SOLOMON RESOURCES LTD.
October 31, 2004

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The following interim management discussion and analysis has been prepared as of December 13, 2004. It is an update of the annual management and discussion filed on SEDAR in November 2004. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended October 31, 2004. 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

No new information to report since annual management discussion and analysis.

Overall performance

No new information to report since annual management discussion and analysis.

Results of operations

	First quarter 2005	First quarter 2004
Net income (loss)	$(300,810)	$198,562
Gain on sale of investment	$112,480	$279,681
General and administrative costs	$119,444	$88,814
Stock option compensation	$0	$0
Write down property costs	$314,193	$5,995

In the first quarter of fiscal 2005 the Company had a net loss of $300,810 or $0.01 per share as compared to net income of $198,562 or $0.01 per share for the comparative quarter of 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 the first quarters of both 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 $157,480 and $311,835 respectively and corresponding book gains of $112,480 and

$279,681. 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 October 31, 2004 was $372,927. This is unlikely to represent what the Company can expect to realize from these investments for their market is very volatile. In December 2004 the Company sold 114,000 Skeena Resources Ltd. for proceeds of $45,000.

The Company's general and administrative costs rose from $88,814 in 2004 to $119,444 in the first quarter of fiscal 2005. The main reason for this was a one time increase in office costs associated with the Company's Australian subsidiary. Total general and administrative costs of the Australian subsidiary were $54,507. The main components of general and administrative costs in Canada continue to be management fees paid to the Company's president $18,000 and professional fees paid to the Company's VP exploration $12,400.

There was no stock option compensation expenses as no stock options vested in the quarter.

The main resource property write-down for the quarter was the Metla property $307,362. Management decided that the results of the summer exploration program did not justify further expenditures on the property.

Summary of quarterly results

Fiscal 2005	First quarter
Total revenues	$ 20,347
Net income (loss)	$ (300,810)
Net income (loss) per share	$ (0.01)

Fiscal 2004	First quarter	Second quarter	Third quarter	Fourth 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

Fiscal 2003	First quarter	Second quarter	Third quarter
Total revenues	$10,493	$ 9,993	$15,170
Net income (loss)	$64,266	($47,504)	($428,597)
Net income (loss) per share	($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 investment, abandoned any properties or granted any stock options.

Liquidity and capital resources

In the quarter the Company raised $157,840 from the sale of its Quest Capital investment and spent $137,602 on exploration, $105,078 of which was spent at the Company's Metla property. The Company's working capital position at October 31, 2004 was $197,536.

In December the Company announced it would commence a 3,000 metre diamond drilling program on its Kalgoorlie Southeast Project in Western Australia. This will cost approximately $150,000 and the company will either have to sell some of its investments or raise funds through the sale of its own stock to fund this drill program.

In December the Company sold 114,000 shares of Skeena Resources Ltd. for proceeds of $45,000. Other than the above there is no new information to report since the annual management discussion and analysis.

Off balance-sheet arrangements

No new information to report since annual management discussion and analysis.

Transactions with related parties

Larry Nagy, a director, president 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 the quarter were $18,000.

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 $375 per day. Total charges in the quarter were $4,500.

Ron Netolitzky, a director of the Company, provides geological consulting services to the Company at the rate of $1,000 per month. Total charges in the quarter were $2,000.

The Company has sublet office space and secretarial services from Ascot Resources Ltd., a company of which Robert Evans is a director, at the rate of $2,500 per month. Total charges in the quarter were $7,500.

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

Proposed transactions

No new information to report since annual management discussion and analysis.

Changes in accounting policies including initial adoption

No new information to report since annual management discussion and analysis.

Financial instruments and other instruments

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

The Company's cash and cash equivalents of $134,802 consist of cash on hand of $134,802. Receivables and payables of $68,512 and $18,779 respectively are normal course business items that are usually settled within thirty days.

The investments of $43,867 is 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 October 31, 2004 was $372,927.