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

Introduction

The following interim management's discussion and analysis ("MDA") has been prepared as of March 18, 2011. It is an update of the annual MDA prepared as of November 25, 2010 and filed on SEDAR on November 29, 2010 and the interim MDA for the first quarter prepared as of December 14, 2010 and filed on SEDAR on December 20, 2010. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended January 31, 2011. 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 December 14, 2010 to Present:

Complete historical details regarding the Company's exploration properties may be found in (a) the November 25, 2010 MDA that accompanied the Annual Financial Statements and (b) the December 14, 2010 MDA that accompanied the interim Financial Statements for the quarter ended October 31, 2010, filed on SEDAR on November 29, 2010 and December 20, 2010 respectively.

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; exploration expenditures tend to be lower during this time than at other times of the year. The following commentaries summarize developments, and the costs thereof, since the latest interim MDA.

Cry Lake (Nizi) – Northcentral British Columbia, Canada

The Company reported in the interim MDA for the first quarter that it was negotiating with the owner of the property, Kaminak Gold Corp., for an extension to its option on Cry Lake. Favourable terms for such an extension were not forthcoming and the Company has abandoned its interest in this property and will concentrate on its interests in the Yukon.

Expenditure of $1,550 in allocated personnel costs was incurred in respect to the property during the quarter ended January 31, 2011. The Company's investment of $589,476 has been written off in the second quarter.

Ten Mile Creek – Yukon Territory, Canada

The Ten Mile Creek Gold Project is located within the Dawson Mining District of Canada's Yukon Territory approximately thirty kilometers north-northwest of the White Gold Property of Kinross Gold Corp. and sixty kilometers north of the Coffee Gold Project of Kaminak Gold Corp. Solomon holds an option from Radius Gold Inc. (TSX-V.RDU) to earn a 51% interest in the property.

The Solomon-Radius option agreement covers 266 claims located under the Yukon Quartz Mining Act in the Dawson Mining District. On October 12th, 2010 Solomon acquired a further 43 mineral claims to protect the northern extension of the mineralized zones discovered in 2010 on the JV claim group as well as the southeastern flank of the Ten claim group which has yet to be explored.

As the results from the 2010 soil geochemical and surface geophysical surveys were received, it became readily apparent that the Jual Vein System, which had been the initial focus of the Solomon exploration program, was a very small component of a much larger gold target on the northernmost JV claim group extending over an area 3.0 kilometers by 1.5 kilometers in extent. Three extensive new soil geochemical anomalies were discovered within this broad target area, and the high gold values up to 1436 parts per billion (ppb) gold (1.436 grammes/tonne) and 4630 parts per million (ppm) arsenic and the pronounced linearity of these anomalies suggest that the Jual Vein System is a spatially limited expression of what may be an extensive structurally controlled gold system that dominates the northernmost JV claim group.

Summary of Soil Geochemical Surveys:

A total of 2,650 soil geochemical samples were taken on grids established in the central portion of the JV claim group and the northern portion of the Ten Mile claims during the 2010 field season. Samples were collected by Solomon field crews and its contractor Ryanwood Exploration.

Four significant soil geochemical anomalies were discovered in the 2010 field program:

> The **Skukum Zone** is a significant sinuous gold in soil geochemical anomaly located on the JV claim group approximately 900 meters by 700 meters in extent with values up to 1436 parts per billion (ppb) gold and 4630 parts per million (ppm) arsenic.
>
> The **Jack London Zone** is located one kilometer north of the Skukum Zone and is a soil geochemical anomaly 1600 meters by 600 meters in extent with a peak soil geochemical value of 260 ppb Gold. This highly prospective target will be trenched early in the 2011 exploration season.
>
> The **Sourdough Joe Zone** is located one kilometer north-northeast of the Jack London Zone and is an elongated east-west soil geochemical anomaly measuring 1400 meters by 300 meters with a peak soil geochemical value of 141 ppb Gold. This highly prospective target will also be trenched early in the 2011 exploration season.
>
> The **Klondike Kate Zone** is an east-west anomaly in the northern portion of the Ten Mile claim group four kilometers east of the Skukum Zone measuring approximately 1600 meters in length and 400 meters in width with gold in soil geochemical results as high as 698 ppb gold and 570 ppm arsenic.

