



AUSTRALIAN SOLOMONS GOLD ANNOUNCES CLOSING OF C\$15 MILLION FINANCING

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(TSX:SGA) TORONTO, Ontario (August 9, 2007) – Australian Solomons Gold Limited (the "Company" or "ASG") is pleased to announce that it has closed its previously announced brokered private placement of 13,044,000 subscription receipts (the "Subscription Receipts") at a price of \$1.15 per Subscription Receipt raising gross proceeds of \$15,000,600 (the "Offering"). Each Subscription Receipt shall be exchanged, for no additional consideration, into one common share (a "Share") of the Company and one-half of one warrant, with each full warrant (a "Warrant") providing the purchaser with the right to subscribe for one Share for a period of 36 months following the close of the Offering at a price of \$1.50 per Share upon satisfaction of the "Release Conditions" discussed below.

The Subscription Receipts were offered on a best efforts agency basis by a syndicate of agents co-led by Haywood Securities Inc. and Paradigm Capital Inc. and including Fraser Mackenzie Limited (collectively, the "Agents").

The Company has placed a percentage of the proceeds in escrow (the "Escrowed Funds"), and has agreed to use its reasonable best efforts to qualify the Shares and Warrants by a prospectus, and to obtain shareholder approval with respect to the Offering (collectively, the "Release Conditions"). In the event that the Release Conditions are not satisfied within 60 days of the closing date of the Offering, 35% of the Subscription Receipts shall be deemed to be exercised, and purchasers of the Subscription Receipts will be entitled to their pro rate share of the Escrowed Funds.

The Agents received a cash fee equal to \$720,463.51, 65% of which has been placed in escrow and forms part of the Escrowed Funds. As additional consideration, the Agents have also been issued 219,272 compensation options ("Compensation Options"), with each Compensation Option entitling the holder thereof to purchase one Share of the Company at an exercise price of \$1.27 per Share for a period of 18 months following the closing date of the Offering. The Agents will receive an additional 407,218 Compensation Options upon satisfaction of the Release Conditions by the Company.

All securities issued or issuable in connection with the Offering are subject to a hold period and may not be traded for four months plus one day from the date of closing.

The net proceeds of the Offering will be used to fund continued exploration, preliminary development activities for the Gold Ridge Project, for working capital and general corporate purposes.

The Gold Ridge Mine is a past producing mine which has approximately 1.5 million ounces of measured and indicated resources and in excess of 1.0 million ounces of reserves. The completed feasibility study for the Gold Ridge Mine estimates production at life of mine an average of 124,000 ounces per year at cash costs of approximately US\$388 per ounce. The additional time now available will allow the Company the opportunity to further review and optimize the results of the feasibility study. Production from the Gold Ridge Project is now estimated to commence by the end of calendar 2008. The Company has made considerable progress to date with preliminary development activities, including for example the camp, for use during construction and operations, which has now been completed. Other equipment such as a large mobile crane, essential to the refurbishment, has been delivered to the project site. A procurement schedule for key equipment items needed for the refurbishment is under consideration. The relocation

village for the landowners of the area has been surveyed, designed and, as soon as the government has formalized the legal title for the new area, construction of the houses and community infrastructure such as schools and first aid posts will commence. The Corporation now intends to focus on continuing exploration in the Charivunga Gorge and surrounding areas while pushing ahead with the preplanning and early development stages of the refurbishment of the processing plant.

The securities being offered have not, nor will they be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

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. 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

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