SOLOMON RESOURCES LIMITED
April 30, 2012

Form 51-102 F1: MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THIRD QUARTER OF FISCAL YEAR 2012 (three months ending April 30, 2012)

Introduction

The following management's discussion and analysis ("MDA") has been prepared as of June 27, 2012. It is an update of the annual MDA prepared as of November 25, 2011 and filed on SEDAR on November 28, 2011, the interim MDA (first quarter) prepared as of January 25, 2012 and filed on SEDAR on January 30, 2012 and the interim MDA (second quarter) prepared as of March 30, 2012 and filed on SEDAR on April 2, 2012. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended April 30, 2012. The condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 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 condensed consolidated 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 30, 2012 to Present:

Complete historical details regarding the Company's exploration properties may be found in the November 25, 2011 MDA that accompanied the Annual Financial Statements filed on SEDAR on November 28, 2011, in the January 25, 2012 MDA that accompanied the interim Condensed Consolidated Financial Statements for the quarter ended October 31, 2011 and in the March 30, 2012 MDA that accompanied the interim Condensed Consolidated Financial Statements for the quarter ended January 31, 2012.

As the Company's projects are currently all in northern latitudes, exploration expenditure during the late fall, winter and early spring 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 most recently filed MDA.

Ten Mile Creek – Yukon Territory, Canada

Expenditure of $8,596 was incurred in respect to the property during the quarter ended April 30, 2012.

Subsequent to April 30, 2012, and as announced in a news release published on June 1, 2012 the Company abandoned its option to acquire a 51% interest in the 10 Mile Creek project. Neither the scheduled payment of $250,000 nor the scheduled issue of 250,000 shares before May 21, 2012 was made. The Company's investment in the property, being $1,734,542, was written off in the quarter ended April 30, 2012.

South West Yukon - Pacer – 236 Claims

The Pacer Claims are 100% owned by the Company; inclusive of staking costs the Company has capitalized $95,730 at the date of this MDA.

South West Yukon – Outpost – 71 Claims

The Outpost Claims are 100% owned by the Company; inclusive of staking costs the Company has capitalized $52,026 at the date of this MDA.

South West Yukon – Rosie – 217 Claims

The Rosie Claims are 100% owned by the Company; inclusive of staking costs the Company has capitalized $130,353 at the date of this MDA.

South West Yukon other claims

Subsequent to April 30, 2012 the Company decided not to renew the claims listed below and wrote off its investment of $114,198:

Jenn
Seamus
Tyke
Nis
Sek

Sleitat Tin Project – Alaska, United States

There is nothing further to report on this property since the publication of the most recent MDA. No expenditure was incurred on this property during the quarter.

Uranium Exploration Projects - Mongolia

Subsequent to April 30, 2012 the Company accepted an offer from a resident of Mongolia to purchase its subsidiary in Mongolia for $1. As a consequence the Company wrote off its remaining investment of $1,000.

Exploration activities planned for 2012

Solomon Resources Limited is an exploration project generator: the Company will focus its resources on viable exploration targets in politically stable jurisdictions where corporate management and geological consultants have relevant experience and expertise. As of the date of this MDA the Company is actively considering an interest in a new property.

The Company will continue to develop and assess exploration projects in other stable jurisdictions or for commodities other than gold as a hedge against longer term economic uncertainty.

Financial information

Results of operations

		Three months ended April 30 2012	2011
Comprehensive loss for the period	$	1,940,738	138,924
General and administrative expenses	$	97,719	141,708
Cash spent on mineral property interests	$	19,905	68,993
Write offs of expenditure on mineral property interests	$	1,849,740	2,144
Comprehensive loss per share - basic and diluted	$	(0.07)	(0.01)

The following tables explain 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.

