



Solomon Gold plc

27 February 2009

Announcement to London Stock Exchange

Partial release of Australian Resource Management (A.R.M) Pty Ltd Assets under Charge

The Company refers to its previous announcement of 17 December 2008, in which the Company advised that Samuel Holdings Pty Ltd (**Samuel Holdings**) was advancing an amount of £89,554 (A\$200,000) to Australian Resource Management (A.R.M) Pty Ltd (**ARM**) (**Loan**) secured by a charge granted to Samuel Holdings to secure its obligations under the Loan (**Samuel Charge**).

The Company wish to now advise that Samuel Holdings (an entity associated with Nick Mather, Managing Director of the Company) has now agreed to release the prospecting licences ARM holds in the Solomon Islands, as well as any rights ARM may acquire as a result of the proposed 'Newmont Venture' from the Samuel Charge.

The Directors of Solomon Gold plc advise that this partial release of the Samuel Charge is being granted by Samuel Holdings in order to progress and finalise the proposed definitive agreement between Solomon Gold and Newmont Ventures Limited over Solomon Gold's Guadalcanal Project areas (**Newmont Venture**) previously announced by the Company on 16 February 2009.

The Samuel Charge will continue to operate over all ARM's other assets and rights for the duration of the Loan or as otherwise provided for in the Samuel Charge.

The outcome of the negotiations of the Newmont Venture will be the subject of a separate announcement.

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.



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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.

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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