

SOLOMON GOLD PLC

(Registered in England & Wales with Company No. 5449516)

LETTER FROM THE CHAIRMAN

Directors

Cameron Wenck
Nicholas Mather
Brian Moller
Dr. Robert Weinberg

31 December 2007

Registered Office

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Corporate Office

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Dear Shareholder,

Introduction

The purpose of this letter is to provide you with a brief update on the progress to date of Solomon Gold plc (“**Solomon Gold**” or the “**Company**”) and also to provide you with further information in understanding the background to the attached Notice convening an Annual General Meeting (“**AGM**”) of the Company at 4.00 p.m. (Brisbane, Australia time) on 31 January 2008, at which a number of resolutions will be proposed.

Exploration Update

An exploration update was provided in the recent Notice of Extraordinary General Meeting (“**EGM**”) sent to shareholders in November 2007. A copy of this Notice is available on the Company’s website (www.solomongold.com).

The highlight of the exploration update was the recent high grade gold mineralisation encountered in the recent drilling at Sutakiki. On 5 November 2007, Solomon Gold announced that it had intersected high grade gold mineralisation at its Sutakiki project on the main island of Guadalcanal in Solomon Islands. The intersection, in drill hole SK11 between 108 and 140 metres depth graded **9.45 g/t gold over 32 metres** and included a very high grade zone of 10 metres at 21.1 g/t gold, including 1 metre at a grade of 74g/t gold from 113 metres. Free visible gold is evident in the core at a number of points throughout the intersection. Copper grades up to a maximum of 0.28% copper also occur. The drill hole appears to have intersected the structure at near-perpendicular to the mineralisation and the intersection is believed to be close to the true thickness. Detailed assay results on a metre by metre basis for the intersection were shown on the announcement which can be found on the Company’s website (www.solomongold.com).

Corporate Update

On 18 December 2007, Solomon Gold announced that it had completed a placement of 17.5 million shares at 18 pence per share for gross proceeds of £3,150,000. The Company now has on issue 44,325,001 fully paid ordinary shares.

The Company would like to propose the following Resolutions:

Resolution 1

Resolution 1 is to receive the Company's financial statements and the report of the directors and auditors for the year ended 30 June 2007. Shareholders will have a reasonable opportunity at the AGM to ask questions and make comments on these reports and on the business and operations of the Company.

Resolution 2

Brian Moller retires in accordance with the articles of association of the Company ("**Articles**") and, being eligible, offers himself for re-appointment as a Non-Executive Director.

Resolution 3

Dr Robert Weinberg retires in accordance with the Articles of the Company and, being eligible, offers himself for re-appointment as a Non-Executive Director.

Resolution 4

Resolution 4 is to re-appoint PKF (UK) LLP as auditors of the Company to hold office from the conclusion of the AGM to the conclusion of the next AGM at which accounts are laid before the Company at a remuneration to be determined by the directors.

Resolutions 5, 6, 7 and 8

Article 3.4 of the Articles provides that the Directors are entitled to grant options over the ordinary shares of the Company.

However the Directors have resolved to defer to members for approval of the proposed grant of 500,000 options to Nicholas Mather (Chief Executive Officer), 200,000 options to Cameron Wenck (Chairman), 150,000 to Brian Moller and 150,000 to Dr Robert Weinberg (both Non-Executive Directors), (or their respective nominees) each a Director of the Company, (each a "**Recipient**") (the "**Director Options**"). The terms of the Director Options are set out in more detail below.

Options Terms

A summary of the material terms of the Director Options is set out below:

- The securities to be issued to each recipient are options to subscribe for ordinary shares in the capital of the Company ("**Shares**").
- The director options are to be issued for no consideration.
- The exercise price of each director option (exercise price) is set out below.

Resolution	Recipient	Total number of options	Exercise price per Share £0.25 Number	Exercise price per Share £0.50 Number	Exercise price per Share £0.75 Number
Resolution 5	Nicholas Mather	500,000	250,000	125,000	125,000
Resolution 6	Cameron Wenck	200,000	100,000	50,000	50,000
Resolution 7	Brian Moller	150,000	75,000	37,500	37,500
Resolution 8	Dr Robert Weinberg	150,000	75,000	37,500	37,500

- The Director Options will lapse on the earlier of:
 - (a) 31 December 2010;
 - (b) the expiration of three (3) months, or any longer period as may be determined by the Directors, after the Director ceases to be a director of the Company; or
 - (c) the Director ceasing to be a director of the Company due to fraud or dishonesty,
- The Director Options will not be transferable in whole or in part and may not be exercised by any other person (except, in the case of the Director Option holder's death, by his or her legal personal representative).
- Upon the valid exercise of the Director Options and payment of the Exercise Price, the Company will issue Shares ranking pari passu with the then issued Shares.
- The Director Options will vest immediately on issue.

