



MANAGEMENT'S DISCUSSION & ANALYSIS

MARCH 31, 2012

SOLID RESOURCES LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2012

Introduction and Background

The following Management's Discussion and Analysis is dated May 30, 2012. This is a discussion and assessment of the results to date and future prospects of Solid Resources Ltd. and its subsidiaries ("Solid" or the "Company") and relates to the consolidated financial statements for the three months ended March 31, 2012. This analysis should be read together with the audited financial statements and related notes attached thereto, for the three months ended March 31, 2012. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. See "Forward-Looking Information and Statements" herein.

Additional information related to the Company is available for view on SEDAR at www.sedar.com.

Solid is a Canadian company focused on mineral resource exploration in various countries including Canada and Spain. Properties under exploration contain precious, rare, and base metals, including Silver, Gold, Copper, Lead, Zinc, Lithium, Tantalum, Cesium, Rubidium and Zinc. The Company's shares trade on the TSX Venture Exchange in Canada and on the Frankfurt Stock Exchange.

Forward-Looking Information and Statements

This MD&A contains certain forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. In particular, this MD&A contains forward-looking statements relating to: the future opportunities for the Company; the business strategy of the Company; and the competitive advantage of the Company.

In addition, forward looking statements regarding the Company are based on certain key expectations and assumptions of the Company concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of services, the ability to obtain financing on acceptable terms, the actual results of exploration projects being equivalent to or better than estimated results in technical reports or prior exploration results, and future costs and expenses being based on historical costs and expenses, adjusted for inflation, all of which are subject to change based on market conditions and potential timing delays. Although management of the

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Company consider these assumptions to be reasonable based on information currently available to them, these assumptions may prove to be incorrect.

By their very nature, forward looking statements involve inherent risks and uncertainties (both general and specific) and risks that forward looking statements will not be achieved. Undue reliance should not be placed on forward looking statements, as a number of important factors could cause the actual results to differ materially from the Company's beliefs, plans, objectives and expectations, including, among other things: general economic and market factors, including business competition, changes in government regulations or in tax laws; the early stage development of the Company and its projects; general political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. These factors should not be considered exhaustive. Many of these risk factors are beyond the Company's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon the Company's assessment of all information available at that time.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.

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Overall Performance

Solid Resources Ltd. is incorporated under the laws of the Province of Alberta, Canada. Its shares are listed for trading on the TSX Venture Exchange and on the Frankfurt Stock Exchange. The Company is involved in the exploration and development of mineral resource properties and does not currently have a recurring revenue stream. In addition, the Company's goals are to prospect for mineral resource properties that exhibit the potential for development into profit producing mines, obtain the rights to such properties, conduct sampling, drilling, and assaying programs to establish mineral resources and reserves, and generate revenue for the benefit of its shareholders.

At March 31, 2012, there were 97,041,048 common shares issued and outstanding. There have been issuances of new securities during the past year in order to finance working capital and exploration work programs on the Company's properties. The global outlook is generally positive for mineral resource companies with good properties because of the high level of continuing demand for metals. With properties in various countries and consisting of various metals, there is a possibility that Solid will generate revenue from operations in the future. Management believes in diversification in terms of both mineral deposit types and geographical location.

Exploration and Evaluation Assets:

Management has worked diligently to identify mineral resource properties that indicated potential for commercial ore bodies. Exploration programs and technical studies aimed at determining the existence, grade, and economic feasibility of mineral deposits are being carried out. Mining activities are generally required to comply with varying levels of regulatory and environmental requirements that vary by jurisdiction. Sufficient capital must be raised to carry out the programs. The accompanying discussions below address the status of each project and management's current beliefs with respect to each project.

The Doade-Presqueira Property, Spain

The Company has received a technical report regarding the Doade-Presqueira property prepared by John R. Goodwin dated March 16, 2010, which was filed on SEDAR at www.sedar.com on March 19, 2010.

The Company has 100% interest in this concession which is located in Northwestern Spain and is 4,902 hectares (12,108 acres) in size. This property is under exploration for Lithium, Tantalum, Tin, Rubidium, and Cesium. Two drilling programs consisting of a total of 17 holes drilled, sampled, and assayed have been completed to date. Property investigation costs are bonus fees paid to the geologist that initially identified the project. Such fees became payable once a certain stage of advancement had been reached

Mineralization within the pegmatites consists of significant quantities of Lithium, Tantalum, Tin, Niobium, Rubidium, and Cesium. The surrounding schist also contains significant quantities of Lithium, Rubidium, and Cesium. The mineralized pegmatites are located in a northerly trending belt approximately 0.6 km wide and 15 km in length.