The newly discovered Skukum Zone, Jack London Zone and the adjacent Sourdough Joe Zone are immediately upstream of the Ten Mile Creek Placer Gold camp, which was actively mined in the 2010 field season. As previously reported the placer gold being recovered in the 2010 season was observed to be coarse and angular and to a large extent carried relict quartz vein material which suggests that the gold has not travelled far from a bedrock source.

Summary of Mechanized Trenching:

On the JV claim group trenching with a Kubota tracked excavator in the area north and east of the Jual Vein System has exposed complex thrust faulting and strike-slip faulting within schists and gneiss. Sampling of the trenches returned anomalous results, the best being 1.5 g/t gold over 2.0 meters in Trench

JV-10-07 which appears to be associated with limonite staining and local east-west faulting. In Trench JV-10-01, a zone of 0.45 g/t gold over 12.0 meters was returned within a zone of intense silicification and stockworking. Trench JV-10-04 returned 0.26 g/t gold over 10.0 meters and in Trench JV 10-10 a value of 0.36 g/t gold over 10 meters was returned. All the trenches excavated in the 2010 field season returned anomalous gold values and mineralization consistently appeared to be structurally controlled.

On the Ten claim group limited trenching was conducted by Ryanwood Exploration with a heli-portable backhoe which exposed east-west striking quartz veins with pronounced alteration halos in Trench TM-10-01 near the eastern property boundary.

Summary of Diamond Drilling:

Six "NQ" Size diamond drillholes were completed in the 2010 field season to a total depth of 800 meters. Drilling was contracted to Kluane Drilling Ltd. of Whitehorse.

A significant increase in exploration in the Dawson Range during the 2010 field season stretched the capacity of analytical labs to the limit and assay results from the Ten Mile Creek Gold Project typically took from six to eight weeks to receive. An operational decision was made in late September to terminate drilling at Ten Mile Creek after DDH2010-06 to allow the assay results from the analytical laboratories to catch up to the drill program.

While highly prospective targets remained undrilled the Company believed it was prudent to have the results of the early diamond drill holes in hand prior to committing to further drilling as targeting decisions are to a large extent dependent on previous results.

DDH2010-01 thru DDH2010-03 were drilled on the southernmost Ten claim group to test the Klondike Kate soil geochemical anomaly which returned gold values as high as 697 ppb in a linear east-west anomaly 1600 meters in extent. DDH2010-04 thru DDH2010-06 were drilled on the newly discovered Skukum Zone on the JV claim group.

> DDH2010-04 returned 0.19 grams per tonne gold (g/t Au) over 14.0 meters from 9.0 to 23.0 meters depth and 0.22 g/t Au over 8.0 meters from 40.0 to 48.0 meters including 0.63 g/t Au over 2.0 meters from 44.0 to 46.0 meters depth.
>
> DDH2010-05 returned 0.39 g/t Au over 11.0 meters from 5.0 to 16.0 meters depth including 0.70 g/t over 2.0 meters from 9.0 to 11.0 meters depth and 0.40 g/t Au over 22.0 meters from 31.0 to 53.0 meters depth including 0.88 g/t Au over 2.0 meters from 33.0 to 35.0 meters depth.

Gold mineralization discovered to date at the Ten Mile Creek Gold Project appears to be associated with late stage faults and fracture sets crosscutting regional foliation. The relationship between magmatism and at least three stages of structural deformation and how they relate to gold mineralization is only now becoming understood as the Ten Mile Creek Gold Project and surrounding properties in the White Gold Camp are explored.

The geological setting of the Ten Mile Creek Gold Project remains enigmatic, as a lack of surface outcrop confounds traditional geological mapping. The 2010 program identified previously unknown intrusive rocks in the northernmost JV claims, and there is clear evidence of polymetamorphism with overlapping tectonic and thermal metamorphic that remain poorly understood. The diamond drilling completed in the 2010 field season was largely directed at providing a better understanding of the geological provenance of the property and to set the stage for drilling the highly anomalous soil geochemical anomalies in 2011.

