



# Solomon Gold plc

17 August 2009

## Announcement to London Stock Exchange

### Exploration Update

- High grade copper results from rock sampling at Vatuchichi – Mbetilonga.
- High grade copper results up to 7.7% copper from rock sampling at Vurakara, north of Levisivisi, Koloula Valley.
- Newly recognized Inamumu Gold prospect 900 metres west of Vurakara. Up to 27g/t gold in rock samples of veins.
- Preliminary interpretation of airborne electromagnetic and magnetic data reveals numerous targets.
- Principal EM and magnetic support for complex interpreted porphyry targets at Kuma, in the south central region of Guadalcanal and Vuanimaho, Mbetilonga, 30 km south south east and 12km south respectively of the Capital Honiara.
- High order stream sediment anomaly at Kuma north west supported by high order aeromagnetic anomaly indicative of a mineralized porphyry target.
- Trench at Chupukama returns 76 m @ 0.18 g/t gold and 890 ppm copper coincident with an aeromagnetic high feature. A buried porphyry target is prognosed.
- Drilling programs totalling an initial 2800 metres are currently being planned, based on the recently collected geochemical and geophysical data.
- Airborne EM and magnetic data and preliminary interpretations along with summary geochemical information from Vurakara (Koloula), Vatuchichi (Mbetilonga ) are posted on the Solomon Gold website [www.solomongold.com](http://www.solomongold.com)

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.

Since the previous update on 17 June 2009, the Company has, as manager of the Guadalcanal Venture with Newmont Ventures Limited, a subsidiary of Newmont Mining Corporation (NYSE:NEM, “Newmont”), focused its field activities in the Chikora area of the Koloula Valley. Detailed mapping, sampling and trenching has continued on the Levisivisi and Vurakara and related local prospects, Kolotolaka, Inamumu, Koloesoeso and Kolokangai.

A detailed program of mapping and sampling has been conducted at Chupukama, in Central Guadalcanal.

Detailed mapping and sampling has also been conducted at Vatuchichi on the Mbetilonga tenement, 12 km south of the Capital, Honiara.



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A 1300 km airborne electromagnetic survey was completed and preliminary results provided by Newmont. Several anomalous areas have been identified for follow up field mapping and sampling. Interpretation of this data set is not yet completed.

A program of detailed stream sediment sampling has been underway in the area around Chikora in the Koloula Valley and 40 samples have been submitted for assay at the Newmont laboratory in Perth, Western Australia.

## **Chikora area Prospects, Koloula Valley**

### Vurakara – Levisivisi

Drainage outcrop mapping in the Chikora – Vurakara area has now been completed and during July there were a total of 486 samples collected. These comprise 31 rock chips, 255 trench samples, 40 bulk leach stream sediment samples and 160 rock saw channel samples. Assay results are not yet completed. Recent result highlights include the definition of a 600m x 300m area of intense veining and fracturing at Vurakara, north of Levisivisi, where of a total of 24 rock chip samples (including previous programs) have been collected, of which 11 ranged from 0.5% to a high of 2.8% copper. Significant molybdenum anomalism was also recorded. The Vurakara area is regarded as an important target for follow up during the forthcoming drill program.

Elsewhere at Levisivisi, 300m south of Vurakara, trenching has indicated the widespread nature of copper anomalism and the intensity of the mineral and alteration system. Trenching has intersected wide zones of highly altered and leached porphyry host rock with variable copper grades up to 3000ppm. Hydrothermal and weathering zone leaching are believed to be intense and widespread. Geophysical interpretation following the recent survey has not been completed. The prevalence of high grade copper mineralisation in scattered veins in the Chikora area prospects continues to focus exploration effort in the area. Drilling in the Levisivisi - Vurakara area will form part of the follow up field campaign to commence during the next quarter.

### Kolotolaka

At Kolotolaka, 1km west south west of Levisivisi, the location of previously reported gold anomalism up to 9.85g/t gold in rock chip samples, rock saw sampling has been conducted to enable the collection of representative samples in hard rock environments. The technique is expected to result in the retention of mineralised fine material in fine veins during the sampling process.

### Inamumu

At Inamumu, 1.5 km west of Levisivisi, a zone of gold vein mineralization has been recognized, with rock chip samples returning up to 27.8 g/t gold. The extent of this zone has not yet been determined by mapping and sampling.



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## **Vatuchichi, Mbetilonga**

At Vatuchichi in the Mbetilonga tenement, detailed mapping and sampling was conducted in the Vatuchichi area. Scattered sulphide mineralization in silica cap material over an area of 500m x 750m with scattered outcrop yielded results in rock chip and trench samples up to 13.05% copper and 5.22 g/t gold from 59 samples. The Vatuchichi area lies on the western side of the Vuanimaho electro magnetic anomaly, described below. Vatuchichi is currently considered to be a target for the origin of the copper mineralization at Mbetilonga generally.

## **Airborne Electro Magnetic Survey**

In mid July, data collection for a 1300 km airborne electromagnetic survey was completed by Newmont. Since completion, the data has been levelled and processed to manage data variances predominantly arising from variable terrain clearance issues in extreme terrain. The preliminary view of the interpretation over the survey area has revealed a number of significant anomalies which will form, amongst the other various exploration vectors, the basis for ongoing target definition on the Guadalcanal project. The detailed interpretation, when completed will assist in the selection of drill targets expected to be tested in a program commencing September 2009. Numerous targets have been identified from coincident electromagnetic and magnetic features exhibiting promising patterns and the Company is currently assessing these and prioritising them prior to the drill program commencement.

## Kuma

At Kuma north west a 1km x 1km resistive electromagnetic anomaly coincident with discrete magnetic highs is interpreted as a porphyry target. The target is surrounded by a conductive apron interpreted as a clay alteration zone around the porphyry.

## Vuanimaho, Mbetilonga

At Vuanimaho in the Mbetilonga Exploration licence, a 1km x 1km electromagnetic resistor is interpreted to represent a silicified cap related to a porphyry system. Magnetic signatures on the north eastern side of the EM resistor are interpreted as porphyry related features. Reconnaissance mapping and sampling in the area of the porphyry signatures has previously yielded copper and gold in mineralized intrusive systems. However no sampling has previously been conducted in the area of the Vuanimaho EM resistor feature. This area will be targeted by the Company in forthcoming sampling programs. It is also intended that the area be tested for mineralisation under the prognosed cap in the forthcoming drill program.

## **Next programs – Drilling**

Solomon Gold and Newmont are currently interpreting the detailed data from the geochemical programs and the airborne EM program with a view to finalizing drilling locations for the forthcoming 2800metre drilling program proposed to commence in the next quarter.



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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'Aguilar 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 Ventures Limited, a subsidiary of Newmont Mining Corporation (NYSE:NEM) ("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.

## Qualified Person

Information in this report relating to the exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hons Geol.), the Chief Executive Officer of the Company. Mr Mather is a Fellow of the Australasian Institute of Mining and Metallurgy who has in excess of 25 years experience in mineral exploration and is a Qualified Person under the AIM Rules. Mr Mather consents to the inclusion of the information in the form and context in which it appears.

By order of the Board  
Karl Schlobohm  
Company Secretary

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