**SOLOMON RESOURCES LTD.**
**April 30, 2007**

# INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

## Introduction

The following interim management discussion and analysis has been prepared as of June 15, 2007. It is an update of the annual management and discussion filed on SEDAR in March 2007. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended April 30, 2007. 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 March 23, 2007.

The Company has been active developing exploration programs in preparation for a busy 2007 field season on its COL-Magnet copper-gold prospect in north-central British Columbia, various licences covering Cretaceous and Jurassic sedimentary basin hosted uranium targets in Mongolia for uranium and engaging in ongoing discussion with the North Caribou Lake First Nation in northwest Ontario in preparation for drilling the Eyapamikama Lake base metals prospect. Solomon has also been continuing with preparation of a NI 43-101 report for its Bowron Basin Coal Deposit in central British Columbia.

Solomon completed a series of financings in preparation for the 2007 work programs including:

- A $1.45 million private placement financing through the issuance of 3,310,640 'super' flow-through units at a price of $0.33 per unit (half warrant attached, a full warrant exercisable at $0.50 over two years) completed late in December of 2006; and
- A non-brokered private placement with Mineralfields Group totaling $700,000 through the issuance of 2,333,333 flow-through shares at $0.30 per unit (half warrant attached, a full warrant exercisable at $0.55 in year one and $0.75 in year two) completed February 29, 2007.

The above financings were completed to finance work on the Company's COL-Magnet and Eyapamikama Lake projects and are detailed in news releases dated January 2, 2007 and February 28, 2007, respectively and in the MD&A for the quarter ending January 31, 2006.

On March 7, 2007, the Company terminated its option agreement with Gallant Resources Ltd. and returned all of Gallant's properties, including the Bayantsaagan and Chandman properties.

Exploration Activity for the Quarter ending April 30, 2007.

The company was not active in the field on any of its properties during the quarter ending April 30, 2007, although it was active:

- Contracting Fugro Airborne Surveys Corp. to complete a 1,447 kilometre airborne magnetic and electromagnetic survey of the COL and Magnet claims;
- Staking claims to acquire the Nook & Rook volcanic associated copper-lead-zinc-silver property in British Columbia;
- Staking additional claims to expand its COL-Magnet property in British Columbia; and,
- Filing field work reports and submitting licence applications in Mongolia;
- Continuing discussions with the North Caribou Lake First Nation in Ontario regarding its planned exploration of the Eyapamikama Lake VMS project.

<u>Mongolia</u>
Solomon was not active in the field in Mongolia during the quarter ended April 30, 2007.

<u>Ontario</u>
Solomon staff held preliminary consultation meetings with the North Caribou Lake First Nations council on January 10, 2007. Staff also met with representatives of the NCLFN Council in April.

The company submitted its Letter of Exercise to Energold Minerals Inc. and Northern Dynasty Minerals Ltd. in February, 2007, notifying of its intend to enter into a formal option of the Eyapamikama Lake property. The Company has the right to earn up to a 60% interest in the property by expending $3 million and paying $170,000 and 600,000 Solomon shares to the owners over 3 years.

Solomon anticipates completing a 2,500 metre drill program in 2007 on the Eyapamikama Lake property.

<u>British Columbia</u>

*<u>COL-Magnet Property</u>*
On December 12, 2006, Solomon optioned the COL copper-gold porphyry property in the Hogem Batholith area located in north central BC. The company has the right to earn a 100% interest in the property by expending $2.2 million and paying $1.175 million to the owners over 5 years.

Solomon expanded has also staked an additional 32 claims (the Magnet West and Magnet East properties) adjoining to the COL property along the northwest/southeast trend of a regional airborne magnetic anomaly. A large summer program of ground geology, geochemistry, 1,447 kilometre airborne magnetic and electromagnetic geophysical surveys and up to 2,000 metres of drilling commenced in mid June 2007. Drilling will commence in Mid-July.

*<u>Nook & Rook Property</u>*
The Company staked 7 claims totaling 3,129 hectares in the Cariboo Mining District of central British Columbia in April of 2007. The claims are held 100% by Solomon over volcanic and sedimentary rocks of the Slide Mountain Terrane where historical records indicate potential for the discovery of a volcanic massive sulphide (VMS) copper-lead-zinc deposit. Solomon Field crews were active on the property in early June, 2007 completing geochemical soil and stream sediment surveys.

*<u>Tatsa Property</u>*
During the past quarter, Solomon was not active on its Tatsa gold-copper property in British Columbia.

<u>Western Australia</u>
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 has earned a 70% interest in the Mt. 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.

Alaska, Burkina Faso, Chile

As previously announced, Orezone Resources Inc., the operator on the Company's Bombore property in Burkina Faso property informed the Company that it had earned its 50% interest in the project by expending more than US$1.7 million before January 17, 2007. During the past quarter, Solomon's partner Brett Resources Ltd. was not active on the Company's Sleitat Mountain tin property in Alaska. Solomon is finalizing the closing of its operations in Chile and has relinquished all properties there.