General and administrative expenses

		FY2012 Q3	FY2011 Q3	Reason for change
Management fees	$	29,694	69,192	1
Travel, promotion and shareholder costs	$	19,234	7,995	2
Professional fees	$	2,161	14,407	3
Office and miscellaneous	$	20,804	35,018	4
Rent	$	9,000	4,818	5
Property maintenance	$	3,204	-	6
Transfer agent fees	$	779	869	7
Amortization	$	12,843	9,409	8
Total general and administrative expenses	$	97,719	141,708	

Commentary

1. As the company began to face tight liquidity every effort was made to reduce expenditures in all areas, including a reduction in time spent by officers on company business. The fees in FY2011 Q3 also included a contractual payment to the former chairman, which terminated in June 2011.
2. In FY2012 Q3 the Company expensed the costs of its officers attending two major conferences, notwithstanding that one of the conferences occurred in Q2. In FY2011 conference costs were expensed partly in Q2 and partly in Q3.
3. The comparative figure reflects an anomaly related to the timing of audit fees. The year to date figures, as shown on the income statement, are more comparable, albeit lower due to tight liquidity faced by the Company.
4. Office and miscellaneous costs were minimised in FY2012 Q3 due to liquidity constraints.
5. The increase reflects the cost of the office in Vernon compared to the previous office in Armstrong.
6. This type of expense was previously capitalised to the property in question, and written off in the period.
7. No significant change.
8. Higher amortization is directly attributable to a greater stock of capital equipment at July 31, 2011.

Cash spent on mineral property interests		**FY2012 Q3**	**FY2011 Q3**	**Reason for change**
	$	19,905	68,993	1

Commentary

1. Cash spent on mineral property interests is normally low in the third quarter, given that all the Company's properties are located in the Yukon where winter operations are not financially viable. Tight liquidity reduced spending further in FY2012 Q3.

Significant other items		**FY2012 Q3**	**FY2011 Q3**	**Reason for change**
Oil and gas royalties	$	6,422	3,398	1
Write off of expenditures on mineral properties	$	(1,849,740)	(2,144)	2

Commentary

1. The Company has no control over receipts of royalties from its small oil and gas interests. Receipts tend to be unpredictable and vary from month to month.
2. As referenced elsewhere, in FY2012 Q3 the Company wrote off its investments in Ten Mile Creek ($1,734,542), certain South West Yukon properties ($114,198) and Mongolia ($1,000). Only minor write downs were made in FY2011 Q3.

Summary of quarterly results for the last eight quarters

Fiscal 2012		1st quarter	2nd quarter	3rd quarter
Revenues	$	673	580	6,422
Comprehensive loss	$	(77,678)	(155,653)	(1,940,738)
Comprehensive loss per share	$	(0.07)	(0.01)	(0.07)

Fiscal 2011		1st quarter *	2nd quarter *	3rd quarter *	4th quarter *
Revenues	$	6,180	3,538	5,489	4,523
Comprehensive income (loss) *	$	(119,620)	(1,055,683)	(138,925)	32,459
Comprehensive income (loss) per share *	$	(0.01)	(0.05)	(0.01)	0.01

Fiscal 2010		4th quarter**
Revenues	$	8,959
Comprehensive income (loss) **	$	(1,909,066)
Comprehensive income (loss) per share **	$	(0.18)

* The quarterly comprehensive loss and comprehensive loss per share in fiscal 2011 have been restated to account for an accounting policy change arising from the transition to International Financial Reporting.Standards ("IFRS").

** The comprehensive loss and the comprehensive loss per share in the 4th quarter of fiscal 2010 has NOT been restated to account for an accounting policy change arising from the transition to International Financial Reporting.Standards as the period precedes the transition to IFRS.

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 abandoned any properties or granted any stock options.

Liquidity and capital resources

Environmental bonds are classified as current assets if the relevant properties have been sold or abandoned, have been inspected by the relevant authorities and the Company is awaiting repayment. Environmental bonds connected with properties on which the Company is continuing to work, or where the properties have not been inspected by the relevant authorities, are classified as non-current assets.

During the three months ended April 30, 2012, the Company was unsuccessful at raising further capital due to extremely difficult conditions in the capital markets. Many peer companies faced the same problem and it is the observation of the Company that the only junior exploration companies able to continue operating in the Yukon were those with significant cash already in their treasuries.

Tight liquidity in the quarter affected all aspects of the Company's operations, the key consequences being the decision to drop the Ten Mile Creek option and a continued increase in payables.

The outlook for the Company's liquidity is dependent on a successful change in focus. As reported elsewhere, at the date of this MDA the Company is actively considering an interest in a new property with a different risk profile to that of early stage exploration for gold in the Yukon.

On a more modest scale the Company constructed a camp near its former property at Ten Mile Creek and rented the camp to another company for the summer, resulting in a modest net positive cash flow from the camp. The Company has also agreed to sell certain equipment no longer needed for Ten Mile Creek.

