Introduction

The following management discussion and analysis has been prepared as of November 15, 2005. It should be read in conjunction with the Company's audited financial statements for the year ended July 31, 2005. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all numbers are reported in Canadian dollars.

This discussion contains forward-looking statements that involve inherent risks and uncertainties. The reader is cautioned that actual results may differ materially from those anticipated in the forward-looking statements.

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

Background

Solomon Resources Ltd is a junior mineral exploration company. Its assets consist of mineral properties, cash and investments. The Company funds its operations either through the sale of shares of the Company or through the sale of its investments. The mineral exploration business is very high-risk. The most significant risks for the Company are:

1) The chances of finding an economic ore body are extremely small.
2) The junior resource market, where the company raises funds, is extremely volatile and there is no guarantee that the Company will be able to raise funds as it requires them.
3) The political risk of working in jurisdictions outside of Canada.

Other risk factors include the establishment of undisputed title to mineral properties, environmental concerns and the obtaining of governmental permits and licences when required.

Overall performance

Success in the junior mining exploration business is measured by a company's ability to raise funds, secure properties of merit and, in a few rare cases, identifying an economic ore body on one of its properties. Not all of these factors are within management's control.

The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to which way the market is headed.

The ability to secure properties of merit is in large part dependent on management's contacts.

In the past two years Solomon has raised $1,508,768 from the sale of its shares and $1,385,131 from the sale of its investments.

The Company has interests in resource properties in Mongolia, Australia, Burkina Faso, Chile, the United States and Canada. Details of the agreements through which the Company is earning, or has earned its interest in its resource properties can be found in Note 7 to the audited financial statements.

The following is a summary of the Company's exploration activities in the past two years:

Exploration activities for the year ending July 31, 2005:

Mongolia
Solomon Resources Limited holds the right to earn a minimum 80% interest in each of 20 properties in Mongolia through its Option agreement with Gallant Minerals Ltd signed in April of 2005. The properties include a variety of gold and copper-gold projects throughout Mongolia at various stages of development. Work completed prior to July 31, 2005 was focused on the Bayansagaan and Chandmani projects.

At Bayansagaan, Solomon completed surface mapping, ground magnetics, gradient-array induced polarization/resistivity surveys over a 5 km^2 area in June and July of 2005 in preparation for drilling.

Solomon field crews completed program in July 2005 of confirmation geological mapping, prospecting, hand trenching and bedrock sampling on its Chandmani gold-copper project located within the Lake District, in northwest Mongolia. The ten-day program was undertaken to follow up on significant results collected by Gallant in the Chandmani, Yembuu Tolgoi and Khavchig Yargait prospect areas within the property.

Preliminary prospecting and geological investigation was also made in July 2005 of the large silica-potassic-sericite alteration at Khan Bogd, Bosoo Khar, Nomgon, and Sairyn Khundii prospects in Mongolia.

Western Australia
The Solomon projects in the Kalgoorlie area of Western Australia include a variety of land holdings that prior to 2004 were referred to simply as the Kalgoorlie Southeast Project, or KSP. At the close of the 2005 fiscal year Solomon's holdings include the Glandore South Project; Lucky Bay Deposit, Emu Dam Project, South Monger Project and the Monger Newcrest JV.

A total of 78 rotary air holes and 4 diamond drill holes were drilled by Joint Venture partner Harmony South KAL Mines (80% interest earned) on the Glandore South property from late 2004 through early 2005. The aircore drilling defined an open ended 650m gold anomaly grading >1 g/t gold. Follow-up diamond drill hole 05GDDD003 cut 3m of 3.3 g/t gold at 51m depth and 6m of 29.8 g/t gold at 87m depth in felsic quartz porphyry dyke hosted quartz veins.

Solomon also continues to hold the Monger South and Emu Dam gold properties.

In March 2005, Solomon sold outright 100% of its interests in the 19 tenements that comprised the Randalls Gold Project, including all the Maxwell's, Santa and Rumbles mine areas, to Integra Mining Ltd. of Australia. A program of definition drilling at the Maxwell's pit area was completed by Integra in early 2005.

Solomon also continues to hold the Emu Damn Property and the Monger South Property. Solomon has been compiling all available data on both project areas.

Solomon's 100% owned Lucky Bay gold deposit remains undeveloped to date. At 7 g/t gold, the small, 34,000 tonne high grade oxide gold deposit grades hosts an estimated 7,650 ounces of gold that is being considered for development by producers in the area.

