

Mt Perry Project



Solomon Gold

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

Name	Mt Perry Project
Location	130km east-north-east of Gympie, Queensland, Australia
Ownership	100% owned
Tenement Area	46 sub-blocks (738km ²)
Primary Targets	Porphyry and Vein Gold
Highlights	<p>Geochemical surveys undertaken at Augustine, Nickos Reward and Spring Creek have defined new targets.</p> <p>Spring Creek is defined as a significant drill target. An initial hole has been drilled on the edge of the strongest and widest surface gold mineralisation, named Spring Pig.</p> <p>Three elongate breccias to the south of Nickos Reward and nine gold mineralised vein targets east of Augustine have firmed as drill targets with numerous rock chip values circa 4g/t Au.</p> <p>60 historic named mines, numerous other diggings.</p> <p>Adjacent to a currently producing mine, owned by Lihir Gold (Mt Rawdon) operational for over 10 years and producing gold at a rate of over 100kozpa.</p> <p>Eastern Queensland has been host to some of Australia's most significant gold mining operations, including Mt Morgan which produced 8Moz up to 1970, when it closed.</p>

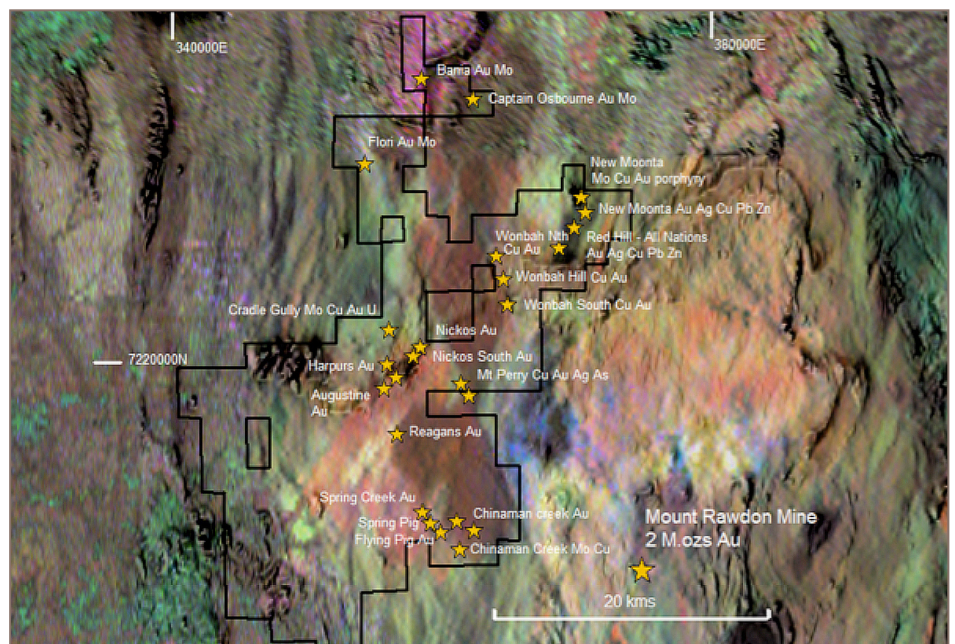
The mineralised target zones at Mt Perry extend over a 20km north-easterly corridor from Augustine West in the south west to the New Moonta mines in the north-east. Sulphide mineralised breccias with variable gold, silver and base metals, with occurrences of uranium characterise the Augustine to New Moonta trend. Copper-molybdenum porphyries with gold and zinc anomalous halos lie in the south of the project area and merge with the 7km long strongly mineralised Chinamans Creek – Reids Creek – Spring Creek – Regans target immediately to the north. In the northern part of the project area, gold mineralisation is characteristically low in sulphide minerals and similar in style to gold rich intrusives of north-west America.

Extensive airborne magnetic and electromagnetic surveys have been conducted over the area, together with detailed soil and rock chip sampling and mapping programs. This has been followed by drilling programs conducting first pass reconnaissance drilling on numerous targets. The Company is prioritising the targets and will commence drilling on the highest priority.

