

Guadalcanal Joint Venture



Solomon Gold

SOLOMON GOLD Plc: LSE AIM: SOLG (FEB 2011)

Name	Guadalcanal Joint Venture
Location	30km south of the Capital Honiara, Solomon Islands
Ownership	Newmont earning to 70%
Tenement Area	327km ²
Primary Targets	Porphyry Copper Gold
Highlights	<p>300km² of prime copper gold ground on the Pacific Rim of Fire.</p> <p>Newmont can earn 51% of the Guadalcanal project area by expending US\$6million by 4 March 2012, and may elect to spend a further US\$6million within a further two-years to earn an additional 19% interest (a maximum potential interest of 70%).</p> <p>Newmont has proposed an extensive 2011 work program budgeted at US\$6million on Mbetilonga, Sutakiki, Kuma and Central during 2011, including a planned 5,600m (3,500m at Mbetilonga and 2,100m at Sutakiki) drilling program.</p> <p>Potential for world class copper gold deposit similar to Bougainville, Grasberg or Ok Tedi.</p> <p>EM and magnetic survey identified strong target features at Vuanimaho and Vuramindi (Mbetilonga), similar to 5Moz Au Martabe deposit in Indonesia.</p> <p>15km² mineral system with high grade copper occurrences at Kuma.</p> <p>High grade skarn discovery at Sutakiki 32m at 9.45g/t gold in drillhole SK011.</p> <p>High order gold anomalies in Mbina, Koloula and Kuma headwaters.</p> <p>Strong local relationships.</p>

The geology of the project area on Guadalcanal is considered analogous to that on Bougainville where the giant Panguna Mine is located. Andesitic volcanic piles located parallel to the Rim of Fire have been intruded by younger diorite and porphyry bodies. Intrusions and mineralisation have been preferentially localised on north north-east zones of weakness known as transform faults. One of these runs through the Koloula – Sutakiki intrusive centre and another through the Mbetilonga exploration area, on Solomon Gold's tenements. The project area was originally selected as containing the most interesting porphyry targets on Guadalcanal and was acquired after extensive reviews and research in 1995.

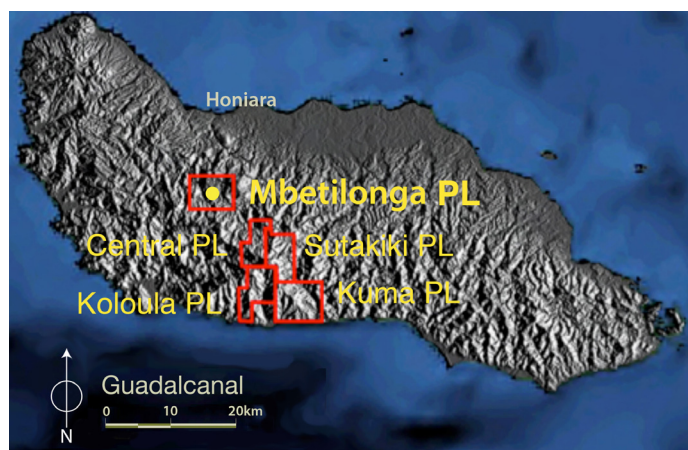
Between 1995 and 1998, reconnaissance field map sampling and airborne magnetics and radiometrics were conducted by the Company. Data from these programs formed the base data for the programs implemented since 2005. Work ceased between 1998 and 2005 due to civil unrest in the Solomon Islands. However, during its initial work period, the management developed an unrivalled record of successful liaison with the local Solomon Islanders. This record is the

basis for the Company's ongoing and unprecedented access arrangements in the field.

Over the period from 2005 to 2008 the Company set about an intensive program of fieldwork involving detailed mapping and sampling of known prospects. The strategy culminated in a concentration of effort on drill testing which resulted in some significant and some spectacular intersections such as at Valehailali, Sutakiki, where 32m at 9.45g/t gold was encountered in a peripheral skarn system. Whilst this was a spectacular result, this activity resulted in a diversion of effort from the main thrust of locating a large porphyry system and thus in 2009, the Company entered into the Venture Agreement with Newmont, the Guadalcanal Joint Venture ("GJV"). The aim of this initiative was to refocus the exploration program from the diversionary high grade vein search to porphyry exploration.

Recent surface sampling from the Kolokepi and Ngalimane Areas, within the Mbetilonga Project have returned high grade surface results. These include Sample SN1537638 : 0.26% copper, 159g/t gold, Sample SN1537668 : 13.45% copper, 3.43g/t gold, 129g/t silver, 2,510ppm Molybdenum and Sample SN1537619 : 40.7% copper, 0.89g/t gold, 1,190g/t silver. Mineralisation and alteration observed in the Kolokepi and Ngalimane areas indicate possible Intermediate Sulfidation vein, High Sulfidation and Skarn mineralisation targets. Porphyry copper-gold mineralisation is also possible.

On the 19 August 2010 a new drilling program was commenced by Newmont on the copper gold porphyry targets at the Chikora and Levisivisi Prospects in the Koloula project area. The exploration program was testing the Kolotalaka copper mineralisation previously identified by Solomon Gold. Four holes were drilled, CK003, CK004 and CK005. Results have



◆ Guadalcanal Joint Venture tenements

been received for CK003 and CK004 and results are pending for hole CK005. Another hole, CK006 was drilled at the Levisivisi Prospect, also in Koloula project area and the drilling results are pending. The assay results are; CK003, 152m at 0.25% copper from 85.1m (including 9m at 0.30% copper from 85.1m, 25m at 0.29% copper from 117m, and 58m at 0.37% copper from 255m). CK004, 135m at 0.25% copper from 152m (including 30m at 0.36% copper from 177m). Solomon Gold drilled two diamond drill holes CK001 and CK002, between October 2007 and April 2008. The assay results were; CK001 222m at 0.17% copper and in CK002 114m at 0.18% copper.

The 2011 proposed exploration program will be focused on drill testing the porphyry/epithermal targets at the Mbetilonga Project, and potentially the porphyry/skarn targets at Sutakiki. Field work will also be conducted to advance the Kuma Projects and an prospectivity assessment of the Central Project will be made by reconnaissance BLEG sampling. In addition,



◆ Drilling at Sukatiki, Guadalcanal Joint Venture

interpretation of the Chikora/Levisivisi data will be finalised and a minor field mapping program may be undertaken at the Mbina Prospect.

Data integration, interpretation and drill target delineation at Mbetilonga will be conducted. A ground IP program will be conducted over selected areas to identify chargeability anomalies, particularly at Vuanimao and Kolokepi Prospects. Mapping will be extended from 2010 efforts towards the Hambusimuloso Prospect and trench sampling will be conducted to expose basement where possible. Additional work will involve Advanced Spectral Device (ASD) clay alteration mapping. Diamond drilling will test high ranking targets.

At Kuma, geological mapping will be conducted and will be supported by ASD analysis, BLEG, soil and trench/channel sampling.

Exploration within the Sutakiki Project is planned to include technical review of the Tabarora/Valehailala mineralised systems, development of the 3D geological model and drill testing of high ranking target(s).

The Central Project work program will involve completion of the 2009 BLEG Program in order to complete a first pass assessment of the geological potential.

Exploration in Koloula will be limited to finalising 2010 data interpretation. Time permitting, a review of the Mbina Prospect supported by a field mapping campaign may be conducted.

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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