

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

Introduction

The following interim management's discussion and analysis ("MDA") has been prepared as of June 27, 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 second quarter prepared as of March 18, 2011 and filed on SEDAR on March 28, 2011. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended April 30, 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 March 18, 2011 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 March 18, 2011 MDA that accompanied the interim Financial Statements for the quarter ended January 31, 2011, filed on SEDAR on November 29, 2010 and March 28, 2011 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

As reported in the interim MDA for the second quarter the Company has abandoned its interest in this property and will concentrate on its interests in the Yukon. The Company's investment of \$589,476 was written off in the second quarter.

Ten Mile Creek – Yukon Territory, Canada

The Ten Mile Creek Gold Project is located in 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 extensions of the mineralized zones discovered in 2010.

The 2010 exploration program demonstrated that the Jual Vein System, which had been the initial target of the Company's exploration program, was in fact a very small component of a much larger system extending over an area 3.0 kilometers by 1.5 kilometers in extent. Three significant soil geochemical anomalies were discovered within this newly defined target area, and gold values up to 1436 parts per

Solomon Resources Limited:
Management's discussion & analysis: Quarter ended April 30, 2011

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 may be a surficial expression of an extensive structurally controlled gold system underlying the northernmost JV claim group.

The 2010 exploration program included limited mechanized trenching and 800 meters of preliminary diamond drilling to establish the geological provenance of the historical geochemical anomalies in the northern part of the property.

Results of the 2010 field season were summarized in the interim MDA for the second quarter ended January 31, 2011 filed on March 28, 2011.

Expenditure of \$48,637 was incurred in respect to the property during the quarter ended April 30, 2011. This was primarily spent on personnel involved in mapping the property and planning the 2011 season as well as early field costs when deploying crews in late April 2011.

Subsequent to April 30, 2011 Solomon field exploration crews have mobilized to a new camp on Ten Mile Creek adjacent to the Lamers airstrip. Eight discrete mineralized targets have been identified for detailed follow-up in the 2011 field season in an exploration program that is planned to include 3000 soil geochemical samples, mechanized trenching in the Jual Vein System and the newly discovered Skukum, Jack London, Sourdough Joe and Klondike Kate zones. An airborne geophysical survey comprising 589 line-kilometers of VLF-EM, magnetometer and spectrometer is currently underway. The Company plans to complete 6000 feet of reverse circulation drilling on the Jual claims in August of 2011 and a further 1000 meters of diamond drilling in September once the results of earlier work are in hand.

Pacer

The Company reallocated to the Pacer property \$8,021 in costs previously allocated to the SW Yukon claims group and spent \$6,173 on these claims in the quarter ended April 30, 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 2010.

Subsequent to April 30, 2011 the Company staked a significant amount of new ground surrounding the original Pacer Claim group and details of the new ground thus acquired will be released once our title verification and due diligence have been completed. Solomon field crew have upgraded road access to the southernmost portion of the Pacer Claim group in the past few weeks and an exploration crew will mobilize to the property in late July. The Pacer Claims are 100% owned by the Company.

Rosie

The Company reallocated to the Rosie property \$8,021 in costs previously allocated to the SW Yukon claims group and spent \$7,366 on these claims in the quarter ended April 30, 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

Solomon Resources Limited:
Management's discussion & analysis: Quarter ended April 30, 2011

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.

Subsequent to April 30, 2011 the Company acquired a significant amount of new ground surrounding the original Rosie Claim group and details of the new ground thus acquired will be release once our title verification and due diligence have been completed. The Company notes that the immediate area surrounding the Rosie Claims has been fringe-staked by two other exploration companies and it is apparent that this target will attract significant attention in the coming months. A Solomon exploration crew will mobilize to the Rosie Property on July 19th, 2011.

South West Yukon – see also “Other Exploration Programs and Activities”

The company is actively seeking exploration targets in the highly prospective Ruby Range and Kluane Front Ranges of the southwestern Yukon Territory. The Company continues to engage 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 coeval with the Delta VMS District in Alaska and these continue to be investigated by the Company.

As a result of this broad regional initiative the Company has staked the following claims (the expenditure allocated to each in the quarter ended April 30, 2011 is given in parentheses) are Outpost (\$1,823), Sek (\$356), Nis (\$356), Jenn (\$1,069), Seamus (\$1,069) and Tyke (\$Nil). Details of the new ground thus acquired will be released once our title verification and due diligence have been completed.

Solomon's staking activity in this highly prospective region may continue into the next reporting period, with the Tyke Claims having been the most recently registered at the Whitehorse Mining Recorder on June 28th, 2011.

At the time of this discussion, Solomon has now acquired 100% ownership of 1029 mineral claims in the Kluane Front Ranges and Ruby Range of the Yukon Territory; this is a substantial land package of approximately 23,900 hectares. It is worth noting that staking activity by other exploration companies has increased significantly in this region in the past two months, and this trend is expected to continue throughout the summer of 2011.

Subsequent to April 30, 2011 and prior to the date of this discussion, \$147,760 has been spent in direct staking costs for these claims as well as additional claims on the Pacer and Rosie properties. Preliminary field exploration has been conducted on the Outpost and Sek Claims, and Solomon field exploration crews will mobilize to the Outpost Claims in late July of 2011. Field exploration is planned for the Sek, Nis, Jenn, Seamus and Tyke Claims in August of 2011.

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 the maintenance of a part time corporate maintenance team, amounted to \$2,144 in the quarter ended April 30, 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. The Company 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.

