Introduction

The following management discussion and analysis has been prepared as of November 12, 2008. It should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2008. The financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles and all numbers are reported in Canadian dollars, unless otherwise stated.

This discussion contains 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. Additional information relating to the Company can be found on SEDAR at www.sedar.com and the Company's website: www.solomonresources.ca

Background

Solomon Resources Limited is a junior mineral exploration company listed on Tier I of the TSX Venture Exchange, symbol SRB. Its assets consist of mineral properties, cash and investments. The Company funds its operations either through the sale of shares of the Company or through the sale of its investments. The mineral exploration business is very high-risk. The most significant risks for the Company are:

1. The chances of finding an economic ore body are remote.
2. The junior resource market, where the Company raises funds, is volatile and there is no guarantee that the Company will be able to raise funds as it requires them.
3. The political risk associated with working in jurisdictions outside of Canada.

Other risk factors include the establishment of undisputed title to mineral properties, environmental concerns and the obtaining of governmental permits and licences when required.

Overall performance

Success in the junior mining exploration business is measured by a company's ability to raise funds and identify and secure properties of merit. The ability to raise funds is in part dependent on the state of the junior resource stock market, which in turn is dependent on the economic climate, metal prices and perceptions as to which way the market is headed. The ability to secure properties of merit is in large part dependent on management's research and expertise. In the past two years, the Company has raised $3 million from the sale of its shares and $3 million from the sale of its investments.

The Company currently has direct or indirect investments and/or interests in resource properties in Mongolia, Canada (British Columbia and Ontario), the United States (Alaska), Australia, and Burkina Faso. Details of the agreements through which the Company is earning, or has earned its interest in its resource properties can be found in Note 7 to the audited consolidated financial statements.

Exploration activities for the years ended July 31, 2007 and 2008 and for the period from August 1, 2008 to date:

Mongolia

For the year ended July 31, 2007:

In March 2007, the Company gave formal notice to Gallant Minerals Ltd. of Hamilton, Bermuda terminating its participation under the terms of the agreement with Gallant and subsequently all residual interest in properties subject to the sub-agreement with Asia Gold Corp. (now called South Gobi Energy Resources Ltd.; "South Gobi"). In consideration of legislative changes in Mongolia, the Company considered the terms of the agreement as untenable and terminated the agreement prior to making the second anniversary payment. The Company is no longer participating in or earning an interest in, amongst other properties, the: Bayantsaagan property; Chandmani property; or Tsakhir property.

Work completed prior to March 2007 was focused on the Bayantsaagan and Chandmani projects. In September and October of 2006, the Company completed magnetometer and IP/Resistivity geophysical surveys and preliminary geochemical soil and silt sample surveys at Bayantsagaan. At the Chandmani gold copper project located in northwest Mongolia, the Company's field crews continued its extensive geological program focused on the KY (Kharvchig Yargait) copper-gold skarn and gold-copper porphyry areas. Soil sampling and geological mapping were also conducted on the Chandmani and Yembu Tolgoi prospects on the Chandmani property.

The Company continued to be active in Mongolia under its 100% owned Mongolian subsidiary SRM LLC, exploring for uranium on its Airag and Matad Properties and reviewing and acquiring new uranium properties. The Company completed grid controlled, truck-mounted auto-gamma spectrometer surveys of Matad 1 & 2 properties in August 2006. Some follow up geological mapping and sampling was completed of all the Airag and Matad properties in the fall of 2006, including test pitting for coal on Matad 1.

On November 8, 2006, the Company negotiated a Letter of Intent to acquire a 100% interest in the Zamtiin Gol uranium property from Erdenyn Erel LLC, a private Mongolian company. The 39,165 hectare Zamtiin Gol property is located in Arhangai Province in west central Mongolia, more than 550 kilometres west of Ulaanbaatar. The Company completed a preliminary truck-mounted auto-gamma spectrometer survey of the property in 2006. In May and June, 2006, Solomon field crews were active completing detailed geological, spectrometer, and total magnetic geophysical surveys of the target areas of the Zamtiin Gol property. This was followed up by a widely-spaced, 418 sample soil auger survey focused on the spectrometer anomaly areas in June.

The Company, through SRM LLC, was granted three additional licences in July 2007, including:

- Dornogobi 1: Donorgobi Province, Mongolia, 17.992 hectare uranium prospect;

- Dornogobi 2: Donorgobi Province, Mongolia, 39,793 hectare uranium prospect;
- Uvurkhangai: Uvurhangai Province, Mongolia, 62,705 hectare uranium prospect.

Preliminary reconnaissance spectrometer surveys were conducted of Dornogobi 1 and 2 in late July, 2007, and a 2,200m diamond drilling programme commenced November 12, 2007.

For the year ended July 31, 2008:

The Company's seven mineral licences covering 356,603 hectares in Mongolia comprised four distinct properties: the Baruunbayan, Zamtiin Gol, Airag and Uvurkhangai Projects, described below.

Baruunbayan Uranium Project

The Company's Baruunbayan Property comprises 248,300 hectares and is located within the Ooshiin Govi Basin at the south-western end of the Unegt Depression, a broad basin approximately 100 kilometres in length and 60 kilometres in width. It extends from the Solomon tenures in the southwest to the Cogegobi XXK tenures in the northeast. Cogegobi (an Areva subsidiary) announced a significant discovery in late 2007 of previously unknown bulk tonnage low grade uranium mineralization. Cogegobi committed to an aggressive 85,000 metre drill program in 2008 and is constructing an *in-situ* recovery pilot plant on their holdings.

During the year ended July 31, 2008, the Company, through its 100% owned Mongolian subsidiary SRM XXK, was granted 2 additional licences, including:

- Dornogobi 3: Donorgobi Province, Mongolia, 17,992 hectares uranium prospect.
- Dornogobi 4: Donorgobi Province, Mongolia, 39,793 hectares uranium prospect.