Gold and arsenic in soil geochemical samples appear to be the most reliable indicator of gold mineralization at this property with some variation at the local scale. On the southernmost Ten Mile claims arsenic values in soil show a close correlation with higher gold values whereas on the JV claims arsenic values in soil appear to be more broadly dispersed as haloes around higher gold values.

Gold concentrations found to date are marginally sub-economic but the huge linear gold in soil geochemical anomalies on the northernmost JV claims, which remain open to the northwest and east, suggest that we have only scratched the surface of this highly prospective property.

Expenditure of $31,843 was incurred in respect to the property during the quarter ended January 31, 2011. This was spent on analytical costs and personnel involved in mapping the property and planning the 2011 season.

Pacer

The Company spent $4,536 on these claims in the quarter ended January 31, 2011, primarily on personnel and planning 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 2011. The Pacer Claims are 100% owned by the Company.

Rosie

The Company spent $5,636 on these claims in the quarter ended January 31, 2011, primarily on personnel and planning 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 2011 located north and west of Sekulman Lake indicated by regional stream sediment geochemical surveys and surface exploration conducted by the Company in September of 2011. The Rosie Claims are 100% owned by the Company

South West Yukon

The Company spent $5,483 on project generation in this area in the quarter ended January 31, 2011, 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 metavolcanics 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 and interim MDA's.

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 and interim MDA's. The Company does not plan any further investment in Mongolia and continues to seek joint venture partners for its interests in Mongolia and pursue a resolution of the court case in expropriation instituted against the Mongolian Cadastral Office for the alienation of certain of the Company's key mineral tenures.

Ongoing investment in support of the Company's Mongolian operations, for audit costs and contract staff retainers, amounted to $8,319 in the quarter ended January 31, 2011. All of this expenditure was written off.

Other Exploration Programs and Activities

Solomon Resources Limited is a mineral exploration company whose corporate philosophy is to become an exploration project generator: as we move forward, the Company will focus its resources on politically stable jurisdictions where corporate management and geological consultants have specific experience and expertise.

To build shareholder value, the Company will continue to acquire by staking or purchase 100% undiluted interest in highly prospective mineral tenures with the objective of adding value through grassroots exploration and target refinement in support of seeking option or joint venture partners through to production.

The project generator model is particularly suited to the Company's ongoing interest in the Yukon Territory where we have a wealth of intellectual capital and experience.

Post-consolidation, the Company has divested itself of non-core properties and foreign assets. For the immediate future the Company is focused on gold exploration targets in the Yukon Territory. 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 will resume exploration of the Ten Mile Creek Gold Property in early summer of 2011, with an exploration program including 600 line-kilometers of airborne geophysics, expansion of the highly anomalous 2010 soil geochemical survey, mechanized trenching and 1750 meters of diamond drilling and reverse circulation drilling

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.

A number of discrete epithermal and orogenic gold targets have been identified in under-explored areas of the Yukon Territory and these will be explored early in the field season.

The Company has a number of highly prospective property submissions under consideration, and may consider acquiring a 100% undiluted interest in one or more of these subject to due diligence.

Financial information

Results of operations

Significant items		Three Months Ended January 31	
		2011	2010
Net (loss)	$	(928,805)	(298,402)
General and administrative costs	$	334,318	119,964
Gain / (loss) on sale of investment	$	-	365
Cash spent on resource properties	$	(57,366)	(99,632)
Write off of expenditures on resource properties	$	(597,795)	(224,865)

In the second quarter of fiscal 2011, being the three months ended January 31, 2011, the Company had a net loss of $928,805 or $0.04 per share as compared to a net loss of $298,402 or $0.03 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 rose substantially in the quarter, being $334,318 in the quarter ended January 31, 2011 as compared to $119,964 in the same quarter of the previous year. The reasons for the increase were a combination of a more aggressive approach and a lower level of activity in the comparative period.

