



King Solomon Mines Limited

Progress report

This report provides an update on drilling progress at King Solomon's Bu Dun Hua (BDH) and Sonid North projects in Inner Mongolia.

Bu Dun Hua

At BDH the company now has three diamond drill rigs deployed, one deep-hole rig and two lighter reconnaissance rigs. This high level of activity reflects the director's view that the porphyry copper-molybdenum style intrusive complex discovered at Whitehorse through 2009-2010 is but one part of a substantially larger alteration/mineralisation system.

The first deep hole at BDH has just been completed. It was drilled south-eastward at an angle of 60° to locate the northern wall of the Whitehorse complex and to investigate the system at levels deeper than those reached in 2010. It passed through the northern wall at approximately 510m down-hole, establishing a 750m diameter thumb-like form to the intrusive complex. Continuing to a depth of 1,022m down-hole, it established the "complex" nature of the thumb viz. several phases of intrusive activity resulting in more-or-less vertical zones of different structural and geochemical characteristics.

All phases have been strongly hydrothermally altered with sulphide contents varying from less than 1% to occasionally greater than 5%. Assays received to date are largely from the volcanic cover rocks encountered in the upper 510m of the hole although they also include a few tens of metres into the edge of the intrusive complex. They are much as anticipated with some locally strong lead, zinc and silver anomalies in the volcanic rocks and with anomalous copper and molybdenum values appearing as the hole passes into the intrusive body.

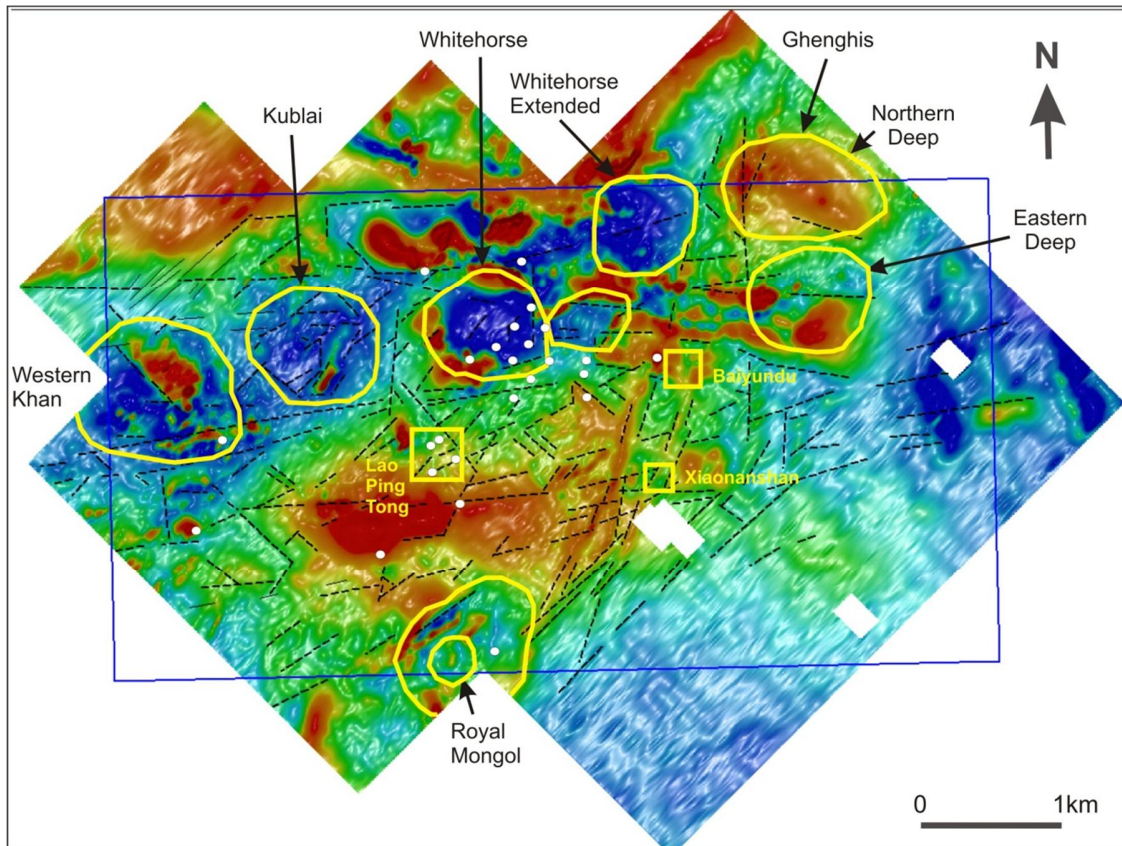


Figure 1. BDH showing past and current drill-hole locations on RTP magnetic image