Upon receipt of the above licences, in late 2007 the Company, through SRM, launched a large regional and detailed geological and geophysical survey of the Dornogobi 3 & 4 properties. The fieldwork included over 1,850 line-kilometres of truck mounted auto-gamma spectrometer and magnetometer surveys, 1:25,000 to 1:5,000 geological surveys, rock and soil sampling and 2,300 metres of diamond drilling. The work program targeted both basement source volcano sedimentary tectonic hosted uranium deposits and more recent roll-front type or tabular, sediment hosted uranium deposits in a total of four Cretaceous lacustrine basins located on the Baruunbayan property.

A total of 587 samples including field duplicates, blanks and standards were prepared and initially analyzed by XRF at Actlabs Asia in Ulaanbaatar and then Delayed Neutron Count by Actlabs in Ontario, Canada. Selected samples were sent to ALS-Chemex in Vancouver for trace element analysis for 48 elements including U by HF-HNO3-HClO4 acid digestion, HCl leach, and a combination of ICP-MS and ICP-AES.

The 2007 Mongolian drill program was contracted to Falcon Drilling Mongolia LLC who provided two skid-mounted drill rigs (F2000 and BBS-56 series.) The drill program extended from November 10th to December 12th, 2007.

Seven drill holes comprising 585.05 metres were completed at the Ail Prospect, on the Baruunbayan Property, exploring for basal uranium mineralization in Cretaceous coarse conglomerate and fine grained sedimentary rocks as well as structurally controlled and stratabound uranium mineralization in Jurassic clastic sedimentary rocks. Two shallow low grade uranium intersections were encountered but found to be limited to surficial material and fracture fill and no further work was carried out this year on the Ail Prospect.

Nine widely spaced scout holes comprising 1563.75 metres were drilled in the Basin Area of the Baruunbayan Property exploring for sediment-hosted "tabular" or "roll-front" type uranium mineralization. Five holes totalling 1139.3 metres were completed in the Ooshiin Govi Basin, three holes totalling 318.0 metres were completed in the Bumbat Basin and one hole of 106.45 metres was drilled in the Shine Us basin. Assay results from the Bumbat and Shine Us basins did not return any significant uranium intersects but one hole drilled in the Ooshin Govi Basin (DDH-BB-08) intersected a three metre reduction zone containing uranium mineralization with grades comparable to that reported by Areva subsidiary Cogegobi in their program in the north-eastern portion of the Basin.

A small horst block isolates the Ooshiin Govi from the main trend of the Unegt Depression. Drilling in 2007 confirmed that the Ooshiin Govi Basin is transected by reactivated tectonic faults striking generally north-easterly. Thick lacustrine sediments have accumulated in the south-eastern and more deeply seated edge of the Basin, while coarse alluvial and proluvial sediments accumulated at the uplifted north-western edge of the Basin.

Historical uranium exploration in the Unegt Depression has been focussed on the proluvial and alluvial sedimentary rocks of the Cretaceous Sainshand Formation. Fossil and stratigraphic evidence suggest that the Cretaceous basins of southeast Mongolia were bounded by the syndepositional Totoshan and Saikhandulaan uplifts and later covered by Upper Cretaceous and Palaeocene sedimentary rocks.

Environmental baseline work was completed by Eco-Trade LLC on the Company's Baruunbayan property in the late fall of 2007. The environmental contractor documented unrehabilitated trenches and other surface impacts from historical Soviet exploration near the Tsagaan Tsav village and surveyed fourteen wells within the Solomon licence area. Water samples were collected and geochemical analyses conducted by Actlabs in Ontario.

In advance of the 2008 field season Solomon personnel collated reports and data from previous exploration in the Unegt, Zuunbayan and Sainshand Depressions in Dornogobi Aimag. The Company's geologists and geophysicists reviewed geological reports from oil exploration from 1930 to 1970, regional geological mapping from 1960 to 2003, hydrogeological exploration from 1940 to

1990, copper-molybdenum-gypsum exploration from 1980 to 1985 and Soviet-era uranium exploration from 1980 to 1985.

On March 19, 2008, field work resumed on the Baruunbayan Property including 1700 line-kilometres of ground geophysics, detailed geological mapping and alpha cup surveys.

On April 3, 2008 diamond drilling resumed on the Baruunbayan Property with the first collar of the 2008 drill program located 400 metres south-southeast of hole DDH-BB-8 from the 2007 drilling which returned assays of 0.02% U_3O_8 over 3 metres in highly reduced sedimentary rocks of the Upper Cretaceous Bayanshiree Formation.

The Company's President Randy Rogers, director Bill Lindqvist and consultant Frank Hassard, P. Eng. conducted a due diligence review of the field program and drilling campaign in May of 2008.

Three drill holes completed in the 2008 campaign returned encouraging down hole spectrometric anomalies:

- DDH-BB-14 returned three down hole gamma spikes between 207.3 metres to 209.85 metres (2.55 metre interval) ranging from 140-250 cps TC, and the anomalous section was observed to be within permeable unconsolidated conglomerate of the Upper Cretaceous Bayanshiree Formation.
- DDH-BB-17 returned a continuous series of elevated down hole gamma readings from 129.8 metres to 255.25 metres (125.45 metre interval) ranging from 20 cps TC to 200 cps TC and is the most strongly anomalous hole encountered to date with regard to spectrometric readings. DDH-BB-17 ended in fine to medium grained sandstone of the Lower Cretaceous Khukhteeg Formation.
- DDH-BB-20, completed June 2, 2008, returned down hole gamma readings of 200 counts per second (cps) in an isolated spike at 186.0 metres depth; another isolated spike at 195.0 metres depth of 120 cps, another isolated spike at 203.0 metres depth of 150 cps, and a significant reading of 410 cps from 213.5 metres to 215 metres (a 1.5 metre interval) in moderate yellowish brown, yellowish gray fine grained sandstone.

