King Solomon Mines Limited

QUARTERLY REPORT FOR THE PERIOD ENDED 31 MARCH 2008

HIGHLIGHTS

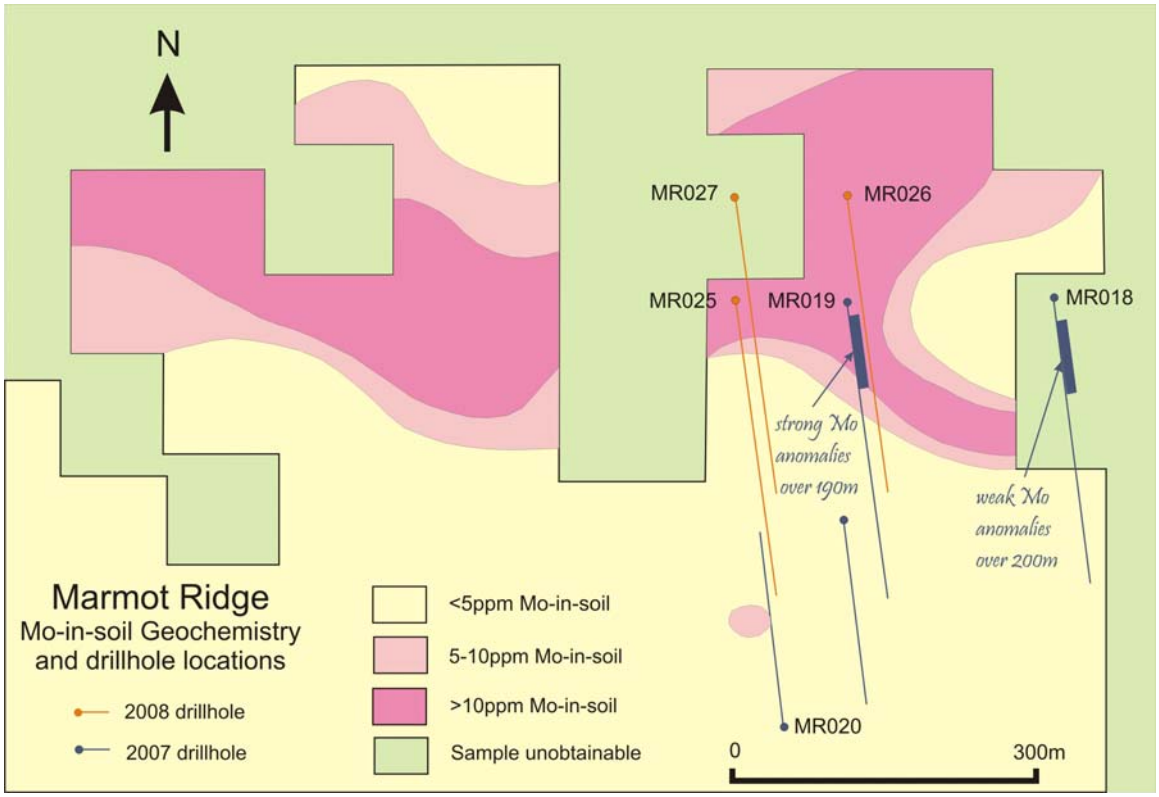
- **Resumption of diamond drilling at Marmot Ridge**
- **RC drilling at Naogaoshandu**
- **RC drilling starts at Beyinhar North**
- **Extensive geochemical sampling survey begins at Wuritu**
- **New gold target at Naogaoshandu**

REVIEW OF OPERATIONS

MARMOT RIDGE COPPER-MOLYBDENUM PROJECT (King Solomon 100%)

The first drill hole (MR025) of KSO's 2008 Marmot Ridge program was collared in mid March. The hole was sited 100m west of MR019 which had yielded persistently anomalous molybdenum values (>100ppm Mo) through zones of 51m and 40m downhole and had included intercepts of 4m at 0.23% Mo and 2m at 0.28% Mo.

Over its 341m length, MR025 encountered the same strongly hydrothermally altered grano-syenite that was hosting the Mo mineralisation in MR019. Similar levels of visible molybdenite have been noted in the core logged to date. The hole stopped, still in altered intrusive, at a depth of 341m. The first shipment for assay was despatched to SGS in Tianjin in the second week of April.



Shortly after the end of the month, a second drill rig had arrived on site and at the time of writing, drill holes MR026 and MR027 (respectively 100m north of MR019 and 100m north of MR025) were at depths of 465m and 245m, respectively. These drillholes are encountering the same altered grano-syenite. The objectives for these holes are:

- to test for along-strike and down-dip continuity of the >0.2% intercepts encountered in MR019;
- to continue searching for broader intercepts of Mo ±Cu mineralisation; and,
- to gather more geological vector data (e.g. increased veining) to assist in the above search.

