



# Solomon Gold plc

5 November 2009

## Announcement to London Stock Exchange

### Exploration Update

- Rock saw results for exposed porphyry zone at Kolotolaka Legatugatu (Chikora) indicate an exposed copper gold porphyry system. Further mapping and sampling required to define extent.
- Results received and preliminary interpretation of airborne EM program completed.
- Bulk Leach stream sediment program 75% complete. Early results received.
- Twenty (20) promising new geophysical and geochemical targets identified.
- Geophysical target ranking planned using stream sediment results (75% completed).
- Four (4) new high order geochemical targets defined to date at Kuma (2), Haviha and Varasere.
- New electromagnetic and magnetic targets indicated south of Chupukama (Central tenement), Varasere and one with supporting stream sediment anomalism; Haviha.
- High priority EM targets defined at Silver Ridge (Kuma) and Vuanimaho (Mbetilonga).
- Four new targets identified in the eastern Mbetilonga area.
- Key Vuanimaho resistor target supported by gold anomalism to 1.54g/t gold in silicified limestones nearby.
- Drill planning advancing for the most mature targets at Kolotolaka, Levisivisi-Vurakara (Chikora), Kuma and Chupukama (Central).
- Sutakiki Exploration Licence renewed for two (2) years.
- Kuma Exploration Licence renewal application lodged.
- Fauro Exploration Licence Application in final access negotiations.
- Updated project presentation on the 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, and its other interests in the Solomon Islands. The locations referred to hereunder may be found in the maps and diagrams in the November presentation on the Company’s website [www.solomongold.com](http://www.solomongold.com)

The airborne Hoist EM Electromagnetic survey flown by Newmont on behalf of the Joint Venture over the entire 300km<sup>2</sup> area of the Company’s exploration licences on Guadalcanal has been completed and final processed data received. The survey was designed to detect silica rich bodies which may host gold mineralisation, and conductors showing clay altered zones around copper gold porphyries. The survey was flown at a 200m line spacing at a nominal 60m above ground level over extreme terrain.



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The data has been subject to preliminary interpretation and the results will be further refined using additional magnetic and geochemical data. At this stage, twenty (20) new targets have been identified from the program. These are currently the subject of ranking using Bulk Leach Extractable Gold (BLEG) stream sediment surveying results over the entire exploration licence area. The BLEG technique used has been developed and refined by Newmont and, due to its sensitivity, selects drainages up to 20km<sup>2</sup> in area for follow up sampling.

Solomon Gold has identified four (4) targets with anomalism over 11 parts per billion (ppb) gold representing the best of the anomalies in the survey results to date. These are in the north of the Kuma anomaly north west of Silver Ridge, east of Kuma, the headwaters of the Koloula River draining the southern slopes of Mt Popomaneseu, and South of Chupukama draining from the Haviha anomaly.

Key additional targets supported by geophysics and/or geochemistry to date include:

Tenement	Prospect	Geochemical Rationale	Geophysics	Target
<u>Central</u>	Chupukama South	BLEG TBA	Magnetics and EM anomalies	Cu-Au Porphyry
	Varasere	BLEG TBA	Magnetics and EM anomalies	Cu-Au Porphyry
	Haviha	11.9 ppb	Magnetics and EM anomalies	Cu-Au Porphyry
	Tuhuratulu	BLEG TBA	Magnetics and EM anomalies	Cu-Au Porphyry
<u>Sutakiki</u>	Upper Suta	3.5 g/t rock chip samples	Magnetic anomalies	Cu-Au Porphyry
<u>Koloula</u>	Popomanesu	Source area for up to 70 ppb BLEG results to south	Magnetic anomalies	Cu-Au Porphyry and vein swarms on south of Mt Popomanesu
<u>Kuma</u>	Lamasi	BLEG TBA	Magnetics and EM anomalies	Au Silica cap and vein swarms
	Silver Ridge	11ppb	Coincident Magnetic high and EM resistor	Au Silica cap
	Kuma South east	11ppb	EM conductor	Au Vein swarms
	Kuma West	30ppb	Magnetic high	Cu-Au Porphyry
<u>Mbetilonga</u>	Mbisambeti	BLEG TBA	Magnetic anomaly	Cu-Au Porphyry
	Vuanimaho West	Peripheral rock chip anomalies to 1.54 g/t	EM Resistor	Au Silica cap
	Vuanimaho	No sampling cover to date	Magnetic porphyry signature	Cu-Au Porphyry
	Vuralangomma	Utah drilling in 1970s yielded 50m @.35% Cu copper-zinc skarns	Magnetic anomaly	Skarn and breccia beside porphyry
	Vuramindi	High order rock chips to 4.8 % copper	Magnetic porphyry signature with coincident resistor	Cu-Au Porphyry



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## **Mbetilonga**

At Vuanimaho West in the Mbetilonga tenement, a strong resistor has been outlined in the EM survey and Solomon Gold interprets this to represent a silica rich gold target. EM resistors have historically been strong leads to the discovery of gold rich silica bodies related to porphyry copper gold mineral systems (eg. Martabe, Indonesia and Yanacocha, Peru).