The first two phases of the 2008 drill program were designed to follow-up encouraging results reported in the 2007 campaign and included twenty-two drill holes totalling 4894.2 metres. Down-hole gamma surveys were conducted on all drill holes and 892 samples were shipped to ALS-Chemex in North Vancouver, Canada for assay. A period of civil unrest leading up to and following the Mongolian general elections caused a corresponding slowdown in the normal operations of the Mongolian government bureaucracy and the Company endured a substantial delay in processing the assay samples through the various agencies which regulate international exports.

Zamtiin Gol Uranium Project

The Company's Zamtiin Gol Project is located in Arkhangai Province in central Mongolia, approximately 690 kilometres west of the capital city of Ulaanbaatar. The Company acquired a 100% interest in the Zamtiin Gol Property subject to a 0.5% Net Smelter Return royalty provided for in the Letter of Intent between the Company and Erdenyn Erel LLC dated November 8th, 2006. The Company may purchase the 0.5% NSR for $250,000 at any time during the 12 months after start-up should the property be placed into production.

The northern part of the Zamtiin Gol area is underlain by Upper Proterozoic medium grained biotite and biotite-hornblende granite which forms an elevated northern highland above lower rounded hills to the south comprised of Proterozoic coarse grained biotite-hornblende granite-porphyry.

The Zamtiin Gol Project area includes a number of airborne spectrometric anomalies, first identified by Soviet workers in 1984, which rank amongst the strongest in central Mongolia.

The Company conducted 1:50,000 scale geological mapping and truck mounted spectrometer surveys over the southern portion of the project area in 2007, and a limited program of grid auger soil sampling. Five discrete spectrometric anomalies were outlined with values ranging from 1200 to 4200 Counts per Second (cps) and twelve distinct soil geochemical anomalies were identified with values up to 0.11 % U_30_8. The four highest anomalies were centered over the intrusive margins and colluvium flanks of the Solongo granitic complex.

The Company's President Randy Rogers conducted a due diligence review of the field program in May of 2008. The 2008 program was directed at selected spectrometric and soil anomalies and included geological mapping at a scale of 1:25,000 along with 512 line-kilometre ground spectrometric and magnetometer survey on traverse lines spaced 200 metres apart. A uranium soil anomaly measuring approximately 2 kilometres by 2 kilometres was outlined in the central part of the survey area surrounded by higher potassium and thorium buffers

Airag Uranium Project

The Airag Uranium Project includes a number of discrete licence areas located near the town of Airag, in Dornogobi Province, approximately 370 kilometres south-southeast of Ulaanbaatar. In 2007, Solomon crews conducted field exploration for Soviet-era spectrometric anomalies and found one anomalous area underlain by calcrete with coarse chalcedonic quartz fragments to have spectrometer readings from 1000-1100 counts per second and 10-12 parts per million equivalent uranium. Two historical trenches were excavated and anomalous gamma-ray spectrometric readings observed.

Uvurkhangai Uranium Project

The Uvurkhangai Uranium Project is located in Uvurkhangai Province 110 kilometres south of the the town of Arvaikheer, and approximately 540 kilometres southwest of the Mongolian capital city of Ulaanbaatar. The region was geologically mapped at a scale of 1:200,000 in the early 1980's and a Soviet airborne geophysical survey was completed in 1981 with survey lines spaced 2 kilometres apart. The report of this airborne survey was never submitted to the Government of Mongolia. Denison Mines is believed to have undertaken some diamond drill testing of the Soviet anomalies and the results of this exploration are not known. The Uvurkhangai area has good potential for sandstone hosted uranium mineralization and the Company has proposed systematic truck-mounted spectrometric surveys to be followed with auger soil geochemical sampling where warranted.

August 1, 2008 to date:

Baruunbayan Uranium Project.

Following the drill program, the Company's field crews returned to the Mongolian capital city of Ulaanbaatar to compile the data gathered in the first two phases of the 2008 exploration program. Once the assay results are interpreted, the Company will consider the next phase of this project.

Zamtiin Gol Uranium Project

Our preliminary modelling indicated a clear zonation of uranium, potassium and thorium. Our investigation to date has determined that the target area which carries highly anomalous uranium soil geochemical values is covered by glacial sediments and our ongoing exploration will be adapted to this environment.

Airag Uranium Project

The Company continues to compile historical exploration data, and has proposed truck-mounted spectrometric surveys and soil geochemical sampling. Licences for the properties Airag 1, Airag 3, Matad 1 and Matad 2 have been dropped and deferred exploration charges of $97,045 written off in the year ended July 31st, 2008.

British Columbia, Canada

For the year ended July 31, 2007:

On December 12, 2006, the Company optioned the COL copper-gold porphyry property in the Hogem Batholith area located in north central BC. The Company had the right to earn a 100% interest in the property by expending $2.2 million and paying $1.175 million to the owners over 5 years.

The Company also staked an additional 32 claims (the Magnet West and Magnet East properties) adjoining to the COL property along the northwest/southeast trend of a regional airborne magnetic anomaly. A large summer program of ground geology, geochemistry, and 1,447 line-kilometre airborne magnetic and electromagnetic geophysical surveys and up to 2,500 metres of drilling commenced in mid-June 2007. Field crews completed geological mapping, prospecting and sampling and building access roads and drill pads.

The Company staked the seven Nook & Rook claims totalling 3,129 hectares in the Cariboo Mining District of central British Columbia in April of 2007. The claims are held 100% by the Company over volcanic and sedimentary rocks of the Slide Mountain Terrane where historical records indicate potential for the discovery of a volcanic massive sulphide (VMS) copper-lead-zinc deposit. The Company's field crews were active on the property in June and July 2007 completing geological mapping and geochemical soil and stream sediment surveys.