Further soil sampling and IP (Induced Polarisation) surveys have been designed for up to 2km northward of the current drilling zone. The soil sampling has commenced and the IP survey is due to start in mid May.

Research into Mo-rich porphyry-related deposits around the world is demonstrating tectonic, lithologic and alteration similarities between Marmot Ridge and well-documented deposits in North America. Modelling of the target at Marmot Ridge is now utilising such North American deposit descriptions. The widespread copper anomalism and occasional gold, lead and zinc anomalies in the Marmot environment is consistent with these models.

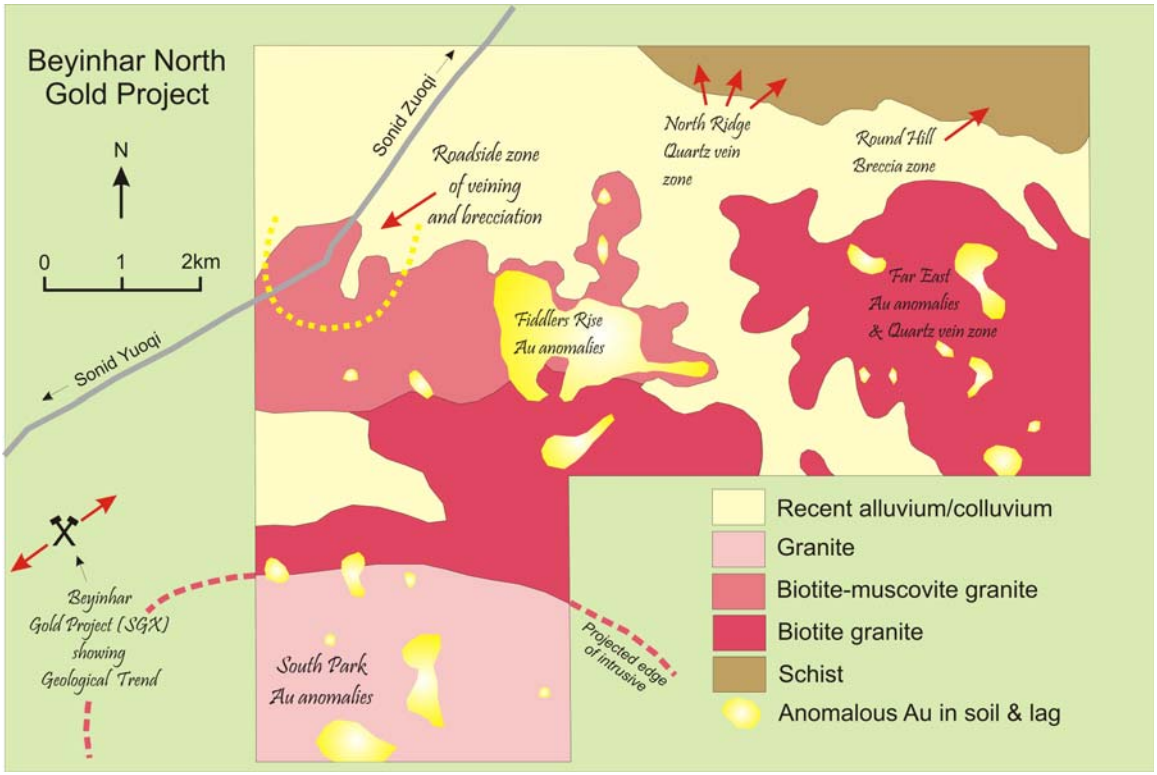
BEYINHAR NORTH GOLD PROJECT (King Solomon 100%)

Detailed mapping of the Fiddlers Rise and Roadside prospects was undertaken in March in preparation for the arrival, shortly after the end of the month, of a geophysical survey crew and an RC (Reverse Circulation) drill rig.

The mapping at Fiddlers Rise has revealed several occurrences of pod-like quartz and chalcedonic silica bodies aligned along fault structures traversing a granite stock. The silica zones are up to 150m wide and 350m long and are associated with low order gold-in-soil anomalies. A "fence line" of RC drillholes has been laid out over the largest of these structures and drilling is expected to commence late April.

At Roadside, the mapping has revealed strong and complexly zoned quartz-calcite and clay alteration associated with veining and brecciation over an area greater than 5 sq km. Host rock is granite. As a consequence of the mapping, two lines of RC drill holes were laid out across some of the strongest alteration zones apparent at surface. Drilling commenced shortly after the end of the reporting period with 8 holes for approximately 1,000m being drilled to date. At the same time a geophysical survey crew from Xian province arrived to commence approximately 45 line km of IP survey.

