SOLOMON RESOURCES LIMITED
October 31, 2006

INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

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

Overall performance

Since annual management discussion and analysis, dated November 15, 2006, the Company acquired one new Canadian property in the quarter and another Canadian property and a Mongolian property subsequent to the end of the quarter (see below).

Subsequent to the end of the quarter the Company announced a $1.5 million flow through financing (see liquidity section).

In November 2006, the Company signed a Letter of Intent (LOI) to acquire a 100% interest in the Zamtiin Gol uranium property from Erdenyn Erel LLC, a private Mongolian company. The 39,165 hectare Zamtiin Gol property, located in Arhangai Province in west central Mongolia overlies unconsolidated Quaternary sediments derived from the high background radioactive Solongo intrusive complex. Reconnaissance auto gamma-ray spectrometer survey work completed in August 2006 by Solomon crews identified an area roughly 300 metres by 120 metres measuring between 20 and 80 ppm uranium. A single soil sample (sample 51893) collected at the most anomalous station assayed 215 uranium and 45.4 ppm thorium. A program of detailed spectrometer survey and test pit sampling is planned for 2007.

Solomon can earn a 100% interest in the Zamtiin Gol property by paying Erdenyn Erel a total of US$50,000 ($10,000 on signing the LOI, $15,000 and $25,000 on the first and second anniversaries, respectively). Erdenyn Erel will retain a 0.5% net Smelter Return royalty, which Solomon may purchase for $250,000 within 12 months of the commencement of commercial production.

On December 5, 2006, the Company signed an Agreement with Indata Resources Ltd. and Nation River Resources Ltd., of Courtenay, British Columbia (Indata & Nation River) granting the Company an option to acquire a 100% undivided interest in the COL copper-gold porphyry

property located in Omineca Mining District of north central British Columbia.
To exercise the option, the Company must;

1. Make cash payments to Indata & Nation River totalling $1,175,000.00 and
2. Carry out exploration on the Property totalling $2,200,000.00 over a five year period; and,
3. On exercise of the option, grant the Indata & Nation River a 2% net smelter return (NSR) royalty of which one-half may be re-purchased on or before December 31, 2011 for $2,000,000.

The COL porphyry Cu-Au property is located within the highly prospective Quesnel Trough, 97 kilometres north of Fort St. James, BC, about 5 kilometres north of the west end of Chuchi Lake. The COL property is approximately 6,194 hectares in size and is readily accessible from Fort St. James via the Omineca Resource Road and all weather, secondary logging roads.

Copper mineralization on the COL property was first discovered in 1969 following a stream sediment sampling program. Falconbridge Nickel Mines Ltd. optioned the claims between 1970-72 and conducted soil geochemistry, ground magnetic, V.L.F. and I.P. geophysical surveys and 2,359.5 metres of diamond drilling in 32 holes. Drill results from the A-Zone produced several significant results including a 45.7 metre intercept grading 0.84 % copper in Hole 71-15. Surface sampling completed in 1974 produced results of up to 4.88% Cu and 2.5 g/t Au across 3.8 metres. In 1988 by Kookaburra Gold Corporation expanded the soil geochemical survey grid eastward. In 1991 Asarco followed up this work with 1,525 metres of diamond drilling. The property has been the subject of minor assessment work programs since 1991.

Results of operations

	First quarter 2007	First quarter 2006
Net income (loss)	$42,400	$(80,665)
Gain on sale of investment	$175,553	$90,110
General and administrative costs	$125,473	$142,417
Stock option compensation	$6,000	$0
Write down property costs	$0	$6,129

In the first quarter of fiscal 2007 the Company had a net income of $42,400 or $0.00 per share as compared to net loss of $80,665 or $0.00 per share for the comparative quarter of fiscal 2006. 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 2007 and 2006 the Company sold a portion of its investments in other resource issuers to finance its ongoing operations. This resulted in proceeds on sale of $208,285 and $90,110 respectively and corresponding book gains of $175,553 and $90,110. 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, 2006 was $1,256,685. This is unlikely to represent what the Company can expect to realize from these investments for their market is very volatile.

