



Solomon Gold plc

16 February 2009

Announcement to London Stock Exchange

Proposed Newmont Joint Venture - Update

The Directors of Solomon Gold plc advise that the proposed definitive agreement between Solomon Gold and Newmont Ventures Limited (Newmont) over Solomon Gold's Guadalcanal Project areas is still in the final stages of completion. Solomon Gold has no reason to believe that there are any material differences between the provisions of the Terms Sheet executed on 26th November 2008 and the current draft of the proposed definitive agreement. Solomon Gold has not been advised of any adverse finding in due diligence by Newmont. In addition to the drafting of the definitive agreement, over the last month preparations between Newmont and Solomon Gold for a prompt return to field activities on Guadalcanal have continued.

The Directors of Solomon Gold remain optimistic that the definitive agreement in respect of the joint venture will be completed in the near future with due attention to completion of a number of ancillary issues currently being addressed. These include detailed programs and operating budgets, adoption of new generation health and safety protocols, detailed checking and review of the existing database, personnel induction, local briefings and staff and contractor training.

Solomon Gold though optimistic is not in a position to guarantee delivery of the definitive agreement but will advise the market immediately the matter is concluded.

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 extensive areas of mineralisation indicative of significant porphyry copper gold and epithermal gold systems. Solomon Gold believes the project 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.

Since December 2007 Solomon Gold raised a further £3.722m 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



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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.

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. Solomon Gold is confident that the completion of the definitive agreement with Newmont will take place in the near future.

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
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