- Office and miscellaneous costs declined to $11,719 from $18,000 in the comparative period but are at about the same level as in the first quarter of the current fiscal year.
- Professional fees increased to $51,450 from $13,416 in the comparable period (second quarter of fiscal 2010) primarily as a result of a timing change for the recognition of audit fees.
- Management fees ($82,353) were substantially higher in this quarter when compared to the comparable quarter ($46,665). During the quarter under review management increased the amount of time spent on review, planning and promotional activities. During the comparable quarter substantial vacation time was taken. All members of management are paid on the basis of actual time spent on Company business and shareholders should anticipate that management

involvement in the day to day affairs of the Company will continue to increase as the Company pursues a more aggressive approach to property acquisition and investor relations and that management fees will continue to be a significant cost to the Company. 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. The travel, promotion and shareholder costs in the comparable quarter (second quarter of fiscal 2010) should also be considered to be unusually low.
- Stock based compensation of $109,793 appears to be significantly higher than the comparable disclosed figure of $16,986. However subsequent to the publication of the comparable MDA the unaudited amount of $16,986 was discovered to be incorrect and the current quarter's figure of $109,793 should more correctly be compared to the audited and adjusted amount of $121,139 as disclosed in the Annual Financial Statements filed on November 29, 2010.
- Other general and administrative costs were more-or-less in line with the comparable period.

Management fees expensed in the quarter comprised fees of $18,570 in respect to the Company's Chief Executive Officer, and $19,763 in respect to the Company's Chief Financial Officer. Additionally, stock based compensation with a calculated value of $27,109 was expensed in relation to stock options awarded to each of the Chief Executive Officer and the Chief Financial Officer. Management fees (excluding stock based compensation) directly attributable to Company projects are capitalized to the cost of the project. $26,205 in management fees was capitalized in the quarter ended January 31, 2011.

Summary of quarterly results for the last 8 quarters

Fiscal 2011		First quarter	Second quarter		
Total revenues	$	6,180	3,538		
Net income (loss)	$	(119,620)	(928,805)		
Net income (loss) per share	$	(0.01)	(0.04)		
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				**Third quarter**	**Fourth quarter**
Total revenues	$			-	5,883
Net income (loss)	$			(1,408,613)	(1,446,432)
Net income (loss) per share	$			(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 investments, abandoned any properties or granted any stock options.

Liquidity and capital resources

In the second quarter of fiscal 2010 the Company sold marketable securities for net proceeds of $23,755 for a gain of $365. 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 either with properties on which the Company is continuing to work or with properties for which the Company has not yet notified the relevant authorities that it is no longer working are classified as non-current assets.

During the quarter ended January 31, 2011 the Company did not raise any new capital nor did it issue any new shares.

At January 31, 2011 the Company had net working capital of $1,032,614 compared to $537,719 on July 31, 2010 and $121,732 on January 31, 2010.

The Company's overhead expenditures for the next twelve months, and the exploration programs it has planned, will depend 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 and interim MDA's.

Transactions with related parties

Randy Rogers, a director and the President and 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 $40,125 of which $21,555 was capitalized to exploration projects, being directly attributable to such projects. In addition to fees paid, stock based compensation in respect to 200,000 stock options awarded to Mr. Rogers on December 17, 2010 was valued at $27,109 using the Black Scholes method.

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 $19,763. In addition to fees paid, stock based compensation in respect to 200,000 stock options awarded to Mr. Maarschalk on December 17, 2010 was valued at $27,109 using the Black Scholes method.

Ron Netolitzky, a director, was awarded 200,000 stock options on December 17, 2010, with a calculated value of $27,109.

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

Material transactions subsequent to January 31, 2011

There have been no material transactions since January 31, 2011.

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 $1,007,070 at January 31, 2011 consists of Canadian dollar, United States dollar and Australian dollar denominated checking accounts and Guaranteed Investment Certificates.

Receivables at January 31, 2011 include prepaid expenses, deposits and GST / HST recoverable. Payables at January 31, 2011 include $23,356 payable to related parties and $4,792 in respect to mineral properties. Total receivables and payables of $66,378 and $80,761 respectively are all normal course business items that are usually settled within thirty days.

Reclamation bonds and deposits totaling $39,927 represent bonds with, or cash payments paid in trust to, regulatory authorities in British Columbia and Western 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.