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The reports its results on the property on regular basis or as assays results come available and are press released and filed on SEDAR.

Bear Property, Northwest Territories, Canada

During the fiscal year 2009, the Company entered into a letter of intent (the "Letter of Intent") dated April 30, 2010 with Golden Lion Resources Inc. now known as Silver Bear Mines Inc. ("Silver Bear") with respect to the proposed transfer of all of the Company's 49% interest in the Bear mineral property located in the Northwest Territories (the "Bear Property") to Silver Bear. The purchase price for the 49% interest in the Bear Property is \$3,000,000, and was payable: (i) by the assumption of debt (the "Assumed Debt") owing by the Company to certain lenders in the aggregate amount of \$1,930,172; and (ii) by the issuance and delivery of common shares in the capital of Silver Bear ("Silver Bear Shares") having an aggregate value of \$1,055,808, which Silver Bear Shares will be distributed to the shareholders of the Company in a tax effective manner. The actual number (not to exceed 2,000,000) and deemed price of the Silver Bear Shares shall be determined at or before the time of execution of the definitive agreement(s) for the proposed transaction.

Concurrently with the execution of the Letter of Intent, the Company entered into a debt assumption agreement, pursuant to which Silver Bear assumed the Assumed Debt effective as of April 30, 2010 and the lenders released the Company from any further obligations under the Assumed Debt.

In 2010, the Company recorded a sale or disposal of asset of \$6,381,971 for a net book value of \$nil.

In 2011, the Company distributed 1,250,000 shares of Silver Bear Mines Inc. valued at \$1,055,808 to its shareholders. The amount has been included in distribution to shareholders.

Peru Gold & Copper Property

The Company entered into a binding option agreement with an arm's length third party (the "Optionor") pursuant to which it acquired the option to purchase a metallic mining license, covering an area of 1,000 hectares, located in Northwest Peru. Under the terms of the option agreement, The Company has the right to purchase the license, during the three year term, by paying the Optionor a total of US\$500,000, to be paid in tranches over the course of the period ending on December 2012. The first cash payment of US\$4,000 has already been paid to the Optionor.

| | December 31, 2011 | December 31, 2010 | December 31, 2009 ⁽¹⁾ |
|---------------------------------------|----------------------|----------------------|-------------------------------------|
| Revenues from continuing operations | \$ -- | \$ -- | \$ -- |
| Net loss and comprehensive loss | (1,233,245) | (5,996,267) | (1,577,559) |
| Net loss per share, basic and diluted | (0.01) | (0.10) | (0.06) |

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| | | | |
|-----------------------------------|-----------|-----------|-------------|
| Exploration and evaluation assets | 3,353,605 | 2,036,550 | 8,198,478 |
| Total assets | 3,645,984 | 4,108,469 | 8,753,939 |
| Notes payable | -- | -- | 1,665,739 |
| Total liabilities | 159,395 | 68,433 | 2,257,414 |
| Total cash dividend paid | -- | -- | -- |
| Working capital (deficiency) | 132,984 | 945,118 | (1,708,899) |

SELECTED ANNUAL FINANCIAL INFORMATION

⁽¹⁾Information in Canadian dollars and in accordance with Canadian GAAP and has not been restated in accordance with IFRS.

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

| | Mar 31, 2012 | Dec 31, 2011 | Sept 30, 2011 | June 30, 2011 | March 31, 2011 | Dec 31, 2010 | Sept 30, 2010 | Jun 30, 2010 |
|-------------------------------------|-----------------|-----------------|------------------|------------------|-------------------|-----------------|------------------|-----------------|
| Total Revenue | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ Nil | \$ Nil |
| Loss for the period | (189,364) | (323,695) | (287,300) | (318,916) | (303,334) | (4,358,033) | (517,227) | (611,178) |
| Loss per Share (Basic & diluted) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.07) | (0.01) | (0.01) |

The information for income or loss has been presented with the figures for share-based payments, other income, and income taxes segregated as these amounts cause the net income or loss to fluctuate materially in various quarters. The resulting figure can fluctuate from quarter to quarter as a result of temporary or one-time expenses such as loss on disposal of Bear property described earlier or impairment of exploration and evaluation assets.

