



Solomon Gold plc

30 November 2009

Announcement to London Stock Exchange

Solomon Gold to commence exploration at Fauro after grant of prospecting licence.

HIGHLIGHTS

- **Fauro Prospecting Licence 02/09 granted for a period of three years**
- **Five existing drill target areas.**
- **Widespread local people artisanal goldmining activities indicates persistent gold mineralization**
- **Immediate mapping, sampling, trenching programs planned at Fauro. Airborne EM and magnetics to be commissioned as soon as possible.**
- **A\$ 2m program to commence on Fauro**

Solomon Gold is pleased to advise that the Company has been granted PL 02/09 over 70 km² at Fauro Island in the north of Solomon Islands, immediately south of the border with Papua New Guinea and the island of Bougainville which hosts the giant Panguna copper gold porphyry project, owned by Bougainville Copper PL (the majority shareholder of which is Rio). The Fauro project has been the subject of an application for a PL by Solomon Gold for several years and the grant finalises a long period of successful landowner negotiations. Solomon Gold now adds the Fauro grant to an outstanding track record of land owner and regulatory liaison in Solomon Islands. The Fauro grant is for a period of 3 years and will be followed by two renewal periods of two years each.

Solomon Gold is currently mobilizing its operational capability in Solomon Islands to conduct the thorough exploration of the tenement for gold copper porphyries and large scale epithermal gold ore bodies. The project is situated over rocks similar in age to those at Bougainville and Lihir Island in Papua New Guinea, projects which have yielded resource inventories of approximately 90 million ounces of gold equivalent. The host rocks are generally andesitic lavas and agglomerates and intrusive dacites and tonalites. These rocks are related to the volcanic eruption of the original Fauro volcano, leaving a noticeable drowned caldera feature, a common element of copper and gold bearing mineral systems in the southwest Pacific Rim copper gold zone.

Previous exploration activities by other companies including BHP have included extensive surface sampling programs and trenching which have resulted in the identification of broad zones of gold mineralization and reconnaissance drilling programs which have confirmed the presence of persistent gold systems below the surface.

Solomon Gold has thoroughly compiled the existing exploration data and has commenced locating the previous exploration grids in order to plan further trenching and drilling around areas of known gold mineralization. In addition, the company will collect airborne electromagnetic and magnetic data over the area, in order to define subsurface resistors expected to indicate zones of gold drilling targets in silica pyrite altered zones in the volcanic host. Solomon Gold expects to commission these surveys within the next month.



Solomon Gold plc

Solomon Gold has identified existing drilling targets from previous exploration data in the Ballyorlo, Kiovakase, Hornbill, Meriguna, and Bataha prospect areas, located from south to north up the western rim of the Fauro caldera. These areas support extensive alluvial gold mining activities by local artisanal miners, which provide exploration information for Solomon Gold. The exploration area over the caldera rim is 16km long and up to 2km wide.

Solomon Gold expects to expend an amount of at least A\$2m on the project in the first two years of the term of the Prospecting Licence.

About Solomon Gold

Solomon Gold listed on the London AIM exchange in early 2006 following a £5m IPO raising. Following this placement, Solomon Gold has 106.3m shares on issue and the Board and management hold approximately 23.7%.

Since inception, Solomon Gold and its subsidiary, Australian Resource Management (ARM) Pty Ltd have expended approximately A\$20m on the search for a giant gold copper porphyry system. The Company currently holds tenement interests over 612km² 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 2001, the South Pacific Applied Geoscience Commission in 2001 concluded "Solomon Islands is perhaps the most prospective Pacific island country for minerals 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 5th 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.



Solomon Gold plc

Importantly, in the first year of the Venture, it has completed the acquisition of highly diagnostic Airborne EM data over the entire Guadalcanal Venture licence area, and is well advanced in the collection of a complete stream sediment Bulk Leach Extractable Gold data set, also over the entire licence area. Interpretation of this data, along with the detailed mapping and sampling of advanced prospects being prepared for drill testing in 2010 is well advanced.

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.

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

Contacts:

Mr Karl Schlobohm

Company Secretary
Solomon Gold Plc
Tel: +61 7 3303 0660
kschlobohm@solomongold.com

Mr Stephen Weir

RFC Corporate Finance
Nominated Advisor
Tel +61 2 9250 0048
Stephen.Weir@rfc.com.au

Mr Ewan Leggat

Fairfax I.S. PLC
Broker
Tel +44 (0) 20 7598 5368