The Company contracted Moose Mountain Geological Services to prepare a technical report on the Bowron Basin Coal Project. While this work was ongoing, it included the compilation of all historic data and the generation of a model to assist in defining the deposit. No work was completed on the leases. The Company elected to continue holding the property and made all payments on its lease in June, 2007.

The Company was not active on its Tatsa gold-copper property in British Columbia in the year ending July 31, 2007.

For the year ended July 31, 2008:

Col - Magnet Property

The COL-Magnet property was first explored in the early 1970s by Falconbridge Nickel Mines Ltd which reported drill intercepts of up to 45.7 metres grading 0.84% copper.

The Company optioned the Col-Magnet Property on December 12th, 2006 from Indata Resources Ltd. and Nation River Resources Ltd. and acquired additional prospective ground to the east and west of the option area. The COL-Magnet property is situated within the central portion of the Quesnel Trough, depositional basin 30 to 60 kilometres wide which extends 1300 kilometres from the United States border to the Stikine River in Northern British Columbia. The Col-Magnet property lies within the Hogem Intrusive Suite of early Jurassic age where intrusive bodies range in size from tens of metres to tens of square kilometres in size. Coarse grained monzonite is restricted locally to the Hogem intrusive suite, the intrusion on Mt. Milligan and the Max Pluton, and the coarse grained crowded porphyrytic phases are key to finding mineralization. Dykes of syenite cut through the property, and xenoliths of monzonite are present. The syenite was the terminal phase of the Hogem Intrusive and has been dated at 183 Ma.

Mineralization found to date is associated with alkaline shoshonitic suites of late Triassic to early Jurassic age with cogenetic alkaline intrusions. Gold-copper porphyry mineralization occurs in and around sub volcanic intrusions. The host monzonite is typically the crowded monzonite type, and intrusive breccias and diatremes are also an important aspect of these systems. In the porphyry systems, contact metamorphism, as expressed by flinty biotite hornfels, is extensive compared to the small size of the intrusions that core the aureole. Propylitic and potassic alteration assemblages are superimposed on contact metamorphosed country rock and also occur in the monzonite. Abundant secondary magnetite, part of the potassic mineral assemblage, makes airborne and magnetic surveys an important exploration tool.

During the 2007 exploration season, the Col-Magnet property was explored with an aeromagnetic survey, extensive soil geochemical surveys, stream sediment surveys, geological mapping and completion of 14 diamond drill holes totalling 2,500 metres. One intersection of 0.60% copper and 0.14 to 0.32 grams/tonne gold was reported over a true width of 25 metres, with a down dip extent of more than 180 metres.

In 2008, the Company completed 1,043 metres of diamond drilling in eight drill holes on five discrete targets:

1. The VG Target near the original Campbell trench area which had reported copper values of 4.88% and gold values of 2.4 grams/tonne in historical rock samples; this area was also identified in the 2007 program as an EM geophysical anomaly;
2. The Sleeper Copper-Molybdenum North Pluton, which had been identified by 2007 program soil geochemistry as containing 854 parts per million copper, and 25 parts per million molybdenum;
3. The East Tackla Site which targeted a 2007 electro-magnetic geophysical anomaly as well as soil geochemistry values of 2089 parts per million copper;
4. The Sleeper Pluton, also a 2007 program EM geophysical anomaly;
5. The East Ridge, identified by the airborne survey as a magnetic high, and localized copper-gold soil anomalous values of 412 parts per million copper and 23 parts per billion gold.

The best intersection in the 2008 diamond drill program was from the VG showing where DDH-2008-1 intersected 0.43 % copper and 0.51 grams/tonne gold from 17.0 metres to 47.0 metres depth (a 30 metre intersection.) This mineralization was found within highly potassic altered dykes hosted in biotite-hornblende monzonite with of bornite, pyrite and minor chalcopyrite. DDH 2008-1 is located approximately 1 kilometre from the "A Zone" along a separate sub-parallel structural trend.

Our exploration efforts over the past two seasons have returned some intriguing mineralized intersections and added to our understanding of the structural controls of mineralization on this property. However, given current market conditions and the mixed results of the exploration program to date the Company has decided that the cost of future option payments do not represent an attractive continuing investment. The option will not therefore be renewed.

Tatsa and Nook and Rook

The Company has abandoned the Tatsa and Nook & Rook mineral tenures in British Columbia as having limited exploration potential under current market conditions.

Bowron Coal Project

The Company is actively seeking purchasers for the Bowron Coal Project in central British Columbia. The Bowron Coal Project is a 100% owned Solomon asset with a historical resource of bituminous B/C non-metallurgical (high ash) coal with a heat rating of 8000 btu/lb.

<u>Ontario, Canada</u>

For the year ended July 31, 2007 – Eyapamikama:

In August, 2006, the Company signed a Letter of Intent with Northern Dynasty Minerals Ltd. and Energold Minerals Inc. for the right to acquire a 60% interest in the Eyapamikama Lake (formerly 'Arseno Lake') inclead - silver property in the Patricia Mining division in Northwest Ontario. The Company completed a small HLEM electromagnetic survey of the main polymetallic massive sulphide zone in preparation for a planned winter drilling program. Discussions and liaison with the North Caribou Lake First Nation was initiated, but an agreement or terms of reference for a Letter of Intent were not reached and the drill program was delayed. Discussions with the NCLFN council were ongoing throughout the year.