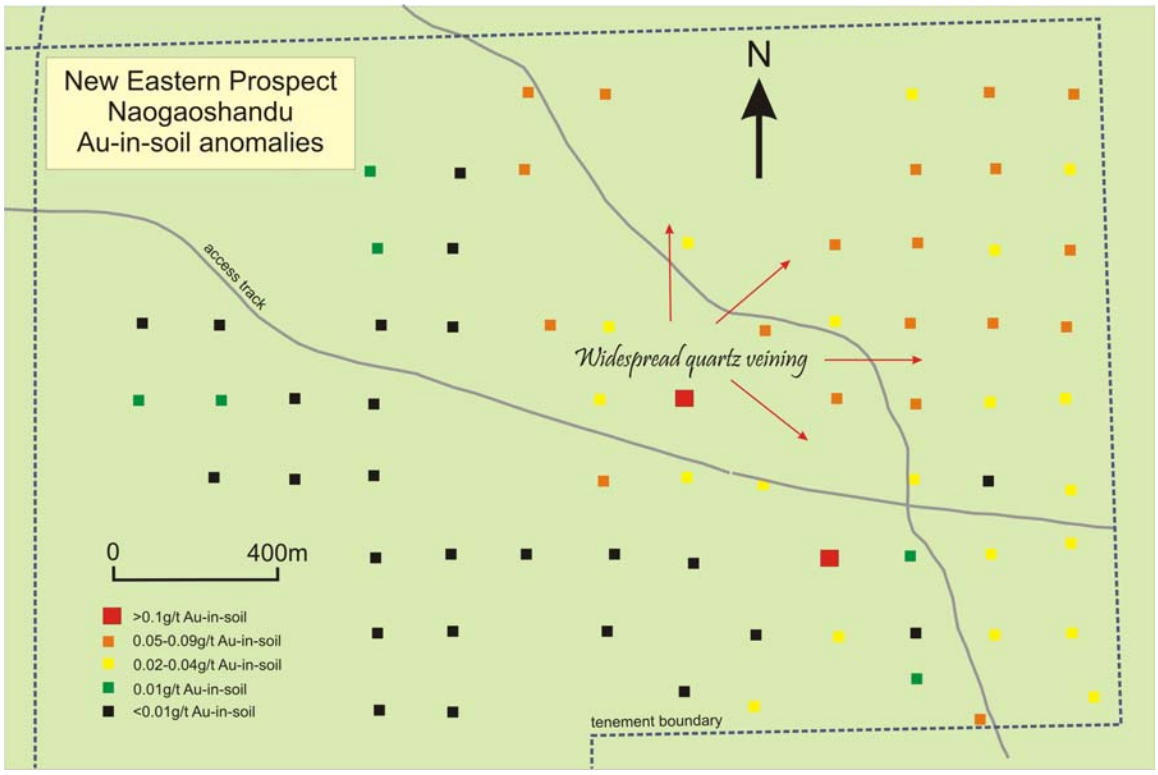
Elsewhere at Beyinhar North, review of the Round Hill, Far East and North Ridge prospects led to a decision for more detailed mapping and pit and trench sampling before commitment to RC drilling.



