technique. KSO has commenced a program of orientation surveys at **Naogaoshandu**, **Beyinhar North** and **Wuritu**. Success with this technique would be particularly applicable to **Bu Dun Hua** and **Sonid North** where large areas of very prospective ground are masked by a several metre veneer of sand cover.

## **GENERAL**

At the end of the March Quarter, the Company had cash on hand of \$3.932 Million.

### **Stephen McPhail** **Managing Director**

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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.*

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