



King Solomon Mines Limited

5 October 2012

Drilling commences at Three Eagles

Fundraising

The Company is pleased to advise that it has raised approximately \$0.9 million through a placement announced to ASX on 29 August 2012 and through the Share Purchase Plan (SPP) that closed on 3 October 2012. The Company will announce full details of the results of the SPP when the funds clear and when the share allotment takes place, expected to be 15 October 2012. These funds will enable drilling of the two high-priority drill targets at the Naogaoshandu gold project presented in a progress report released on 26 September 2012.

Naogaoshandu Drilling

King Solomon has commenced drilling the first of five holes for 1,500 metres at its **Three Eagles** and **East Ridge** prospects ó part of the Naogaoshandu gold project. The 26 September 2012 progress report noted that the IP anomalies (target of this drill programme) at **Three Eagles** and **East Ridge** were seen as potential "feeder" or "source" zones. The drilling is expected to be completed during October 2012 with first assays being received late this month.

Mud-house

Drilling is continuing at the **Mud-house** prospect at the Sonid North gold project where 3,337 metres have been drilled to-date.

The Company has three drilling rigs deployed between the Naogaoshandu and Sonid North projects.

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Fig 1 Location of key Naogaoshandu gold targets

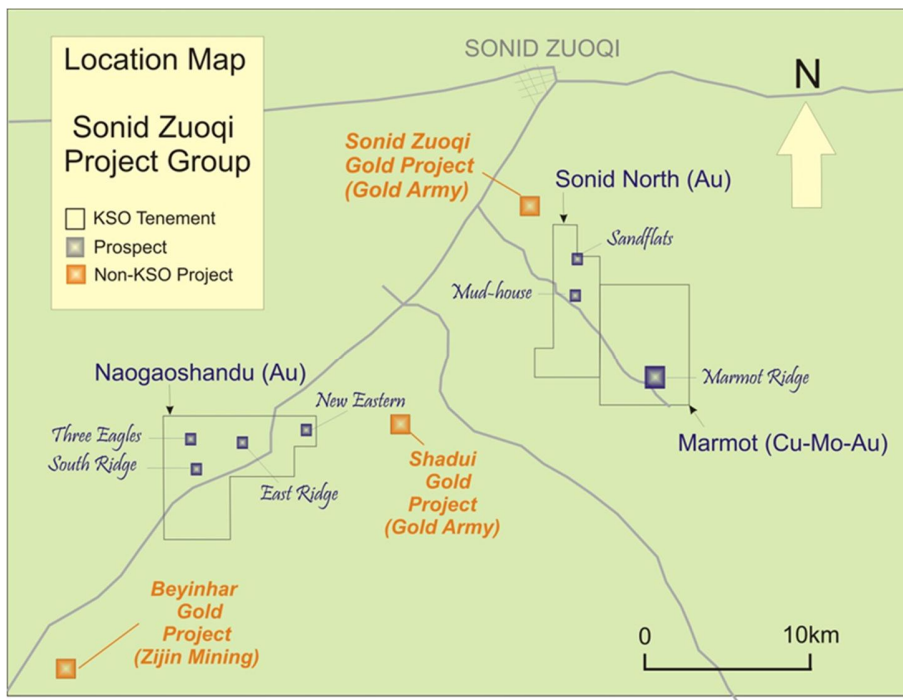


Fig 2 Location of Naogaoshandu project relative to other Sonid Zuoqi district projects