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Results of Operations

Overall, the Company recorded a net loss of \$189,364 (\$0.00 per common share) for the three months ended March 31, 2012 as compared with a net loss of \$303,334 (\$0.00 per common share) for the same period in 2011. The decrease in net loss is attributed to the following:

General and administrative expenses decreased to \$89,574 for the three months ended March 31, 2012 from \$197,987 for the three months ended March 31, 2011, as the Company implemented various cost cutting measures in order to control and manage cost and to focus on the exploration and development of current projects; though, the Company also continues to have some expenditures relating to the due diligence and potential acquisitions of new mineral properties which are expensed for the period as they do not relate to any specific property.

Share-based payments expense decreased to \$102,054 for the three months ended March 31, 2012 from \$109,923 for the three months ended March 31, 2011 as the Company granted options which had higher fair value than those granted in 2011.

Depreciation of property, plant and equipment was \$nil (2011 - \$128) as there were no additions during the three months ended March 31, 2012 and the Company has written off the property, plant and equipment acquired in prior years.

Foreign exchange gain was \$2,448 for the three months ended March 31, 2012 from a gain of \$5,036 for the three months ended March 31, 2011. The exchange rate loss is due to timing differences (difference in the amount recorded as compared to the amount paid) in the foreign exchange rate between the Canadian dollar and the Euro).

Exploration and Evaluation Assets

For the **Doade-Presqueira** project, expenditures were \$193,585 for the three months ended March 31, 2012 (2011 - \$1,275,175). Geological fees were \$60,714 (2011 - \$342,910), mining rights and taxes were \$33,394 (2011 - \$57,168) and drilling, sampling and assay costs of \$99,477 (2011 - \$875,097).

For the **Peru Gold and Copper** project, expenditures comprised of geological fees and expenses were \$15,240 for the three months ended March 31, 2012 (2011 - \$41,880).

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Liquidity and Capital Resources

As of March 31, 2012, the working capital deficiency was \$14,751 as compared to working capital of \$132,984 as at December 31, 2011.

The Company's cash position decreased to \$75,314 as of March 31, 2012 as compared to a cash balance of \$264,735 as at December 31, 2011 as the company used \$128,996 (2011 - \$237,161) to fund operations.

Net cash used in investing activities for the three months ended March 31, 2012 was \$208,825 (2011 - \$429,970) which primarily relates to expenditure on exploration and evaluation assets.

Net cash from financing activities for the three months ended March 31, 2012 was \$148,400 (2011 - \$144,900) was primarily the result of issuance of shares of \$157,920 (2011 - \$144,900) and share issuance costs of \$9,520 (2011 - \$nil).

As the Company is in an exploration phase and is not generating revenue as yet, it is expected that the working capital balance will follow a cycle of reduction and replenishment. Management currently follows a policy of raising only sufficient capital to carry out its near term plans. This policy is meant to minimize dilution of shareholders' positions by raising capital when the stock price is at higher levels.

Historically, the Company has been successful in raising working capital through private placements and loan money to fund its operations and exploration programs and will need to raise more working capital through private placements to continue this. With regard to the exploration of its Canadian property, the Company has been able to raise financing through the issue of common shares and sees this as a continuing source of financing.

Capital Commitments

The Company had no commitments for property and equipment expenditures for 2012. The Company expects that any property and equipment expenditures incurred, based on future needs, will be funded from working capital and/or from operating or capital leases.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

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Transactions with Related Parties

The Company entered into the following transactions with related parties:

- a) Paid or accrued management fees of \$30,000 (2011 - \$30,000) to a company controlled by chief executive officer and director of the Company.
- b) Paid or accrued management fees of \$15,000 (2011 - \$15,000) to an operational and financial officer and director of the Company.
- c) Paid or accrued consulting fees of \$12,000 (2011 - \$12,000) to a director of the Company.

