

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") dated as of May 4, 2007 for Solium Capital Inc. ("Solium" or the "Company") should be read in conjunction with the unaudited Consolidated Financial Statements and the accompanying notes for the quarter ended March 31, 2007, and the MD&A included in the Company's 2006 Annual Report. The Financial Statements and comparative information have been prepared in accordance with Canadian generally accepted accounting principles. Additional information relating to the Company is available on SEDAR at www.sedar.com under Solium Capital Inc.

All dollar amounts discussed in the MD&A are in Canadian dollars unless otherwise specified.

Special Note Regarding Forward-Looking Statements

Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", or similar words suggesting future outcomes or statements regarding an outlook. Forward looking statements or information in this MD&A include but are not limited to expectations regarding future revenues, earnings, capital expenditures, and operating and other costs; business strategy and objectives; market trends; acquisition and disposition plans; the sufficiency of cash and working capital for future operations; and the timing and the completion of various development projects.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to other assumptions identified in this MD&A, assumptions have been made regarding, among other things, the Company's transition to new products and releases; a continuing increase in the number of customer transactions; the length of the sales cycles; the competitive environment; the ability to maintain or accurately forecast revenue from the Company's products or services; the ability of the Company to identify, hire, train, motivate and retain qualified personnel; currency fluctuations; the ability of the Company to develop, introduce and implement new products as well as enhancements or improvements for existing products that respond, in a timely fashion, to customer/product requirements and rapid technological change; risks associated with operations; the impact of any changes in the laws and regulations in the jurisdictions in which the Company operates; and the effect of new accounting pronouncements or guidance.

Although the Company believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because the Company can give no assurance that such expectations will prove to be correct. The forward-looking statements are based on Solium's current expectations, estimates and projections, and are subject to a number of significant risks and uncertainties that could cause actual results to differ materially from those anticipated. Such risks and uncertainties include, among others, general business and economic conditions; the overall performance of stock market(s); actions of competitors and partners; the regulatory environment; the corporate governance

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

environment and regulatory reporting requirements for Solium's clients; product capability and acceptance; the Company's ability to generate sufficient cash flow from operations to meet its current and future obligations; and the Company's ability to access external sources of financing if required. A more detailed assessment of the risks that could cause actual results to materially differ from current expectations is contained in the Risk Assessment section of this MD&A. The foregoing is not exhaustive and other risks are detailed from time to time in other continuous disclosure filings of the Company. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. These forward looking statements are made as of the date of this MD&A, and the Company assumes no obligation to update or revise them to reflect new events or circumstances.

Summary of Quarterly Results

The following table summarizes the quarterly results for the eight most recently completed quarters.

	2007	2006				2005		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Stock option participants	48,313	47,822	47,114	47,354	49,711	40,514	36,195	34,216
Share purchase participants	142,960	140,622	136,293	134,860	133,167	123,257	119,868	116,144
Revenues	\$ 2,606,387	\$ 2,518,169	\$ 2,067,056	\$ 2,010,179	\$ 2,100,380	\$ 1,695,910	\$ 1,608,782	\$ 1,525,227
Expenses	\$ 2,162,160	\$ 1,695,494	\$ 1,645,731	\$ 1,749,876	\$ 1,487,276	\$ 1,365,634	\$ 1,314,622	\$ 1,178,744
EBITDA ¹	\$ 538,418	\$ 891,943	\$ 484,701	\$ 322,700	\$ 670,788	\$ 383,083	\$ 350,937	\$ 398,121
Earnings before taxes	\$ 444,227	\$ 822,675	\$ 421,325	\$ 260,303	\$ 613,104	\$ 330,276	\$ 294,160	\$ 346,483
Net earnings	\$ 451,727	\$ 1,112,902	\$ 437,374	\$ 231,478	\$ 695,653	\$ 780,276	\$ 294,160	\$ 346,483
Per share								
– basic	\$ 0.016	\$ 0.039	\$ 0.015	\$ 0.008	\$ 0.025	\$ 0.027	\$ 0.010	\$ 0.012
– diluted	\$ 0.015	\$ 0.038	\$ 0.015	\$ 0.008	\$ 0.024	\$ 0.026	\$ 0.010	\$ 0.012

