SOLOMON RESOURCES LTD.
January 31, 2005

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The following interim management discussion and analysis has been prepared as of March 8, 2005. 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 January 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

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

Overall performance

The Company has been actively searching for new projects for several months. After the end of the quarter the Company announced that it had signed a Memorandum of Agreement with Gallant Minerals Ltd. to acquire up to an 80% interest in each of twenty gold and base metal projects in Mongolia.

Gallant owns and manages 38 exploration licenses covering 188,000 hectares (Ha) of land in Mongolia. The portfolio is divided into three major groups, based on the types of commodities sought and the level of exploration. The following table is a summary of the Gallant properties in Mongolia subject to the MOA.

GMML Mongolia Properties	Projects	Licenses	Area (Ha)
Gold Projects	6	17	85,490
Porphyry and Base Metal Projects	6	10	32,187
Prospects	8	11	70,571
Totals	20	38	188,248

Property Summaries

The highlights of the properties under option pursuant to the MOA include:

Bayantsagaan Gold Project

The Bayantsagaan Gold Project is located in the North Khentii gold belt, 80 kilometres (km) northwest of Ulaanbaatar. It is centered over a kilometric-scale alteration zone with coincident geochemical and geophysical anomalies. The project is located 35 km southwest of the new

Boroo gold mine (10.2 M metric tonnes at 3.5 grams per tonne (g/t) gold, or 36 tonnes of gold) and has excellent infrastructure.

Gold mineralization was identified at Bayantsagaan during exploration carried out by a joint Mongolian-Hungarian expedition. The central target area contains an east-west trending ridge, which is flanked to the north and south by alluvium-filled drainages containing small gold placer deposits. Gold mineralization, exposed on the ridge, is hosted by granitic rocks with silica-sericite-sulfide alteration. Surface rock chip sampling by Gallant has identified values up to 24 g/t gold.

An induced polarization (IP) geophysical survey identified a chargeability anomaly, reflecting >1% disseminated sulphide, which coincides with the strong geochemical anomalies, and persists to the south and west beneath alluvial cover. Historic drilling along the crest of the ridgeline showed alteration and mineralization from surface to the ends of the holes at 100 to 200 meter (m) depth. Assays were highly anomalous in gold but require confirmation. Historic drilling was completed in the north end of the main anomaly which is about 600 m by 1000 m in size. Future exploration should focus on the coincident anomalies and the continuation of the IP chargeability anomaly beneath alluvial cover. Bayantsagaan is a high priority drill target, located close to a new mining operation, with excellent infrastructure.

Nurag Uul Gold Project

The Nurag Uul Project is located 100 km west of Dalandzadgad, the aimag capital, and 700 km south of Ulaanbaatar. Access to the property takes about 2½ hours by gravel road, from Dalandzadgad, which has regular air service to Ulaanbaatar. Gold mineralization was discovered by generative exploration programs in year 2000 and subsequent work identified multi-gram gold values at surface, including a 6 m channel sample that assayed 52 g/t gold. Mineralization and alteration are exposed within an east-west trending zone that is roughly 100 m wide and has been mapped over a 3,000 m strike length. Gold mineralization occurs with silicified breccias and quartz vein systems that are exposed in a small range of hills, protruding through regionally extensive Cretaceous alluvial sediments. The gold zone trends directly under cover on the southwestern edge of the Paleozoic bedrock.

Initial drilling, completed in July 2003, intercepted anomalous gold mineralization, in all holes, over a strike length of 430 meters. Multiple zones of gold mineralization (at a cutoff of 0.1 g/t) were encountered in each of 11 holes, completed along six close-spaced fences

Gold mineralization is continuous for 430 meters along strike and remains open at both ends and at depth, below 140 m. Less than 30% of the system's known strike length has been tested. The system disappears under shallow alluvial cover 100 m west of the drilling and becomes

progressively less exposed east of the drilling. The logical next exploration step to advance this project would be a comprehensive IP survey along the entire gold system and its possible concealed extensions followed by another round of drilling to test all significant chargeability and resistivity targets.

Zos Uul Gold Project

The Zos Uul project is a grassroots discovery of sediment-hosted gold mineralization, located approximately 100 km north of the Bayan Obo rare-earth (IOCG) mine in China and 700 km southeast of Ulaanbaatar. Gold mineralization is present in many areas, with the highest value of 5.5 g/t over 1 meter from outcrop samples.

