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KINGS MINERALS ANNOUNCES REVISED TERMS FOR BUSINESS COMBINATION WITH SAN ANTON RESOURCE CORPORATION

The Directors advise that the terms of the Company's proposed business combination with San Anton Resource Corporation (TSX: SNN) ("San Anton"), the Company's 71.3% controlled subsidiary, have been revised to increase the ratio for the exchange of San Anton common shares for Kings ordinary shares under the transaction from two (2) Kings shares for each San Anton share to two and one-half (2.5) Kings shares for each San Anton share. In addition, completion of the business combination will be conditional upon Kings receiving conditional approval for a listing on the Toronto Stock Exchange or the TSX Venture Exchange. The Company has not yet applied nor been accepted for listing on either exchange, and listing will be subject to fulfilling all of the listing requirements of the applicable exchange.

San Anton has also announces that, subject to regulatory approval, it will proceed with a rights offering to its shareholders to raise up to CDN\$3.9 Million that will be completed prior to the completion of the business combination. Pursuant to the rights offering, each holder of San Anton common shares will receive one right for each share held. For every four rights held, a holder thereof will be entitled to purchase one San Anton common share at a price of CDN\$0.15. San Anton shareholders will also have the opportunity to acquire additional shares beyond their entitlement through an additional subscription privilege. A maximum of 26,298,922 common shares will be issued by San Anton pursuant to the rights offering, which represents 25% of the currently issued and outstanding shares of San Anton.

The Company's 71.3% ownership interest in San Anton is held by way of common shares, and the Company has agreed with San Anton to subscribe for its full entitlement under the rights offering of CDN\$2.8 Million. The maximum proceeds to be raised from the rights offering, including the entitlement of Kings, is CDN\$3.9 Million. From the proceeds of the San Anton rights offering Kings will receive approximately AUD\$750,000 owed to it for working capital loans advanced to San Anton.

Kings currently has 509,413,034 shares issued and outstanding after completion of the recent rights issue. Upon completion of the San Anton rights offering and the business combination, the former shareholders of San Anton other than Kings, assuming that such San Anton shareholders acquire their *pro rata* portion of the rights offering, will hold approximately 94,361,530 Kings shares, representing approximately 16% of the issued and outstanding Kings shares after giving effect to the business combination.

Following the initial announcement of the proposed business combination on 4 February 2010, San Anton's special committee of independent directors formed in connection with the transaction retained Cormark Securities Inc. ("Cormark") to prepare a valuation for the proposed transaction and to consider the fairness of the proposed transaction, from a financial point of view, to the shareholders of San Anton (other than Kings). Cormark has delivered a valuation report to the special committee which concluded, subject to the assumptions, qualifications and restrictions noted therein, that the fair market value of a San Anton share is in the range of CDN\$0.25 to CDN\$0.40 per share and that the fair market value of the consideration of two and

one-half (2.5) Kings shares for each San Anton share to be received by the shareholders of San Anton (other than Kings) is in the range of CDN\$0.20 to CDN\$0.275 per San Anton share. In reaching its opinion as to the fairness of the proposed transaction, Cormark considered the above analysis among other analyses and has delivered an opinion to the special committee that the share exchange ratio of two and one-half (2.5) Kings shares for each San Anton share is not fair from a financial point of view to the San Anton shareholders (other than Kings).

However, based on a variety of factors, the special committee and the board of directors of San Anton have unanimously determined (with directors that also serve on Kings' board abstaining from voting) that the business combination is in the best interests of San Anton and to recommend that San Anton's shareholders vote in favour of the transaction. These factors considered by the special committee and the board of directors of San Anton include:

- the requirement to finance the continued development of the San Anton Project;
- that San Anton has concluded a broad search of third party financing options and these efforts have not resulted in any financing offers;
- limitations experienced by San Anton on raising financing as the apparent result of Kings' significant control block;
- simplification of ownership structure and public company cost savings;
- trading liquidity in the Kings shares which is superior to that of the San Anton shares;
- the Kings shares to be received by San Anton shareholders will allow them to participate in the combined assets of Kings and San Anton and the potential synergies of the combined company;
- the board of directors of San Anton will be able to consider and respond to any superior proposal from a third party, subject to payment of expenses to Kings in certain circumstances;
- the recommendation of Cormark that mitigating factors, and in particular the immediate requirement to finance, override the dilution to San Anton shareholders;
- the fact that, although Cormark has concluded that the share exchange ratio is not fair from a financial point of view to the San Anton shareholders (other than Kings), the ratio is based on a premium to the recent market price of San Anton shares. On 2 February 2010, the last trading day before the announcement of the proposed transaction, the closing price of San Anton's shares on the TSX was CDN\$0.25 and the closing price of Kings' shares on the ASX was AUD\$0.155. Using the exchange rate of the Bank of Canada on 2 February 2010, the revised share exchange ratio represents an approximately 50% premium over the value of San Anton's shares based on such closing prices, and an approximately 57% premium based on the volume weighted average trading prices for San Anton's shares on the TSX and for King's shares on the ASX over the twenty most recent trading days prior to such date;
- the requirement that the business combination be approved by majority of the minority shareholders of San Anton; and
- the availability of dissent rights to San Anton's shareholders, subject to Kings' right to terminate the business combination in the event that holders of more than 1% of San Anton's outstanding shares exercise their dissent rights.

For the transaction to proceed, a special resolution authorizing the amalgamation of San Anton and a wholly-owned Canadian subsidiary of Kings to be established for purposes of effecting the business combination must be approved by at least two-thirds of the votes cast by holders of San Anton's common shares at the Meeting (including Kings and its affiliates), as well as by a majority of San Anton's minority shareholders (excluding Kings and its affiliates). The proposed transaction will also be conditional upon customary terms for transactions of this nature, including there being holders of not more than 1% of San Anton's outstanding shares who exercise their rights of dissent in respect of the amalgamation.

Completion of the business combination is subject to a number of conditions, including the receipt of all required regulatory, stock exchange and shareholder approvals, including the approval of San Anton's shareholders as described above and obtaining the approval of Kings' shareholders. The transaction cannot close until all such approvals are obtained. There can be no assurance that the transaction will be completed as proposed or at all.

In the event that the business combination is not approved and that San Anton's minority shareholders do not acquire their *pro rata* portion of the San Anton rights offering, the Company's ownership in San Anton will increase from 71.3% to as high as 75.6%

For further information, please contact Norman Seckold (61-2) 9300 3300 or Craig McPherson on (61-7) 3252 0122.

Yours sincerely,
KINGS MINERALS NL

A handwritten signature in black ink, appearing to read "Norman A. Seckold", written over a circular stamp or seal.

Norman A. Seckold
Chairman