



Solomon Gold plc

5 March 2009

Announcement to London Stock Exchange

Solomon Gold executes definitive Venture Agreement with Newmont on Guadalcanal Projects

Solomon Gold plc (“Solomon Gold” or the “Company”) is pleased to advise that the Company has signed the definitive Venture Agreement (the “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.

As previously outlined, under the terms of the Agreement Newmont may earn up to a 70% interest in five exploration licences (Koloula PL 02/05, Central PL03/05, Mbetilonga PL04/05, Sutakiki PL05/05, and Kuma PL08/05).

The principle terms provide that Newmont may earn a 51% interest by expending US \$6 million within 3 years (Stage 1 earn-in), and may elect to expend a further US\$6 million (total US\$12 million) to earn a further 19% to a total 70% over a further 2 year period (Stage 2 earn-in). Solomon Gold will act as manager for the first year of the program and Newmont may elect to manage the program thereafter. The management fee ranges between 5 and 10 % of exploration costs. Newmont currently proposes to second two of its geoscientists experienced in porphyry projects discovery and assessment in the South Pacific, to the project.

Newmont is one of the world’s largest gold producers and an operator of mines and advanced mining projects on 5 continents. Solomon Gold welcomes Newmont’s participation in the Solomon Island’s project.

Solomon Gold may elect after Newmont has earned 70% within 5 years to accept a Newmont funding option which provides for Newmont to earn a further 10% to total 80% by funding Solomon Gold to mining. Solomon Gold would in that case be obligated to repay its 20% share of all of Newmont’s costs from the 70% earn point at the end of year 5, plus interest.

Field work for the project has commenced, based on an agreed program and US\$2 million budget for the next 12 months. The program will focus on the Chupukama, Vurakara and Kuma target areas in central and southern Guadalcanal.

Initial phases will consist of detailed mapping and grid soil and rock chip sampling, followed by a planned minimum of 2,800 metres drilling. The program will also include planned airborne electromagnetic and magnetic programs aimed at further defining drilling targets.

Chupakama is a porphyry copper gold target with encouraging geophysical signatures over a significant area. Recent sampling by Solomon Gold showed strongly anomalous copper results over the 200 m wide centre of the prospect. Historic trench sampling revealed results of up to 55m@2.4 g/t on the outer zone of the eastern side of Chupukama.



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Vurakara is a copper gold porphyry target, in the Koloula Valley, supported by a 1.2 km long coincident magnetic / radiometric and copper-gold-molybdenum anomaly. The Vurakara prospect is located 1km north east of the Chikora copper gold porphyry prospect.

The Kuma target is a 4x1km zone of strong silica pyrite mineralisation supported by weak copper gold and silver mineralisation lying approximately 5 km east of the Koloula Valley. The target was discovered, sampled and mapped by Solomon Gold in 2007 and is now considered to be a cap rock system with potential to represent the upper zones of a mineralising system. The Guadalcanal Venture will conduct a detailed field program to define the limits of and drill targets on the Kuma prospect.

As an exploration company, the major of expenditure incurred by Solomon Gold is capitalised and recognised as an asset in accordance with the prescriptions outlined in the relative accounting standards. As at 31 December 2008 the carrying value of the tenements to which the Newmont Joint Venture Agreement is subject are detailed in the following table.

Exploration Area	Licence No.	Carrying Value (AUD)
Koloula	02/05	\$3.4m
Central	03/05	\$0.3m
Mbetilonga	04/05	\$3.6m
Sutakiki	05/05	\$9.1m
Kuma	08/05	\$0.2m

About Solomon Gold

Solomon Gold (AIM: SOLG) listed in early 2006 following a £5m IPO raising. The company was spun out from the listed ASX resource generation house D'Aguiar Gold Ltd (ASX:DGR). Solomon currently has 65m shares on issue and the board and management hold 25%.

Since listing, the Company has expended approximately A\$18m on the search for a giant gold copper porphyry system. The company's tenements have been renewed for a further two years over 612 km² covering highly prospective terrane on the southwest Pacific rim of fire, a region known for very large copper gold porphyry deposits, such as Grasberg, Lihir, Bougainville, Ok Tedi and the Newmont operation at Batu Hijau Indonesia. The Australasian Geoscience Organisation in 1989 in a regional assessment of prospectivity concluded that Solomon Islands was "highly prospective for mineral deposits and was the next most highly mineralised country in the South Pacific after Papua New Guinea."

Solomon Gold's prior programs established an understanding of the geology of the area and procured a substantial geological, geochemical and airborne magnetic database over the tenements. The company drilled 14,000 metres of core, resulting in the best intersection of 32m@9.45g/t gold in drillhole SK11 in the Sutakiki Valley, 30km south east of Honiara. Solomon Gold enjoys, as a result of the development of long term relationships with the local people on Guadalcanal, unprecedented access to areas never previously explored.

The company maintains a fully operational capability based in the capital, Honiara, and rapidly



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accesses all field areas by helicopter. The operation is managed by expatriate Australian staff and employs Solomon Island's staff where possible.

The Solomon Islands Mining Act provides for an orderly regulatory environment under which to conduct exploration programs. Solomon Islands is governed by a Westminster style elected parliament and enjoys the assistance and support of a number of south west pacific nations including Australia, through RAMSI, the Regional Assistance Mission to Solomon Islands.

By order of the Board
KM Nagle
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