SOLOMON RESOURCES LIMITED
October 31, 2012

Form 51-102 F1: MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER OF FISCAL YEAR 2013

Introduction

The following management's discussion and analysis ("MDA") has been prepared as of December 21, 2012. It is an update of the annual MDA prepared as of November 23, 2012 and filed on SEDAR on November 27, 2012. It should be read in conjunction with the Company's unaudited, interim financial statements for the quarter ended October 31, 2012. The 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 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 23, 2012 to Present:

Complete historical details regarding the Company's exploration properties may be found in the November 23, 2012 Annual MDA that accompanied the Annual Financial Statements filed on SEDAR on November 27, 2012.

The only exploration activity in this period was on the Company's Rurembo Prospecting Licence in the Republic of Rwanda.

The Letter of Intent for the Rurembo Prospecting Licence was converted to a formal Option Agreement on October 5th, 2012. Terms of the acquisition may be found in the November 23rd, 2012 annual MDA.

The Prospecting Licence covers 110,984 hectares in northwestern Rwanda and is directed at Sn-Ta-Nb (W) mineralization in pegmatite dyke swarms sub-parallel to the East Africa Rift.

The primary target is dilationary zones that occur where pegmatite dykes are crosscut by regional faults such as those which host the tin mineralization at the Gatumba Mining Concession located south of the licence area.

Solomon field crews have conducted preliminary exploration within the licence area from August to December of 2012 and the exploration focus has been directed to five primary targets identified by regional geochemistry, regional geophysics, prospecting and the presence of artisanal miners.

The first set of rock samples from a target located 24 kilometers North of Gitarama has been submitted to an analytical laboratory in Canada and while we await analytical results our Rwandan geological team is assessing the placer potential in alluvial and eluvial material derived from the pegmatite dykes in this area.

The exploration challenge in the Rurembo Prospecting Licence area remains to quickly identify priority targets using conventional surface exploration techniques.

In the first quarter the Rurembo licence accounted for exploration expenditures of $ 155,777.

Solomon's business model is that of a Project Generator. To build shareholder value, the Company intends to acquire highly prospective mineral tenures in stable jurisdictions with the objective of adding value through grassroots exploration and target refinement and then seeking option or joint venture partners through to production.

The Project Generator model is particularly suited to the Company's emerging focus on equatorial Africa where Solomon is the Canadian explorer leading the resurgence of this highly prospective and traditionally underexplored region. Solomon has assembled an exploration team with a wealth of intellectual capital and experience in African mineral exploration and development.

The Company continues to look for additional tin projects in the highly prospective Kibaran Belt of equatorial Africa.

Financial information

Selected information for the quarter and the same quarter in the previous fiscal year

		2012	2011	Comment
Total Revenue	$	1,724	678	1
General and administrative expenses				
Management fees	$	40,536	30,618	2
Share based payments	$	-	-	3
Travel, promotion and shareholder costs	$	9,246	10,649	4
Professional fees	$	20,873	21,038	5
Office and miscellaneous	$	18,700	10,833	6
Rent	$	9,000	9,447	7
Property investigation	$	-	8,304	8
Property maintenance	$	-	7,031	9
Stock exchange fees	$	720	-	
Transfer agent fees	$	490	983	
Amortization, less amortization capitalised	$	-	7,580	10
Total general and administrative expenses	$	99,565	106,483	
Other income and expense items				
Write off of expenditures on mineral properties	$	-	-	
Recovery of expenditures on mineral properties	$	5,179	27,868	11
Loss on sale of equipment	$	(230)	-	12
Net loss for the period	$	(92,893)	(77,678)	
Net loss per share (basic and fully diluted)	$	(0.00)	(0.00)	
Weighted average shares in issue		29,469,015	24,669,972	
Share capital at end of period				
Shares in issue		41,313,972	24,669,972	
Options and warrants		20,592,334	16,696,946	
Fully diluted share capital at end of period		61,906,306	41,366,918	
Other cash flows				
Proceeds on issue of shares	$	397,249	-	
Proceeds on sale of equipment	$	5,541	-	12
Cash spent on mineral property interests	$	(155,777)	(178,073)	
Other balance sheet items				
Total assets	$	561,689	2,224,472	13
Working capital	$	145,304	(61,171)	

Notes:
1) Revenue consists of gas royalties.
2) There were no discontinued operations or extraordinary items in the periods under review.

Comments

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. The following comments deal with the significant changes between the first quarter of fiscal 2013 ("FY2013 Q1") and the comparative quarter of the previous year.