**Results of operations**

| | Three months ended April 30 | | Nine months ended April | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Net income (loss) | $(48,863) | $(143,034) | $(1,921,315) | $(639,157) |
| Gain on sale of investment | $228,156 | - | $450,715 | $170,944 |
| General and administrative costs | $147,312 | $156,124 | $486,689 | $526,158 |
| Stock based compensation | $129,200 | $70,000 | $129,200 | $338,900 |
| Write down (recoveries) property costs | $30,246 | $(54,148) | $1,722,156 | $(48,018) |

In the third quarter of fiscal 2007 the Company had a net loss of $48,863 or $0.00 per share as compared to net loss of $143,034 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 third quarter of fiscal 2007 the Company sold the balance of its investment in Asia Gold Corp for a book gain of $228,156. In the third quarter of 2006 the Company did not sell any of its investments. The Company sells its investments periodically as an alternate means of financing, so income from this source can vary significantly from one quarter to the next.

The market value of the Company's remaining investments at April 30, 2007 was $1,261,319. This is unlikely to represent what the Company can expect to realize from these investments as their market value is very volatile.

General and administrative costs were down slightly in the third quarter of 2007 compared to 2006, $147,312 compared to $156,124. The major general and administrative expense is professional fees which included $36,000 paid for management fees to Larry Nagy, the Company's CEO, $24,762 paid for geological fees to David Tupper and $30,385 paid in legal fees. As discussed elsewhere the Company has raised over two million dollars in flow through funds and this increase in exploration expenditures will cause an increase in administration costs.

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 third quarter of 2007 760,000 options vested resulting in an expense of $129,200 as compared to 350,000 options vesting in 2006 and an expense of $70,000.

In the third quarter of fiscal 2007 the Company wrote off property costs of $30,246. This was residual costs of its Mongolia Gallant properties of $20,249 and residual costs of its Chile venture of $9,997. In the third quarter of 2006 the Company wrote off its Hall property but had an overall recovery of costs of $54,148 as a result of option payments received in excess of costs incurred on its Sleitat tin property.

For the nine months ended April 30, 2007 the Company made a net loss of $1,921,315 as compared to a net loss of $639,157 for the same period in 2006. The major item here, as discussed in the second quarter's management report was the return of the Mongolia Gallant properties to the vendor and consequent writing off of $1,826,159 of property costs. Other significant items from the nine months numbers were, the writing down in the first quarter of the Company's investment in Integra Mining Ltd to its then market value, resulting in an expense of $117,824 and the $114,000 recovery of investment in expenditures on resource properties as a result of the deemed value of a 200,000 share option payment received from Brett Resources Inc on the Sleitat property.

**Summary of quarterly results**

| Fiscal 2007 | First quarter | Second quarter | Third quarter |
|---|---|---|---|
| Total revenues | $6,883 | $9,530 | $20,333 |
| Net income (loss) | $42,400 | $(1,914,852) | $(48,863) |
| Net income (loss) per share | $0.00 | $(0.04) | $(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 | Fourth quarter |
|---|---|
| Total revenues | $31,623 |
| Net income (loss) | $(354,841) |
| Net income (loss) per share | $(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**

The Company has 50,897,381 shares outstanding, 2,900,000 stock options outstanding and 4,231,272 warrants outstanding.

The Company spent $307,930 on its resource properties in the third quarter of which approximately $125,000 was eligible flow through expenditures.

In the third quarter the Company raised an additional $700,000 in flow through funds and has sufficient funds on hand to cover its planned expenditures on its Canadian properties to December 31, 2007.
Subsequent to the end of the third quarter the Company announced a private placement of 3,100,000 units at $0.35. This placement is subject to regulatory approval. Once this placement closes the Company will have sufficient non flow through funds to cover its planned expenditures in 2007 in Mongolia and to cover its overhead.

**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 April 30 2007 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**

Larry Nagy, President, 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 $36,000.

Robert Evans, secretary and chief financial officer of the Company provides accounting and administrative services to the Company through his private company, 312467 BC Ltd. at the rate of $450 per day.  Total charges in the quarter were $6,000.

Bill Lindqvist, a director was paid $4,030 for geological fees and expenses.

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 $3,000 per month.  Total charges in the quarter were $8,000.

Directors and Officers of the Company were granted 275,000 options at $0.36 during the quarter.

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 $2,064,121 consist of cash on hand of $564,121 and a bank term deposit of $1,500,000 earning approximately 3% per annum.

Receivables and payables of $39,450 and $76,896 respectively are normal course business items that are usually settled within thirty days.

The investments of $825,529 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 April 30, 2007 was $1,261,319.

A substantial portion of the Company's financial instruments are denominated in Australian dollars and are thus subject to exchange rate risks