SOLOMON RESOURCES LIMITED
October 31, 2010

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER OF FISCAL YEAR 2011

Introduction

The following interim management's discussion and analysis ("MDA") has been prepared as of December 14, 2010. It is an update of the annual MDA prepared as of November 25, 2010 and filed on SEDAR on November 29, 2010. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended October 31, 2010. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and all numbers are reported in Canadian dollars.

This discussion may contain 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. The interim financial statements have not been audited.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on the Company website at www.solomonresources.ca.

Exploration Activities from November 25, 2010 to Present:

Complete historical details regarding the Company's exploration properties may be found in the November 25, 2010 MDA that accompanied the Annual Financial Statements filed on SEDAR on November 29, 2010.

As the Company's current projects are all in northern latitudes, exploration expenditure during the late fall and winter tends to be concentrated on the analysis of results; expenditures tend therefore to be lower during this time than at other times of the year. The following commentaries summarize developments, and the costs thereof, since the annual MDA.

Cry Lake (Nizi) – Northcentral British Columbia, Canada

The Company has previously reported on the acquisition and 2009 exploration program conducted on this property by the Company, which included surface geochemical and geophysical surveys as well as 416 meters of diamond drilling to test the Discovery/Surprise Vein at depth. Results of the 2009 drill program failed to replicate the bonanza grade gold mineralization seen in the surface trenching of this zone, and the primary target on the Cry Lake Property is now believed to be the bulk tonnage low grade gold potential of the Telephone Hill rhyolite dome. Future exploration of the property will focus on deep drilling of this highly prospective target, identified in the 2009 field program and confirmed by geological mapping by the British Columbia Geological Survey.

The Company did not conduct exploration on this property in the 2010 due to a delay in obtaining Notice of Work permits from the Ministry of Energy Mines and Petroleum Resources, such delay being based in large part to to uncertainty regarding First Nations interests in this project area. The Company conducted extensive consultation with the local First Nation but it was readily apparent that expectations of benefits that might accrue to this band remain unresolved.

The Company is currently negotiating with Kaminak Gold Corp. for an extension to its option on Cry Lake but absent favourable terms for such an extension the Company will abandon its interest in this property and concentrate on its interests in the Yukon.

Expenditure of $1,323 in allocated personnel costs was incurred in respect to the property during the quarter ended October 31, 2010.

Ten Mile Creek – Yukon Territory, Canada

The Company continues to assess the results of its soil sampling and drill program on the property during the 2010 summer field season and is planning an extensive program for the summer of 2011.

Expenditure of $422,752 was incurred in respect to the property during the quarter ended October 31, 2010. This was split approximately 10% on soil sampling, 30% on drilling and 60% on helicopter, camp and personnel costs. The Company's work commitment for the year of $350,000 was exceeded by approximately $400,000 and the Company expects to remain ahead of its agreed work commitment through 2011.

Pacer

The Company spent $19,001 on these claims in the quarter ended October 31, 2010, on staking, personnel and early stage field work.

The Pacer 1 – 56 Claims (Grant Number YD90841-YD90896) are located in the Whitehorse Mining District of the Yukon Territory approximately five kilometers west of the town of Haines Junction in the Front Ranges of the Kluane Mountains. The Pacer claims were staked to protect an historical gold occurrence and highly prospective gold targets indicated by regional stream geochemical surveys, airborne geophysics and surface exploration conducted by the Company in September of 2010. The Pacer Claims are 100% owned by the Company.

Rosie

The Company spent $21,070 on these claims in the quarter ended October 31, 2010, on staking, personnel and early stage field work.

The Rosie 1 – 32 Claims (Grant Number YD90897-YD90928) are located in the Whitehorse Mining District of the Yukon Territory approximately fifty-five kilometers northeast of the town of Destruction Bay. The Rosie claims were staked to protect a highly prospective epithermal gold target identified by the Yukon Geological Survey in 2010 located north and west of Sekulman Lake indicated by regional stream sediment geochemical surveys and surface exploration conducted by the Company in September of 2010. The Rosie Claims are 100% owned by the Company

South West Yukon

The Company spent $7,803 on project generation in this area in the quarter ended October 31, 2010, on personnel and early stage field work.

