

Guadalcanal Joint Venture



Solomon Gold

SOLOMON GOLD Plc: LSE AIM: SOLG (NOV 2010)

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 earning up to 70% by spending US\$12million by 5 March 2014.</p> <p>The 2010 Guadalcanal Exploration program of A\$5.2million to include 3,000m of drilling, which commenced in August 2010.</p> <p>Potential for world class copper gold deposit similar to Bougainville, Grasberg or Ok Tedi.</p> <p>EM 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 copper over 1km² at Hambusimaloso (Mbetilonga).</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>

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

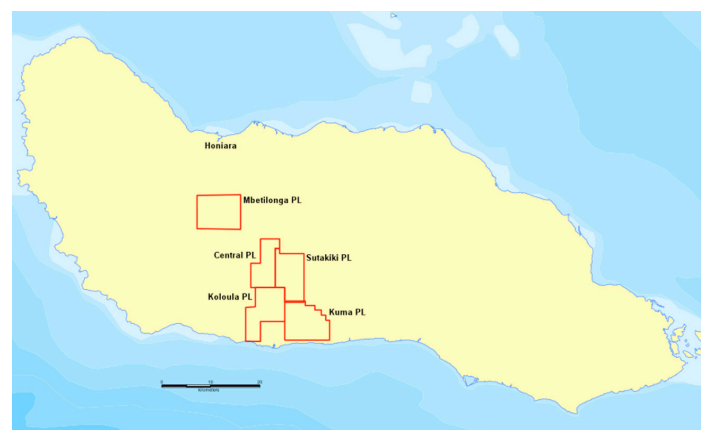
Over the period from 2005 to 2008 the Company set about an intensive program of fieldwork involving detailed mapping and sampling of known prospects. The strategy culminated in a concentration of effort on drill testing which resulted in some significant and some spectacular intersections such as at 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.

The current exploration program is focussing on a 3,000m drilling campaign which commenced 19 August 2010 on the copper gold porphyry targets at the Chikora and Levisivisi Prospects (Koloula project area). Geological mapping will be conducted on the Mbetilonga and Kuma projects and regional reconnaissance sampling on the Central prospecting licence to assist with drill target definition for those areas.

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

The GJV has completed the second drill hole CK004 at the Chikora prospect. Both holes are drilled from the same location in different directions, and both are drilled in low grade mineralised porphyry in the copper prospective potassic zone. The first hole, CK003, drilled by the GJV was completed at 609m. The hole intersected weakly mineralised tonalite porphyry with typically less than 1% disseminated and vein related chalcopyrite (a



◆ Guadalcanal Joint Venture tenements

copper sulphide approximately 25% copper). The GJV is targeting the high grade copper gold mineralisation evident in outcrop discoveries at the Levisivisi prospect 2km to the north east near Vurakara, made in April 2009. Surface work also continues on the Koloula Project. Channel sampling is progressing and a soil grid collecting 315 samples over a 1 km² area on the northern end of the Chikora complex, containing the Inamumu and Vurakara prospect areas has commenced. A planned IP survey is expected to outline areas of intense disseminated sulphide mineralisation below surface.

At Mbetilonga, the Mbetilonga East area has become a focus for the GJV activities. The discovery of the Vuanimaho and Vuramindi resistors and strongly mineralised silica rock fragments in the area in 2009 and magnetic features

with porphyry signatures drove this focus. Mapping and sampling had not previously been conducted over much of the area of interest. Recent work by the GJV has identified a number of prospects aligned along a linear north-north-east trending structural feature, which Solomon Gold has termed the Mbetilonga East Corridor. The field work has confirmed the prospectivity of a 3km long structurally controlled zone. Previous indications in this area, including the identification, last year, of strong electromagnetic resistors at Vuanimaho and Vuramindi, and an unsampled cluster of magnetic targets at Vuanimaho have now been augmented by Newmont's magnetic modelling, mapping and sampling. Several drill holes have been planned over the major targets, modelled on the basis of geophysical information, subject to receipt of this assay data.

Exploration at Kuma will involve geological mapping and will be supported by ASD analysis, channel sampling, soil sampling and completion of the BLEG program which was commenced in 2009.

The Central prospecting licence work program will involve completion of the BLEG program commenced in 2009.

The Sutakiki prospect licence remains a lower priority, given higher ranking targets elsewhere. Time permitting during this current approved program, work may involve a technical review of the Tabarora / Valehailala mineralised systems.



◆ Drilling at Sukatiki, Guadalcanal Joint Venture

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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