

AUSTRALIAN SOLOMONS GOLD QUARTERLY ACTIVITIES REPORT FOR THE THREE MONTHS ENDED MARCH 31, 2007

THIS NEWS RELEASE IS NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

TORONTO, Ontario (May 15, 2007) – Australian Solomons Gold Limited (TSX:SGA) (“ASG” or the “Company”) today announced the Quarterly Activities Report for the period ended March 31, 2007 and provides a summary of the Company's project development and other activities to date. All amounts in this release are expressed in Australian dollars unless otherwise identified.

Subsequent to the quarter end, significant developments have occurred, most notably: the completion of the Gold Ridge Feasibility Study (FS) and the appointment of a new Chief Executive Officer.

HIGHLIGHTS

- John Bovard has joined ASG's senior management team as CEO
- Completion of FS
- Identification of additional in-pit gold mineralisation at Gold Ridge Mine
- Gold drilling results highlight further exploration potential

SUMMARY OF ACTIVITIES

Gold Ridge Feasibility Study

During the quarter, ASG continued to concentrate its efforts on completing the Gold Ridge FS. Subsequent to quarter end, the FS has been completed and key economic outputs announced (see release dated April 16, 2007).

Highlights of the Feasibility Study

- Metallurgical Recovery exceeds 82%
- Production Schedule: 2.5 Mtpa at 1.9g/t average
- Average Production:
 - Years 1 to 3: 136,000oz per year
 - Life of Mine: 124,000oz. per year
- Cash Operating Cost:
 - Years 1 to 3 US\$344 per ounce
 - Life of Mine US\$388 per ounce
- IRR – after-tax 23.9%
- Payback period after tax of 3.9 years

Project Financing

As noted, the emphasis during the quarter was the completion of the FS for the redevelopment of the Gold Ridge Project. The economic projections arising from this study allowed the Company to refine its financing plan going forward and to commence evaluation of the alternatives for project and general corporate financing requirements.

Gold Ridge Project

The Company remains active in the following areas:

- Site restoration of the camp and the office buildings
- Refurbishment of the plant, workshop and heavy vehicle buildings
- Exploration drilling
- 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
- The appointment of senior operational staff to the project

ASG is pleased to report that the Solomon Islands' Tsunami did not affect the mine site and operations which is well inland. There were no injuries to personnel and no equipment damage reported.

Drilling Program

ASG commenced a 44 hole, 4,600m drilling program at Gold Ridge in Q3 of 2006. The objective of this drilling program is to confirm the current pit design and investigate the potential for additional mineralisation. During the Quarter a further 11 holes were drilled for a total to date of 28 holes, 2858m. A total of 9 of these holes were in the Valehaichichi Pit and 2 at Namachamata.

Highlights for the quarter include:

- Identification of additional mineralisation within 20m of the planned pit floor in holes DDH124, DDH127, and DDH130.
- Confirmation of wider than expected in pit mineralisation in holes DDH126, and DDH129.
- Discovery of a possible "feeder zone" comprising of a set of steeply dipping Au mineralized veins in hole DDH 131, located 180m south of the planned Namachamata Pit. Further drilling is planned to test this zone.

CORPORATE

New Chief Executive Officer

John Bovard is a recent addition to ASG's senior management team (see release dated April 16, 2007). Mr. Bovard is a civil engineer with more than 40 years of experience in mining, project development and corporate management. His career has included roles as CEO of public companies and both executive and non-executive directorships.

He holds a Bachelor of Civil Engineering, is a Fellow of the Australian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Company Directors.

He was recently the CEO of Asia Pacific Resources Ltd, a Canadian listed mining company, developing a large potash resource in Thailand. Prior to that, he was Managing Director of the ASX publicly listed Danae Resources NL and a director of Greenwich Resources plc listed on the LSE. He was previously the project manager for the successfully completed A\$800 million Queensland Fertilizer Project for WMC Ltd. Experience in the Pacific region includes approximately 10 years in total on the Bougainville, OkTedi and Porgera mining projects.

Mr. Bovard brings to the Company, among his areas of expertise, experience with project financing and feasibility assessments on behalf of mining companies and investment banks. This experience will serve the Company well as it embarks on the latest round of financing in North America and then develops the project and seeks further corporate expansion.

Financial Statements

As at March 31, 2007, the Company maintained working capital of A\$1.63 million. Included in this working capital position is a provision for a further payment to American Home Assurance Company of A\$5.85 million (US\$5 million). The Company has cash and cash equivalents as at March 31, 2007, totalling approximately A\$8.4 million.

ASG reported a net profit of A\$937,169 or A\$0.02 per share for the quarter ended March 31, 2007. An analysis of the quarter's result shows the following:

- Other income amounted to A\$2,047,328 which comprised interest income A\$181,250 and the unwinding of the discount of the fair value of the settlement liabilities regarding the acquisition of the JV Mine (Australia) Group of A\$1,866,078. This significant gain on the unwinding of the discount sum results from the favourable movement in the AUD/USD exchange rate since December 31, 2006.
- Consultants and other professional expenses amounted to A\$300,827 which related to the costs (corporate finance, investor relations, transfer agent and annual report) mainly associated with the transition to a public company with its shares listed on the Toronto Stock Exchange in August 2006.
- Administration expenses amounted to A\$706,214 which related to the cost of ASG's corporate office.
- Financial expenses amounted to A\$103,118 which comprised foreign exchange losses and the unwinding of the discount of the rehabilitation provision.

The Company had no operating revenues in the period ending March 31, 2007, as it had not commenced operations.

This summary of financial highlights should be read in conjunction with the Company's Consolidated Interim Financial Report for the 3 month period ended March 31, 2007 and Management Discussion and Analysis of Financial Condition and Results of Operations, both of which are available on www.sedar.com.

About ASG

ASG is rapidly redeveloping the Gold Ridge Project, a former producing mine acquired by the Company in May 2005. With a recently completed Feasibility Study in hand, the Company is on schedule to commence operations in Q2 2008. Gold Ridge is located on Guadalcanal in the Solomon Islands. The mine operated from August 1998 to June 2000 and produced approximately 210,000 oz of gold during this period.

Additional information is available on www.sedar.com and at the Company web site at www.solomonsgold.com.au