With respect to each of Resolutions 5, 6, 7 and 8, each of the disinterested directors (being all Directors other than the Director to whom it is proposed that options be issued under a relevant resolution) recommend that Shareholders vote in favour of these resolutions. The reasons for their recommendations include:

- (i) the grant of the Director Options as proposed will provide the Directors with reward and incentive for future services they will provide to the Company to further the progress the Company;
- (ii) the Director Options are not intended as a substitute for salary or wages or as a means for compensation for past services rendered; and
- (iii) in the Company's circumstances as they existed as at the date of this Chairman's Statement, the disinterested directors considered that the incentive provided a cost-effective and efficient incentive as opposed to alternative forms of incentives (eg cash bonuses, increased remuneration).

As each Director is interested in the outcome of one of Resolutions 5, 6, 7 or 8, each Director accordingly makes no recommendation to Shareholders in respect of the resolution to which he is the proposed recipient of Director Options.

Resolutions 9 and 11

These Resolutions are being proposed to authorise the Board to allot and issue ordinary shares of the Company up to the proposed nominal amount, save that such allotments are made within the confines of the Resolutions being proposed. The purpose of such Resolutions is to allow the Board to raise equity funds at a future date, if needed, to continue the Company's exploration programme in the Solomon Islands.

Resolution 10

The Directors are currently considering a dual listing on the Australian Securities Exchange ("ASX"). Resolution 10 is proposed to alter the Company's articles of association to facilitate a dual listing on a foreign stock exchange (including without limitation the ASX) in the event that the Directors resolve to proceed with such a listing.

Shareholder Voting

All Shareholders registered as holding ordinary shares of the Company at 4:00pm (Brisbane, Australia time) on the second day prior to the date of the AGM or any adjournment of it shall be (unless otherwise entitled to do so) entitled to attend the AGM and vote on the Resolutions proposed thereat.

Action to be taken by Shareholders

Attached to the Notice of AGM accompanying this letter is a Proxy Form for use by Shareholders. All Shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company. Lodgement of a Proxy Form will not preclude the Shareholder from attending and voting at the AGM in person.

Shareholders can either deliver the Proxy by hand, by mail, by facsimile or as an attachment by email.

Recommendation

The Board believes that the Resolutions are fair and reasonable and in the best interests of the Company and Shareholders alike, and therefore recommends* you to vote in favour of them.

***Note: As each Director is interested in the outcome of one of Resolutions 5, 6, 7 or 8, each Director accordingly makes no recommendation to Shareholders in respect of the resolution to which he is the proposed recipient of options.**

