



MINING RESEARCH

Solomon Gold plc JV with Newmont finalised

7.8p

6 March 2009

Following the completion of a definitive agreement with Newmont Ventures, exploration at Solomon Gold's Guadalcanal copper-gold exploration licences is now fully funded for the next three years. Newmont has the option to fund the project for an additional two years by expending a total of US\$12 million over the entire five year period. We believe this agreement demonstrates Newmont's belief in the prospectivity of Solomon Gold's licences to produce a deposit on par with the giants in the South Pacific region, including OK Tedi, Grasberg and Bougainville.

Solomon Gold has finalised a definitive agreement with Newmont Ventures Ltd, the world's second largest gold producer. The agreement is in respect of Solomon Gold's Koloula, Central, Mbetilonga, Sutakiki and Kuma copper and gold exploration licences on the island of Guadalcanal in the Solomon Islands.

The definitive agreement entitles Newmont to earn a 70% interest in the aforementioned exploration licences over a two stage earn-in by expending US\$12 million over five years. The agreement is staged so that Newmont may earn a 51% interest by expending US\$6 million over the first three years and a further 19% by expending an additional US\$6 million over years four and five. On completion of the 70% earn-in, Newmont may earn a further 10% if Solomon Gold elects to accept a funding option in which Newmont funds the project to production. If Solomon Gold chooses this option, it would be required to repay its 20% share of the costs incurred from year five until production.

Solomon Gold will manage the exploration programme for the first year. Thereafter, Newmont may elect to manage the programme. Newmont will second one of its geoscientists to the project and the company has already been instrumental in target identification at the Guadalcanal Island tenements. Newmont has significant experience and expertise in discovering large scale porphyry deposits in the South Pacific and we believe the company will provide efficiency and focus to Solomon Gold's exploration programme.

The 2009 field work campaign has already commenced and the budget for the 12 month programme is US\$2 million. The field programme will initially comprise detailed mapping, soil and rock chip sampling and minimum 2,800m of drilling. This will be followed up with airborne electromagnetic and magnetic surveys to be used in further target delineation.

Exploration will be focused at the Chupukama, Vurakara and Kuma targets in central and southern Guadalcanal. Chupukama is a copper-gold porphyry target with a silica-sulphide alteration system where historic trenching has yielded 55m grading 2.4g/t gold and 50m grading 1.63g/t gold. Vurakara is a copper-gold porphyry target associated with a 1.2km long magnetic and radiometric anomaly. The Kuma target occurs as a significant silica-sulphide-clay alteration system 4km by 1km, which Solomon Gold believes may represent the lithocap to a substantial mineralised body at depth.

The South Pacific region is host to disproportionate number of giant copper-gold deposits, including the world-class Grasberg, OK Tedi and Bougainville deposits. We are confident that this definitive agreement demonstrates Newmont's belief in the prospectivity of Guadalcanal Island to host a world-class copper-gold porphyry deposit similar to those found throughout the South Pacific.

Solomon Gold will retain a 100% interest in its Fauro Island gold project near Bougainville and its nickel projects on Ngella Island and Guadalcanal. The company intends on expediting exploration at its Fauro Island gold project to repeat the success of its JV with Newmont.

ANALYST

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SALES & TRADING CONTACTS

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COMPANY DESCRIPTION

Exploration and development company focused on porphyry copper-gold and epithermal gold systems in the Solomon Islands

INVESTMENT DATA

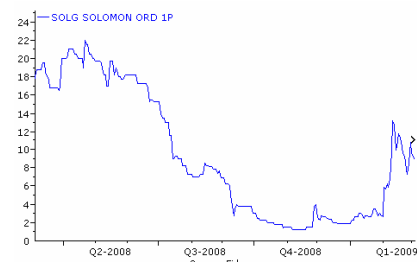
Ticker	SOLG
Listing	AIM
No. of shares	63m
Market cap	£4.9m

SHAREHOLDERS Holding (%)

Samuel Holdings Pty Ltd	11.8
Mather Superannuation Fund	8.0
Tenstar Trading Ltd	7.7
Barclayshare Nominees	6.5

As at 26 February 2009

12M SHARE PRICE PERFORMANCE



HansonWesthouse acts as broker to Solomon Gold plc and is paid fees for these services.

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