

12th December, 2007

Announcement to London Stock Exchange

Solomon Gold plc

SOLOMON GOLD PLACEMENT OF 17.5M SHARES AT £0.18 TO RAISE £3,150,000

The Directors of Solomon Gold Plc advise that the Company has signed commitments for a placement of 17.5 million shares at 18p per share for gross proceeds of £3,150,000 Pounds. The shares are to be issued on 18 December 2007. The funds raised are to be applied to Solomon Gold's exploration program on Guadalcanal in Solomon Islands.

The Company intends to continue its exploration program, focusing on the Sutakiki Gold Project 30km south-east of the capital Honiara. Recently the Company reported a high grade gold intersection of 32m at 9.45g/t at 185 metres depth in drill hole SK011. Solomon Gold is operating three drilling rigs in the Sutakiki and Koloula valleys in the search for a world class gold or copper gold ore body.

In addition to the drilling program the company intends to conduct an air borne electro-magnetic survey over 155 km² of prospective target areas within the Company's tenements over the Koloula and Sutakiki valleys. The survey is designed to detect mineralised structures. The results of this survey, together with ongoing mapping and sampling programs and reinterpretation of aero magnetic data collected by the Company in 1997, are expected to define a number of high grade drill targets. The airborne survey is expected to commence in February, 2008.

About Solomon Gold plc

Solomon Gold holds five granted tenements on the main Island of Guadalcanal, Solomon Islands, for minerals exploration focusing on copper and gold rich porphyry systems and high grade epithermal gold mineralisation. The tenements cover 468 km² and are current, including rights to renewal periods, until 10 November 2011. The company listed on AIM (London Stock Exchange) on 10 February 2006 after a £5m capital raising. The Company has expended those funds in accordance with the proposed work program and budget and has now established the necessary infrastructure and field support facilities and gathered sufficient data from surface mapping, sampling and subsurface drilling programs to enable a further program of exploration drilling to enable, with added efficiency, the exploration for world class gold and copper orebodies.

The Company believes the area has the potential for the discovery of a world class copper gold porphyry system similar to other large gold equivalent orebodies in the region such as Ok Tedi (50m oz Au Eq), Grasberg (100m oz Au Eq), Lihir (40m oz Au) and Bougainville (50m oz Au Eq). These orebodies are located on the circum-Pacific zone of volcanoes and associated mineralisation and Solomon Gold management have identified geological features which point to a strong possibility of similar discoveries being made on the Solomon Gold tenements.

Solomon Gold has identified approximately 30 km² of mineralisation indicative of significant porphyry copper gold and epithermal gold mineralisation systems and is currently engaged in a three rig program, drilling key targets. Recently the drilling program returned a spectacular intersection of 32 metres at a grade of 9.45 grams per tonne from 108m depth gold at the Sutakiki prospect, demonstrating the potential for discovery of a high grade gold resource. The high grade gold mineralisation encountered in the recent drilling is characteristic of high grade gold deposits related to mineralised transform structures in Papua New Guinea such as Porgera and in the Indonesian archipelago such as Halmahera.

Solomon Gold is staffed by an active team of expatriate and Solomon Island geologists and field hands, supported by integrated logistics support services including a helicopter contract.

Solomon Gold's key prospects are the Sutakiki, Mbina and Chikora gold and copper prospects which all align on a key transform structure through Guadalcanal, and the Mbetilonga Copper gold project, just 15 km south of Honiara, the national capital.

The program is augmented by the services of two drilling contractors operating a total of three rigs. The past year has seen Solomon Gold focus its exploration efforts primarily on the Sutakiki prospect in the Sutakiki Valley on the northern side of Guadalcanal and the Mbina and Chikora prospects in the Koloula Valley on the southern side of Guadalcanal. During the year the Company perfected access into the Kuma Valley to the east of the Koloula Valley and conducted stream sediment and mapping and sampling programs over areas of extensive mineralisation. No work was conducted on the Mbetilonga prospect area and the Poleo application to the west of Koloula was relinquished.

In addition the Company applied for several new tenement areas. One of these has been granted.

The Fauro Island area was applied for over an extinct volcanic caldera which has yielded significant surface and drilling results for gold in the past, in programs conducted by other explorers. Solomon Gold's relationships with local landowners are expected to deliver access to the area in the near future. Fauro is located in the Western Provinces immediately south of the Papua New Guinea border and the giant Bougainville copper gold porphyry. The Fauro project has potential for both epithermal gold and porphyry style copper gold deposits.

Three exploration licence areas prospective for Nickel laterites on east Guadalcanal, and Makira and Ngella in the Floridas island group were applied for.

It is the current intention of Solomon Gold to define a world class gold or porphyry copper gold deposit and ultimately bring it to production. Solomon Gold has access to the required exploration development and financing skills to achieve this goal.

Director Interests

Each director (either directly or indirectly) is participating in the share placement on the same terms of all other participants. Whilst the issue of shares to the Directors in the placement is below the threshold to be considered a "related party" transaction pursuant to the AIM Rules for Companies (Rule 13), the Board has consulted with the Company's nominated adviser, RFC Corporate Finance Ltd, who has advised that the terms of the Directors participation in the Placing are fair and reasonable insofar as its shareholders are concerned. The table below sets out each director's interests on Ordinary Shares of the Company before and after the share placement (shares to be issued 18 December 2007).

Director	Current shareholding	% total	Placement	Shareholding following placement	% total
Nicholas Mather	565,159	2.1%	2,340,521*	2,905,680	6.6%
Cameron Wenck	212,045	0.8%	120,000	332,045	0.8%
Brian Moller	92,535	0.3%	117,983	210,518	0.5%
Robert Weinberg	27,000	0.1%	55,556	82,556	0.2%
Total Company	26,825,001		17,500,000	44,325,001	

*Note: All 2,340,521 placement shares are held in Samuel Holdings Pty Ltd <ATF The Samuel Discretionary Trust>, which has become a significant shareholder following the placement (holding 5.3%)

Significant shareholders

As a result of the Placement, the Company is aware of the following changes in significant shareholdings:

Significant shareholder	Current shareholding	% total	Shareholding following placement	% total
RAB Special Situations (Master) Fund Ltd	852,103	3.2%	n/a <3%	
Cat Brokerage AG	n/a <3%		1,388,000	3.1%
Williams de Broe	n/a <3%		1,700,000	3.8%
Phoenix Gold Fund Ltd	n/a <3%		2,750,000	6.2%

By order of the Board
DP Cornish
Company Secretary

Contacts:

Mr Duncan Cornish

Secretary

Tel: +61 7 3303 0680 or dcornish@solomongold.com

Mr Stephen Weir

RFC Corporate Finance

Nominated Advisor

Tel +61 2 9250 0048 or Stephen.Weir@rfc.com.au