The project area contains a northeast-trending horst block with folded and highly faulted sedimentary rocks, intruded by felsic to intermediate intrusives. Gold mineralization occurs with jasperoid, silicified breccias, and structures in calcareous siltstone, and alteration is accompanied by elevated concentrations of typical "Carlin-suite" trace elements. Systematic programs led to the targeting and completion of 11 trenches and nine drill holes. Drilling has intercepted widespread, sub-economic gold values. Recent ground magnetics surveys have confirmed the presence of prospective alteration zones, adjacent to known mineralization and extending under cover. Drill targets have been identified and are ready for testing.

The Gallant portfolio also includes six exploration projects that target copper-gold-molybdenum (Cu-Au-Mo) porphyry systems, held within 12 exploration licenses.

The projects, at variable stages ranging from projects that have received phase I drilling to early stage reconnaissance projects are listed below.

Property	Exploration Target	Licenses	Hectares
Bor Khairkhan (B1 + B2)	Cu-Au Porphyry	4	3,995
Oyut Ovoo	Cu-Mo- Porphyry	3	5,478
Sairyn Khundii	Cu-Mo- Porphyry	1	5,464
Toste T-1	Cu-Au Porphyry	1	4,790
Tsakhir	Cu-Au- Mo Porphyry	1	12,460
Totals:		**10**	**32,187**

Tsakhir Copper-Gold-Molybdenum Project

The Tsakhir Project is located in Omnogobi aimag in south central Mongolia, approximately 600 km southwest of Ulaanbaatar and about 125 km from the aimag capital of Dalandzadgad. Tsakhir contains over 18 square km of hydrothermal alteration, including a four square km area containing strong sericite with local quartz-veinlet stockwork, iron-oxide filled stockworks, and elevated copper and molybdenum values within a poly-phase breccia. Tsakhir contains a well developed leached cap within a porphyry system.

Leached outcrops of breccia are exposed on the east side of a covered valley, and contain elevated copper (>100 parts per million (ppm)) and molybdenum (>300 ppm). GMML completed one stratigraphic test-hole within the breccia to examine the continuity of alteration and geology of the host rocks. Strong alteration was intersected from surface to the end of the hole at 141 m, with elevated copper, including up to 4 m at 0.12%. The Tsakhir project lies within the South

Gobi arc terrane that hosts the giant Oyu Tolgoi Copper-Gold deposit, located 300 km to the east. The Tsakhir project contains a well defined copper–gold porphyry target, which has good potential for supergene enrichment.

Toste T1 Copper-Gold Project

The Toste project is located approximately 140 km north of the rail head at Ejin Qi, China, and 300 km southwest of Dalanzadgad, the aimag capital. The project contains a 20 square km area of porphyry and high-sulphidation style alteration, which surrounds a two square km leached cap.

Initial exploration targeting gold within quartz-alunite alteration and incorporated systematic programs leading to the targeting and completion of 14 drill holes within the high-sulphidation assemblages. Drill results identified extensive low-grade copper and molybdenum in the Downs Dome area, and the initial hole in the Alunite Dome area ended in 12 m of 0.50 % oxide copper, beneath a leached high-sulphidation alteration zone. Subsequent work has identified an outcropping copper–gold porphyry target within an exposed leached cap at the Stockwork Zone. The logical next step for this program is the completion of an IP survey, to identify drill targets.

The Gallant Portfolio also includes 8 early stage gold and base metal projects that have received initial prospecting and require additional follow-up work to properly access their potential. These 8 projects are listed below:

Property	Exploration Target	Licenses	Hectares
Arshaant	Cu-Au Porphyry target	1	20,088
Bosoo Khar	Volcanic epithermal gold	2	20,497
Javkhlant Uul	Epithermal gold	1	1,414
Khan Bogd	Cu-Au- Porphyry near Oyu Tolgoi	1	14,777
Khatan Nuur	Epithermal gold prospect	2	1,078
Nariin Khar Uul	Recon property w/silica-gold system	1	962
Nomgon	Recon property with epithermal alteration, possible hot spring gold system	1	2,560
Tumur Tolgoi	Reduced Intrusion-hosted gold target	2	9,275
Totals:		**11**	**70,571**

Agreement Summary

Payments by Solomon

Pursuant to the MOA Solomon shall pay Gallant:

a. the sum of US$50,000 as a "good faith payment" (paid on the date of signing); and

b. if Closing (signing of a formal definitive agreement) does not take place by 31 March 2005, a further sum as a “good faith” payment equal to the land payments due on the Properties between 1 April 2005 and the date of Closing, not to exceed US$25,000, to be paid on the later of the date of Closing or 30 April, 2005; and

c. if the parties agree to extend the Closing Date by up to 30 days to no later than May 30, 2005 a further sum as a “good faith” payment equal to the land payments due on the Properties between 1 May 2005 and the date of Closing, not to exceed US$40,000 to be paid on the later of the date of Closing or 30 May 2005.

which payments shall be non-refundable unless Solomon terminates the MOA because the representations and warranties made by Gallant are not true and accurate in all material respects.