The occurrences of gold anomalies up to 1.54g/t in silicified rocks including limestones in the area around the Vuanimaho resistor lends support to this interpretation. The area of the anomaly is covered with a limestone sequence and has therefore not been the subject of detailed mapping and sampling in the past. The area of the anomaly is approximately 1 km<sup>2</sup> and there are a number of peripheral anomalies of similar character. The area is scheduled for detailed mapping and sampling programs on completion of the BLEG stream program.

In the context of the newly acquired EM data, Solomon Gold has reinterpreted the geology of the 60km<sup>2</sup> Mbetilonga Caldera. Solomon Gold considers that the area was the centre of historic volcanic eruptions which deposited copper and clay rich debris in an apron around a central volcanic vent area. These deposits are responsible for the emplacement of rich surficial copper deposits such as at Hambusimaloso in the south western section of the caldera. Epithermal gold in quartz veins are interpreted to have deposited around the margins (eg. Vatuchichi) and where the mineralization was ponded underneath limestone units, gold mineralized silica bodies are believed to be prospective. Vuanimaho West is such a target area.

Unrupted porphyry targets remain at Vuanimaho, Kichia and Vuramindi, where copper mineralization in rock chip samples occurs up to 4.8% copper. These targets are characterized by the presence of strongly positive magnetic peaks. These are located immediately east of, and up to 6km south of, the Vuanimaho resistor. This special relationship is a relatively common one for porphyries and distal gold rich silica caps.

## **Central**

At Haviha, 5km south of Chupukama in the Central licence area, a strong anomaly of 11ppb gold in a BLEG sample in a creek system draining a strong magnetic feature has been defined. The area is characterised by extreme terrain and additional mapping and sampling will be required to identify the source of the anomaly.

Analytical results from BLEG samples in creeks draining from the strong magnetic anomaly at Varasere 4km south south west of Chupukama are also pending.

## **Kuma**

BLEG sampling at Kuma has been conducted over most of the prospective part of the tenement in the northern Kuma River drainage, and complete results are pending. To date two (2) strongly anomalous areas (11ppb samples) have been identified in drainages east and northwest of the strongly mineralized part of Silver Ridge. The anomalies are draining from the 4km<sup>2</sup> silica clay pyrite cap on the east and a magnetic feature in the northwest, interpreted to have porphyry affinities.



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On the far north west section of the Kuma licence area, coincident magnetic and EM resistor features are interpreted to have porphyry affinities. The area extends to the east south east on structural trends known to be mineralised in the Sutakiki area. This is also being targeted for mineralised shears, vein swarms and skarns, similar to the Sutakiki area, some 4km to the north west.

## **Chikora**

The rock saw sampling and mapping program at Chikora has returned encouraging results of copper gold porphyry style mineralisation in the Legatugatu and Kolotolaka Creek areas. High density stockwork veined porphyry outcrop is very leached at surface, and higher order results are anticipated at depth below the water table. In the Legatugatu Creek, copper leaching from the host rock has precipitated on gravel and tree roots as copper carbonates. A 60m section in Legatugatu Creek open to the east returned 0.22% copper and 0.47g/t gold in a strongly fractured and veined porphyry system and in Kolotolaka Creek, 100m to the south, rocksaw sampling returned several zones over 80 metres, including 42 m @ 0.4% copper and 0.35g/t gold. Further rocksaw sampling and mapping is proceeding in order to define the best drill target.

At Levisivisi and Vurakara, 1.5km east north east of Kolotalaka, mapping and sampling has continued to define drilling targets. Assay results are awaited. Levisivisi hosts high grade copper and gold mineralization which was discovered in May this year. Grades of 5.8% copper and 7.7g/t gold were returned from bornite rich mineralized porphyry intrusions on Levisivisi Ridge.