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key management personnel compensation

| | Three Months Ended | |
|--|--------------------|-------------------|
| | March 31, 2012 | March 31, 2011 |
| Short-term employee benefits – management fees | \$ 45,000 | \$ 30,000 |
| – salary | - | 15,000 |
| – consulting fees | 12,000 | 12,000 |
| Share-based payments - officers | 49,893 | - |
| Share-based payments - directors | 22,679 | |
| Total | \$ 129,572 | \$ 57,000 |

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Financial Risk Management

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

As at March 31, 2012, the carrying values of cash, receivables and accounts payable and accrued liabilities and due to related parties approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to \$100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At March 31, 2012, the Company's exposure to credit risk is minimal

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As at March 31, 2012, the Company had a cash balance of \$75,314 (December 31, 2011 - \$264,735) to settle current liabilities of \$124,730 (December 31, 2011 - \$159,395).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

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Financial Risk Management (cont'd)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest risk

The Company has cash balances and interest-bearing loans payable. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of March 31, 2012, the Company did not have any investments in investment-grade short-term deposit certificates. The Company's loans payable bear interest at fixed interest rates, and as such, the Company is not exposed to interest rate risk on its loans payable.

b) Foreign currency risk

The Company does not have any balances denominated in a foreign currency and believes it has no significant foreign currency risk.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

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Outstanding Share Data

Authorized share capital

Unlimited number of common shares without par value.

Common shares

At March 31, 2012, there were 97,041,048 issued and fully paid common shares (December 31, 2011 - 93,911,848).

At May 30, 2012 (date of report), there are 108,542,715 common shares issued and outstanding as a result of the May 2012 private placement and warrants exercise of 501,667.

Private placement – January 2012

On January 6, 2012, the Company closed a non-brokered private placement of 3,129,200 Units ("Unit") at a price of \$0.10 per Unit for aggregate gross proceeds of \$312,920 (the "Offering"). Each Unit consists of one common share and one common share purchase warrant ("Warrant"). Each Warrant is exercisable into one additional common share for a period of 24 months after the closing at a price of \$0.15 per common share, subject to earlier termination conditions. Finders acting in connection with the Offering received aggregate fees of \$9,520.

Private Placement – May 2012

On May 16, 2012, the Company issued a total of 11,000,000 Units ("Unit") at a price of \$0.10 per Unit. Each Unit consisted of one common share and one common share purchase warrant ("Warrant"). Each Warrant is exercisable into one additional common share until May 17, 2014 at a price of \$0.15 per common share, subject to earlier termination in the event that the closing price (or closing bid price on days when there are no trades) of the common shares on the TSX Venture Exchange exceeds 25 cents for 20 consecutive trading days, then upon the corporation sending subscribers written notice of such date and issuing a news release announcing such date, each warrant will only be exercisable for a period of 30 days following the date on which such written notice is sent to the subscribers.

The Company paid finder fees of \$52,850 and issued 525,000 finder's warrants, with each finder's warrant entitling the holder to purchase one common share at an exercise price of \$0.15 per common share until May 17, 2014 and is subject to the early termination clause as outlined in the previous paragraph.

Stock options

As at March 31, 2012 and May 30, 2012 (date of report), there were 9,950,000 stock options of the Company outstanding at weighted average price of \$0.15, of which 8,262,500 are exercisable at weighted average price of \$0.15.

During the quarter, on March 14, 2012, the Company granted an aggregate of 2,250,000 stock options to directors, officers and consultants of the Company. The options are at an exercise price of \$0.10 per share and valid for a period of five years from the date of the grant and vest 25% on grant and 25% quarterly thereafter.

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Warrants:

As at March 31, 2012, there were 33,462,533 warrants outstanding and 30,333,333 warrants exercisable, at weighted average exercise price of \$0.09.

As of May 30, 2012 (date of report), there are 43,960,866 warrants outstanding 30,333,333 warrants exercisable, at weighted average exercise price of \$0.10, as result of 11,00,000 warrants that were issued as part of the May 2012 private placement and 501,667 warrants that were exercised subsequent to the quarter.

TSX approval for warrants:

On April 19, 2012, the Company received an approval from the TSX Venture Exchange to extend the expiry date of 20,333,333 common share purchase warrants that were issued as part of a non-brokered private placement completed by the company in November, 2010. The warrants are exercisable for common shares of Company at a price of 10 cents per share and will expire on May 17, 2012. The Company is proposing to extend the expiry date of the warrants by an additional six months to Nov. 17, 2012. All other terms and conditions of the warrants, including the exercise price, will remain the same.

Finders' warrants:

As at March 31, 2012 and May 30, 2012 (date of report), there were 690,667 finders' warrants outstanding at weighted average exercise price of \$0.11.

Additional Information

The Company's publicly filed documents are available on SEDAR at www.sedar.com and more information is also available on Company's website at www.solidresources.com.