For the year ended July 31, 2008 – Eyapamikama:

This polymetallic volcanogenic massive sulphide target was planned for drilling during the summer of 2007, but that exploration program was delayed when talks broke down with the North Caribou Lake First Nation. Discussions with the band resumed in October of 2007, and the Company submitted Letters of Intent to both the band council and the Eyapamikama Trappers outlining terms that had been discussed and agreed upon to allow the drilling to commence. Repeated attempts to arrange a meeting with council and the trappers to finalize the agreement were unsuccessful. The Company therefore terminated its option agreement with Energold Minerals Inc and Northern Dynasty Minerals Ltd.

Subsequent to July 31, 2008 - Goldcreek Archean Lode Gold / Volcanogenic Massive Sulphide Project:

The Company has signed a Letter of Intent with Mengold Resources Inc (MNI: TSX-V) to earn up to a 50% interest in the Goldcreek Archean Lode Gold / Volcanogenic Massive Sulphide Project located approximately 70 kilometres west of Thunder Bay, in the Shebandowan area of Northwestern

Ontario. The 90 contiguous claims cover 17,248 hectares in Conacher, Duckworth, Horne, Laurie and Sackville Townships.

The Company can earn up to a 50% interest in the Property by conducting an exploration program over three years totalling $ 5,400,000, making a $100,000 cash payment to Mengold Resources Inc. and issuing common shares of the Company to Mengold worth $ 375,000 over three years (the initial $50,000 tranche has been satisfied by the issuance of 385,000 shares at a deemed value of $ 0.13 per share).

The Company will be the Operator of the Project for the three years of the earn-in period throughout which Mengold will be retained as Project Manager. At the conclusion of the earn-in period, a joint venture for the future development of the property will be formed with Mengold as the Operator and consideration will be given to forming a new company with proportionate ownership by the Company and Mengold to advance the project. As part of the terms of the Letter of Intent, Mengold commissioned a National Instrument 43-101 Technical Report by Caracle Creek International Consulting Inc. issued jointly to the Company and Mengold.

The Goldcreek Property is located 14 kilometres east-southeast of Inco's Shebandowan Mine which has reported historical production of 2.6 million tonnes grading 2.25% nickel, 1.0% copper and 2.68 grams/tonne platinum group elements in mafic to ultramafic rocks.

The Goldcreek Property is located in the Shebandowan Greenstone belt of the Wawa Subprovince of the Superior Province of the Canadian Shield. The Shebandowan Greenstone Belt comprises neo-Archean intracratonic supracrustal rocks of ultramafic, mafic, intermediate and felsic metavolcanic composition with banded-iron formations and metasedimentary rocks which have been locally intruded by peridotites, gabbros, feldspar porphyries and quartz-feldspar porphyries. Diabase dykes and lamprophyre dykes cut all the units. Regional greenschist facies metamorphism has developed chloritic and quartz sericitic schists within the felsic volcanics and tuffs. Metamorphic halos associated to intrusive have resulted in upper greenschist to lower amphibolite facies locally. Structurally the area comprises a broad syncline trending east-northeasterly with steep but variable dips. A major regional fault, the Crayfish Creek Fault, bisects the area in an east-southeast direction.

Recent work suggests that magmatic hydrothermal processes related to late stage mantle-derived plutons play a role in the genesis of lode gold deposits in the Shebandowan Belt. Mineralization is associated with these intrusions and easterly trending regional deformation structures up to ten kilometres distant. Segments or splays of the regional faults that depart from the regional strike of these zones by 20° to 40° as seen on the Mengold property as well as upright anticlines or domes related to the folding appear to be especially favourable structures

The Goldcreek property is highly prospective for lode gold in Neo-Archean quartz-carbonate veins and volcanogenic massive sulphides. Bonanza grade gold mineralization has been confirmed by the Company's due diligence examination and Mengold has found strong gold, copper, and zinc soil geochemical anomalies across a 5 kilometre by 1.5 kilometre grid in the "Center Zone" of the property that together with geological and geophysical evidence suggest potential for volcanogenic massive sulphide mineralization. Mengold has expended approximately $4,200,000 to date and has identified three discrete mineralized zones with drill ready targets.

The Company and Mengold geological staff have compiled exploration data from previous work. A 22 hole, 4,715 metre drill program commenced on November 6th, 2008.

Alaska, United States

Sleitat Tin Project

For the 24 months ended July 31, 2008:

The Sleitat Property is located in south-western Alaska, 415 kilometres southwest of Anchorage. Sleitat is a tin-tungsten-silver occurrence within a multi-phased Tertiary granitic stock that intrudes a flysch sequence of Cretaceous Kuskokwim Group sandstones and shales. The stock is considered to be the south-western-most of a string of similarly isolated Tertiary granite hosted greisen tin deposits. Mineralization occurs as cassiterite in the granitic units and in the surrounding hornfels, with coarser grained cassiterite seen along veins within breccia zones. In 1989, the United States Bureau of Mines (USBM) evaluated the tin potential of the property, and inferred a resource of 25.9 million tons grading 0.22% - 0.37% tin, 0.04% tungsten, and 17 grammes/tonne silver (non-NI 43-101 compliant.)

The Company staked the Sleitat Tin Property in 2005 and granted an option to Brett Resources Limited (BBR: TSX-V) on July 23rd, 2005 to acquire an 80% interest in the property. Brett conducted a preliminary drill program in 2006 comprising five drill holes totaling 702.5 metres which twinned and largely confirmed Cominco's (a previous owner of the property) best hole and expanded the property's known tin-silver mineralization.

In July 2008, the Company received the final payment of 400,000 shares of Brett pursuant to the Option Agreement. Brett has now earned an 80% interest in the property by issuing a total of 1,000,000 shares to the Company, and the Company retains a 20% participating interest in the property.

Neither the Company nor Brett conducted any exploration during this period on the project.

