

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The following interim management discussion and analysis has been prepared as of March 13, 2006. It is an update of the annual management and discussion filed on SEDAR in November 2005. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended January 31, 2006. 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, dated November 15, 2005.

Overall performance

The Company remained active with field programs in Mongolia up to mid-December.

In January 2006, Solomon received the cash proceeds of A\$1,100,000 from the release of environmental bonds previously held by the Western Australia Department of Mines. The bonds have been replaced by Integra Mining, the purchaser of Solomon's Randall's Tenements (news release dated August 2, 2005). Solomon also received 6,967,485 shares of Integra stock, initially priced at A\$0.071 per share. On March 21, 2006 Integra shares closed at A\$0.17 per share.

Solomon established a wholly owned subsidiary in Mongolia, "SRM XXK", which will hold all new properties outside of the Gallant Option Agreement. SRM XXK is a Mongolia Limited Liability Company, headquartered in Ulaanbaatar. The new company is headed up by Mr. Batmunkh Enkhnasan, Exploration Manager and Director General. Batmunkh is a graduate of the Mongolia Technical University, and has been exploring for gold and copper in Mongolia for eight years.

Exploration Activity for the Quarter ending January 31, 2006.

Mongolia

Solomon holds 20 properties in Mongolia under option from Gallant Minerals Ltd. Four of these are copper porphyry targets located in southern Mongolia and are the subject of an option with Asia Gold Corporation. The following activities were carried on out on Solomon properties during November through December in Mongolia.

Bayantsagaan – Gold project

Work completed at the Bayantsagaan gold project included:

- A second phase of core drilling was completed totalling of 618.8 meters (Holes BT-10 & BT-11 were drilled on the Sujigtei Zone and hole BT-12 was drilled on the Bayantsagaan Zone); and,
- Structural geological mapping and interpretation;
- Screen-gold fire assays were completed for drill holes BT-03, 07, and 09.

Results from the second phase of drilling were encouraging with hole BT-11 intersecting 9.23 g/t gold over 2.60 metres within a 23.90 metre zone grading 1.46 g/t gold, potentially extending the Bayantsagaan zone a further 50 metres north and 310 metres down dip. Holes BT-10 and BT-12 intersected low grade zones of gold mineralization, but could not be completed to target depths due to caving within the Sujigtei Zone fault.

Onon Zalaa Uul – Gold Project

A core drilling program totaling 834.1 meters (four holes) was completed at Onon Project area with no significant gold values intersected.

Bosoo Khar & Nomgom Prospects

Stream sediment sampling programs were also completed on the Bosoo Khar and Nomgon project areas.

Asia Gold Option: Khongor-Tsakhir Property

Asia Gold completed a five hole, 935.0 metre HQ diamond drill program in December, 2005 on its Khongor property and Solomon's adjacent Tsakhir property. Asia Gold previously identified a 1700 m long zone of outcropping copper mineralization, with 600 m of the zone extending south on to Solomon's Tsakhir license. Their initial sampling identified surface values up to 54 m @ 0.72% copper with 0.13 g/t gold, from the Solomon license area. Asia Gold completed 5 core holes in December, which intersected significant porphyry style stockwork-hosted mineralization, with values up to 70 m @ 0.67% copper and 0.16 g/t gold, and 21.9 m @ 1.77 % copper, from within this zone (hole KDDH-3). These are encouraging preliminary results, and Asia Gold plans additional follow-up drilling early in 2006. Drill holes KPDH-1 and 2 were drilled on Solomon's Tsakhir license at Khongor South, intersecting weak copper mineralization associated with crowded, feldspar porphyry intrusions.

Western Australia

Solomon holds a variety of large tenement holdings in the Kalgoorlie area of Western Australia. The Glandore South Project is under Joint Venture with Harmony Gold Company Limited. Newcrest Mining Limited is earning an interest in the Monger Project. Solomon maintains 100% ownership of the Emu Dam, Monger South and Lucky Bay tenement holdings. Solomon and its partners were not active during the quarter.

Chile, British Columbia, Alaska, Burkina Faso

Solomon or its partners were not active on its Chile, British Columbia, Alaska or Burkina Faso properties during the last quarter.

