



Solomon Gold plc

12 September 2008

Announcement to London Stock Exchange

Progress Report - Guadalcanal Exploration Project

The Directors of Solomon Gold plc (the Company) advise that the exploration strategy for the next 12 months has been refined to focus on mapping, sampling and target generation. Drilling campaigns on the Valehailala structure at Sutakiki have been deprioritised in the short-medium term. As a result two of the three drilling rigs have been released. A considerable saving in operating expenses will flow as a result of this decision.

The board believes that a return to broad mapping, sampling and analysis of the Company's extensive database including drilling and geochemical results will now provide refined direction to the large scale Cu-Au porphyry targets believed to be present.

Valehailala Sutakiki

The Valehailala structure is present over a 2km strike length in the Sutakiki Valley and is altered and mineralised over widths up to 50m and to depths in excess of 200 metres, however the grade of the structure is inconsistent, ranging up to the result obtained in SK11 of 32m @ 9.45 g/t gold.

Assay results have been received for the latest holes SK022, SK023 and SK024. Significant results include:

SK022: 9m @ 3.70 g/t Au from 204m to 213m (including 3m @ 6.25 g/t Au from 204m to 207m), 8m @ 7.25 g/t Ag from 204 to 212m, 3m @ 1.3% Cu from 204m to 207m.

SK023: 11m @ 0.93 g/t Au from 158m to 169m, 5m @ 0.728 g/t Au from 196m to 201m and 12m @ 2 g/t Ag from 158m to 170m.

Recent field work has indicated additional zones of mineralisation which have been outlined in drainages in the eastern Mbetigarutu area, directly south of Sutakiki. These zones have similar characteristics to the mineralised areas previously trenched at Vunuvalekama and also host skarn occurrences similar to those encountered in SK011. Assay results are awaited for sampling programs in this area.

The Valehailala structure is considered to represent a mineralised structure marginal to a large disseminated copper gold porphyry system, prognosed to lie to the south.

Target Generation

The Company intends to focus on target generation over the next 12 months, with a focus on airborne geophysics, mapping and sampling. The principle prospect areas targeted include:

Target	Location	Key leads	Other comments
Hambusimaloso	Mbetilonga, 11 km south Honiara	1.3 x .8km copper anomaly greater than 1000 ppm copper. Rock chip results to 13% Copper	Not tested in 2006 owing to successful Sutakiki access directing program away from Hambusimaloso
Vuralanggoma	Mbetilonga, 11 km south Honiara	38m @.3% copper in Utah drillhole 1970	
Kuma	Kuma 30km sse Honiara	Well developed clay silica pyrite zone with weak gold anomalies expected to be a caprock over a porphyry	Previously downgraded, but now thought to be an important peripheral zone
Chikora	Koloula Valley 30km sse Honiara	Coincident copper and magnetic anomaly on the western edge of Chikora drilled area	Drill pads prepared.
Mbetigarutu	Sutakiki 20 km south east Honiara	20km ² zone of magnetic anomalies south of Sutakiki	Mapping and sampling currently
Sutakiki West	Sutakiki 20 km south east Honiara	Magnetic and vegetation anomalies with rock chip samples up to 3.5 g/t gold indicate mineralised zone.	
Chupukama	Central 15km south east Honiara	50 metres @ 1.8 g/t sampled in gold zone in a landslide	Porphyry target indicated in geophysics 1km west

Airborne Electromagnetic Survey

The planned airborne electromagnetic survey has been delayed and is now expected to commence in late September. The survey is expected to outline numerous conductors and resistors representative of sulphide and low sulphide mineralised structures. Drilling activities are forecast to be restricted to a minimum until the completion of this survey and mapping and sampling activities to highlight the areas of coincident mineralisation. The airborne survey and interpretation following is expected to be completed in October and mapping and sampling work to be completed in January with resumption of drilling in late January of 2009.

Corporate

The directors advise that no technical information is available which would explain the share price drop in recent weeks. The Company is currently considering a number of alternatives for raising ongoing exploration funds. This, and the general state of equity markets are believed to have contributed to the recent share price fall. The Board believes that the change in the Company's exploration strategy will be a constructive change in that the expenditure rate is budgeted to halve and additional future drilling targets will be defined.

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 30km² of mineralisation indicative of significant porphyry copper gold and epithermal gold mineralisation systems. 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.

In late 2007 the Company announced an intersection of 32m @ 9.45 g/t gold from 108m in drill hole SK011 at Sutakiki in the centre of the broadly mineralised intrusive zone.

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

Contacts:

Mr Duncan Cornish

Secretary

Tel: +61 7 3303 0660 or dcornish@solomongold.com

Mr Stephen Weir

RFC Corporate Finance

Nominated Advisor

Tel +61 2 9250 0048 or Stephen.Weir@rfc.com.au