



# Solomon Gold plc

## Acapulco Mining Pty Ltd Queensland, Australia

The acquisition of Acapulco by Solomon Gold complements the company's existing exploration for giant porphyry gold copper on Guadalcanal and Fauro Island in the Solomon Islands.

Continuing exploration activities within Acapulco under Solomon ownership will be handled by the existing Solomon Gold and Acapulco Management teams, and no additional Directors will be appointed to the Solomon Gold Board as a result of the acquisition.

The Acapulco project has yielded recent and significant gold discoveries from drilling in a low risk environment adjacent to existing gold mining operations in Queensland. The project at Mt Perry provides the opportunity to define deposits in excess of several million ounces of gold in strongly mineralised intrusive related porphyry systems. Acapulco geologists have recognised new common structural controls to mineralisation in the Mt Perry project area, as a persistent north-north-west fracture system.

Acapulco holds granted exploration permits in Queensland which are in good standing and whilst native title claims exist in respect of some of the tenement areas, under Australian law, there do not appear to be any current or material impediments to exploration being progressed.

### **Mt Perry Project (Acapulco)**

Acapulco holds extensive exploration tenements and applications covering 1,344 km<sup>2</sup> over the historic Mt Perry and Normanby Goldfields in Queensland. There are significantly more targets and greater prospectivity at Mt Perry than at Normanby and accordingly Mt Perry will attract the bulk of the exploration focus from Solomon Gold.

Mt Perry Goldfield in south east Queensland, 4 hours drive from the capital Brisbane, is host to more than 60 named historic mines and workings; and numerous other unnamed Diggings. It lies adjacent to Lihir Gold's 120,000 oz pa Mt Rawdon Gold Mine and on the intersection of two major geological fault structures in south east Queensland; the Mt Perry and Darling Lineaments. Several high grade vein style and lower grade high tonnage porphyry style gold targets have already been identified by mapping sampling, geophysics and exploration drilling.

The mineralised target zones at Mt Perry extend over a 20km north-easterly corridor from Augustine West in the south west to the New Moonta mines in the north-east. Copper-molybdenum porphyries with gold and zinc anomalous halos lie in the south of the project area and merge with the strongly mineralised Chinaman's Creek-Reids Creek-Spring Creek target immediately to the north. In the northern part of the project area, gold mineralisation is characteristically low in sulphide minerals and similar in style to gold rich intrusives of north-west America. Sulphide mineralised breccias with variable gold silver base metals and occurrences of uranium characterise the Augustine to New Moonta trend.

Acapulco has conducted extensive airborne magnetic and electromagnetic surveys and detailed soil and rock chip sampling and mapping programs over the area. This has been followed by drilling programs conducting first pass reconnaissance drilling on numerous targets.



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Solomon Gold will prioritise resource definition drilling programmes with drilling rigs on the property ready to be allocated for immediate drilling at the highest priority targets, principally at the Chinaman's Creek zone.

## Chinaman's Creek –1m oz target

Solomon Gold has identified potential for the definition of more than 1m ounces of gold in the Chinaman's Creek system which extends in a number of parallel mineralised shear and reef systems over a 5x3 km zone. Upper Chinaman Creek consists of at least three sub-parallel gold bearing structures, the BB, Welcome and Spring Creek zones which are characterised by variable veining, silicification and pyritisation that appear to be related to porphyry dykes that trend from the Mt Rawdon Mine area, 13 km to the south-east on the Rawdon Fault. Numerous outcrops and historic workings have yielded high grade gold assays of up to 181 g/t (6 ounces per tonne), while soil gold anomalies remain open at the >100 ppb level, with frequent zones above 1g/t gold.

The mineralisation has induced an electromagnetic response which is widest and strongest in an area with poorer outcrop close to the Mt Perry fault to the south-east. The geophysics has assisted in defining the targeted mineralized zone. The size and strength of this gold system as well as its structural setting, which is very similar to that of Mt Rawdon, may point to a similar gold endowment.

## Solomon Gold operational advantages in Queensland

Factors in the selection of Acapulco as an exploration focus to augment the Solomons projects.

- Represents relatively low political risk exploration
- Adjacent to a currently producing mine development owned by Lihir Gold (Mt Rawdon) operational for over 10 years and producing gold at a rate of over 100,000 ounces per annum.
- A fully operational field base at Gympie, 200km north of Brisbane, which is easily accessible by road from Brisbane.
- Easily accessible from the regional Queensland centres of Gympie, Bundaberg and Townsville.
- Eastern Queensland has been host to some of Australia's most significant gold mining operations, including Mt Morgan which produced 8m ounces in up to 1970.
- Expected total drilling costs are historically approximately a third of those experienced in Solomon Islands and development capital costs are also expected to be relatively low.
- A local culture and regulatory infrastructure supportive of mine development expects to lead to delivery of year round drilling results
- Acapulco Mining's geological exploration and operating framework is very familiar to Solomon Gold
- The Acapulco management team has a detailed understanding of the prospectivity for porphyry gold and copper targets in this area.
- As relatively little attention has been paid to the area from other major companies, recently, planned exploration is very compelling.