



# Solomon Gold plc

23 May 2008

## Announcement to London Stock Exchange

### Exploration Update

#### Highlights

##### *Sutakiki*

- Valehailala prospect continues to east and west. Further drilling planned
- Vunuvalekama prospect defined 1,200 metres south east over a 100 metre zone, open to the south. Veins up to 7 g/t gold
- High tellurium values suggest a significant intrusive copper gold system nearby
- Drillhole SK22 to test Vunuvalekama
- Charimbarau prospect defined north of Vunuvalekama on magnetics and rock chip sampling
- Airborne electromagnetic survey commencing shortly
- Additional targets defined on geochemistry and magnetic features

##### *Mbina, Chikora*

- Malekave (Devils Falls) prospect currently being drilled. No other significant results at Mbina or Chikora

##### *Fauro*

- Meetings and access negotiations have been held with local landowners. Work expected to commence in the field in the next three months

##### *Ngella, Makira and East Guadalcanal lateritic nickel*

- Soil profile auger sampling has identified areas of lateritic nickel mineralisation up to 1.2% nickel in the saprolite zone in the Ngella area on the Florida Islands, north of Honiara
- Deep auger sampling is expected to be commenced shortly
- East Guadalcanal permit expected to be granted shortly

##### *Sutakiki*

The directors of Solomon Gold wish to advise of exploration progress at Sutakiki, on Guadalcanal, continues to be the Company's main prospect, in the Solomon Islands. Since Solomon Gold reported a discovery at Valehailala Creek, Sutakiki of 32 metres at a grade of 9.45 grams per tonne gold in SK 11 late in 2007, the Company has been focused on the extension of the anomalous surface results and gold mineralisation encountered in the discovery drillhole. A further 7 drillholes have been completed at Sutakiki and one hole SK 12 did not reach target depth due to drilling difficulties. Two further holes, SK 19 and 21 are currently drilling above the interpreted mineralised zone. Of the seven holes drilled through the target zone since SK 11 four (SK 14, 16, 17 and 18) have hit potentially ore grade gold mineralisation, two holes (SK 15 and 20) have so far intersected low grade mineralisation, while 1 hole (SK 13) did not intersect any anomalous mineralisation. To date the

mineralised skarn zone has been intersected over an east west strike length of some 300 metres and down to a depth of approximately 200 metres in the vicinity of SK 11 and 14. The structure dips steeply to the north. A plan illustrating these holes may be viewed on the Company's website [www.solomongold.com](http://www.solomongold.com)

Assay results are being severely delayed by very high demand on the laboratory facilities in Australia. Improvements to the laboratory facilities currently under construction are expected to improve assay turnaround. Further results are expected for drillholes 19 and 21. Table 1 below sets out the results to date including the discovery hole SK 11.

**Table 1** – Results of significant intersections in drillholes on the Sutakiki Prospect, Guadalcanal Solomon Islands. May 2008, Solomon Gold plc.

Drill hole	Intersection	From	To	Gold grade g/t
SK11	32	108	140	9.45
including	10	113	123	21.10
SK11	7	144	151	2.37
SK11	4	154	158	3.08
SK12	did not reach	target depth		
SK13	no significant	intersection		
SK14	13	206	219	2.33
including	6	213	219	4.49
SK15	1	121	122	2.56
SK15	18	143	161	0.74
SK15	3	260	263	0.89
SK16	10	104	114	1.76
SK17	16	133	149	1.12
including	1	133	134	9.33
SK18	3	87	90	5.20
including	1	87	88	12.1
SK18	2	143	145	0.52
SK19				Mineralised Zone yet to be intersected
SK20	4	80	84	2.0
SK21				Mineralised zone yet to be intersected

The Sutakiki program currently involves two drilling rigs and a third is expected to be deployed on the prospect in the next two months. One drilling rig is working eastwards, drilling odd numbered holes and the other rig is working westwards drilling even numbered holes.

Geological mapping and reconnaissance in the area and along the strike of the gold rich zone indicates that the structure hosting the gold mineralisation may extend for up to 1.5 km. Trenching across quartz and mineral sulphide veins on the south eastern extremity of the zone of interest at Vunuvalekama returned significant copper, gold and silver values over up to 20 metre widths at surface. It is planned to test these zones by drilling in the next three months. A parallel zone of gold mineralisation is located approximately 500 metres to the south but has not been tested by any

drilling to date. The drilling conducted in holes SK 01 to SK 10 prior to the discovery of SK 11 are interpreted to have drilled underneath the SK 11 discovery zone from the southern bank of the Sutakiki River. The odd numbered holes SK 19 to SK 25 are designed to test the north dipping structure between Valehailala and Vunuvalekama.

