

## AUSTRALIAN SOLOMONS GOLD LIMITED ANNOUNCES FEASIBILITY STUDY RESULTS ON THE GOLD RIDGE PROJECT

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BRISBANE, Australia (April 18, 2007) Australian Solomons Gold Limited (TSX:SGA) ("ASG" or "the Company") announced on April 16 2007 the results from the Feasibility Study ("Study") on the Company's 100% owned Gold Ridge Project located on Guadalcanal in the Solomon Islands.

It has come to the Company's attention that there was an over-statement of taxation payable in relation to project results which caused some errors in the announcement of Study results. The affected tables are repeated herein and the updated data highlighted to indicate where the errors occurred previously.

On page 1 of the Announcement dated April 16, 2007:

### Highlights of the Feasibility Study

Table 1 - Gold Ridge Feasibility Study – Base Case Highlights

Mineral Reserve (Probable)	1.15 million ounces
Metallurgical Recovery	82%
Mine Throughput	2.5Mtpa
Mine Life	7 years
Production Schedule	2.5 Mtpa at 1.9g/t average 870,000 ounces recovered
Average Annual Production:	
- Years 1 to 3	136,000 ounces gold
- Life of Mine	124,000 ounces gold
Cash operating costs *:	
- Years 1 to 3	US\$344 per ounce
- Life of Mine	US\$388 per ounce
Internal Rate of Return:	
- Pre-tax	27.6%
- After-tax	23.9% (was 20.7%)
Payback Period:	
- Pre-tax	3.3 years
- After-tax	3.9 years (was 4.3 years)
Pre-production capital	US\$72.0 million

\* Cash operating costs include all mining, processing and administration costs, but exclude royalties (3% of gross revenue), sustaining capital, leasing of mine equipment, and mine closure costs.

\*\* Pre-production capital includes allowances of US\$5.3 million for price and scope accuracy provisions and US\$3 million for project contingencies.

On page 3 of the Announcement dated April 16, 2007:

**Financial Evaluation**

**Table 4 - Gold Ridge – Base Case Financial Analysis Summary**

<b>Project Data</b>	<b>Study Outcomes</b>
Life of Mine	7 Years
Total Gold produced	870,000
Total Ore mined	17.3Mt
Total Waste mined	27.5Mt
Waste to Ore strip ratio	1.55:1
Average gold grade to the mill	1.90g/t
Average plant gold recovery	82%
Base Case Gold price	US\$650
Average cash operating cost (per ounce) *	\$388
Pre-production capital costs (including contingency)	US\$72.0M
Sustaining capital costs (including TSF expansion)	US\$13.2M
Pre-tax Cashflow (undiscounted)	US\$102.3M
After-tax net cashflow discounted at 0%	<b>US\$72.8M</b> (was 57.9M)
After-tax net cashflow discounted at 3%	<b>US\$57.3M</b> (was US\$44.7M)
Pre-tax Internal Rate of Return	27.7%
After-tax Internal Rate of Return	<b>23.9%</b> (was 20.7%)
Payback Period (pre-tax)	3.3 years
Payback Period (after tax)	<b>3.9 years</b> (was 4.3 years)

\* Cash operating costs include all mining, processing and administration costs, but exclude royalties (3% of gross revenue), sustaining capital, leasing of mine equipment, and mine closure costs.

On page 4 of the Announcement dated April 16, 2007:

**Sensitivity Analysis**

**Table 5 - Gold Ridge Sensitivity Analysis Summary**

Project Data	Variation (US\$)	Pre-Tax IRR %	After-Tax IRR %	After-tax NPV @ 0% (US\$M's)	After-tax NPV @ 3% (US\$M's)
Gold Price + 10%	\$715	39.8%	34.6% (was 30.4%)	\$108.4 (was \$87.9)	\$89.0 (was \$71.4)
Base Case	\$650	27.7%	23.9% (was 20.7%)	\$72.8 (was \$57.9)	\$57.3 (was \$44.7)
Cash Operating Costs (US\$/oz.)					
Base Case	\$388	27.7%	23.9% (was 20.7%)	\$72.8 (was \$57.9)	\$57.3 (was \$44.7)
- 10%	\$349	34.9%	30.2% (was 26.6%)	\$94.7 (was \$77.1)	\$76.6 (was \$61.6)
Pre-production Capital					
Base Case	\$72M	27.7%	23.9% (was 20.7%)	\$72.8 (was \$57.9)	\$57.3 (was \$44.7)
- 10%	\$65M	31.4%	27.2% (was 23.4%)	\$77.1 (was \$60.4)	\$61.7 (was \$47.5)

**Cautionary Statement Regarding Forward-Looking Information**

All statements, trend analysis and other information contained in this press release relative to markets for ASG's trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. Some of these risks, uncertainties and other factors are described under the heading "Risk Factors" in the Company's annual information form available on [www.sedar.com](http://www.sedar.com). ASG does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

The Toronto Stock Exchange has neither approved nor disapproved the contents of this press release

Additional information is available on [www.sedar.com](http://www.sedar.com) and at the Company website at [www.solomonsgold.com.au](http://www.solomonsgold.com.au)

## N E W S   R E L E A S E

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