Yours faithfully,



Cameron Wenck, Chairman

SOLOMON GOLD PLC

(Incorporated in England and Wales with registered number 5449516)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the second annual general meeting of Solomon Gold plc (the "Company") will be held on 31 January 2008 at 4.00 p.m. (Brisbane Australia time) at the offices of Hopgood Ganim, Level 8, Waterfront Place, 1 Eagle Street, Brisbane, Queensland 4000, Australia for the following purposes:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. To receive the Company's financial statements and the report of the directors and auditors for the year ended 30 June 2007.
2. To re-appoint Brian Moller as a director of the Company with the title "Non-Executive Director" who retires in accordance with the Articles, and is eligible for reappointment.
3. To re-appoint Dr Robert Weinberg as a director of the Company with the title "Non-Executive Director" who retires in accordance with the Articles, and is eligible for reappointment.
4. To re-appoint PKF (UK) LLP as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which accounts are laid before the Company at a remuneration to be determined by the directors.
5. THAT, notwithstanding Article 3.4 of the Company's articles of association, Nicholas Mather, a director (Chief Executive Officer) of the Company be granted (i) 250,000 options to subscribe for 250,000 ordinary shares at a price of 25 pence per share, (ii) 125,000 options to subscribe for 125,000 ordinary shares at a price of 50 pence per share, and (iii) 125,000 options to subscribe for 125,000 ordinary shares at a price of 75 pence per share.
6. THAT, notwithstanding Article 3.4 of the Company's articles of association, Cameron Wenck, a director (non-executive Chairman) of the Company be granted (i) 100,000 options to subscribe for 100,000 ordinary shares at a price of 25 pence per share, (ii) 50,000 options to subscribe for 50,000 ordinary shares at a price of 50 pence per share, and (iii) 50,000 options to subscribe for 50,000 ordinary shares at a price of 75 pence per share.
7. THAT, notwithstanding Article 3.4 of the Company's articles of association, Brian Moller, a director of the Company be granted (i) 75,000 options to subscribe for 75,000 ordinary shares at a price of 25 pence per share, (ii) 37,500 options to subscribe for 37,500 ordinary shares at a price of 50 pence per share, and (iii) 37,500 options to subscribe for 37,500 ordinary shares at a price of 75 pence per share.
8. THAT, notwithstanding Article 3.4 of the Company's articles of association, Dr Robert Weinberg, a director of the Company be granted (i) 75,000 options to subscribe for 75,000 ordinary shares at a price of 25 pence per share, (ii) 37,500 options to subscribe for 37,500 ordinary shares at a price of 50 pence per share, and (iii) 37,500 options to subscribe for 37,500 ordinary shares at a price of 75 pence per share.
9. THAT the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot unissued ordinary shares in the share capital of the Company up to an aggregate nominal amount of £200,000 provided that this authority is for a period expiring at the Company's next

annual general meeting but the Company may before such expiry make an offer or agreement which would or might require it to allot such unissued ordinary shares after such expiry and the directors may allot unissued ordinary shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions:

- 10.** THAT the articles of association of the Company be altered by incorporating the following new articles 39 and 40:

“39. Listing Rules

In the event that the Company is listed on the Australian Securities Exchange (**ASX**), and for so long as the Company remains listed on the ASX, the following provisions shall apply:

- (a) even if contrary to a provision in these Articles, if the official listing rules of the ASX (**Listing Rules**) prohibit an act being done, the act shall not be done;
- (b) no provision contained in these Articles can prevent an act being done that the Listing Rules require to be done;
- (c) if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the Listing Rules require these Articles to contain a provision which is omitted, these Articles are deemed to contain that provision;
- (e) if the Listing Rules require these Articles to omit a provision which is in these Articles, these Articles are deemed not to contain that provision; and
- (f) if any provision of these Articles is or becomes inconsistent with the Listing Rules, these Articles are deemed not to contain that provision to the extent of the inconsistency.

40. Foreign Listing

In the event that the Company’s securities are admitted to trading on a foreign stock exchange (**Foreign Exchange**), including without limitation the ASX, then so long as the Company’s securities are admitted to trading on the Foreign Exchange it shall comply with the rules and regulations of the Foreign Exchange (**Foreign Listing Rules**) except to the extent that the Foreign Listing Rules are contrary to or inconsistent with the AIM Rules for companies.”

- 11.** THAT subject to the passing of resolution 9 above the directors be and they are empowered pursuant to section 95 of the Act to allot unissued ordinary shares (within the meaning of section 94(2)) wholly for cash pursuant to the authority conferred by the previous resolution as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of unissued ordinary shares:

- (a) In connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

- (b) Otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £200,000;

and shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may, before such expiry make an offer or agreement which would or might require unissued ordinary shares to be allotted after such expiry and the directors may allot unissued ordinary shares in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

BY ORDER OF THE BOARD OF DIRECTORS



Duncan Cornish
Company Secretary
31 December 2007

Registered Office
7 Pilgrim Street
London EC4V 6LB
United Kingdom
Website: www.solomongold.com

SOLOMON GOLD PLC

(Incorporated in England and Wales with registered number 5449516)

PROXY CARD

NAME AND ADDRESS OF SHAREHOLDER:

ANNUAL GENERAL MEETING of SOLOMON GOLD PLC (the “Company”) to be held at the offices of Hopgood Ganim, Level 8, Waterfront Place, 1 Eagle Street, Brisbane, Queensland 4000, Australia on 31 January 2008 at 4.00 p.m. (Brisbane Australia time), and at any adjourned meeting.

Before completing this form, please read the explanatory notes on page 10 of this Proxy Card.

I/We being a member of the Company appoint _____ or, failing him/her, the Chairman of the Meeting (see note 6) to act as my/our proxy to attend and vote on my/our behalf at the annual general meeting of the Company to be held on Thursday 31 January 2008 and at any adjournment of the meeting.