Joint venture partner Newcrest Mining Ltd. of Australia is continuing to explore the Monger Newcrest JV property (formerly part of the KSP known as the Mount Monger project).

Alaska
Solomon Resources acquired the Sleitat Mountain tin-silver deposit in southwest Alaska by staking in June 2005. No work other than data compilation was done on the property.

Chile
Solomon acquired the Barros Luco and Rey Salomon property adjoining its Annie and Santa Candelaria properties in Region III in northern Chile. The property was optioned to Peregrine Diamonds Ltd. which completed ground magnetic and induced polarization/resistivity surveys and drilled three reverse circulation drill holes on the property in June 2005. Although geologically encouraging, copper and gold values from the drilling were low and in June 2005, the Barros Luco and Rey Salomon property was returned to Solomon, which in turn returned it to the owners. Solomon efforts to finalize conversion of the exploration claims to exploration claims as per its agreement with the owners was completed in October 2005. No exploration work was done on the Santa Candelaria or Annie properties and the Annie claims have not been renewed.

British Columbia
Solomon completed field work on its five Metla Project properties in August 2005. Solomon filed work on its 100% owned Tatsa property where a large Cu soil anomaly was outlined. The 2005 field work program did not identify any significant mineralization on the Metla, La Veta or BWM properties and they and the Checkmate property were returned to the vendor in March 2005.

Solomon terminated its option of the Bouleau gold property in central BC in November of 2005.

Exploration activities August 1, 2005 to present:

Solomon Resources Limited has been very active since July 31, 2005, primarily in Mongolia.

Mongolia
At its Bayansagaan project, Solomon crews completed drilling 9 diamond drill holes for a total of 1,603.9m. Results confirmed the presence of significant gold mineralization in Bayansagaan Zone and also identified a large halo zone of associated low grade gold mineralization. Hole BT-07 intersected 10.8m of 6.29 g/t gold within a broader zone of 54m of 1.04 g/t gold. The new Sujegtei gold zone to the north, drilled to test a linear magnetic anomaly, produced an interval of 1.07 g/t gold over 20.9m in hole BT-08. An additional four holes were commenced in early November 2005 to further test the Bayansagaan and the new Sujegtei zones.

Solomon completed ground magnetics and gradient-array induced polarization/resistivity surveys over a 20 km^2 area at Onon Project in August and September of 2005. This was followed up with drill of four diamond drill holes in October, 2005. No results are available to date.

Solomon optioned four of its southern Mongolian copper-gold projects to Asia Gold Corp., including the Tsakhir, Bor Khairkhan, Nurag Uul and Toste T1 in September 2005. Asia Gold announced the discovery of significant copper porphyry mineralization from trenches on the Tsakhir project, including a 54m continuous chip sample that assayed 0.72% copper and 0.13 g/t gold.

Alaska
Solomon optioned its Sleitat tin-silver project to Brett Resources Ltd. in August 2005. Brett is in the process of completing a 43-101 technical report on the property.

British Columbia
Solomon entered into an option agreement with Eagle Plains Resources Ltd. on its Hall Lake gold property in southeast BC. Solomon provided flow-through funds for a small program of follow-up geochemical sampling in exchange for a one-time option to earn into the property.

Selected annual information

	2005	2004	2003
Total Revenue	$87,710	$86,958	$55,714
Other Items	$(439,069)	$627,204	$97,328
Net income (loss)	$(1,008,456)	$254,853	($266,706)
Net income (loss) per share	($0.03)	$0.01	($0.01)
Total assets	$5,879,741	$4,686,357	$4,043,603
Working capital	$280,832	$276,775	$501,694

Notes:

1) The total revenue consists of gas royalties and interest income.
2) There were no discontinued operations or extraordinary items in the years under review. Other items include gain on sale of investments, foreign exchange loss, resource property write-downs and gain on sale of properties.
3) The basic and diluted income (loss) per share numbers were the same in each of the years under review.
4) The Company had no long-term financial liabilities for the years under review.
5) The Company has no history of declaring dividends.

The significance of these numbers is discussed under "results of operations" and "liquidity and capital resources".