The company is actively seeking exploration targets in the highly prospective Ruby Range and Kluane Front Ranges of the southwestern Yukon Territory. The Company is engaged in grassroots reconnaissance and property acquisition to follow up on regional geochemical surveys and historic mineral occurrences, particularly epithermal Gold targets in headwaters of active gold placer gold camps in the Kluane Front Ranges; Nickel-Copper-PGE targets in Late Triassic Ultramafics and flood basalts; Copper-Gold skarn targets in the Early Cretaceous Kluane Range Group; volcanogenic massive sulphide targets in lower basalts of the Station Creek Formation and felsic units of White River Formation.Recent fieldwork by the Yukon Geological Survey and Geological Survey of Canada has focused on geological mapping in the Windy-McKinley Terrane, Kluane Schist, Ruby Range Batholith and the western part of Yukon-Tanana Terrane.

Highly prospective targets for volcanogenic massive sulphide deposits are located in carbonaceous schists and porphyritic felsic metavolcancis of the White River Assemblage which was recently determined by the Yukon Geological Survey to be coeveal with the Delta VMS District in Alaska and these are being actively investigated by the Company.

Sleitat Tin Project – Alaska, United States

There is nothing further to report on this property since the publication of the annual MDA.

No expenditure was incurred on this property during the quarter.

Uranium Exploration Projects - Mongolia

There is nothing further to report on the Company's investment in Mongolia since the annual MDA. The Company does not plan any further investment in Mongolia and is actively seeking joint venture partners for its interests in Mongolia.

Ongoing investment in support of the Company's Mongolian operations, mostly contract staff retainers, amounted to $4,097 in the quarter ended October 31, 2010. All of this expenditure was written off.

Other Exploration Programs and Activities

The Company has divested itself of non-core properties and will be focussing our efforts in the near term on precious metal and selected base metal projects in the Yukon Territory and Northern British Columbia. We will continue to develop and assess exploration projects in other jurisdictions or for other commodities as a hedge against longer term economic recovery, and currently have a number of projects under consideration.

Planning is underway for the 2011 field season in which the Company will focus on exploration projects in the Yukon Territory and Northern British Columbia.

The Company intends to resume exploration of the Ten Mile Creek Gold Property in early summer of 2011, with an exploration program including 3000 meters of diamond drilling, mechanized trenching and expanded geochemical surveys.

The Company will undertake preliminary surface exploration on the newly acquired Rosie and Pacer Claims in the Yukon Territory, and seek additional opportunities in the evolving exploration camp of Aishihik-Kluane and the Ruby Range.

Financial information

Results of operations

Significant items		Three Months Ended October 31 2010	2009
Net (loss)	$	(119,620)	(124,650)
General and administrative costs	$	122,056	124,445
Gain / (loss) on sale of investment	$	-	(8,715)
Cash spent on resource properties	$	(476,046)	(418,486)
Write off of expenditures on resource properties	$	(4,097)	-

In the first quarter of fiscal 2011, being the three months ended October 31, 2010, the Company had a net loss of $119,620 or $0.01 per share as compared to a net loss of $124,650 or $0.02 per share for the comparative quarter of fiscal 2010. 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, its ability to raise fresh capital when necessary, and the company's on-going exploration programs.

The Company's general and administrative expenses continued to decline, albeit modestly, being $123,506 in the quarter ended October 31, 2010 as compared to $124,445 in the same quarter of the previous year.

- Office and miscellaneous costs rose to $13,502 from $7,494 in the comparative period mainly due to reimbursement in 2009 that effectively reduced that quarter's costs.
- Professional fees decreased to $7,010 from $36,266 in the comparable period (first quarter of fiscal 2010) as a result of a timing change for the recognition of audit fees as well as the expensing of legal fees in 2009 that were charged to capital raising costs in 2010.
- Management fees were approximately the same in this quarter when compared to the comparable quarter as similar daily rates were paid to the same persons. Further details in respect to management fees are provided below and in the section on related parties.
- Travel, promotion and shareholder costs are substantially higher than in the previous year. This follows the appointment of an Investor Relations firm in February 2010 and the adoption of a more aggressive approach to investor relations. This policy was also reflected in the payment of generous finders' fees connected with the Company's financing activities (charged to capital raising costs).
- Payments in respect to stock exchange fees were at about the same level as in the same quarter of fiscal 2010. However in the quarter under review they were allocated, correctly, as capital raising costs and offset against new capital raised. In the comparative period such payments were expensed to general and administrative expenses.