Solomon’s Option and Financial Obligations

On the Closing Date Gallant will grant to Solomon an exclusive and irrevocable option to acquire 60% of the shares of the holding company to be incorporated to hold the Properties. The option will be exercisable upon the payment of US$ 1.00 to Gallant during a period of three years after the Closing Date (“**Option Period**”), on the condition that Solomon makes the following payments and expenditures:

a. on the Closing Date, Solomon shall deliver to Gallant:

i. 1,000,000 common shares of Solomon, listed for trading on the TSX Venture Exchange, which shares shall be subject to any hold period imposed by applicable securities regulatory authorities; and

ii. US$100,000;

b. on or before the first anniversary of the Closing Date, Solomon shall complete US$1,000,000 of work expenditures on the Properties or pay any remaining balance to Gallant;

c. on or before the first anniversary of the Closing Date, Solomon shall deliver to Gallant:

i. common shares of Solomon, calculated in value as worth the Canadian dollar equivalent of US$200,000 based on the nominal rate of exchange for US to Canadian dollars posted on the website of the Bank of Canada and the average closing price of the shares over the 10 days of trading immediately preceding the fifth trading day prior to the anniversary date, listed for trading on the TSX Venture Exchange and legended as to any hold period required by securities regulatory authorities; and

ii. US$200,000;

d. on or before the second anniversary of the Closing Date, Solomon shall expend an aggregate of US$3,000,000 of work expenditures (including expenditures spent during the first year after the Closing Date) on the Properties or pay any remaining balance to Gallant;

e. on or before the second anniversary of the Closing Date, Solomon shall deliver to Gallant:

i. common shares of Solomon, calculated in value as worth the Canadian dollar equivalent of US$450,000 based on the nominal rate of exchange for US to Canadian dollars posted on the website of the Bank of Canada and the average closing price of the shares over the 10 days of trading immediately preceding the fifth trading day prior to the anniversary date, listed for trading on the TSX Venture Exchange and legended as to the applicable hold period required by securities regulatory authorities; and

ii. US$300,000;

d. on or before the third anniversary of the Closing Date, Solomon shall expend an aggregate of US$6,000,000 of Work Expenditures (including expenditures spent during the first and second years after the Closing Date) on the Properties or pay any remaining balance to Gallant; and

e. on or before the third anniversary of the Closing Date, Solomon shall deliver to Gallant US$400,000.

Further option

On the Closing Date Gallant will grant to Solomon a second option, subject to Solomon making all payments and exercising its option to acquire 60% of the shares of the holding company, to acquire an additional 20% interest in any Property on which Solomon commits to spend, and then does spend, a further $1,000,000 on Work Expenditures on or before the fourth anniversary of the Closing Date.

Gallant's Option to participate or Dilute or Convert to NSR Royalty

For any Property on which Solomon has earned an additional 20% interest, taking its total direct and indirect interest in that Property to 80%, Gallant may at its sole discretion then elect either to:

a. participate in all future expenditure on that Property *pro rata* to its remaining 20% interest or accept dilution on industry standard terms (such that the Property shall be valued at 125% of Solomon's cash payments and share issuances to earn such 80% interest and each of Solomon and Gallant shall be deemed to have, at any time, that percentage interest in the Property equal to its actual and deemed expenditures divided by the total actual and deemed expenditures of both of them and should a party's interest be reduced to 5% or less that party shall exchange such interest for an NSR Royalty equal to 50% of the royalty described in paragraph 16), or

b. convert its 20% interest to an NSR Royalty.

The transaction is subject to the satisfactory completion of due diligence investigations by Solomon, execution of definitive formal agreements and approval by all applicable regulatory authorities.

The parties anticipate the closing of this transaction will take place before March 31, 2005.

In conjunction with this acquisition Solomon announced the appointment of Mr. Keith Laskowski as President and Chief Operating Officer of the Company, effective April 1, 2005. To facilitate the appointment, Larry Nagy will be appointed Chairman of the Company, also effective April 1, 2005.

Mr. Laskowski holds an MSC in Geology from the Colorado School of Mines and has over 25 years of experience in precious metals and base metals exploration, uranium exploration and mine geology. During the past eight years, Mr. Laskowski created and directed Gallant Minerals Ltd., a private exploration company. As part of Mr. Laskowski's compensation package, Solomon has granted Mr. Laskowski an option to purchase 1.0 million Solomon shares at a price of $0.36 per share for a period of five years. The option will become 100% vested over a 24 month period.