Notes:

¹ Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a non-GAAP financial measure which does not have any standardized meaning prescribed by Canadian GAAP (generally accepted accounting principles) and is therefore unlikely to be comparable to similar measures presented by other issuers. EBITDA provides useful information to users as it reflects the net earnings prior to the effect of non-operating expenses such as interest, tax, depreciation and amortization. The following is a reconciliation of EBITDA to net earnings:

	2007	2006				2005		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
EBITDA	538,418	891,943	484,701	322,700	670,788	383,083	350,937	398,121
Interest expense	–	–	–	–	–	–	(6,302)	(10,068)
Amortization	(94,191)	(69,268)	(63,376)	(62,397)	(57,684)	(52,807)	(50,475)	(41,570)
Income tax (expense) recovery	7,500	290,227	16,049	(28,825)	82,549	450,000	–	–
Net earnings	451,727	1,112,902	437,374	231,478	695,653	780,276	294,160	346,483

Factors Affecting Quarterly Results

Seasonality

Fees collected from clients in the form of annual access fees are recurring in nature and are not affected by seasonal factors. However, transaction fees collected from participants upon the exercising of stock based incentive plans or the withdrawal of assets from share purchase plans have displayed a seasonal trend. The Company typically experiences increased transaction revenue during the first quarter of the year in line with the seasonal nature of participant transaction activity.

The Company has also experienced seasonality in its client implementations. Following the completion of year-end reporting activities in the financial and human resource departments of issuers, requests for proposals and sales interest from prospective clients generally peak during the third quarter of the year. Successfully closing sales during the third quarter results in increased implementation activity during the latter part of the year and into the first quarter of the following year for the Company.

Results From Operations

Net Financial Results

The Company had earnings before taxes of \$444,227 in the first quarter of 2007 (2006 – \$613,104). After the effect of a future income tax recovery of \$7,500 (2006 – \$82,549), net earnings for the first quarter of 2007 came to \$451,727 (2006 – \$695,653). The \$7,500 future income tax recovery arose from recording the benefit of certain tax loss carryforwards.

The change to earnings before taxes between the comparable quarters was caused by a 24% increase in total revenue which was offset by a 45% increase in total expenses.

Revenue

Gross revenue in the first quarter of 2007 was \$2,606,387 (2006 – \$2,100,380). This represents an increase of \$506,007 over the results from the first quarter of 2006. Revenue of \$2,577,100 (2006 – \$2,069,483) was from Canadian operations and \$29,287 (2006 – \$30,897) was from U.S. operations.

As at March 31, 2007, monthly access fees from direct sales clients were distributed in the following geographic locations: 58% from Alberta based clients (2006 – 59%), 22% from Ontario based clients (2006 – 28%), 10% from Quebec based clients (2006 – 6%), 5% from British Columbia based clients (2006 – 5%), 3% from other Canadian provinces (2006 – 0%), and 2% from U.S. based clients (2006 – 2%).

Share Purchase

Share purchase channel revenue from GRS Securities Inc. ("GRS Securities") totaled \$702,888 in the first quarter of 2007 (2006 – \$639,648). The increase is mainly attributable to increased transaction based revenues collected by GRS Securities, resulting in an increased share for Solium.

Share purchase access and implementation fees from direct sales clients totaled \$427,865 in the first quarter of 2007 (2006 – \$280,854). Total transaction fees generated from share purchase plans totaled \$178,098 (2006 – \$121,519). During the first quarter of 2007, the Company implemented one corporate share purchase plan onto Shareworks™.