1. Royalty receipts from the company's oil and gas assets are unpredictable and vary from month to month.
2. Operational activity increased in FY2013 Q1 as the Company focused on the establishment of the Rurembo project in Rwanda.
3. Share based payments arise from the award of share options. This occurs only in the second quarter of each year.
4. Travel in FY2013 Q1 related mostly to the private placement that closed at the end of the quarter. Travel that relates to mineral property interests is usually capitalized to the property.
5. Professional fees in FY2013 Q1 related mostly to the agreement by which the Company acquired its interest in Rwanda.
6. Office and miscellaneous costs in FY2013 Q1 include the cost the cost of closing the subsidiary in Australia.
7. There were no major changes in accommodation costs for the Company. The cost of the Company's premises in Rwanda is capitalized to that project.
8. There was no property investigation in FY2013 Q1. All property related costs were capitalized.
9. There was no property maintenance in FY2013 Q1. All property related costs were capitalized.
10. All equipment was deployed in Rwanda in FY2013 Q1 and therefore the amortization expense has been capitalized.
11. During FY2013 Q1 the Company recovered some of its spending on the 10 Mile Creek property from the owner of the claims. Costs related to demobilizing the project have been netted off against the recovery.
12. The office equipment at the Company's head office in Vernon B.C. was sold to a relative of a director in terms of an agreement to settle debts owed to that relative. The Company incurred a loss of $230 on the transaction.
13. The steep decline in the value of the Company's total assets between October 31, 2011 and October 31, 2012 reflects the change in focus from the Yukon Territory to the Republic of Rwanda. This change is dealt with in greater detail in the technical section of this MDA.

Summary of quarterly results for the last eight quarters

Fiscal 2013		1st quarter
Revenues	$	1,724
Comprehensive loss	$	(92,893)
Comprehensive loss per share	$	(0.00)

Fiscal 2012		1st quarter	2nd quarter	3rd quarter	4th quarter
Revenues	$	673	580	6,422	4,295
Comprehensive loss	$	(77,678)	(155,653)	(1,940,738)	(395,500)
Comprehensive loss per share	$	(0.01)	(0.01)	(0.07)	(0.01)

Fiscal 2011		2nd quarter *	3rd quarter *	4th quarter *
Revenues	$	3,538	5,489	4,523
Comprehensive income (loss) *	$	(1,055,683)	(95,785)	32,459
Comprehensive income (loss) per share *	$	(0.05)	(0.01)	0.01

* 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").

Liquidity and capital resources

During the quarter the Company recovered the $10,000 reclamation deposit that had been lodged with the Government of British Columbia in respect to a legacy, and now abandoned, project in B.C.

During the three months ended October 31, 2012 14,644,000 new common shares were issued pursuant to a private placement that closed in two tranches (September 24 and October 31, 2012). Gross proceeds of $732,200 were raised, of which $300,000 had been received prior to July 31, 2012. The total legal, filing and brokerage cost of the issue, including the calculated value of finder warrants, was $49,675. No new capital was raised in the first quarter of fiscal 2012.

At October 31, 2012 the Company had net working capital of $145,304 compared to a working capital deficit of $61,171 on October 31, 2011.

As of the date of this discussion the following table presents the Company's outstanding share data:

Shares in issue and fully diluted: December 21, 2012

			Number of shares
At	December 21, 2012	In issue	41,313,972
	Dilution:	Options	3,560,000
		Warrants	18,132,333
	December 21, 2012	**Fully diluted**	**63,006,305**

Share options

Options outstanding: December 21, 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
May 3, 2017	$ 0.100	200,000
December 13, 2017	$ 0.100	1,100,000
Total		**3,560,000**

Share purchase warrants

Warrants outstanding: December 21, 2012

Under certain conditions the expiry date may be accelerated.

Expiry Date	Exercise Price	Number of Warrants
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
September 24, 2014	$ 0.10	6,564,000
October 31, 2014	$ 0.10	8,589,600
Total		**18,132,333**

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 annual management's discussion and analysis, other than the lease commitment disclosed in Note 15 to the condensed financial statements for the quarter ended October 31, 2012 ($3,000 per month through February 2016).

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 $49,875 of which $44,981 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 $23,417.

The office equipment at the Company's head office in Vernon B.C. was sold to a relative of a director in terms of an agreement to settle debts owed to that relative. The Company incurred a loss of $230 on the transaction.

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

Subsequent to October 31, 2012 and in terms of the Company's Share Option Plan, ratified at the Company's Annual General Meeting on December 14, 2012, related parties, being directors, officers and a relative of a director were awarded 950,000 share purchase options, exercisable at $0.10 per share on or before December 13, 2017.

Financial instruments and other instruments

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

The Company's cash of $286,964 at October 31, 2012 consisted primarily of Canadian dollar denominated checking accounts, with small amounts carried in United States dollar checking accounts. The Company had no active bank accounts or cash in any other currency.

Receivables at October 31, 2012 include prepaid expenses, deposits and GST/HST recoverable. Payables at October 31, 2012 include $121,536 payable to related parties and $18,576 in respect to mineral properties. Receivables of $71,169 and payables of $91,293 are normal course business items that are normally settled within thirty days. The amount due to related parties at October 31, 2012 reflects amounts owing to the Company's CEO and CFO to in unpaid fees that accrued prior to April 30, 2012. These debts will be settled when the working capital situation allows using Company assets that were in place prior to July 24, 2012.

Material transactions subsequent to October 31, 2012

There have been no material transactions subsequent to October 31, 2012.