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# Solomon Resources Limited

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## PRESIDENT'S REVIEW

On behalf of the Board of Directors, it is my pleasure to report on your Company's activities this past year and to present the audited financial statements for the year ending July 31, 2002.

Market conditions for resource companies continued to be depressed. However, Solomon, through its joint venture partner, AurionGold, is conducting a very large and comprehensive exploration program on Solomon's 100% owned Kalgoorlie Southeast Project (KSP), 50 km east of Kalgoorlie, West Australia.

AurionGold have exceeded their first year commitment of A\$2.5 million and can earn a 65% interest in the Kalgoorlie properties by spending a total of A\$6.0 million by the end of year three of the option.

In Chile, Solomon has optioned the San Ramon, iron-oxide-copper-gold prospect from American Canyon Mining Co. and after completing a 90 day due diligence survey and confirming earlier geophysical and underground sampling results, your Company is about to begin a multi-hole RC drilling program at San Ramon.

A limited IP geophysical survey on the optioned Red and Nor properties in north-central British Columbia failed to identify targets that, in our opinion, warrant further exploration and the claims were returned to their owner.

### ***KSP Project (100%)***

Solomon's Kalgoorlie Southeast Project (KSP), located within the highly productive Yilgarn Gold Province of Western Australia, continues to be aggressively explored by joint venture partner AurionGold Limited ("AurionGold"), Australia's second largest gold producer. Gold production from mines within the KSP dates back to 1904, with recent production (1992 to 1997) totalling 240,000 ounces gold from 15 pits. Building upon successful exploration programs conducted by Solomon (August 1999 - May 2001), AurionGold and its predecessor, Goldfields Ltd. ("Goldfields"; May 2001 - December 2001), have been responsible for the discovery of several new zones of gold mineralization on the KSP.

Solomon first entered into an option agreement to acquire a 70% interest in the KSP from General Gold Resources NL ("General Gold") in August 1999. Solomon subsequently acquired a 100% interest in the KSP from General Gold in September 2000. In May 2001, Solomon entered into an Exploration Joint Venture Agreement with Goldfields, then Australia's fifth largest gold producer. Within months after Goldfields merged with Delta Gold and became AurionGold in December 2001, AurionGold became the takeover target of Placer Dome Inc ("Placer"). By October 31, 2002, Placer was successful in acquiring the majority of AurionGold's shares. Solomon directors will meet with Placer and AurionGold management in December 2002 to discuss future development plans for Solomon's KSP project.

Maxwell's Deposit is the most developed prospect on the KSP and is being assessed as a possible source of high-grade ore for AurionGold's Paddington Mill located near Kalgoorlie. In January 2002, Goldfields (now AurionGold) reported several high-grade drill intercepts from Maxwell's Deposit, including include 8 m @ 22.4 g/t gold, 7 m @ 18.02 g/t gold, 9 m @ 19.8 g/t gold and 5 m @ 23.65 g/t gold from the western pit wall. Similar high grade intercepts were previously reported from a deep diamond drilling hole completed by Solomon in 1999 beneath the Santa Deep's pit, located 4 km northeast of the Maxwell's pit. Solomon's drill hole intersected 20.8 metres grading 14.0 g/t gold including 6.3 metres grading 24.60 g/t gold. This zone is open-ended and remains to be delineated.

Gards Find is a new gold discovery where gold mineralization is hosted primarily by hematite-pyrite altered quartz monzonite porphyry. A 1.3 km by 600 m gold-in-soil anomaly was partially tested in April 2002 with five RC holes and one diamond drill hole. AurionGold is evaluating the results.

In May 2002, AurionGold reported intercepts of 6 m of 6.99 g/t gold including 2 m of 18.5 g/t gold from a single drill hole at the Horseshoe Prospect. Subsequent drilling identified a high grade but insufficient resource at Horseshoe prospect.

Based on interpretation of an airborne magnetic survey completed in September 2001, AurionGold identified three conceptual targets for gold mineralization. One of these targets, now called the Lucky Bay Prospect, reported a highly significant intercept of 13 m @ 6.2 g/t gold from air core hole GGRB116 completed in June 2002. Follow-up air core holes have reported intercepts of 24 m @ 13.8 g/t gold, 18 m @ 4.95 g/t gold and 20 m @ 9.94 g/t gold. To date, AurionGold has identified a small but significant supergene zone and is currently planning further drilling, including diamond drilling to test for primary mineralization at depth.

***San Ramon Property, Chile (up to 80%)***

In June 2002, Solomon announced that it had signed an option agreement with American Canyon Mining (“ACM”) whereby Solomon could earn up to an undivided 80% interest in the San Ramon Mining Project (“San Ramon”), located 50 km west of Copiapo, in northern Chile. To earn its interest, Solomon must incur a total of US\$6.0 million in expenditures within three years. Solomon has just completed a 90 day due diligence survey at San Ramon and will be commencing a multi-hole RC drilling program in late November 2002.

The San Ramon mineralization is an iron-oxide copper-gold (Fe-oxide-Cu-Au) style deposit with an unusually high (up to 0.5%) cobalt credit. As is typical of the many examples of Fe-oxide-Cu-Au deposits in Chile, San Ramon is associated with the Atacama Fault system. The largest of these deposits discovered to date in Chile is the Candelaria Mine (400 MT of 1.1% Cu, 0.25 g/t Au), located 35 kilometres southeast of San Ramon.

The numerous high-grade Cu-Au mineralized veins at San Ramon present a very exciting target. Management believes that the veins at surface could be manifestations of a larger disseminated system at depth. The limited IP and gravity geophysical surveys conducted by Solomon to date, suggest that this may indeed be the case. This theory will soon be tested with the upcoming RC drilling program.

Your Company continued to hold equity positions in Canico Gold Corp. (131,720 shares), Viceroy Resources Corporation (543,700 shares), Skeena Resources Limited (666,667 shares) and Orezone Resources Ltd. (625,000 shares). Solomon also continues to receive minimal monthly royalty revenues from minor interests in producing oil and gas wells in Alberta.

The Board and Management appreciate your interest, support and confidence in our projects, particularly our Australian projects where the continuing aggressive exploration and development program by our joint venture partner will hopefully generate a positive cash flow in the near future,

On behalf of the Board of Directors of  
**SOLOMON RESOURCES LIMITED**

*“Lawrence J. Nagy” President & CEO*  
 November 14, 2002