



# Solomon Gold plc

11 June 2009

## Announcement to London Stock Exchange

### Exploration Update

#### Highlights:

- **Commencement of Airborne Hoist EM Survey.**
- **Active mapping trenching and sampling at Koloula Valley, Vatuchichi, Kuma, Chupukama.**

The Board of Solomon Gold Plc (“Solomon Gold” or “Company”) is pleased to provide the following update on exploration progress on its Guadalcanal, Solomon Islands exploration project.

The Directors of Solomon Gold Plc advise that the airborne hoist Electro-Magnetic survey over the Guadalcanal exploration licences commenced on 9th June. The survey, flown by helicopter at low altitudes, is expected to provide important exploration data for the current exploration program. The survey forms part of a US\$2m program and budget being conducted by Solomon Gold as manager and operator for the Guadalcanal Venture between Solomon Gold Plc and Newmont Ventures Limited, a wholly owned subsidiary of Newmont Mining Corporation (“Newmont”, NYSE: NEM), one of the world’s largest and most successful gold exploration and mining companies. (See details below and the 5th March announcement by Solomon Gold Plc concerning the execution of the agreement).

The survey covers the entire Guadalcanal tenement position over 300km<sup>2</sup> with 1,300 line km at a 200 metre line spacing. The survey is expected to provide diagnostic data to identify electrically resistive and conductive zones associated with copper gold porphyry systems and the altered rocks and vein systems which typically surround and overlie them. The survey is expected to be completed within 3 weeks, subject to weather and other logistic considerations, with processing and interpretation of the data another two weeks thereafter.

The current field program is focusing on:

- mapping sampling and trenching on copper mineralization outlined between **Vurakara and Chikora** in the Koloula Valley, 30km south south east of Honiara;
- The **Vatuchichi** gold target at **Mbetilonga**, north of the rich **Hambusimaloso** copper prospect, 10km south of Honiara;
- **Chupukama** Ridge 15 km south east of Honiara where significant gold mineralization has been defined peripheral to a zone of copper anomalism in soil sampling; and
- **Kuma**, 35km south east of Honiara, where a mapped 4km<sup>2</sup> silica pyrite zone is considered to be an alteration cap over a copper gold porphyry target at depth.



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## About Solomon Gold

Solomon Gold listed on the London AIM exchange in early 2006 following a £5m IPO raising. The Company was floated by the listed ASX resource generation house D'Aguiar Gold Ltd (ASX:DGR). Solomon Gold currently has 67m shares on issue and the Board and management hold approximately 25%.

Since inception, Solomon Gold and its subsidiary, Australian Resource Management (ARM) Pty Ltd have expended approximately A\$18m on the search for a giant gold copper porphyry system. The Company currently holds tenement interests over 612km<sup>2</sup> land 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 Batu Hijau in Indonesia. In 1989, the Australasian Geoscience Organisation, in a regional assessment of prospectivity, concluded that the 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 the Company procured a substantial geological, geochemical and airborne magnetic database over the tenements. The data collected indicated a very strong potential for large porphyry copper gold deposits. The Company drilled 14,000 metres of core, resulting in its best intersection, in late 2007, of 32m@9.45g/t gold in drillhole SK11 in the Sutakiki Valley, 30km south east of Honiara.

As a result of the development of long term relationships with the local people on Guadalcanal, Solomon Gold enjoys unprecedented access to areas never previously explored. The Company established and maintains a fully operational base in Honiara, and separate field capabilities in central Guadalcanal.

On 5<sup>th</sup> March 2009, Solomon Gold announced its definitive Venture Agreement with Newmont, under which Newmont can earn 51% of the project area by expending US\$6 million within three (3) years, and may elect to expend a further US\$6 million within a further two (2) years to earn a further 19% to reach 70%. Thereafter, Solomon Gold may elect to contribute its own funds on a pro rata basis, or elect for Newmont to debt fund the Solomon Gold share in the project to mining, for which Newmont would earn a further 10% interest in the Solomon Gold – Newmont Venture. Solomon Gold would in that case be obligated to repay its 20% share of all of Newmont's costs from the 70% earn point, plus interest.

The Solomon Gold board considers Newmont's interest in Guadalcanal as a significant demonstration of support for the prospectivity of Solomon Gold's projects on Guadalcanal. 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 exploration licence on Fauro Island near Bougainville, and nickel exploration tenements on Ngella Island in the Florida's Group north of Honiara, and on eastern Guadalcanal.



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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  
Karl Schlobohm  
Company Secretary

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