Subsequent to July 31, 2008:

The Sleitat Tin-Silver Property is considered to have good potential for the discovery of economic concentrations of moderate to high grade tin–silver mineralization and the Company and Brett Resources Inc. are in the process of forming a Joint Venture to further the exploration of the Sleitat Mountain Tin Project in the 2009 exploration season.

Western Australia

For the year ended July 31, 2007:

The Company held a variety of large tenement holdings in the Kalgoorlie area of Western Australia. Drilling was conducted in late 2006 on the Glandore South property, a 20%-80% Solomon-Harmony South KAL Mines Joint Venture. The Company maintained its 100% ownership of the Emu Dam, Monger South and Lucky Bay tenement holdings.

Joint venture partner Newcrest Mining Ltd. of Australia continued to explore the Monger Newcrest JV property (formerly part of the KSP known as the Mount Monger project). A total of 85 RAB (rotary air blast) holes were also drilled on the JV property from July to September 2006, producing numerous significant results including 17 metres of 929 ppm gold (NCMRB0819) in area of the Timber Reserve prospect. The Company elected to not participate in the JV expenditures and was diluted to a 20% interest.

For the year ended July 31, 2008:

The Company was not active on its properties in Western Australia in the year.

The Company's wholly owned subsidiary Solomon (Australia) Pty. Ltd. executed the final agreement for the sale of the Company's Kalgoorlie Southeast Project in Western Australia to Integra Mining Ltd (IGR:ASX). The Kalgoorlie Southeast Project comprised four Exploration Licences, seventy-five Prospecting Licences, seventeen Mining Leases and nine Miscellaneous Licences all of which are the last remaining Australian tenements owned by the Company. The tenements were sold for Integra shares valued at A$ 1,000,000 and the replacement of the Company's environmental bonds at a value of A$ 280,000. The Company does not hold any other exploration tenements in Australia.

Burkina Faso

For the year ended July 31, 2007:

The Company and partner Channel Resources Ltd. were formally advised by Orezone Resources Inc. (OZN: TSX-V) that it had earned its 50% interest in the project having met and exercised the requirements its option agreement, having spent US$1.7 million before January 17, 2007. The Orezone expenditures were based on a late 2006 drilling program that focused on defining the several known higher grade horizons within the Bombore Permit.

For the year ended July 31, 2008:

Orezone Resources Inc. continued to explore the Bombore Gold Project in Burkina Faso in West Africa, held under option from Channel Resources Ltd. and Solomon Resources Limited. Orezone has received all of the assays from a 19,662-metre reverse circulation drill program conducted in 2008 and published an initial resource estimate on SEDAR. Further information is available from Orezone at http://www.orezone.com .

Subsequent to July 31, 2008:

On August 7th, 2008 the Company reached an agreement with Channel Resources Ltd. and Orezone Resources Inc. whereby the Company and Channel have sold their remaining interests in the Bombore Gold Project, Burkina Faso to Orezone.

The agreement terminated a previous Heads of Agreement entered into on August 12, 2002 and an Amending Agreement dated September 14, 2004, whereby Orezone was earning up to a 100% interest in Bombore, subject to a 1% net smelter return royalty shared by Channel (55%) and the Company (45%). Orezone had met the agreed expenditure requirements to earn a 50% interest in Bombore.

Consideration for the remaining interests in Bombore, including the net smelter return royalty, was 1,000,000 common shares in Orezone, shared by Channel (550,000 shares) and the Company (450,000 shares), which is subject to a four month restricted resale period.

Chile

The Company ceased operation in Chile in the year ended July 31, 2007, allowing its Santa Candelaria II 1/5 copper-gold property in Region III to revert to the state and dissolving its subsidiary company, Solomon Chile SRM.

Qualified Person

Randy Rogers, M.Sc., P.Geol. a "Qualified Person" for the purposes of National Instrument 43-101, *Standards for Disclosure for Mineral Projects* of the Canadian Securities Administrators, and the President and Chief Operating Officer of Solomon, has verified the data disclosed herein including sampling, analytical and test data and prepared or supervised the preparation of the information that forms the basis of the disclosure contained herein.

QA/QC:

Solomon has implemented quality assurance and quality control measures in its exploration programs, including the following:

- All field and data analysis work is carried out under the supervision of qualified Solomon geologists and geophysicists in accordance with procedures developed to conform to current 'best practices' in mineral exploration.

- All spectrometric data (Total Count, uranium, thorium and potassium content fields) is converted to ACSSII format, and then checked for error using the minimum square method in preparation for plotting

- Analytical work has been conducted in certified labs, including Activation Laboratories Ltd. in Ontario, Canada, Actlabs Asia LLC in Ulaanbaatar, Mongolia (a subsidiary of Activation Laboratories Ltd. of Ancaster, Canada) and ALS Chemex in North Vancouver, Canada.

- Laboratory results are reported in parts per million uranium (ppm).

  - For values in percent U_3O_8, ppm U is multiplied by a conversion factor of 0.0001179 (1 ppm U x 1.179 = 1.179 ppm U_3O_8; 10,000 ppm uranium = 1.0% uranium; 10,000 ppm U_3O_8 = 1.00% U_3O_8);
  - For conversion to lbs/ton U_3O_8, % U_3O_8 is multiplied by 20 (1 ton = 2,000 lbs).
  - For conversion to lbs/ton U_3O_8, ppm U is multiplied by 0.002358 (0.0001179 x 20)

- In addition to internal checks and standards provided by the labs, Solomon includes blind standard, duplicate and blank samples. All analytical sample checks and standards are within reasonable limits of error.