Solomon Gold has identified potential for the definition of more than 1Moz gold in the Chinamans Creek system, extending in a number of parallel mineralised shear and reef systems over a 7km by 2km zone. Upper Chinaman Creek consists of at least three sub-parallel gold bearing structures, the B-B, Welcome and Spring Creek zones which are characterised by variable veining, silicification

The Mt Perry Goldfield, located in South East Queensland, a four-hour drive from Brisbane, is host to more than 60 named (and numerous other unnamed) historic mines and workings. The area lies adjacent to Lihir Gold's 100kozpa Mt Rawdon Gold Mine on the intersection of two major geological fault structures; the Mt Perry and Darling Lineaments. Several high grade vein style and lower grade high tonnage porphyry style gold targets have already been identified by mapping sampling, geophysics and exploration drilling.

The exploration work has yielded recent, significant gold discoveries from drilling in a low risk environment adjacent to existing gold mining operations in Queensland. The project at Mt Perry in particular provides the opportunity to define deposits in excess of several million ounces of gold through strongly disseminated mineralised intrusive related porphyry systems. New structural controls to mineralisation, as a persistent north-north-west fracture system, have been recently recognised in the Mt Perry project area.



◆ The Mt Perry Project Area

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and pyritisation that appear to be related to porphyry dykes that trend from the Mt Rawdon Mine area, 13km to the south-east on the Rawdon Fault. Numerous outcrops and historic workings have yielded high grade gold assays of up to 181g/t (6oz/t), while soil gold anomalies remain open at the +100ppb level, with frequent zones above 1g/t gold in soils.

An airborne electromagnetic and magnetic survey completed over the Augustine–New Moonta and Regans–Chinamans Creek trends in 2006 was reprocessed and reinterpreted. 17 strong resistors were identified and targeted as porphyry copper and gold targets.

The first pass holes at Spring Gully intersected sulphide breccias and minor epithermal veins around altered porphyry dykes. The best result was in hole SPG6, which included 24m at 0.79g/t Au, including 8m at 1.74g/t Au.

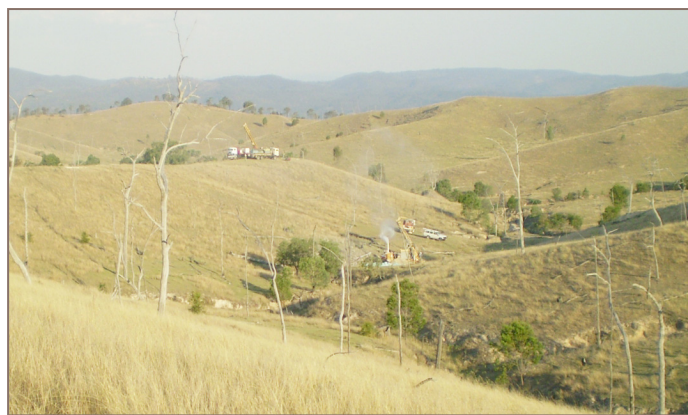
Confirmation surface sampling has proved very successful in defining an open zone of strong gold within multiple structures currently named Spring Pig (lying between Spring Creek and Flying Pig mines). The zone is greater than 100m wide and appears to extend for several hundred metres and has the strongest and largest soil geochemical anomaly for gold, of all the Mt Perry prospects.

Further work has been carried out around the Augustine and Nickos Reward prospects. Nine gold mineralised veins at Augustine and three gold mineralised breccia zones at Nickos Reward have been identified and drilling will commence immediately on these targets.

Results from historic drill holes at Augustine were AUS6 (13m at 2.3g/t Au, 31.4g/t Ag, 0.25% Cu incl. 2m at 9.1g/t Au)

and AUS7 (7m at 3.1g/t Au, 23.4g/t Ag, 6.16% Cu). The gold bearing breccias at Augustine South have been traced for approximate 600m to the south west, and further drilling is planned on this system.

Wet weather at Mt Perry around Christmas 2010 has delayed work at the Bania Prospect, with limited drilling completed. The latest results from the Bania Prospect, BAN23 intersected 36m at 0.80g/t gold from 114m – 150m including 12m at 1.57g/t gold (from 114m). Crews have re-establishing access to the site and drilling has commenced.



◆ Drilling rigs operating at Chinamans Creek

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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Company Secretary

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