



# Solomon Gold plc

5 March 2009

## Announcement to London Stock Exchange

### Solomon Gold plc agrees to share issue to D'Aguilar Gold Ltd

Solomon Gold plc ("Solomon Gold") is pleased to announce that it has entered into agreement with D'Aguilar Gold Ltd ("D'Aguilar") to cancel a royalty agreement entered into in 2005 in respect of certain tenements held by a subsidiary of Solomon on Guadalcanal.

As consideration for entering into this agreement Solomon Gold will issue D'Aguilar two million (2,000,000) fully paid ordinary shares in Solomon Gold and pay D'Aguilar A\$50,000 cash.

The company also confirms that Mr Nick Mather (as Chief Executive Officer and Director of both Solomon Gold and D'Aguilar) and Mr Brian Moller (as Director of both Solomon Gold and D'Aguilar) are related parties in respect of this matter. As such Solomon Gold's remaining non-executive directors Messrs Wenck and Weinberg consider, having consulted with RFC Corporate Finance Ltd as its nominated advisor, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

D'Aguilar had previously held a royalty in respect of four exploration licences (Koloula PL 02/05, Central PL03/05, Mbetilonga PL04/05 and Sutakiki PL05/05 on Guadalcanal held by Australian Resource Management (ARM) Pty Ltd.

At completion of the transaction D'Aguilar will hold 3,055,557 shares in Solomon Gold, or approximately 4.7% of the Company.

### About Solomon Gold

Solomon Gold (AIM: SOLG) listed in early 2006 following a £5m IPO raising. The company was spun out from the listed ASX resource generation house D'Aguilar Gold Ltd (ASX:DGR). Solomon currently has 65m shares on issue and the board and management hold 25%.

Since listing, the Company has expended approximately A\$18m on the search for a giant gold copper porphyry system. The company's tenements have been renewed for a further two years over 612 km<sup>2</sup> covering highly prospective terrane on the southwest Pacific rim of fire, a region known for very large copper gold porphyry deposits, such as Grasberg, Lihir, Bougainville, Ok Tedi and the Newmont operation at Batu Hijau Indonesia. The Australasian Geoscience Organisation in 1989 in a regional assessment of prospectivity concluded that Solomon Islands was "highly prospective for mineral deposits and was the next most highly mineralised country in the South Pacific after Papua New Guinea."

Solomon Gold's prior programs established an understanding of the geology of the area and procured a substantial geological, geochemical and airborne magnetic database over the tenements. The company drilled 14,000 metres of core, resulting in the best intersection of 32m@9.45g/t gold in drillhole SK11 in the Sutakiki Valley, 30km south east of Honiara. Solomon



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Gold enjoys, as a result of the development of long term relationships with the local people on Guadalcanal, unprecedented access to areas never previously explored.

The company maintains a fully operational capability based in the capital, Honiara, and rapidly accesses all field areas by helicopter. The operation is managed by expatriate Australian staff and employs Solomon Island's staff where possible.

The Solomon Islands Mining Act provides for an orderly regulatory environment under which to conduct exploration programs. Solomon Islands is governed by a Westminster style elected parliament and enjoys the assistance and support of a number of south west pacific nations including Australia, through RAMSI, the Regional Assistance Mission to Solomon Islands.

By order of the Board  
KM Nagle  
Company Secretary

## Contacts:

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