



King Solomon Mines Limited

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MUD-HOUSE GOLD PROSPECT UPGRADED

The company has just completed a technical review of the first stage pattern drilling of its **Mud-house** gold prospect at Sonid North. The review included research into Chinese underground mining costs and resource valuations in China. It has been concluded that potential exists at **Mud-house** for a narrow vein 100,000 oz to 200,000 oz gold resource with additional exploration upside. This clearly merits more intensive follow up drilling.

The gold mineralisation (>1.0g/t Au) at **Mud-house** occurs in a series of narrow veins for at least 600m of strike length of an open-ended 1.8km surface gold anomaly. Thirteen intercepts of >1.0g/t Au from ten drill holes in this section average 1.9m in width and have a weighted average grade of 3.35g/t Au (these results have been reported individually in company quarterly reports). Best values include 0.7m @ 8.0g/t Au and 4.0m @ 11.3g/t Au. The thirteen intercepts are accompanied by numerous others in the 0.10 to 0.99g/t Au range and by occasional significant silver values.

The 600m zone has been tested on a coarse grid spacing to a depth of approximately 200m below surface. In-fill drilling, comprising 24 diamond drill-holes for approximately 6,000m, is now proposed to reduce hole spacing to 50m intervals along section lines 100m apart. This is necessary to better demonstrate the continuity of mineralisation required for a preliminary resource assessment. As the zone is open down-dip, some provision will also need to be made for testing anticipated continuity and thereby additional resource potential at deeper levels.

Repetitions of the **Mud-house** discovery may exist along geological trend. Recent prospecting results of 4.22g/t Au and 1.48g/t Au from chip sampling of isolated outcrops in KSO's adjoining Marmot tenement, demonstrate potential for further gold occurrences up to 6km eastward along geological trend from **Mud-house**. Further prospecting along this trend will be undertaken.

Bu Dun Hua Update

Meanwhile, drilling has been continuing at the Bu Dun Hua porphyry copper project. The first two diamond holes at the **Nomad** and **Ghenghis** prospects have been completed. The drilling rig is being moved to the third drilling site at the **Nothern Deeps** prospect. Assays are expected to be available by the end of July.

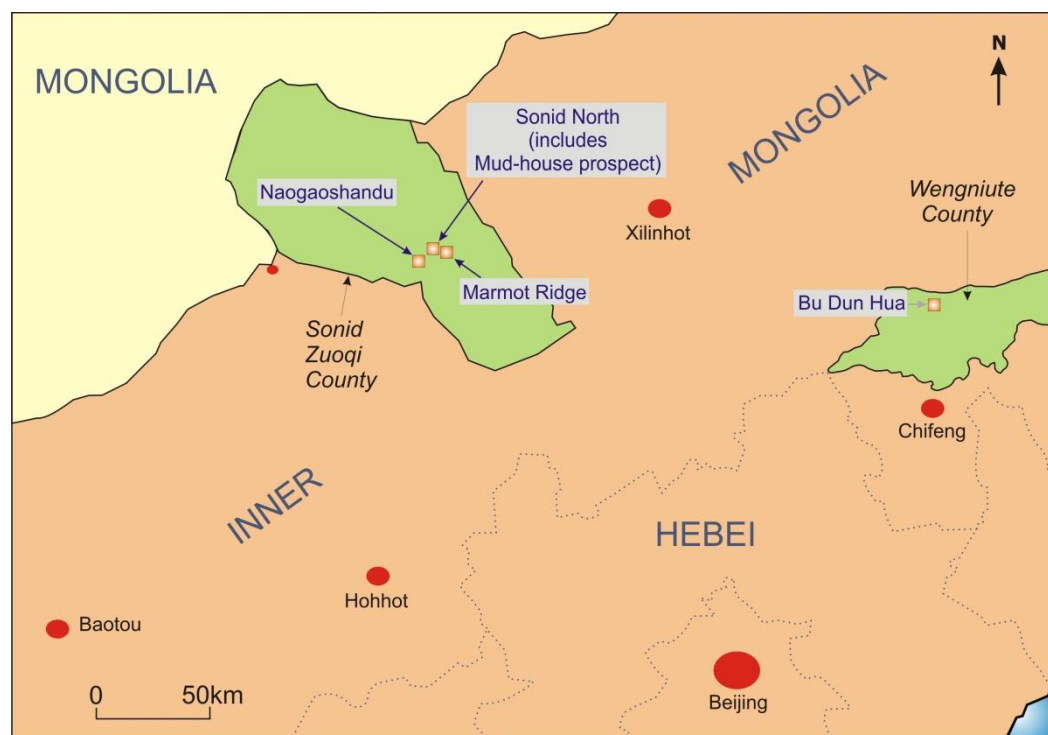
Stephen McPhail Managing Director

Enquiries may be directed to Stephen McPhail at phone 1800 061 569 (from Australia), +6421 897 667 (from elsewhere) or email stephen@kingsolomonmines.com.

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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ARBN 122 404 666



Project location map