At April 30, 2012 the Company had negative net working capital of $180,120 compared to positive net working capital of $190,838 at July 31, 2011 and negative $82,060 on January 31, 2012. The deterioration in the three months to April 30, 2012 is due principally to continued spending on essential items and a consequent increase in payables.

As of April 30, 2012 and as of the date of this discussion the following table presents the Company's outstanding share data:

Shares in issue and fully diluted: April 30, 2012

			Number of shares
At	April 30, 2012	In issue	26,669,972
	Dilution:	Options	2,260,000
		Warrants	12,394,465
	April 30, 2012	**Fully diluted**	**41,324,437**

Share options

Options outstanding: April 30, 2012

Expiry Date	Exercise Price	Number of shares
January 8, 2013	$ 3.600	20,000
October 2, 2013	$ 2.500	55,000
December 1, 2014	$ 0.265	520,000
December 17, 2015	$ 0.165	760,000
July 1, 2016	$ 0.170	200,000
December 16, 2016	$ 0.100	705,000
Total		**2,260,000**

Share purchase warrants

Warrants outstanding: April 30, 2012

Under certain conditions the expiry date may be accelerated.

Expiry Date	Exercise Price	Number of Warrants
July 23, 2012	$ 0.30	9,415,732
December 23, 2012	$ 0.10	16,000
December 23, 2012	$ 0.15	200,000
June 08, 2013	$ 0.30	918,733
November 30, 2013	$ 0.10	1,844,000
Total		**12,394,465**

Contingent warrants issuable:	**541,631**

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. This will require that the Company raises significant new share capital in the coming months.

Off balance-sheet arrangements

There are currently no material off balance sheet arrangements and no new information to report since the most recent MDA.

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 $24,375 of which $17,625 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 $16,299.

Inclusive of expense accounts the amount owing to related parties at April 30, 2012 was $168,544.

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

Material transactions subsequent to April 30, 2012

Subsequent to April 30, 2012

1. The Company relinquished its option on the Ten Mile Creek property and wrote off its investment of $1,735,543;
2. The Company did not renew five of its eight claim groups in the South West Yukon and wrote off its investment of $114,198 in those properties;
3. The Company sold its subsidiary in Mongolia for $1 and wrote off its remaining investment of $1,000; and
4. The Company has incurred material expenditures on property investigation costs in respect to new opportunities. Such costs will be brought to account in the quarter ended July 31, 2012.

Financial instruments and other instruments

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

The Company's cash of $11,795 at April 30, 2012 consists of primarily of Canadian dollar denominated checking accounts, and United States dollar and Australian dollar denominated checking accounts.

Receivables at April 30, 2012 include prepaid expenses, deposits and GST/HST recoverable. Payables at April 30, 2012 include $168,544 payable to related parties and $22,271 in respect to mineral properties. Total receivables and payables of $23,087 and $232,060 respectively are normal course business items that are normally, liquidity permitting, settled within thirty days; the Company has an informal agreement however with its CEO and CFO to defer payment of their fees until the working capital situation allows.

The Company has a reclamation deposit in respect of a previously relinquished option to a mineral property interest in Canada in the amount of $10,000 (July 31, 2011 - $10,000). The site has been dismantled and it is the opinion of management that any environmental disturbance has been mitigated. The Company has requested a full refund of the reclamation deposit.

Change to International Financial Reporting Standards ("IFRS")

The accompanying interim condensed consolidated financial statements are the third to be prepared by the Company in accordance with IAS 34 using policies consistent with IFRS. Previously the Company prepared its interim and annual consolidated financial statements in accordance with Canadian Generally

Accepted Accounting Principles ("CGAAP"). Significant accounting policies are detailed in Note 4 in the notes to the interim condensed consolidated financial statements for the three months ended October 31, 2011.

The standards and interpretations within IFRS are subject to change and accordingly the accounting policies for the annual period that are relevant to the condensed consolidated financial statements will be finalized only when the first annual IFRS financial statements are prepared for the year ending July 31, 2012.

The effects of the changes to the Company's financial position arising from the adoption of IFRS are demonstrated in Note 18 to the condensed consolidated financial statements for the three months ended October 31, 2011.