



Solomon Gold plc

10 December 2008

Announcement to London Stock Exchange

Solomon Gold Guadalcanal Tenement Renewals and Exploration progress update

Tenement Renewals

The Directors of Solomon Gold plc (“Solomon” or “the Company”) advise that exploration licences PL 02/05 Koloula, PL 03/05 Central Guadalcanal, and PL 04/05 Mbetilonga have been renewed by the Solomon Islands Minister for Mines Energy and Rural Electrification, for a period of two years, to 7 December 2010. A further period of 8 months has been added to the current tenure of exploration licence PL 05/05 Sutakiki, to 10 July 2009. The renewals for Koloula, Central Guadalcanal, Mbetilonga and the extension to Sutakiki provide the basis for the company to continue to progress the exploration for large porphyry copper gold orebodies on Guadalcanal.

Term Sheet Negotiated with Newmont

On 26 November 2008 Solomon Gold announced that it had finalised a Term Sheet outlining the principal terms of a proposed definitive agreement with Newmont Ventures Limited, a wholly owned subsidiary of Newmont Mining Corporation (NYSE: NEM) (“Newmont”) in respect of Solomon Gold’s copper gold exploration projects on the island of Guadalcanal, Solomon Islands.

Under the terms of the proposed agreement, Newmont may earn up to an 80% interest in five exploration licences (Koloula PL 02/05, Central Guadalcanal PL03/05, Mbetilonga PL04/05, Sutakiki PL05/05 and Kuma PL08/05).

Subject to finalisation of a definitive agreement, the Term Sheet provides for Newmont to earn up to a 70% interest by expending US\$12 million over 5 years in two stages.

The Term Sheet also provides that Solomon may dilute a further 10%, to 20% (with Newmont’s interest being increased by 10%, to 80%) and be fully funded to mining with repayment of its share plus interest from 90% of its share of cash flows or distributions. Other terms include the provision for Solomon Gold to manage the program for at least the first year, agreed fees to be paid to the manager, and pro-rata contributions to minimum budgets of \$1m per annum after Newmont earns 51% in stage 1, should it not elect to proceed to 70% in stage 2.

Newmont currently proposes to second at least one of its geoscientists, experienced in porphyry projects discovery and assessment in the South Pacific, to the project.

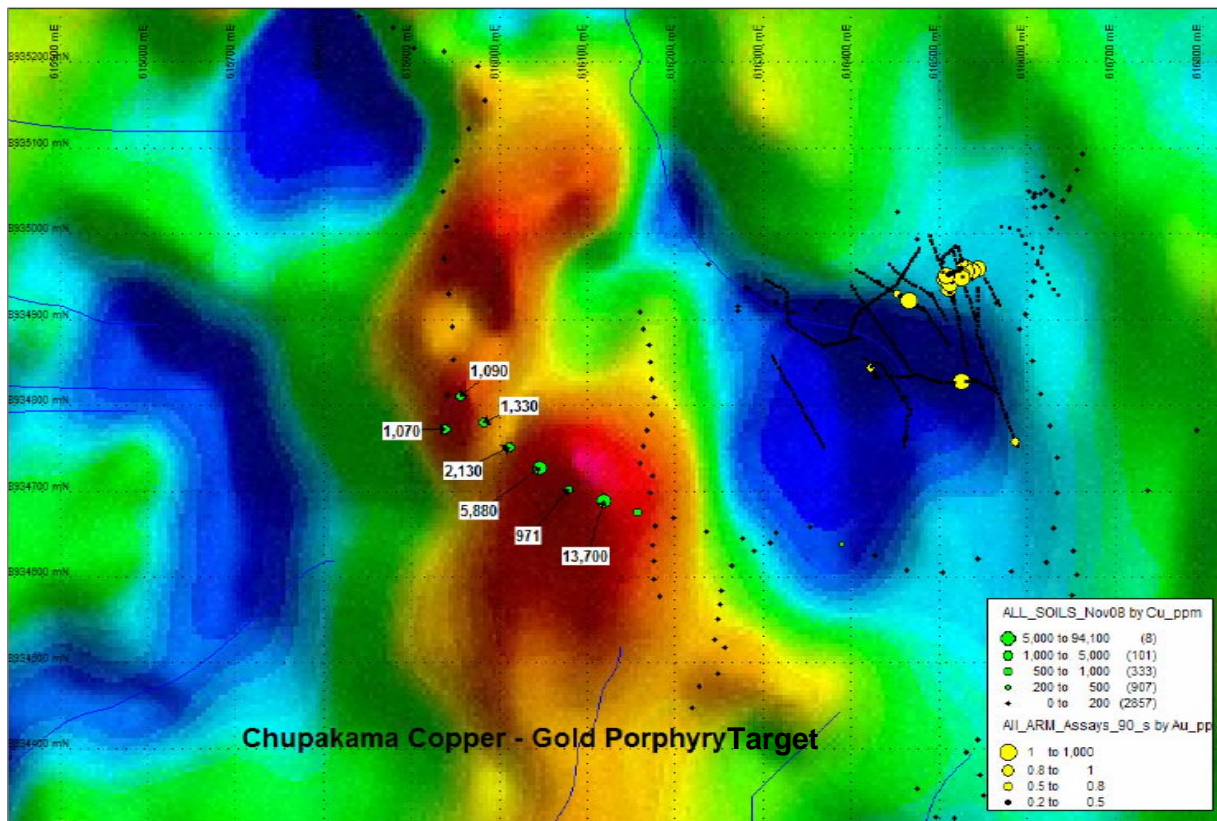
Newmont is currently conducting due diligence investigations and the renewal of the tenements is an important development in that regard. A definitive agreement is currently being

negotiated and Solomon Gold expects to be able to execute it with Newmont by January 26, 2009 (within the 60 day due diligence period).