Selected Annual Information

		2008	**2007**	**2006**
Total Revenue	$	20,473	20,434	69,728
Other Items	$	(63,479)	(2,160,562)	184,596
Net income (loss) for the year	$	(161,171)	(2,984,433)	(726,192)
Comprehensive income (loss) for the year	$	(480,615)	(2,984,433)	(726,192)
Net income (loss) per share	$	0.00	(0.06)	(0.02)
Total Assets	$	5,220,947	6,122,562	5,692,959
Working Capital	$	1,663,153	3,815,484	319,989

Notes:

1. Revenue consists of gas royalties.
2. There were no discontinued operations or extraordinary items in the years under review. Other items include gain on sale of investments, foreign exchange loss, resource property write-downs and gain on sale of properties.
3. Other items includes interest received of $64,753, tax paid on unspent flow through funds of $53,591 and commissions paid on sale of investments of $30,183.
4. The basic and diluted income (loss) per share numbers were the same in each of the years under review.
5. The Company had no long-term financial liabilities for the years under review.
6. The Company has no history of declaring dividends.

The significance of these numbers is discussed under "Results of Operations" and "Liquidity and Capital Resources".

Results of Operations

		2008	**2007**
Net income (loss)	**$**	(161,171)	(2,984,433)
Comprehensive income (loss)	**$**	(480,615)	(2,984,433)
Gain on sale of investments	**$**	1,232,722	459,765
General and Administrative Costs	**$**	742,342	822,143
Stock Option Compensation	**$**	22,800	179,588
Foreign Exchange Gain (loss)	**$**	(84,314)	45,473
Resource Property Write Offs	**$**	(2,120,785)	(1,933,522)

In fiscal 2008, the Company had a net loss of $161,171 as compared to a net loss of $2,984,433 for fiscal 2007.

The following discussion explains the variations in the key components of such losses and the other numbers set out above 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 and how many shares it has outstanding.

In fiscal 2008 and 2007 the Company sold a significant amount of its investments in other resource issuers to finance its ongoing operations. This resulted in proceeds on sale of $2,266,118 and $792,425, respectively, and corresponding total book gains of $1,232,722 and $459,765. The market value of the Company's remaining investments at July 31, 2008 is $1,310,697. This is unlikely to represent what the Company can expect to realize from these investments, for, as has been pointed out earlier, the junior resource stock market is very volatile.

The three major costs in general and administrative costs are professional fees, $229,436 (2007 - $403,227), management fees, $222,773 (2007 – $159,986) and travel, promotion and shareholders' information costs, $150,375 (2007 - $109,016). These numbers include stock-based compensation which is a no cash item discussed below. Travel, promotion and shareholders' information includes the expenses of certain directors and officers of the Company involved in promoting the Company, the costs of the Company's website and the cost of providing shareholders with information on the Company. The cash expenditures for professional fees were $229,436 (2007-$275,625) and management fees $199,973 (2007 - $108,000) and include $55,487 paid in legal fees, $30,000 accrued in audit fees, $10,000 paid to 312467 B.C. Ltd. for accounting and administrative fees, $10,929 paid to Bill Lindqvist, a director, for geological services, $102,000 paid to Tincup Enterprises Ltd. for the management services of Lawrence Nagy, $135,125 paid to Longford Exploration Services Ltd. for the management services of Randy Rogers, and $41,700 paid to Paul Maarschalk for accounting and administrative services.

Stock option compensation expense is a non-cash item that attempts to put a dollar value on the benefit being given on the granting of stock options. It is based on statistical models, taking into account the volatility of the stock, the risk free interest rate and the weighted average life of the options. Where the market is highly volatile and not very liquid the results may not be very meaningful. In fiscal 2008 the Company granted stock options to purchase 200,000 shares. The Company issued stock options to purchase 760,000 shares in 2007. The deemed value of those options vesting in the 2008 fiscal year was $22,800 (2007 - $179,588).

The Company writes off its mineral property costs and deferred exploration at such time as it either abandons the property or determines that there has been a permanent impairment in its value. The major expense in 2008 was the writing off of the COL-Magnet project ($1,862,015). In 2007 the major expense was $1,838,571 written off on the Mongolia / Gallant project.

Summary of Quarterly Results

Fiscal 2008		**Q1**	**Q2**	**Q3**	**Q4**
Total Revenues, including interest	**$**	24,484	17,266	10,844	32,632
Net Income (loss)	**$**	(47,178)	443,068	338,086	(895,647)
Net income (loss) per share	**$**	(0.00)	0.01	0.01	(0.02)

Fiscal 2007		**Q1**	**Q2**	**Q3**	**Q4**
Total Revenues, including interest	**$**	6,883	9,530	20,333	35,664
Net Income (loss)	**$**	42,400	(1,914,852)	(48,463)	(1,063,118)
Net income (loss) per share	**$**	0.00	(0.04)	(0.00)	(0.02)

Notes:

1. The total revenue in this summary of quarterly results consists of gas royalties and interest income.
2. There were no discontinued operations or extraordinary items in the periods under review.
3. The basic and diluted income (loss) per share numbers were the same in each of 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. See "results of operations".

Liquidity and Capital Resources

With the exception of its small gas royalty, the Company has no revenue generating operations from which it can internally generate funds. It relies on the sale of its own shares or the sale of its investments to provide cash as needed. This situation is unlikely to change until such time as the Company secures a project on which it can develop a profitable mining operation.

When acquiring mineral properties the Company will occasionally issue its own shares to the vendor of the property as partial or full consideration for the property.

In 2007, the Company raised $3,083,049 net by the private placement of 9,899,562 units of the Company. Of these funds, $2,153,273 was for flow-through units which are required to be spent on qualifying Canadian exploration expenditures. At July 31, 2008, approximately $650,000 of these funds remained to be spent. The Company did not raise any funds by way of private placements in 2008.

As discussed in the Results of Operations section, the Company raised $2,266,118 in 2008 and $792,425 in 2007 through the sale of its investments in other resource companies. At July 31, 2008, the market value of the Company's remaining investments was $1,310,697.