(Please use a **black** pen. Mark with an **X** inside the box)

RESOLUTIONS	For	Against	Votes withheld (see note 5)	Discretionary (see note 5)
ORDINARY RESOLUTIONS:				
1. To receive the Company's financial statements and the report of the directors and auditors for the year ended 30 June 2007.				
2. To re-appoint Brian Moller as a director of the Company with the title "Non-Executive Director".				
3. To re-appoint Dr Robert Weinberg as a director of the Company with the title "Non-Executive Director".				
4. To re-appoint PKF (UK) LLP as auditors of the Company to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company at a remuneration to be determined by the directors.				
5. THAT Nicholas Mather be granted a total of 500,000 options to subscribe for a total of 500,000 ordinary shares of the Company.				
6. THAT Cameron Wenck be granted a total of 200,000 options to subscribe for a total of 200,000 ordinary shares of the Company.				
7. THAT Brian Moller be granted a total of 150,000 options to subscribe for a total of 150,000 ordinary shares of the Company.				

8.	THAT Dr Robert Weinberg be granted a total of 150,000 options to subscribe for a total of 150,000 ordinary shares of the Company.				
9.	THAT the directors be and they are generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of that section) up to an aggregate nominal amount of £200,000.				
SPECIAL RESOLUTIONS:					
10.	THAT the articles of association of the Company be amended by the incorporation of two new articles.				
11.	THAT subject to the passing of resolution 9 above the directors be and they are empowered pursuant to section 95 of the Act to allot equity securities (within the meaning of section 94(2) of the Act) wholly for cash.				

YOUR BOARD RECOMMENDS THAT YOU VOTE IN FAVOUR OF ALL THE ABOVE RESOLUTIONS.

In order to assist us in the preparation of the meeting, please indicate by placing an **X** in the relevant box below whether you will be attending the meeting.

	YES	NO
I/We will be attending the meeting		

I/We would like my/our proxy to vote on the resolutions proposed at the Meeting as indicated on this form. Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the meeting.

Signature

Date

_____ 2008

In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised, stating their capacity (e.g. director or secretary).

NOTES TO THE PROXY CARD:

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members not later than 4.00 p.m. (Brisbane Australia time) on 29 January 2008 or, if the meeting is adjourned, shareholders entered on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting shall be entitled to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a member of the Company.
3. To be valid for the meeting, a form of proxy should be completed, signed and lodged (together with any power of authority or any other authority under which it is signed or a duly certified copy of such power of authority) with:
For residents in Australia: the Company Secretary resident in the Company's Australian office, Level 5, 60 Edward Street, Brisbane, Queensland 4000, Australia, facsimile number **+61 (0) 7 3303 0681**.
For residents in the UK or elsewhere in the EU: the Company's registered office c/o Simon Holden, Faegre & Benson LLP, 7 Pilgrim Street, London EC4V 6LB, United Kingdom, facsimile number **+44 (0) 20 7450 4545**.
no later than 48 hours before the time for which the meeting is convened.
4. The register of directors' interests in the share capital of the Company and copies of directors' service contracts are available for inspection during usual business hours, at the registered office of the Company on any weekday (weekends and public holidays excepted) from the date of this notice until the date of the annual general meeting and also at the place of the annual general meeting for at least 15 minutes prior to, and until the conclusion of the meeting.
5. To abstain from voting on a resolution, tick the box "vote withheld". A "vote withheld" is not a vote in law which means that the vote will not be counted in the calculation of votes "for" and "against" the resolution. Ticking "Discretionary", or failing to tick any box against a resolution, will mean your proxy can vote as he or she wishes or can decide not to vote at all.
6. The Chairman of the Meeting shall act as a proxy unless another proxy is desired, in which case, insert full name of your proxy in the space provided above. A proxy will act in his/her discretion in relation to any business, other than that above, at the meeting (including any resolution to amend a resolution or to adjourn the meeting).
7. In the case of a corporation, this form of proxy must be executed under its common seal or signed on its behalf by an attorney or officer of the corporation.
8. In the case of joint holders, the vote of the senior holder shall be accepted to the exclusion of the votes of other joint holders. For this purpose, seniority shall be determined by the order in which the names of such holders stand in the register of members in respect of the joint holding.
9. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than 48 hours before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which an issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any alterations to this form should be initialled.
11. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

To be effective, all votes must be lodged in accordance with note 3 above.