SOLOMON RESOURCES LIMITED

PRESIDENTS REPORT

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, 2003.

After surviving several years of depressed market conditions and general disinterest of investors in junior resource companies, it is beginning to appear that the slump is finally over. Juniors with worthy projects are again able to raise capital and resume exploration and development on projects worldwide.

Your Company is fortunate that it is well funded and can move its current projects ahead without further dilution.

Solomon continued to focus on projects in Chile and Australia. At the San Ramon copper/gold property in Chile, Solomon completed a four hole, 1,500 metre RC drilling program. Although one hole intersected 4m of over 6% Cu, the results did not provide any indication of the presence of a "Candelaria-type" iron oxide copper gold (IOCG) deposit as was suggested by our earlier IP and gravity geophysical surveys. The San Ramon property was subsequently returned to the owner.

In Australia, AurionGold continued their option on Solomon's 100% owned Kalgoorlie Southeast Project ("KSP") 50km east of Kalgoorlie, Western Australia. AurionGold spent over A\$3.0 million on exploration in 2002, but fieldwork was halted when Placer Dome Asia Pacific (Placer) made a takeover bid for AurionGold. Placer was eventually successful in their bid and the KSP went to Placer. Placer, after review of the project data, decided to revert the entire tenement package back to Solomon in August 2003. Solomon management is pleased to once again be in control of this significant land package located in one of the world's greatest gold producing belts at a time when gold is beginning to climb up towards US\$400 an ounce.

In November of 2002, AurionGold returned over 90 tenements out of the KSP to Solomon on which AurionGold had completed exploration work. Solomon immediately entered into an agreement with Newcrest Mining Ltd. ("Newcrest") of Australia whereby Newcrest would spend \$2,000,000 on exploration over 4 years to earn a 75% interest in 90 of the returned tenements. Newcrest is currently midway through an A\$800,000 exploration program and is apparently encouraged by results to date.

The balance of the tenement package now under Solomon control, includes the tenements that incorporate the Mount Monger and Randalls Mine Centres. Previously mined by General Gold Resources Ltd. the area produced 240,000 ounces of gold between January 1993 and June 1997 before depressed gold prices and rising mining cost halted operations. At closing, the reported remaining gold resource at the Randalls Mining Centre was estimated at 2.3 million tonnes at 3.9 g/t gold (291,000 oz) and included the Maxwells open cut (1.36 million tonnes at 3.75 g/t gold) where mining could resume today with minimal preparation and expenditure.

The new gold resources discovered by AurionGold in the Maxwell's open cut and nearby Randalls areas, have yet to be calculated and classified. Also, it should be noted that all exploration at the KSP to date has been limited to identifying gold resources amenable to open cut mining and that the known potential for underground minable ore, has yet to be examined.

Several mid-tier mining companies are currently reviewing our Randalls and Maxwells tenement package. I am optimistic that we will soon find a worthy JV partner who will not only explore the underground potential at KSP, but will also resume mining at the Randalls camp and soon provide Solomon with a cash flow from the operations.

In North America, management continues to seek gold properties with multi-million ounce potential and is presently focussed on opportunities in Nevada, USA. Nevada is a state that produced over 60 million ounces of gold to date and new deposits are found most every year. Nevada gold production exceeded 7 million ounces in 2002.

The equity positions held by Solomon in Canico Resources Corp. (30,020 shares); Viceroy Exploration Ltd. (54,370 shares); Skeena Resources Ltd. (626,667 shares) Quest Capital Corporation (181,233), Almaden Minerals Ltd. (122,077 shares) and Spectrum Gold Inc. (18,123 shares); continue to appreciate in value. Your company also continues to receive minimal monthly royalty revenue from minor interests in producing oil and gas wells in Alberta.

The Board and Management thank you for your support and confidence in our projects as we strive to enhance shareholder value in your company.

ON BEHALF OF THE BOARD OF DIRECTORS OF SOLOMON RESOURCES.

Larry J. Nagy, President.