In 2008, the Company spent $3,828,660 on acquiring and exploring mineral properties. The corresponding number in 2007 was $1,312,563.

At July 31, 2008, the Company had no long-term debt or other commitments. Its net working capital was $1,663,153, and it held $286,151 in cash.

At July 31, 2008 the Company had 54,260,398 shares outstanding, stock options outstanding to purchase 2,390,000 shares, at a weighted average exercise price of $0.36 and 6,631,288 warrants exercisable at exercise prices of $0.50 to $0.75. Subsequent to the year end, the Company raised $349,584 from the sale of certain of its investments. A portion of these funds will be used to fund the drill program announced for Ontario.

The Company has earn-in and maintenance obligations to retain its existing properties, and in addition has annual overhead costs of about $750,000. It will be necessary for the Company to raise further funds through either the sale of investments or the sale of its own stock to fund ongoing operations.

Off balance-sheet arrangements

The Company has no off-balance sheet arrangements.

Transactions with related parties

Larry Nagy, Chairman, Director, and Chief Executive Officer of the Company provides management and geological services to the Company through his private company, Tincup Wilderness Lodges Inc. at the rate of $12,000 per month or $650 per day, whichever is the lesser. Total charges in 2008 were $102,000 as compared to $108,000 for 2007.

Randy Rogers, President and Chief Operating Officer of the Company, provides management and geological services to the Company through his private company, Longford Exploration Services Inc. at the rate of $750 per day. Total charges in 2008 were $135,125.

Bill Lindqvist a director, received $10,929 for geological fees in 2008 (2007 - $12,650).

Until his retirement on January 7, 2008, Robert Evans, former secretary and chief financial officer of the Company provided accounting and administrative services to the Company through his private company, 312469 B.C. Ltd. at the rate of $400 per day. Total charges in 2008 were $10,000 as compared to $21,250 for 2007.

Paul Maarschalk was appointed secretary and chief financial officer on January 8, 2008 and provided accounting and administrative services to the Company at the rate of $600 per day. Total charges in 2008 were $41,700.

Stock options to purchase 200,000 shares at $0.36 per share were granted to insiders in 2008. No stock options were exercised by officers and directors in 2008.

Prior to Robert Evans` retirement the Company paid $18,000 (2007 - $36,000) for rent and secretarial services to Ascot Resources Ltd. a junior public exploration company of which he is a director.

Apart from the above, there were no transactions with related parties in fiscal 2008.

Fourth quarter

There were no significant events in the fourth quarter that have not been otherwise discussed elsewhere in this document.

Proposed transactions

There are no proposed transactions at this time.

Changes in accounting policies including initial adoption

Financial Instruments- Recognition and Measurement (Section 3855)

This standard sets out criteria for the recognition and measurement of financial instruments for fiscal years beginning on or after October 1, 2006. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company's balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statements of operations and comprehensive income. All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the item. As such, any of the Company's outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if these requirements had always been in effect. Any changes to the fair values of assets and liabilities prior to October 1, 2006 are recognized by adjusting opening deficit or opening accumulated other comprehensive income.

All financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification.

Comprehensive Income (Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transaction and other events from non-owner sources. This standard requires certain gains and losses that would otherwise be recorded as part of the net earnings to be presented in other "comprehensive income" until it is considered appropriate to recognize into net earnings. This standard requires the presentation of comprehensive income and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. Accordingly, the Company now reports a statement of comprehensive income (loss) and includes the account "accumulated other comprehensive income" in the shareholders' equity section of the consolidated balance sheet. The adoption of Sections 3855 and 1530 impacts how the Company records its investments which are now classified as a financial instrument "available for sale" and thus has to be reported at fair value.

The adjustment to opening balance to recognize this was $446,188, any further unrealized gains or losses in the year ended July 31, 2008 are reported in the current period.

Financial instruments and other instruments

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

The Company's cash and cash equivalents of $286,151 consist of cash in the Company's bank accounts of $203,151 and term deposits cashable on twenty four hours notice of $83,000. Receivables and payables of $73,343 and $317,565 respectively are normal course business items that are usually settled within thirty days. Short term investments consist of a $283,298 cashable bond. The investments of $1,310,697 are the market value of the Company's investment in other junior resource companies. Carrying the investments at market value on the balance sheet represents a change in accounting policy implemented in the year, as detailed in the above section. The amount for 2007 of $875,035 was the book value of investments, being the original cost of the investment less any write-down to market where at the year-end the cost of the investment exceeded its market value. The market value of the Company's investments at July 31, 2007 was $1,321,223. A significant portion of the Company's investments at July 31, 2008, are denominated in Australian dollars and subject to risk of exchange fluctuations.

Future accounting changes

Financial Instruments

Effective August 1, 2008, the Company will adopt CICA Handbook Sections 3862 and 3863, which describe the required disclosure and presentation related to the significance of financial instruments on the Company's financial position and performance, the nature and extent of risks arising from financial instruments to which the Company is exposed and how the Company manages those risks. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

Capital Disclosure

Effective August 1, 2008, the Company will adopt CICA Handbook Section 1535, which establishes standards for disclosing information about a company's capital and how it is managed to enable users of financial statements to evaluate the Company's objectives, policies and procedures for managing capital. The adoption of this standard will not impact the consolidated financial statements of the Company.

Going-concern

Effective August 1, 2008, the Company will adopt CICA Handbook Section 1400, which requires management to make an assessment of a company's ability to continue as a going concern. When the consolidated financial statements are not prepared on a going concern basis, the fact shall be disclosed together with the basis on which the consolidated financial statements are prepared and the reason why the Company is not considered a going concern.

International Financial Reporting Standards

In 2006, the Canadian Accounting Standards Board ("AcSB") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with International Financial Reporting Standards ("IFRS") over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.