The Solomon Gold board considers Newmont’s interest in Guadalcanal Island to be a significant demonstration of support for the prospectivity of Solomon Gold’s projects on Guadalcanal Island. Newmont is one of the world’s leading gold project development and operating companies, with considerable experience in the south west Pacific and Indonesia.

Chupukama Mapping and Sampling Results

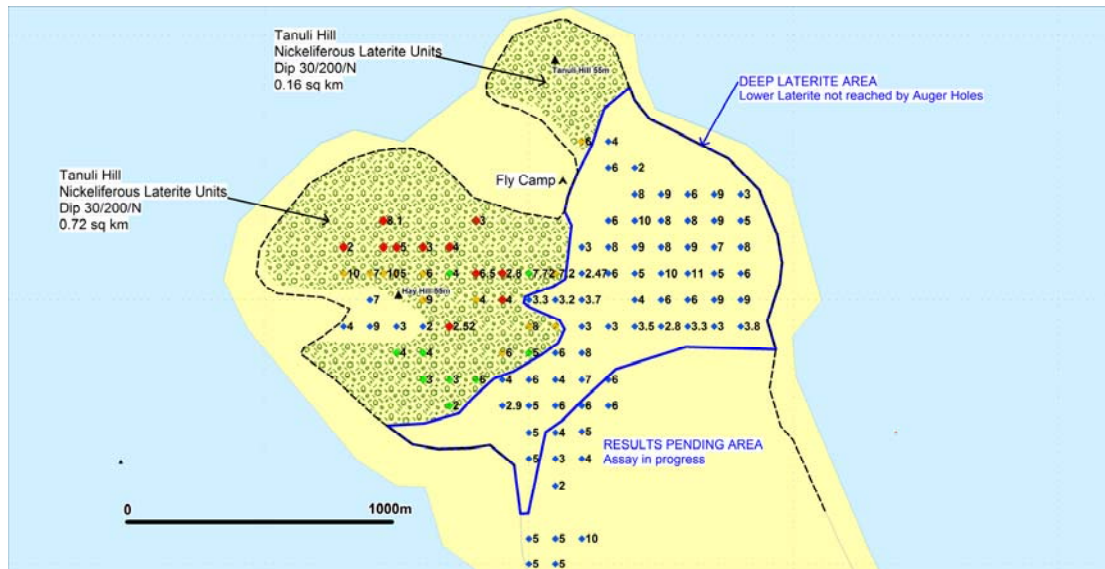
Results have been received for soil sampling traverses over aeromagnetic anomalies adjacent to known gold anomalous areas at Chupukama. The samples show elevated levels of copper mineralisation, which in the context of the magnetic anomaly and adjacent gold mineralisation, outline a copper porphyry target. Copper anomalism ranges from 0.1% copper to 1.37% copper in soil samples across a core zone 200m wide. The mineralised system on the basis of magnetics and gold results in the eastern portion covers an area of 1km x 1km. The core zone, coincident with a magnetic high feature, is some 200 x 700 metres and is surrounded by magnetic low features indicative of an alteration zone of up to 300 metres wide.



Solomon Gold expects that the target zones at Chupukama will be properly and more intensively investigated in the course of the next field exploration program.

Ngella Nickel Prospects

The Company has defined a maiden resource of nickel laterite mineralisation on its wholly owned Ngella nickel prospect in the Florida Islands group north of Honiara. An indicated and inferred resource of 1.695 Mt at a grade of 0.6% nickel and 0.06% cobalt has been defined. Based on mineralisation at higher grades persisting at depth in most of the test pits dug to date a target of a total 5.4 Mt at a grade of 1.0% Ni and 0.1% Cobalt has been outlined. Further extensions are prognosed to the south, where results are awaited. The Company is encouraged by the presence of platinum in the mineralised zones with anomalous palladium. Best results to date have included 2.02% nickel, 0.23% cobalt and 0.147g/t platinum and 0.11g/t palladium.



About Solomon Gold

Solomon Gold holds an extensive tenement position 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 was admitted to AIM on 10 February 2006 after a £5m capital raising. Solomon Gold 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 system.

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 see it brought into 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.

The company recently completed a 2000 line km airborne electromagnetic VTEM survey, the results of which are not yet available.

Solomon Gold continues to hold a 100% interest in the gold project on Fauro Island near Bougainville and nickel exploration tenements on Ngella Island in the Florida's Group north of Honiara and on eastern Guadalcanal.

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
KM Nagle
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