Results of operations

	2005	2004
Net income (loss)	($1,008,456)	$254,583
Gain on sale of investments	$321,876	$850,737
General and administrative costs	$512,587	$459,309
Stock option compensation	$215,750	$0
Foreign exchange loss	$30,676	$48,331
Resource property write-downs	$735,669	$181,294

In fiscal 2005, the Company had net loss of $1,008,456 as compared to a net income of $254,583 for fiscal 2004. The following discussion explains the variations in the key components of these numbers, but as with most junior exploration companies the results of operations are not the main factor in establishing the financial health of the company. Of far greater significance are the properties the company has, its working capital and how many shares it has outstanding.

In fiscal 2005 and 2004 the Company sold a significant amount of its investments in other resource issuers to finance its ongoing operations. This resulted in proceeds on sale of $374,856 and $1,010,275 respectively and corresponding book gains of $321,876 and $850,737. The book gains do not represent the actual gains on sale that the Company made as some of the investments had been written down to market value in prior years. The market value of the Company's remaining investments at July 31, 2005 is $303,703. This is unlikely to represent what the Company can expect to realize from these investments, for, as has been pointed out earlier, the junior resource stock market is very volatile.

The Company's general and administrative costs have stayed relatively constant at approximately $500,000, over the past two years. The major expenses are (I) management and geological fees paid to the Company's CEO, Larry Nagy - $114,000 in 2005 and $108,000 in 2004 and (2) professional fees paid to consultants- $162,829 in 2005 and $142,988 in 2004. Professional fees for 2005 include $42,100 paid to Dave Tupper for geological consulting, $17,600 paid to the Company's auditors, $17,000 paid to Bob Evans for accounting and administration services and $29,325 paid to the Company's President for geological and management consulting. (In addition $11,200 of Dave Tupper's time and $29,325 of the Company's president's time were charged directly to the properties on which they were working).

Travel, promotion and shareholders' information includes the expenses of certain directors and officers of the Company involved in promoting the Company, the costs of the Company's website and the cost of providing shareholders with information on the Company. The major portion of office and miscellaneous costs are administrative costs of the Company's Australian subsidiary.

Stock option compensation expense is a non-cash item that attempts to put a dollar value on the benefit being given on the granting of stock options. It is based on statistical models, taking into account the volatility of the stock, the risk free rate and the weighted average life of the options. Where the market is highly volatile and not very liquid the results may not be very meaningful. In fiscal 2005 the Company granted 1,600,000 stock options. The Company did not issue any new stock options in 2004. The deemed value of those options vesting in the 2005 fiscal year was $215,750.

The Company writes off its mineral property costs and deferred exploration at such time as it either abandons the property or determines that there has been a permanent impairment in its value. The major expense in 2005 was as a result of writing off the Annie and Metla properties. In 2004 was as a result of the Company writing off its Beowawe project in Nevada.

Summary of quarterly results

Fiscal 2005	First quarter	Second quarter	Third quarter	Fourth quarter
Total revenues	$20,347	$18,243	$17,497	$31,623
Net income (loss)	$(300,810)	$(45,066)	$(307,739)	($354,841)
Net income (loss) per share	$(0.01)	$(0.00)	$($0.01)	(0.01)

Fiscal 2004	First quarter	Second quarter	Third quarter	Forth quarter
Total revenues	$13,960	$19,134	$12,487	$41,377
Net income (loss)	$198,562	($122,066)	($95,980)	$274,337
Net income (loss) per share	$0.01	($0.00)	($0.00)	$0.01

Notes:

1) The total revenue consists of gas royalties and interest income.
2) There were no discontinued operations or extraordinary items in the periods under review.
3) The basic and diluted income (loss) per share numbers were the same in each of the periods under review.

Quarterly results can vary significantly depending on whether the Company has realized any gain on sale of its investments, abandoned any properties or granted any stock options. See "results of operations".

Liquidity and capital resources

With the exception of its small gas royalty, the Company has no revenue generating operations from which it can internally generate funds. It relies on the sale of its own shares or the sale of its investments to provide cash as needed. This situation is unlikely to change until such time as the Company secures a project on which it can develop a profitable mining operation.

When acquiring mineral properties the Company will occasionally issue its own stock to the vendor of the property as partial or full consideration for the property.

In 2005, the Company raised $1,200,000 by the private placement of 6,000,000 units of the Company at $0.20 per unit. Each unit consisted of a share and a half a non-transferable warrant exercisable at $0.30 to February 10, 2006. In addition the Company received a $153,750 from the exercise of 650,000 warrants and $30,000 from the exercise of 200,000 stock options.

