



Solomon Gold plc

22 April 2008

Announcement to London Stock Exchange

Solomon Gold secures Fauro Tenement

Solomon Gold Plc (**Solomon Gold or the Company**) is pleased to announce that it has been issued with a Letter of Intent to grant a Prospecting Licence to the Company for the Fauro project area by the Solomon Islands Minister for Mines, Energy and Rural electrification.

The Fauro project area is located on the north western end of Solomon Islands on the island of Fauro, Shortland group of islands, Western Province, immediately south of the Papua New Guinea border and approximately 50 kilometres south east of the giant Panguna copper gold porphyry deposit on Bougainville Island. Fauro Island lies on the south-east trending volcanic arc that extends from the Tabar group of islands in Papua New Guinea through the Solomon Islands volcanic chain. Fauro Island exhibits all the favourable characteristics of an area that is highly prospective for both oxide and epithermal gold mineralisation.

The Fauro project area covers an extinct volcanic caldera with extensively altered and brecciated quartz rich intrusive and volcanic rocks. The area has yielded significant gold anomalies in surface sampling and drilling programs conducted by other explorers, notably BHP in the late 1980s and Western Pacific Mining Corporation in the late 1990s. In the light of the results of work carried out initially by the Solomon Islands' Ministry of Natural Resources in the early 1970s and by these previous explorers Solomon Gold considers the Fauro gold project area to have considerable potential for the discovery of both oxide and epithermal gold deposits. The area covered by the Prospecting Licence Application measures approximately 70 km² and is considered by Solomon Gold to be geologically analogous to the Lihir Island gold mine which has reported measured and indicated resources of approximately 35 million ounces of gold.

The issue of the Letter of Intent by the Minister enables Solomon Gold to move rapidly to secure all necessary land access agreements with local landowners on Fauro Island, facilitating the grant of a Prospecting Licence. Accordingly the Court action announced by the Company on March 4th, 2008, is now settled.

The Chief Executive of Solomon Gold, Nicholas Mather said:

"The Board of Solomon Gold is heartened by the issue of the Letter of Intent for Fauro. The project will supplement our ongoing projects on Guadalcanal. The Letter of Intent vindicates our faith in due process in Solomon Islands, a region we regard as highly prospective and a great place for mining exploration companies to be doing business. The Minister has indicated to us that the Government considers the exploration and mining industry to be likely to play a very strong role in the next phase of Solomon Islands' economic renaissance."

Broad distribution of gold in soil anomalies, and high grades returned from stream sediment, outcrop and channel rock chip samples as well as drill intersections point to one or more strongly gold mineralising events on Fauro Island. These results, which have outlined multiple targets, give us great encouragement to negotiate access agreements with the landowners and start our exploration programme as rapidly as possible. The Company will make good and rapid use of our operational strengths in Solomon Islands."

The BHP work programs yielded gold anomalies from soil, rockchip, channel and drill core samples on numerous targets over a 16 km² area interpreted to be the remnant western rim of a volcanic crater which had developed over the upper levels of a large copper and gold system. Solomon Gold considers the location of the project, approximately 50 km south east of the giant Panguna porphyry copper gold deposit on the Island of Bougainville is testimony to the prospectivity of Fauro. The geology of the area indicates that the mineral system has been exposed at a high level in the gold dominant zone. This level is considered to be analogous to the depth of exposure for Lihir Island, also in Papua New Guinea, which hosts approximately 35m ounces in gold resources.

Work by earlier explorers on Fauro defined a number of prospects. Three of the more advanced prospects are Kiovakase, Hornbill and Meriguna, key results for which are summarised below. The Ballyorlo and Bataha prospects also show high prospectivity based on stream sediment sampling and geology but require further work.

Kiovakase Prospect:

- 400m x 150m gold in soil anomaly (>0.2gpt Au)
- Highest gold in soil value of 2gpt Au
- Channel sampling in bulldozer cuts returned up to 18m at 1.42gpt Au
- Highest grade rock chip sample of 317gpt Au
- Best results from the four drill holes completed at Koviakase were:

Hole ID	Depth m	Au gpt
KD1	16 – 17	0.61
KD4	66 – 67	0.54

Hornbill Prospect:

- 480m x 400m gold in soil anomaly open to south and west in a silicified dacite host
- At least seven sub-parallel zones of gold enrichment
- Highest gold in soil value of 22.6gpt
- Channel sampling in bulldozer cuts returned up to 30m at 1.42gpt Au with one zone of 2.5m grading 24.60gpt Au
- Highest grade rock chip sample of 5.04gpt Au
- Two drill holes started by Western Pacific showed significant mineralisation reporting a 0.5m intersection grading 8gpt Au and a 5m zone at 0.32gpt Au. A second hole encountered a pyritic stockwork and terminated in mineralisation at 116m

Meriguna Prospect:

- 500m x 300m gold in soil anomaly open to south and west
- Highest gold in soil value of 1.45gpt Au
- Channel sampling in bulldozer cuts returned 30m at 1.6gpt Au, 10m at 5gpt Au and 6m at 4.9gpt Au
- Other trench results include: 5m at 3.95gpt Au, 30m at 1.60gpt Au, 4m at 8.74gpt Au, 6m at 2.3gpt Au, 5m at 2.93gpt Au and 6m at 4.90gpt Au.
- Reported diamond drill intersections from the Loklokimola area of Meriguna Prospect include:

Hole ID	Depth m	Thickness m	Au gpt
LD1	57 – 58	1	0.66
	76 – 77	1	0.58
LD2	3 – 16	13	0.95
	81 – 83	2	0.73
LD3	44 – 45	1	0.73
	49 – 53	4	0.55
	73 – 75	2	3.00
	110 – 111	1	1.88
	113 – 114	1	0.63
LD4	4 – 6	2	0.94
	16 – 18	2	1.43
	22 – 24	2	0.91
	28 – 32	4	2.52
	46 – 48	2	0.59
	54 – 57	3	0.79
LD5	4 – 6	2	0.55
	18 – 24	6	0.85
	30 – 44	14	1.06

The historic results indicate the potential for a significant gold resource in oxidised zones close to the surface and Solomon Gold intends to test these prospects systematically by trenching followed by a shallow and an extensive drilling program. Deeper drilling will also be undertaken to test systems which would have been sources for the oxide zones.

The Company intends to commence a program of immediate community liaison on Fauro to reinvigorate previously established relationships with a view to access agreements being executed swiftly. A camp will be established to provide support for the geophysical and drilling program to enable rapid follow up of the results collected by earlier explorers and by the Solomon Islands Ministry of Natural Resources.

About Solomon Gold

Solomon Gold holds extensive tenements on the main Island of Guadalcanal, Solomon Islands, for minerals exploration, focusing on copper and gold rich porphyry systems and high grade epithermal gold mineralisation. The Company listed on AIM on 10 February 2006 after a £5m capital raising. The Company has identified approximately 30 km² of mineralisation indicative of significant porphyry copper gold and epithermal gold mineralisation systems and is currently conducting a three rig program drilling key targets. Solomon Gold believes the area located on the southwest Pacific Rim to host potential for the discovery of a world class copper gold porphyry system similar to other large ore bodies in the region such as Ok Tedi, Grasberg and Bougainville which host resources in excess of 40m oz of gold equivalent as gold and copper. The Company is staffed by an active team of expatriate and Solomon Island geologists and field hands, supported by integrated logistics support services.

The program is now augmented by the services of two drilling contractors operating a total of three rigs for Solomon Gold, and a helicopter service contract.

In late 2007 the Company announced an intersection of 32m @ 9.45 g/t gold from 108m in drill hole SK11 at Sutakiki in the centre of the broadly mineralised intrusive zone. Two of the three drill rigs are currently active at Sutakiki and the third is testing targets in the Koloula Valley to the south.

In December 2007 Solomon Gold raised a further £3.5m to continue working on the Guadalcanal projects.

It is the current intention of Solomon Gold to define a world class porphyry copper gold deposit with an overprinted high grade epithermal gold deposit and ultimately bring it to production. Solomon Gold has access to the required exploration, development and financing skills to achieve this goal.

The high grade gold mineralisation encountered in the recent drilling at Sutakiki is characteristic of high grade gold deposits related to mineralised transform structures in Papua New Guinea and the Indonesian archipelago.

Qualified Person

Information in this report relating to the exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hons Geol.), the Chief Executive Officer of the Company. Mr Mather is a Fellow of the Australasian Institute of Mining and Metallurgy who has in excess of 25 years experience in mineral exploration and is a Qualified Person under the AIM Rules. Mr Mather consents to the inclusion of the information in the form and context in which it appears.

By order of the Board
DP Cornish
Company Secretary

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