In the quarter ended October 31, 2006 the Company wrote down its investment in Integra Mining Ltd. to its market value at the time. This resulted in an expense of $117,824, there was no comparative number for the same quarter in the prior year.

The Company's general and administrative costs decreased from $142,417 in the first quarter of fiscal 2006 to $125,473 in the first quarter of fiscal 2007.

The main area of decline was promotion and shareholder information costs. In the prior year management had traveled extensively to promote the Company. The main expense for the quarter was professional fees which includes $18,000 paid to the Company's president for management fees, $23,512 paid to the VP Exploration and $22,686 paid in legal fees.

Interest income dropped substantially in the quarter as, in the prior year, the Company had redeemed a large portion of its Australian tenement bonds.

The $6,000 stock option compensation expense was a result of 50,000 options vesting for the Company's representative. The charge was included in promotion and shareholder information costs.

The $114,000 recovery of investment in expenditures on resources properties was the deemed value of a 200,000 share option payment from Brett Resources Inc. on the Sleitat property.

The loss on exchange in the quarter ended October 31, 2006 was due to a drop in value of the Australia dollar and the consequent reduction in value in Canadian dollar terms of the Australian tenement bonds receivable. (See liquidity section).

Summary of quarterly results

Fiscal 2007	First quarter
Total revenues	$6,883
Net income (loss)	$42,400
Net income (loss) per share	$0.00

Fiscal 2006	First quarter	Second quarter	Third quarter	Fourth quarter
Total revenues	$21,879	$18,249	$23,272	$6,328
Net income (loss)	$(80,665)	$(415,458)	$(143,034)	$(87,035)
Net income (loss) per share	$(0.00)	$(0.01)	$(0.00)	$(0.00)

Fiscal 2005	Second quarter	Third quarter	Fourth quarter
Total revenues	$18,243	$17,497	$31,623
Net income (loss)	$(45,006)	$(307,739)	$(354,841)
Net income (loss) per share	$(0.00)	$(0.01)	$(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 received $208,285 from the sale of investments and US $75,000 from an option payment on the Mongolia property. In the same time period the Company spent $261,747 on exploration.

Subsequent to the end of the quarter the Company received $52,635 from the sale of investments and a further A$180,000 in tenement bond monies was freed up.

In December 2006 the Company announced a flow through private placement of up to $1.5 million at $0.35 per unit. The funds from this placement will be used to fund 2007 exploration programs on the Company's three Canadian properties.

The Company needs to spend an additional US $450,000 by next April on its Mongolia/Gallant project to meet the second year expenditure requirements to maintain its option. The Company has received several expressions of interest in this project from other mining companies.

The Company has sufficient liquid assets to cover its overhead costs for the next year.

Off balance-sheet arrangements

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

Disclosure controls and procedures

The Company has in place a system of disclosure controls and procedures designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, so as to permit timely decisions on public disclosure

Management has evaluated the effectiveness of the Company's disclosure controls and procedure as of October 31, 2006 and concluded that material information is gathered and reported to senior management, so as to permit the required timely decisions on public disclosure.

Transactions with related parties

Bill Lindqvist, a director of the Company provides geological services to the Company. Total charges in the quarter were $3,802.

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 $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 $400 per day. Total charges in the quarter were $4,250.

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 $241,264 consist of cash on hand of $241,264. Receivables and payables of $21,831 and $44,943 respectively are normal course business items that are usually settled within thirty days. (See liquidity discussion).

The investments of $1,057,139 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, 2006 was $1,256,685.

A significant portion of the Company’s investments ($541,992) are related to the Company’s Australian operations and their current value in Canadian dollars is subject to fluctuations in the Australian dollar exchange rate.