The mineralisation at Sutakiki is located in sheared and altered volcanic and intrusive rocks forming part of a 25km<sup>2</sup> metalliferous system containing anomalous levels of gold and copper. The Sutakiki prospect represents a target zone where the mineralising processes have been concentrated. Further targets within this broadly mineralised zone have been identified on the basis of interpretations of magnetic data collected by Solomon Gold's operating subsidiary Australian Resource Management in 1997 and recent mapping and surface sampling activities conducted by Solomon Gold.

The airborne electromagnetic survey which Solomon Gold has planned for several months will be commencing within two weeks. The survey will cover 155km<sup>2</sup> and be flown over 2,200 line km on the Guadalcanal Project area. The survey is designed to identify areas of strong sulphide mineralisation and will be able to "see through" the jungle, soil and landslide scree cover which currently inhibits geological mapping and interpretation. Gold correlates strongly with sulphide minerals in the Sutakiki area and the survey results should enable future drilling targets to be more precisely defined.

### ***Vunuvalekama***

The Company has also identified additional areas of mineralisation at Vunuvalekama and Charimbarau on the south eastern extent of the Sutakiki system, approximately 1,200 metres south east of the mineralisation originally outlined at Taborora and intersected in drillhole SK 01 in December 2006. Highlights of mineralisation reported from trenching conducted on the prospect are set out in Table 2 below.

**Table 2** - Highlights of sampling from trench sampling at Vunuvalekama, 1.2 km south east of the Taborora Vein system, Sutakiki.

<b>SAMPLE</b>	<b>gold</b>	<b>silver</b>	<b>copper</b>	<b>zinc</b>	<b>lead</b>	<b>Tellurium</b>
	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>	<b>ppm</b>
grab, vein	6.8	50.5	>10000	>10000	4910	116
grab, vein	7.04	60.8	>10000	>10000	3340	30
2m composite	1.01	13.5	4810	4280	3020	94.7
2m composite	0.83	9.7	5490	>10000	1710	5.17
2m composite	4.51	10.4	>10000	>10000	187	>250
2m composite	4.09	2.5	475	1300	119	59.4
2m composite	0.61	1.8	461	4020	2340	4.48
2m composite	0.61	1.2	588	31	40	0.83
2m composite	4.65	6.3	244	2050	757	33.7
2m composite	2.45	6.5	639	2790	800	29.3
2m composite	1.63	5.5	1140	2770	276	12.4
2m composite	1.24	3.7	92	463	8	5.98
2m composite	2.59	12.5	7910	>10000	466	68.9

Very high tellurium values have been reported and this has been a feature of the high grade gold values in drilling to date. Tellurium is considered to be rarer than gold in crustal abundance and the presence of such high values suggests the presence of a very large metalliferous porphyry system. High grade copper, silver, lead and zinc values (over 1%) are also reported. These values are characteristic of the marginal zones of a large metalliferous intrusive porphyry system and accordingly Solomon Gold believes the results provide further encouragement for the discovery of a major porphyry copper gold orebody at Sutakiki.

The mineralised zone at Vunuvalékama has been intersected in two trenches 80 metres apart along strike. The results of the second trench are not yet available. Mineralised veins also outcrop 100 metres to the north in Vunuvalékama Creek.

The Vunuvalékama prospect is considered to be a promising target and appears both spatially and geologically to be a continuation of the Taborora stockworked porphyry intersected in SK 01 in December 2006, 1,200 metres to the north west.

Excluding the two grab samples of 7.04 g/t and 6.8 g/t Au taken from epithermal quartz veins, the trench returned 24m @ 1.12 g/t Au from the southern section and 24m @ 0.52 g/t Au from the northern section. These gold values are believed to be derived from fine stockwork quartz magnetite and sulphide veins in the intrusive porphyry host.

The porphyry outcropping in the trenches is altered with promising clay quartz and sulphide minerals and is weathered. Fine stockwork (networks) of quartz veins accompanied by chalcopyrite and magnetite cut the porphyry with higher vein density in the south (accompanied by higher gold grades). Two parallel epithermal to mesothermal quartz veins up to 1m wide overprint the porphyry on the southern zone and returned samples assaying 7.04 and 6.8 g/t gold,

These veins are also high in tellurium returning values of 67.4 g/t and 91 g/t. The strike and dip on these veins is 110 degrees magnetic and 80 degrees magnetic to the south, identical to that of the Taborora veins, to which the Vunuvalékama mineralised veins project.

Drillhole SK 22 has been established on the Vunuvalékama trench site to test the vein system.

## **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 km<sup>2</sup> 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 SK 11 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  
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