The subsurface extent of the copper minerals intrusive host has not yet been resolved. Solomon Gold considers that the most intensely mineralized porphyry phases at Chikora generally are only evident at surface in restricted intrusive outcrops. Several intrusive phases with varying degrees of mineralization have been defined and fieldwork is proceeding in the area to define the porphyry source and a detailed drilling target in the Vuarakara - Levisivisi area.

## **Sutakiki**

The Sutakiki tenement has been renewed for a period of two (2) years from October 2009. The Joint Venture has defined several early stage targets in the licence area which require follow up mapping and sampling. Upper Suta in the headwaters of the Sutakiki River exhibits strong magnetic features indicative of a porphyry, with vegetation anomalies and rock chip anomalies reporting up to 3.5g/t gold.



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## ***Fauro – Proposed A\$2m Program (Solomon Gold 100%)***

The Company is continuing to progress landowner access arrangements for Fauro Island, 30 km south of Bougainville Island, the home of the world class Panguna Porphyry Copper Gold Mine. Fauro is interpreted as an erupted volcano, and the exposed western rim is known to be strongly gold mineralized in a number of locations. Solomon Gold is planning an A\$2m budget over the next two (2) years to follow up a number of soil, rock and trench anomalies and shallow drill intersections recovered during past exploration by other companies. The Meringuna, Hornbill, Ballyorlo and Kiovakase Prospects are all significantly gold mineralised and have returned encouraging shallow drilling results from the programs of previous explorers.

The area is highly prospective for gold deposits in silica rich distal zones of a porphyry intrusive to the east in the flooded caldera. Solomon Gold's program here is expected to include intense mapping and sampling of previously investigated targets to define extensions to mineralisation. Complete coverage using BLEG techniques and Airborne Magnetics and EM to define resistive silica bodies expected to host concealed gold mineralisation is planned. A number of fresh logging tracks in the area are expected to provide access to previously unknown highly prospective zones. Local reports of alluvial gold occurrences in all of the creeks draining the area demonstrate the potential for significant bedrock mineralisation.

## ***Drilling – Guadalcanal Venture***

The Joint Venture is preparing for a drilling campaign on a number of mature targets. A drilling contract is being prepared for this program. At present Kolotalaka, Vurakara and Levisivisi are approaching drill readiness, and the Venture will be defining additional targets before recommencing the drilling program. Following the Chikora drilling, a program at Kuma is expected to test for porphyry mineralisation under the extensive clay silica pyrite zone near Silver Ridge. The next drilling phase thereafter is likely to include targets at Mbetilonga near Vuanimaho on the east side of the Mbetilonga Caldera.

## ***Ongoing Program and Budget – Guadalcanal Venture***

The Joint Venture expenditure for the year to date is satisfactorily close to budget. However, the extension of the EM survey over additional areas, delays to flying caused by weather, additional processing required as a result of the rough terrain occasioning the need for terrain corrections to the data, and the alteration of the program as originally planned due to the discovery of rich but sporadic mineralization at Chikora has resulted in planned drill programs commencing later than originally expected. Further maturation of porphyry drill targets is considered necessary by the Joint Venture in view of the complex geological features encountered.

Solomon Gold plans an enhanced budget and program for the next twelve (12) months however the final determination of this is subject to approval by Newmont under the terms of the Joint Venture Agreement, dated March 5th, 2009.



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Until the end of December 2009, the continued Guadalcanal Venture exploration program is expected to entail:

## Chikora

- Complete mapping.
- Further trenching, rock saw sampling at Kolotolaka, Legatugatu, Levisivisi and Vurakara.
- Model all geological, geochemical and drill data and define drilling targets in 3D, complete drilling contracts and drill site preparation.

## Kuma

- BLEG sample streams draining Lamasi magnetic high in north west of licence area.
- Map anomalous areas.

## Mbetilonga

- BLEG sample streams draining Vuanimaho resistor.
- Reconnaissance and float sampling around the Vuanimaho resistor and follow up mapping and sampling of anomalous siliceous limestone rockchips.
- Follow up mapping and sampling of Kichia, Vuramindi and Vuanimaho porphyry targets.

## Central

- Follow up mapping and sampling of Tuhuruha, Haviha and Varasere anomalies.

## Sutakiki

- Mapping and sampling of Upper Suta anomalies.

## Upper Koloula River

- Completion of BLEG sampling.
- Mapping and sampling of high order anomalies draining Mt Popomaneseu southern slopes.

## **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'Aguiar Gold Ltd (ASX:DGR). Solomon Gold currently has 84.9m shares on issue and the Board and management hold approximately 21%.

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 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."



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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.

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 Fauru 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.



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## 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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