Management fees expensed in the quarter comprised fees of $6,477 in respect to the Company's Chief Executive Officer, and $21,760 in respect to the Company's Chief Financial Officer. Management fees directly attributable to Company projects are capitalized to the cost of the project. $35,148 in fees paid to the Company's Chief Executive Officer was capitalized in the quarter ended October 31, 2010.

Summary of quarterly results for the last 8 quarters

Fiscal 2011		First quarter
Total revenues	$	6,180
Net income (loss)	$	(119,620)
Net income (loss) per share	$	(0.01)

Fiscal 2010		First quarter	Second quarter	Third quarter	Fourth quarter
Total revenues	$	4,667	3,496	3,938	8,959
Net income (loss)	$	(124,651)	(298,401)	(151,498)	(1,909,066)
Net income (loss) per share	$	(0.02)	(0.03)	(0.01)	(0.18)

Fiscal 2009		Second quarter	Third quarter	Fourth quarter
Total revenues	$	4,770	-	5,883
Net income (loss)	$	(183,352)	(1,408,613)	(1,446,432)
Net income (loss) per share	$	(0.03)	(0.23)	(0.22)

Notes:
1) Revenue consists of gas royalties.
2) There were no discontinued operations or extraordinary items in 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 first quarter of fiscal 2009 the Company sold marketable securities for net proceeds of $131,960. There were no similar sales in the quarter under review as the Company had sold all its remaining marketable securities prior to July 31, 2010. Certain environmental bonds are classified as current assets as the relevant properties have either been sold or abandoned and in each case the Company is awaiting repayment by the relevant authorities. Environmental bonds connected with properties on which the Company is continuing to work are classified as non-current assets.

During the quarter ended October 31, 2010 the Company raised $1,376,526 in net new capital. The Company did not issue any flow through shares during the quarter. Capital raising expenses of $226,165 were incurred, of which finders' fees paid in cash comprised $87,012 and finders' fees paid in share purchase warrants were valued at $112,623 using the Black Scholes method. A total of 6,498,110 new shares were issued during the quarter of which 932,620 were as a result of share purchase warrants being exercised.

At October 31, 2010 the Company had net working capital of $1,322,692 compared to $537,719 on July 31, 2010 and $318,433 on October 31, 2009.

The Company's overhead expenditures for the next twelve months, and the exploration programs it has planned, will be dependent on the Company having sufficient working capital to cover such expenditures.

Off balance-sheet arrangements

There are currently no material off balance sheet arrangements and no new information to report since the annual management's discussion and analysis.

Transactions with related parties

Randy Rogers, a director and the Chief Executive Officer, provided management services to the Company through his private company, Longford Exploration Services Ltd., at the rate of $750 per day. Total charges in the quarter were $41,625 of which $35,148 was capitalized to exploration projects, being directly attributable to such projects.

Paul Maarschalk, a director, the Secretary and the Chief Financial Officer, provided accounting and administrative services to the Company at the rate of $680 per day. Total charges in the quarter were $21,760.

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

Material transactions subsequent to October 31, 2010

There have been no material transactions since October 31, 2010.

Changes in accounting policies including initial adoption

See note one to the interim financial statements.

Financial instruments and other instruments

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

The Company's cash of $1,243,551 at October 31, 2010 consists of Canadian dollar, United States dollar and Australian dollar denominated checking accounts and Guaranteed Investment Certificates.

Receivables at October 31, 2010 include prepaid expenses, deposits and GST / HST recoverable. Payables at October 31, 2010 include $14,155 payable to related parties and $43,912 in respect to mineral properties. Total receivables and payables of $108,140 and $95,438 respectively are all normal course business items that are usually settled within thirty days.

Reclamation bonds and deposits totaling $40,000 represent bonds with, or cash payments paid in trust to, regulatory authorities in British Columbia and Australia in respect to properties in which the Company has a continuing or historical interest. Subject to due process by the authorities and adequate clean up by the Company at the end of a project the bonds are recoverable.