Results of operations	Three months ended January 31		Six months ended January 31	
	2005	2004	2005	2004
Net income (loss)	$(45,066)	$(122,066)	$(345,876)	$76,496
Gain on sale of investment	$160,426	$177,409	$272,906	$379,090
General and administrative costs	$128,654	$127,341	$248,098	$216,155
Stock option compensation	$24,000	$0	$2,400	$0
Write down property costs	$71,081	$131,268	$385,274	$137,263

In the second quarter of fiscal 2005 the Company had a net loss of $45,066 or $0.00 per share as compared to net loss of $122,066 or $0.00 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 second 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 $168,406 and $175,779 respectively and corresponding book gains of $160,426 and $117,409. 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 January 31, 2005 was $374,821. This is unlikely to represent what the Company can expect to realize from these investments for their market is very volatile. In February 2005 the Company sold 20,000 Viceroy Exploration Ltd. for proceeds of $50,000.

The Company's general and administrative costs rose slightly from $127,341 in 2004 to $128,654 in the second quarter of fiscal 2005. The main components of general and administrative costs in Canada continue to be management fees paid to the Company's president $36,000 and professional fees which include $13,500 paid to the Company's VP exploration, $13,500 paid to the auditors and $6,483 paid to the Company's lawyer.

Stock based compensation 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. The Company did issue 200,000 stock options in December 2004, resulting in stock based compensation expense of $24,000. No stock options were granted in the second quarter of 2005.

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 the second quarter of fiscal 2005 was as a result of the Company writing down its British Columbia properties. The major expense in the second quarter of fiscal 2005 was as a result of the Company writing down its Beowawe project in Nevada.

The results for the six months to January 31, 2005 show a loss of $345,876 as compared to income of $76,496 in the comparative period in 2004. The two main reasons for this were larger sales of investments in 2004 resulting in book gains of $379,090 as compared to $272,906 in 2005, and higher property write-offs in 2005, $385,274 as compared to $137,263. General and administrative costs were also higher in 2005 due mainly to a one time increase in office costs associated with the Company's Australian subsidiary.

Summary of quarterly results

Fiscal 2005	First quarter	Second quarter
Total revenues	$ 20,347	$ 18,243
Net income (loss)	$ (300,810)	$ (45,066)
Net income (loss) per share	$ (0.01)	$ (0.00)

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	Third quarter	Fourth quarter
Total revenues	$15,170	$20,058
Net income (loss)	($428,595)	$145,129
Net income (loss) per share	($0.01)	$0.00

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 $168,400 from the sale of certain of its marketable securities and spent $68,197 on exploration. The Company's working capital at January 31, 2005 was $187,334.

In February 2005 the Company announced that it had completed a private placement of 6 million units at a price of $0.20 each for proceeds of $1.2 million.

Each unit consisted of one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.30 per share for 12 months. If the closing trading price of the Company's shares for 10 consecutive trading days equals or exceeds $0.45 per share after the four month restricted resale period, the Company can give the warrantholders notice that they must exercise the warrants or they will expire within 30 days of such notice.

First Associates Investments Inc. of Calgary, Alberta acted as the Company's agent for that portion of the placement completed outside of the United States of America. In consideration of its efforts, First Associates was paid a cash commission of $96,000 and issued a warrant to purchase up to 900,000 common shares for a period of 12 months at a price of $0.20 each.

The funds will be used for a 3,000 metre diamond drilling program on the Company's Kalgoorlie Southeast project in Western Australia, expected to cost $150,000 and for remedial work on other of the Company's projects in Australia which is expected to result in the return of a portion of the Company's Tenement Bonds. The balance of the financing and the refunds of the Tenement Bonds will be used for working capital and Mongolia. As the Mongolian projects are advanced more funding will be required and since the Company only has small resources left in marketable securities it is expected that the bulk of any new funding will come from private placements.

The immediate focus of the Company is now its Australian and Mongolian projects.

At March 8, 2005 the Company had $37,187,531 shares outstanding, 2,750,000 options outstanding and 1,919,500 warrants outstanding.

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 $36,000.

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. Total charges in the quarter were $2,000.

The Company has sublet office space and secretarial services from Ascot Resources Ltd., a public 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

There are no proposed transactions. Transactions undertaken after the quarter end are discussed under overall performance and liquidity and capital resources.

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 $139,201 consist of cash on hand of $139,201. Receivables and payables of $49,912 and $17,594 respectively are normal course business items that are usually settled within thirty days.

The investments of $35,887 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 January 31, 2005 was $374,821.