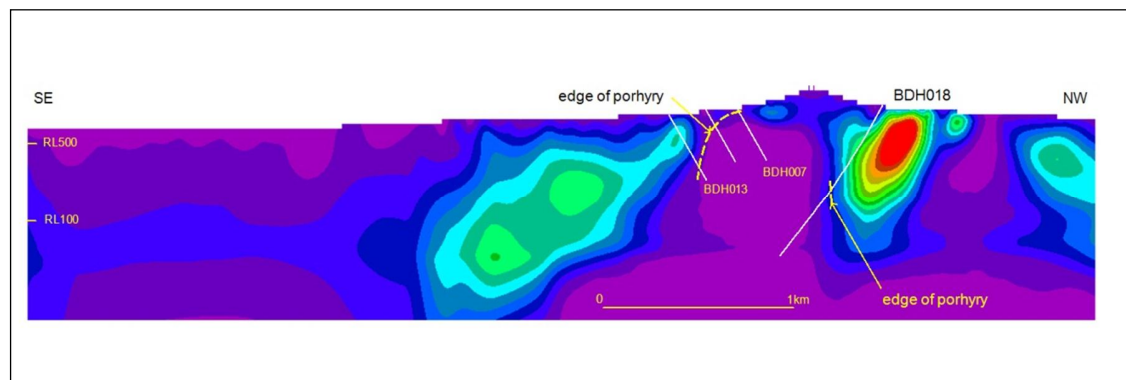


Figure 2. Trace of Whitehorse deep-hole BDH018 on NW-SE magnetic section

The deep-hole rig has now moved to south of the Lao Ping Tong prospect where the first of the reconnaissance rigs has located encouraging porphyry-style alteration. It will re-enter and deepen this hole leaving the two lighter rigs to continue their broader ranging reconnaissance. One reconnaissance rig has commenced drilling south of the Western Khan prospect and the other one within the Western Khan prospect (2.8km and 2.3km southwest and west-southwest respectively from Whitehorse). There are no assay results yet available for any of this drilling.

An early reconnaissance hole at the Royal Mongol prospect 2.4km south-southwest of Whitehorse failed to encounter significant porphyry-style alteration or mineralisation but did intercept a breccia with transported fragments of strongly sulphidic intrusive porphyry.

Sonid North (Mud-house)

At Sonid North a period of intensive drilling has just been completed. A 3,202m shallow RC program at the Mud-house prospect has established the existence of an anomalous gold corridor at least 1.8km long and from 100m to 150m wide. It has also indicated that prospects for a readily accessible gold resource are likely to be limited to a series of narrow gold-silver-arsenic mineralised structures within a central zone approximately 500m long.

A nine hole for 1,912m diamond drill program completed within this latter zone has provided useful geological information. Most assay results remain pending.

The anomalous gold corridor at Mud-house, while appearing to offer limited chances for near-surface resources, is of interest in that altered intrusive porphyries have been encountered in some of the diamond drill-holes. This prospect is less than 6km from Marmot Ridge where porphyry-style molybdenum and copper mineralisation was previously discovered by KSO.

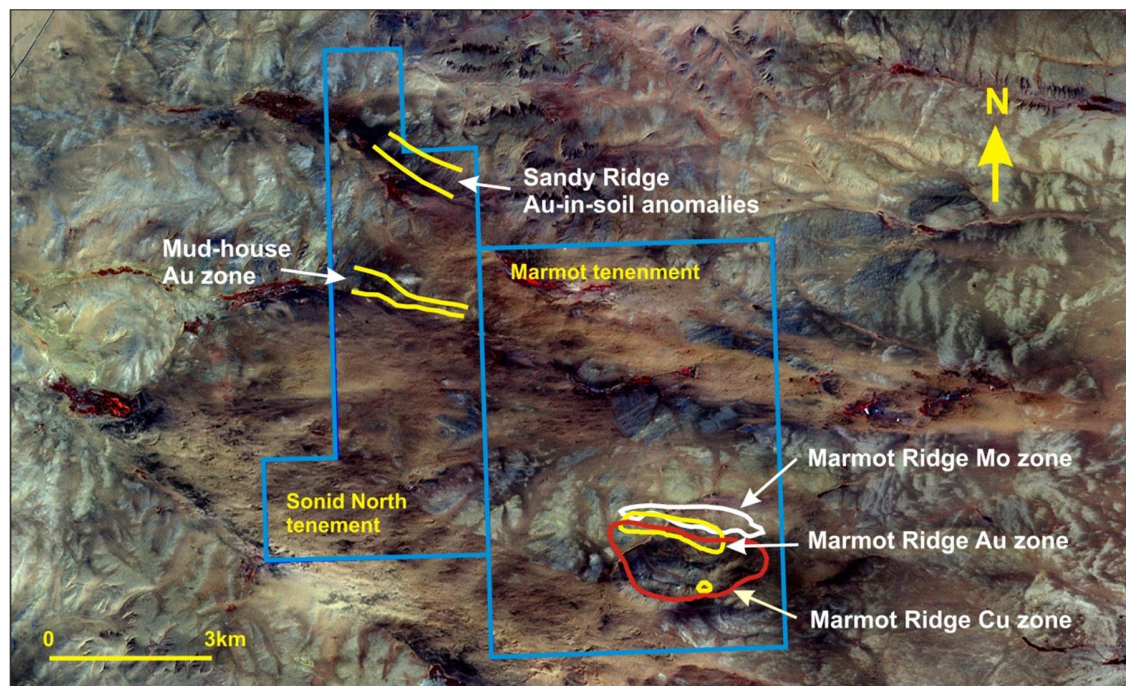


Figure 3. Showing relative locations of Mud-house, Sandy Ridge and Marmot Ridge prospects.

Drilling was also undertaken on a second recently identified mineralized zone within the Sonid North tenement. The program consisted of 83 RAB holes in 5 lines across a series

of gold-in-soil anomalies centred approximately 2.3km north of Mud-house and known as the Sandy Ridge prospect. Assay results remain pending.

KSO has had a very vigorous first three months of its 2011 field season. The activity continues unabated and a steady stream of results is expected over the next three months.

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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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