



Solomon Gold plc

21 July 2008

Announcement to London Stock Exchange

Exploration Progress

Highlights

- Valehailala zone mineralisation intersected in drillhole SK022 at Vunuvalakama, located 1,500 metres southeast of the November 2007 Valehailala Creek discovery in SK011
- SK022 intersected 54m @ 0.83g/t gold and 0.1% copper from 159 to 213m including 9m @ 3.7 g/t gold, 6.4 g/t silver and 0.51% copper from 204 to 213m
- Similar visual intersection in SK023, 100m to the west. Results pending
- SK024 drilling 500m north west of Valehailala Creek discovery, extending prospective strike length of the Valehailala zone to 2,000 metres
- MK001 at Malakave in the Koloula valley south of Sutakiki terminated at 500 metres. Extensive alteration and mineralisation intersected. Assays awaited
- New targets identified at Koloula, Mbetilonga, Chupukama and Kuma

Sutakiki Valley

The Directors of Solomon Gold advise that an intersection of 9 metres from 204 metres depth at a grade of 3.7 grams per tonne gold and 0.1% copper within a broadly mineralised zone of 54 metres from 159 metres depth at a grade of 0.83 grams per tonne of gold, and 0.51% copper has been encountered in drillhole SK022 at Sutakiki in the central part of the Company's Guadalcanal gold and copper exploration project in Solomon Islands. The intersection confirms the extension of the zone of mineralisation from the discovery outcrop in Valehailala Creek, approximately 1,500 metres to the north-west. The mineralised zone occurs as a sheared fault system approximately 50 metres wide on which higher grade gold mineralisation has been emplaced over a 10 to 30 metre wide zone, tested so far to a depth of approximately 250 metres. The best intersection to date has been encountered in SK011, which was the original discovery hole in Valehailala Creek in November 2007 and which returned 32 metres at 9.45 grams per tonne gold from 108 metres depth including 10 metres grading 21.1 grams per tonne gold. The mineralisation is of variable thickness and grade so it is not possible to define a resource at this time.

The directors believe that the Valehailala mineralisation, in the regional geological context, is indicative of a significant disseminated copper gold system within the Solomon Gold tenements on central Guadalcanal. Accordingly, a review of the prospectivity of the tenements has been completed, a number of new targets defined and a forward program designed to test these targets. An increasing number of important similarities with other major deposits on the south-west Pacific Rim are evident and form the basis for the direction of the future program.

Mbetilonga

The prime target at Mbetilonga, 11km south of the capital Honiara, remains the Hambusimaloso copper anomaly, an area of intense alteration and mineralisation hosting copper in soil results greater than 1,000 ppm copper (0.1% copper) over a zone 1.5km long and up to 1km wide. The Directors now hold the view that drilling conducted by the Company in 2006 did not adequately test the most mineralised areas. Reinterpretation of the geochemical and aeromagnetic data has identified a priority zone which is currently the subject of further detailed mapping and sampling work to define new drill targets. The Company continues to be encouraged by the similarity with the Batu Hijau Porphyry Copper Gold Mine in Indonesia (Newmont / Sumitomo). One of the rigs in the Sutakiki valley has been moved to Mbetilonga in preparation for drilling defined targets at Hambusimaloso, Vatuchichi and Vuralaggoma. A previous drillhole by Utah in the 1970s at Vuralaggoma intersected 50m @ 0.35% copper in the end of the hole.

Chupukama

The Chupukama prospect has also been reprioritised as a result of the reinterpretation of the aeromagnetic data. The prospect shows a zone of extensive alteration carrying anomalous gold up to 90 metres wide in a strongly altered zone around the edge of a porphyry prospect exhibiting a classic aeromagnetic signature. Rock chip samples have previously returned grades up to 47 g/t gold in individual veins. The Company has commenced a program of detailed mapping and sampling to define a copper mineralised core to the system, to the west of the existing mineralisation.

Koloula Valley

The most recent drillhole MK001 in the Koloula Valley at Malakave on the south-eastern side of the Mbina porphyry system was terminated at 500 metres and assays are awaited. The hole intersected altered intrusive diorite porphyry with variable sulphide mineralisation for the length of the hole. The hole was sited to test a zone of consistent gold mineralisation over 1g/t in rock chip samples on a ridge to the south-east of the hole.

The Company has recently relocated the rig from Malakave back to Chikora where data reinterpretation has identified additional untested target zones to the west of the recent drillholes at Chikora.

Kuma

The north-western section of the Kuma project area, 5km south east of Sutakiki, hosts zones of intense silica pyrite alteration with weakly anomalous gold and silver mineralisation, considered to represent a leached cap in the upper levels of a mineralised Cu-Au porphyry system. The Company intends to extend the mineralised zone mapped to the north-west towards Sutakiki and to define drilling targets.

Fauro Island

The Company is currently engaged in securing access agreements with the landowners on Fauro Island. Fauro lies only 60km south of the historic Panguna porphyry copper gold mine, in neighbouring PNG. The prospect contains a number of target zones, which have yielded gold mineralisation at surface in trenches and in drillholes over significant widths. The area is considered to have potential for porphyry copper gold and epithermal gold systems.

About Solomon Gold

Solomon Gold holds extensive 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 Company listed on AIM on 10 February 2006 after a £5m capital raising. The Company has identified approximately 30km² of mineralisation indicative of significant porphyry copper gold and epithermal gold mineralisation systems and is currently conducting a three rig program drilling key targets. Solomon Gold believes the area located on the southwest Pacific Rim to host potential for the discovery of a world class copper gold porphyry system similar to other large ore bodies in the region such as Ok Tedi, Grasberg and Bougainville which host resources in excess of 40m oz of gold equivalent as gold and copper. The Company is staffed by an active team of expatriate and Solomon Island geologists and field hands, supported by integrated logistics support services.

The program is now augmented by the services of two drilling contractors operating a total of three rigs for Solomon Gold, and a helicopter service contract.

In late 2007 the Company announced an intersection of 32m @ 9.45 g/t gold from 108m in drill hole SK011 at Sutakiki in the centre of the broadly mineralised intrusive zone. Two of the three drill rigs are currently active at Sutakiki and the third is testing targets in the Koloula Valley to the south.

In December 2007 Solomon Gold raised a further £3.5m to continue working on the Guadalcanal projects.

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

The high grade gold mineralisation encountered in the recent drilling at Sutakiki is characteristic of high grade gold deposits related to mineralised transform structures in Papua New Guinea and the Indonesian archipelago.

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
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