



# Solomon Gold plc

2 February 2009

## Announcement to London Stock Exchange

### Newmont JV and Note Financing Progress

Solomon Gold plc wishes to advise that the completion of the Proposed Joint Venture documentation with Newmont is at an advanced stage and the company expects it to be in a final form for execution in the next week.

Details of this joint venture proposal with Newmont Ventures Limited, a wholly owned subsidiary of Newmont Mining Corporation (NYSE: NEM) ("Newmont") were announced by the company on 26 November 2008.

Solomon Gold plc has agreed with Samuel Holdings Pty Ltd, to vary the placement commitment agreement for the £221,915 convertible note financing announced on 17 December 2008 to provide for delivery of the funds coincident with the execution of the Newmont JV Agreement.

The company is confident that execution of joint venture documentation by Newmont will take place within a week, enabling completion of the Convertible Note financing to occur.

### 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 30km<sup>2</sup> 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.



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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.

On 26 November 2008 the Company signed a terms sheet outlining the principal terms of a proposed agreement with Newmont Ventures Limited (Newmont) a wholly owned subsidiary of Newmont Mining Corporation, (NYSE: NEM) in respect of Solomon Gold's copper gold exploration projects on the island of Guadalcanal, Solomon Islands (Koloula PL 02/05, Central PL03/05, Mbetilonga PL04/05, Sutakiki PL05/05, and Kuma PL08/05). The terms sheet is subject to completion of a binding agreement and satisfactory due diligence by Newmont by 26 January 2009. Details of the terms sheet for proposed agreement are set out in the 26 November 2008 announcement by Solomon Gold plc.

The principle terms provide that Newmont may earn up to a 70% interest by expending US \$12 million within 5 years in a two stage earn-in. Solomon Gold will act as manager for the first year of the program and Newmont may elect to manage the program thereafter. 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.

The Solomon Gold board considers Newmont's interest in Guadalcanal Island as 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.

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.

By order of the Board  
KM Nagle  
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