In 2004 the Company raised $200,000 by the private placement of 1,000,000 flow through units of the Company at $0.20 per unit. Each unit consisted of a flow through share and a non-transferable flow through warrant exercisable at $0.25 to June 2005. In addition the Company received $66,667 through the exercise of 333,334 warrants and $33,000 through the exercise of 220,000 stock options.

As discussed in "the results of operations" section the Company raised $1,010,275 in 2004 and $374,856 in 2005 through the sale of its investments in other resource companies.

At July 31, 2005 the market value of the Company's remaining investments was $303,703.

In 2005 the Company spent $1,141,629 on acquiring and exploring mineral properties. The corresponding number in 2004 was $668,631.

At July 31, 2005 the Company had no long-term debt or other commitments. Its working capital was $280,832, and it had $341,700 in cash.

At July 31, 2005 Solomon had 39,237,531 shares outstanding, 2,650,000 stock options outstanding, at a weighted average exercise price of $0.26 and 3,900,000 warrants exercisable at weighted average exercise price of $0.28 exercisable up to February 2006.

Subsequent to the year end, as discussed in note 7 (c) to the audited financial statements the Company completed a transaction whereby it sold its Randalls Gold Project in Australia to Integra Mining Ltd. Once the necessary regulatory approvals have been obtained this should result in a significant cash injection into the Company from the return of its environmental bonds and potentially significant investments in the form of Integra stock.

Subsequent to the year end as discussed in note 7 (j) to the audited financial statements the Company relieved itself of part of its earn in obligations in Mongolia by signing an Earn-in agreement on a portion of the properties with Asia Gold Corp.

The Company has significant obligations to earn its interest in its Mongolian properties and substantial maintenance costs on its Australian properties. At July 31, 2005 the Company was further obliged through its flow through share sales to spend $165,000 on Canadian Exploration expenses. In addition the Company's general and administrative costs are about $500,000 per annum. Even with the transactions the Company has undertaken since the year end to improve its financial position, it will be necessary for the Company to raise further funds for its ongoing operations.

Off balance-sheet arrangements

The Company has no off-balance sheet arrangements.

Transactions with related parties

Larry Nagy, a director, and chief executive officer of the Company provides management and geological services to the Company through his private company, Tincup Wilderness Lodges Inc at the rate of $12,000 per month. Total charges in 2005 were $114,000 as compared to $108,000 for 2004.

Keith Laskowski, President of the Company provides management and geological services to the Company through his private Company, KAL Exploration Inc. at the rate of $15,000 per month. Total charges in 2005 were $58,651 (2004- $0).

Robert Evans, secretary and chief financial officer of the Company provides accounting and administrative services to the Company through his private company, 312469 BC Ltd at the rate of $400 per day. Total charges in 2005 were $17,000 as compared to $15,250 for 2004.

Ron Netolitzky, a director of the Company, provided geological consulting services to the Company at the rate of $1,000 per month. Total charges in 2005 were $4,000 as compared to $12,000 for 2004.

1,450,000 stock options were granted to officers and directors in 2005, Ron Netolitzky, a director of the Company exercised 50,000 options in 2005.

The Company paid $31,247 (2004 - $32,500) for rent and secretarial services to Ascot Resources Ltd. a junior public exploration company of which Robert Evans is a director.

Apart from the above there were no transactions with related parties in fiscal 2005.

Fourth quarter

The significant event in the fourth quarter was the write down of the Annie property, $362,909.

Proposed transactions

There are no proposed transactions at this time.

Changes in accounting policies including initial adoption

In 2004 the Company adopted the fair value method of accounting for all grants of stock options. This is explained in the notes to the financial statements.

Financial instruments and other instruments

The Company's financial instruments include cash, receivables, investments and payables.

The Company's cash of $341,700 consist of cash in the Company's bank accounts of $341,700.

Receivables and payables of $37,854 and $113,722 respectively are normal course business items that are usually settled within thirty days.

The investments of $41,287 are the book value of the Company's investment in other junior resource companies. The book value is the original cost of the investment less any write-down to market where at the year-end the cost of the investment exceeded its market value. The market value of the Company's investments at July 31, 2005 was $303,703. Since the year-end the Company sold its remaining shares of Viceroy Exploration Ltd. for gross proceeds of $90,000.