The 2011 field season is underway during which the Company will focus on exploration projects in the Yukon Territory.

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.

Solomon Resources Limited:
Management's discussion & analysis: Quarter ended April 30, 2011

Financial information

Results of operations

Significant items	Three Months Ended	
	April 30	
	2011	2010
Net (loss)	\$ (138,925)	(151,499)
General and administrative costs	\$ 141,708	154,806
Gain / (loss) on sale of investment	\$ -	40,388
Cash spent on resource properties	\$ (68,993)	(61,023)
Write off of expenditures on resource properties	\$ (2,144)	(7,627)

In the third quarter of fiscal 2011, being the three months ended April 30, 2011, the Company had a net loss of \$138,925 or \$0.01 per share as compared to a net loss of \$151,499 or \$0.01 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 in the quarter were overall in line with the same quarter of the previous year, being \$141,708 compared to \$154,806. However there were differences on a line by line basis:

- Office and miscellaneous costs rose to \$35,018 from \$17,749 largely as a result of one time charges associated with the Company's move to new leased offices in Vernon, BC.
- Professional fees increased to \$14,408 from \$9,206 in the comparable period primarily as a result of the recognition of fees incurred by the Company's Australian subsidiary in preparation for winding up.
- Management fees (\$69,191) were substantially in line with the comparable quarter (\$65,757). Further details in respect to management fees are provided below and in the section on related parties.
- Travel, promotion and shareholder costs (\$2,795) are substantially lower than in the previous year (\$44,608). During the comparable quarter the Company had appointed an Investor Relations firm which directly and indirectly increased the expense of this line item in the third quarter of fiscal 2010.
- The charge for amortization (\$9,409) is higher than in the comparable quarter (\$5,789) as a result of capital asset acquisitions in the intervening period.
- Other general and administrative costs were more-or-less in line with the comparable period.

Management fees expensed in the quarter comprised fees of \$17,888 in respect to the Company's Chief Executive Officer, and \$22,504 in respect to the Company's Chief Financial Officer. Management fees (excluding stock based compensation) directly attributable to Company projects are capitalized to the cost of the project. \$26,363 in management fees was capitalized in the quarter ended April 30, 2011.

Solomon Resources Limited:
Management's discussion & analysis: Quarter ended April 30, 2011

Summary of quarterly results for the last 8 quarters

Fiscal 2011	First quarter	Second quarter	Third quarter	
Total revenues	\$ 6,180	3,538	5,489	
Net income (loss)	\$ (119,620)	(928,805)	(138,925)	
Net income (loss) per share	\$ (0.01)	(0.04)	(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	Fourth quarter
Total revenues	\$ 5,883
Net income (loss)	\$ (1,446,432)
Net income (loss) per share	\$ (0.22)

Notes:

- 1) Revenue consists of gas royalties and interest receivable on cash based investments.
- 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

Certain environmental bonds are classified as current assets as the relevant properties have either been sold or abandoned and in each case the Company was awaiting repayment by the relevant authorities at April 30, 2011. Since that date environmental bonds of \$18,000 (CDN) and \$10,000 (AUS) have been released. 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 April 30, 2011 the Company did not raise any new capital nor did it issue any new shares.

At April 30, 2011 the Company had net working capital of \$818,521 compared to \$537,719 on July 31, 2010 and \$581,861 on April 30, 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

Solomon Resources Limited:
Management's discussion & analysis: Quarter ended April 30, 2011

day. Total charges in the quarter were \$44,250 of which \$26,363 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 \$22,504.

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

Material transactions subsequent to April 30, 2011

On June 8, 2011 the Company closed a private placement in which it raised \$250,000 (gross). The primary purpose of the placement was to raise new capital for staking costs in the Yukon. A total of 1,666,667 new common shares were issued. Share purchase warrants were issued to investors for the purchase of 833,333 new common shares at \$0.30 per share prior to June 8, 2013 and finders' share purchase warrants were issued to accredited finders for the purchase of 85,400 new common shares at \$0.30 per share prior to June 8, 2013. \$12,810 was paid in cash finders' fees.

As reported in the discussion on exploration activities \$147,760 has been spent by the Company on direct staking costs since April 30, 2011. Approximately \$42,000 in related helicopter costs and \$10,000 in other corporate costs, principally personnel, has also been allocated to the cost of staking new claims in various parts of the south-west Yukon.

On May 20, 2011 the Company issued 150,000 new common shares with a deemed value of \$36,000 and paid \$150,000 to Radius Gold Inc in terms of the Company's option to earn a 51% interest in the Ten Mile Creek property.

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 \$739,705 at April 30, 2011 principally consists of Canadian dollar denominated checking accounts and Guaranteed Investment Certificates. The Company also holds United States dollar and Australian dollar checking accounts with relatively minor balances.

Receivables at April 30, 2011 include prepaid expenses, deposits and GST / HST recoverable. Deposits included \$38,000 paid to a claim-staker for claims that were staked shortly after April 30, 2011. Payables at April 30, 2011 include \$27,543 payable to related parties, \$26,729 that relates to mineral properties in the Yukon and \$30,382 incurred by the Company's subsidiary in Australia, mainly in respect to auditing and tax advisory fees. Other receivables and payables are all normal course business items that are usually settled within thirty days.

Reclamation bonds and deposits totaling \$40,462 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. Since April 30, 2011 bonds worth \$18,000 (CDN) and \$10,000 (AUS) have been recovered by the Company.