



Solomon Gold plc

Central Minerals Pty Ltd Queensland, Australia

The acquisition of Central Minerals 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 Central Minerals under Solomon ownership will be handled by the existing Solomon Gold and Central Management teams, and no additional Directors will be appointed to the Solomon Gold Board as a result of the acquisition.

Central Minerals' key gold projects are located over a newly defined 200km Carlin style trend on the eastern margin of the southern Bowen Basin in central Queensland.

The Central project has yielded recent and significant gold discoveries from drilling in a low risk environment adjacent to existing gold mining operations in Queensland. At Rannes, Solomon Gold believes there is potential for the discovery of several million ounces of gold in low temperature gold mineralising systems similar to the world renowned Carlin and Battle Mountain trends in Nevada, USA; and Central geologists have recognised new common structural controls to mineralisation in the Rannes as a persistent north-north-west fracture system.

Central Minerals hold 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.

Rannes Project (Central)

Central Minerals holds exploration licences covering 3,670 km² over a strike length of 200km on the eastern margin of the Permian Triassic Bowen Basin in central Queensland, approximately 200km south west of the central Queensland port of Rockhampton. The project is based on the recognition by Central geologists of broad zones of low temperature gold bearing fragmented and silicified rocks at the sheared base of the Bowen Basin limestone and volcanic rich sediments on its eastern margin.

The mineralisation is characterised by similar geochemical and structural features to those found in the prolific gold mining trends at Carlin and Battle Mountain in Nevada USA.

The central Queensland district has recorded historical production of gold in excess of 10 million ounces, principally at the Mt. Morgan volcanogenic deposit to the north east (8m oz) and the Cracow epithermal vein deposit (2m oz) to the south and there is potential for similar endowment in this area.

In the Central project areas at Rannes and north and south of the central zone by approximately 100km in each direction, into the more recent exploration licence application areas, Central geologists are using sensitive geochemical and geophysical interpretation techniques to detect silver, mercury, thallium and antimony anomalies to indicate the presence of concealed gold targets prior to drilling. The 1 million ounce, 100k oz pa Cracow mine, 120km south of Rannes is thought to exemplify high grade low temperature vein targets which have developed underneath the Rannes mineralised



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zones. Several of the ore bodies at Cracow do not outcrop and are distinguishable only by geophysical signatures, similar in style to those evident on the Central tenements.

Five prospects (Crunchie, Homestead, Kauffmans, Cracklin Rosie and Porcupine Pie) have been subject to first pass drilling with potentially economic intersections in all five.

Surface soil, stream and rock sampling have already identified a further thirteen gold targets, five of which (Soggy-Hogget Hill, Mt Cooper and Brother-Police Camp Creek) are considered to be high order and located close to the drilled prospects. Police Camp Creek is four kilometres long and defined by high order soil anomalism. Mt Cooper, located in the north west of the Rannes Central area, is 7km long, open ended and defined by a strong silver anomaly in soils. Mt Cooper is located in Bowen basin sediments and is considered to represent the upper level expression of a gold system at depth.

The best understood target is Crunchie where potentially economic mineralisation has now been intersected in drilling in an area 200m wide and 300m long and up to 68m thick. The mineralised zone is open down dip and in both directions along strike. Immediate drilling programs are planned to test the best prospects at Rannes including extending the zone of gold mineralisation at Crunchie. High grade rock chip samples have been recovered from additional prospects not yet drill tested. In particular Brother (15g/t Au) on a trend of gold anomalies 4km long stretching from the Brother prospect to the Police Camp Creek prospect to the south east.

Solomon Gold operational advantages in Queensland

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

- Represents relatively low political risk exploration
- 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.