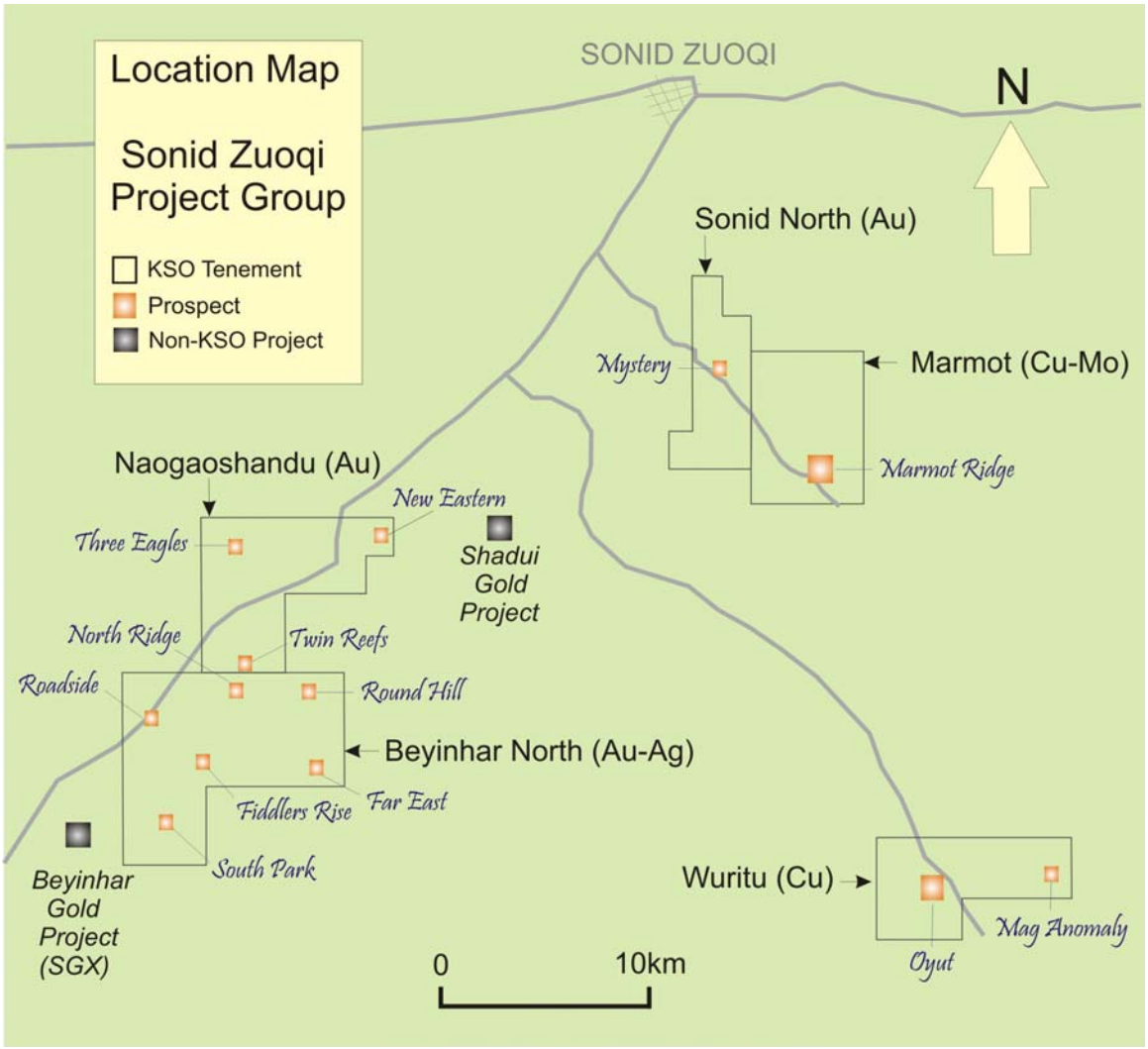
NAOGAOSHANDU GOLD PROJECT (King Solomon 100%)

The first RC drilling of KSO's 2008 program was undertaken at the Three Eagles prospect. Eight holes for approximately 1,100m were drilled to test a 500m section of an east-west trending, steeply dipping, one to ten metre wide zone of veining and silicification within chlorite schists. The holes encountered veining and sulphides over several metre widths at depths varying from 80m to 120m below surface. The first shipment of samples was despatched shortly after the end of March and results are expected late April.

Elsewhere at Naogaoshandu follow-up of widespread gold-in-soil anomalies near the north-eastern corner of the tenement has located a field of sulphide-bearing quartz veins and stockworks over an area of at least 1.6 sq km. The veining is mesothermal in nature and is hosted in a variable package of deformed chlorite and quartz–mica schists, slates and shales intruded and locally hornfelsed by felsic plugs and/or dykes. The combination of veining and gold anomalism is an attractive one and a program of detailed mapping and intensive outcrop and trench rock-chip has started. The area has been named the New Eastern prospect.



Follow-up mapping and sampling of other gold-in-soil anomalous prospects at Naogaoshandu is expected to start in June.



WURITU COPPER PROJECT (King Solomon 100%)

A comprehensive review of the geology, mineralisation and geophysical data collected to date at Wuritu was completed early in the quarter. It was decided that the 2007 focus on the Oyut prospect had been undertaken at the expense of more widespread data collection. With both the geological and geophysical (IP) data in particular indicating that Oyut is a small part of a much larger anomalous trend, a step-back to more widespread geochemical sampling was considered desirable. A 36 line km soil sampling program was consequently initiated in March and was nearing completion at the end of the reporting period. Results are expected early to mid May.

BU DUN HUA GOLD–COPPER PROJECT (King Solomon 100%)

A comprehensive review of the Bu Dun Hua project data was also completed through the quarter. An IP geophysical program has consequently been designed and scheduled for May and an RC drill rig has been scheduled for an early June drilling commencement. The focus of the geophysics will be on extending the strike length and better understanding the sub-surface geometry of the Cu, Ag, Pb, Zn, Au zone at the Lao Ping prospect. The drillholes will also be focused on this structure.

GENERAL

The company's 2008 field season has begun with high level of activity including completion of approximately 1,100m of diamond drilling and 2,100m of RC drilling. The principal focus has been the Marmot Ridge Copper-Molybdenum project and the Naogaoshandu and Beyinhar North Gold projects.

At the end of the March Quarter, the Company had cash on hand of $6.297 Million.

Stephen McPhail
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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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