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## AUSTRALIAN SOLOMONS GOLD QUARTERLY ACTIVITIES REPORT for the three months ended 30 September 2006

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**TORONTO, Ontario (November 8, 2006)** – Australian Solomons Gold Limited (TSX:SGA) (“ASG” or the “Company”) is pleased to announce the Quarterly Activities Report for the period ended September 30, 2006 and provide a summary of the Company’s project development and other activities. All amounts in this release are expressed in Australian dollars unless otherwise identified.

### HIGHLIGHTS

- Gold Ridge Project feasibility study progressing toward completion by December 2006
- New 4,600m drilling program commenced for pit delineation and near mine exploration

### SUMMARY OF ACTIVITIES

#### Gold Ridge Bankable Feasibility Study

The main activity of the Company for the quarter has been the progressing of the Gold Ridge Project Bankable Feasibility Study (BFS) which is being conducted for ASG by Ausenco Limited, a Brisbane based specialist engineering consultant. The BFS commenced in June 2005 and is scheduled for completion by the end of November 2006 and to be available to the Company by December 2006.

The BFS program has included two drilling programs totalling 104 diamond drilling holes covering 6,883m. The program undertaken in 2005 was designed to provide samples for metallurgical test work on the four open pit areas to be mined; the 2006 drilling program was for resource definition work and to provide further metallurgical samples for representivity of ore types, and was completed in June of this year.

A new Resource Estimate and Reserve estimate is being prepared to NI 43-101 standards as part of the BFS. This estimate will be used as the basis for a new ore reserve estimate which will be used to develop a mining plan and schedule of mining, sufficient to confirm mobile fleet requirements and other infrastructure such as haul roads and waste dump locations.

The Company expects to complete the BFS in Q4 2006 and to arrange appropriate project finance commitments in Q2 2007. Securing project finance facilities and additional equity funding requirements will allow redevelopment activities to commence by end Q2 2007 and operations to recommence by the end of Q4 2007.

During the quarter, the Company continued to investigate the potential use of hydro power for power generation based on the results of the pre-feasibility study using several run-of-river micro hydro stations to provide a substantial portion of average power requirements. In addition, the Company is currently undertaking a study to investigate alternative bio-fuel sources available from local palm oil production and the associated waste streams.

## Gold Ridge Project

The Company has been actively working in the following areas:

- Site restoration of the camp and office buildings;
- Refurbishment of the plant, workshop and heavy vehicle buildings;
- General improvement of security and safety issues;
- Clean up of the site in preparation for commencement of redevelopment activities;
- Continuation of discussions with landowners and the Solomon Islands Government reflecting their ongoing support for the recommencement of operations of the Gold Ridge Project; and
- The appointment of senior operational staff to the project.

## Drilling Program

During the quarter, the Company commenced a 44 hole, 4600m drilling program which is scheduled for completion by December 2006. Previous work on the Project has identified 4 deposits, being Valehaichichi, Namachamata, Kupers and Dawsons. These four mineralised zones occupy an area of 2.5km x 1.5km area

This drilling program includes extension drilling on two deposits, Valehaichichi and Namachamata, in addition to a series of deep exploration holes to test the under-explored Charivunga Gorge area. As noted in previous releases, two exploration holes were drilled in this area in December 2005 and returned encouraging intersection results, with both holes resulting in mineralisation.

Details of the current program are as follows:

- Valehaichichi Pit: 30 holes (2550m) to enhance the final pit shell design and test for mineralisation below the current final pit floor.  
Valehaichichi Pit was developed by the previous owners and produced 210,000 ounces during August 1998 to June 2000.
- Namachamata Deposit: 10 holes (600m) designed to test for extensions of the mineralised zone to the south of the current pit design.
- Charivunga Gorge: 4 holes (1300m) to test for extensions of previously reported gold mineralisation intersected in holes DDH 032 and DDH 033.

## CORPORATE

As at September 30, 2006, the Company maintained a working capital of \$11,263,695. Included in this working capital position is a provision for a further payment to American Home Assurance Company of \$6.29 million. The Company is well funded with cash and cash equivalents as at September 30, 2006, totalling \$19.79 million.

ASG reported a net loss of \$998,908 or (\$0.02) per share for the quarter ended 30 September. An analysis of the quarter's result shows the following:

- Consultants and other professional expenses amounted to \$316,251 which related to the costs (corporate finance, investor relations, transfer agent and annual report) associated with the transition of the company moving to listed company status on the Toronto Stock Exchange.
- Administration expenses amounted to \$586,249 which related to the cost of ASG's corporate office including expenditure for insurance premiums.

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- Financial expenses amounted to \$137,180 which comprised the unwinding of the discount of the fair value of the acquisition of the JV Mine (Australia) Group.
- Interest income amounted to \$29,793 for the period ending 30 September 2006 while revenue relating to the sale of the redundant equipment amounted to \$10,979 equating to a total revenue base of \$40,772.

The Company had no operating revenues in the period ending September 30, 2006, as it had not commenced operations.

This summary of financial highlights should be read in conjunction with the Company's unaudited 2006 Consolidated Interim Financial Report for the 3 month period ended September 30, 2006 and Management Discussion and Analysis of Financial Condition and Results of Operations, both of which are available on [www.sedar.com](http://www.sedar.com).

### About ASG

ASG is developing the Gold Ridge Project, a former producing mine, located on Guadalcanal in the Solomon Islands. The mine operated from August 1998 to June 2000 and produced approximately 210,000 oz gold during this period. ASG acquired the project in May 2005 and is currently completing a Bankable Feasibility Study to redevelop the Gold Ridge Project, which is expected to commence operations by December 2007.

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

### Other

Tony Field, BSc, Grad Dip Env Sc, MAusIMM, MSPE, Exploration Manager, Australian Solomons Gold Limited, is the qualified person responsible for exploration at the Gold Ridge Project and the technical information contained in this press release.

### 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

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