Results of operations

	Three months ended January 31		Six months ended January 31	
	2006	2005	2006	2005
Net income (loss)	\$(415,458)	\$(45,066)	\$(496,123)	\$(345,876)
Gain on sale of investment	\$80,834	\$160,426	\$170,944	\$272,906
General and administrative costs	\$227,617	\$128,654	\$370,034	\$248,098
Stock based compensation	\$268,900	\$24,000	\$268,900	\$2,400
Write down property costs	\$1	\$71,081	\$6,130	\$385,274

In the second quarter of fiscal 2006 the Company had a net loss of \$415,458 or \$0.01 per share as compared to net loss of \$45,066 or \$0.00 per share for the comparative quarter of fiscal 2005. 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 quarter of fiscal 2006 the Company sold a portion of its investment in Integra Mining Ltd. for a book gain of \$80,834. This compares to a book gain on the sale of investments in the second quarter of 2005 of \$160,426.

General and administrative costs were up significantly in the second quarter of 2006 compared to 2005, \$227,617 compared to \$128,654. The two major areas of increase were professional fees and travel promotion and shareholder information. A major reason for this was the hiring of Keith Laskowski as President in April 2005. Half of the President's salary is charged to professional fees and half to Mongolia. Mr. Laskowski's involvement in the promotion activities of the Company resulted in a substantial increase in expenditures in that area.

Office and miscellaneous costs rose in 2006 as the Company took out Directors and Officers liability insurance.

Stock based compensation is a non-cash item that attempts to put a dollar value on the benefit being given on the vesting 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 the second quarter of 2006 1,345,000 options vested resulting in an expense of \$268,900 as compared to 125,000 options vesting in 2005 and an expense of \$24,000.

There were no significant property write offs in the second quarter of 2006.

Most of the comments made above regarding the second quarter apply equally to the six months ended January 31, 2006. In addition in the first quarter the Company suffered a loss in exchange due to the drop in value of the Australian dollar and the consequent reduction in value in Canadian dollar terms of the Australian tenement bond recovery.

Summary of quarterly results

Fiscal 2006	First quarter	Second quarter
Total revenues	\$21,879	\$18,249
Net income (loss)	\$(80,665)	\$(415,458)
Net income (loss) per share	\$(0.00)	\$(0.01)

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)	\$(45,006)	\$(307,739)	\$(354,841)
Net income (loss) per share	\$(0.01)	\$(0.00)	\$(0.01)	\$(0.01)

Fiscal 2004	Third quarter	Fourth quarter
Total revenues	\$ 12,487	\$41,377
Net income (loss)	\$(95,980)	\$274,337
Net income (loss) per share	\$(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 second quarter the Company received a million dollars from its Australian subsidiary as a result of the recovery of tenement bonds and the sale of a portion of its investment in Integra Mining. The Company also received \$154,000 from the exercise of stock options by directors and officers and \$120,000 from the exercise of warrants. A further 300,000 warrants were exercised in February for proceeds of \$60,000.

The Company has 43 million shares outstanding, 2,870,000 stock options outstanding and 4,115,100 warrants outstanding. The Company's working capital at March 13, 2006 is approximately \$900,000.

The Company spent \$655,975 on exploration in the second quarter, mainly in Mongolia. The Company has sufficient working capital for twelve months operations, however, any new exploration programs would require the raising of additional funds.

Off balance-sheet arrangements

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

Transactions with related parties

Keith Laskowski, former President of the Company provides management and geological services to the Company through his private company, KAL Geo at the rate of \$15,000 per month. Total charges in the quarter were \$40,200.

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 the quarter were \$33,000.

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 \$400 per day. Total charges in the quarter were \$6,000.

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 \$958,329 consist of cash on hand of \$958,329. Receivables and payables of \$29,994 and \$53,991 respectively are normal course business items that are usually settled within thirty days. (See liquidity discussion).

The investments of \$412,974 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, 2006 was \$881,978.

A significant portion of the Company's activities are conducted in Australia and Mongolia so the Company is subject to certain exchange rate risks.

Subsequent events

Subsequent to the quarter end Keith Laskowski resigned as President and Chief Operating Officer and his duties were assumed by Larry Nagy.

Mr. Laskowski will continue to provide consulting services to the Company particularly in reference to its Mongolia assets.