As at March 31, 2007, the Company had 142,960 participants (2006 – 133,167) utilizing the share purchase module of Shareworks™. 37,199 participants were from direct sales clients (2006 – 28,019) and 105,761 participants (2006 – 105,148) were from the GRS Securities channel relationship.

Stock Options

Stock option channel revenue from GRS Securities totaled \$16,268 in the first quarter of 2007 (2006 – \$18,724). The decrease resulted from normal participant fluctuations within the stock option plans administered by GRS Securities.

Stock option access and implementation fees from direct sales clients totaled \$822,298 in the first quarter of 2007 (2006 – \$651,214). The Company implemented six corporate stock option, share appreciation rights or share unit plans onto Shareworks™ during the period. One new client is based in the U.S. Total exercise and special transaction fees generated from stock option plans totaled \$328,740 in the first quarter of 2007 (2006 – \$289,871).

As at March 31, 2007, the Company had 48,313 participants (2006 – 49,711) utilizing the stock options module of Shareworks™. 47,044 participants (2006 – 48,053) were from direct sales clients and 1,269 participants (2006 – 1,658) were from the GRS Securities channel relationship.

The number of direct sales participants utilizing the stock options module in Shareworks™ was lower at the end of the first quarter of 2007 as compared to 2006. As a result of corporate merger and acquisition activity involving certain clients, Solium experienced the reduction of approximately 2,000 participants during the second and third quarters of 2006.

Consulting services

Consulting services revenue totaled \$130,230 in the first quarter of 2007 (2006 – \$98,550). Consulting services were comprised of special projects for clients related to designing new entitlement plans, amending existing entitlement plans, or performing tasks associated with special events such as stock splits, or mergers and acquisitions.

Expenses

Total expenses in the first quarter of 2007 were \$2,162,160 (2006 – \$1,487,276), including \$232,052 (2006 – \$112,987) incurred in the ongoing development of the U.S. operations.

The increase to expenses resulted from costs associated with the ongoing scale up of operations, increased investment in the Company's Shareworks™ technology, and investment in the Company's U.S. operations and initiatives. The Company is expanding its personnel and operational capabilities to address the business added to-date and in preparation for continued growth that is expected from clients currently in the sales pipeline.

In March 2007, the Company graduated from listing its common shares on the TSX-Venture Exchange to the Toronto Stock Exchange ("TSX"). One-time TSX listing, legal and other associated fees totaling \$112,217 with respect to the new listing also contributed to the increase in expenses during the first quarter of 2007.

Salaries and Wages

Salaries and wages expense in the first quarter of 2007 was \$1,335,577 (2006 – \$888,078). The increase is largely attributable to the net addition of 16 new staff members since the end of the first quarter of 2006, and 6 net additions during the first quarter of 2007. The Company finished the quarter with 69 employees in 2007, compared to 47 in 2006. In addition, the Company has experienced an increased upward pressure on salaries as a result of the robust employment market in Calgary.

General and Administrative

General and administrative expenses totaled \$732,392 in the first quarter of 2007 (2006 – \$541,514). The increase from the prior year is attributable to the changes in the following categories:

	2007	2006
	\$	\$
Data feeds	39,616	56,240
Insurance	24,846	16,316
IT systems and phones	69,952	85,972
Professional fees	220,385	149,193
Regulatory compliance	100,361	4,625
Rent and occupancy	94,655	85,486
Travel and entertainment	57,690	67,349
Other	124,887	76,333
	732,392	541,514

Fees for data feeds of stock market quotes obtained from the various stock exchanges decreased by \$16,624 between the comparable quarters in 2007 and 2006 due to a change in the way that ShareworksTM uses stock market quotes.

Insurance increased by \$8,530 between the comparable quarters in 2007 and 2006 due to increased premiums and to the addition of increased directors and officers' liability insurance.

IT systems and phone expenses decreased by \$16,020 between the comparable quarters in 2007 and 2006. The Company implemented in-house solutions for the performance of data backups for IT systems in mid-2006, thereby decreasing the usage of outside providers for such services. In addition, the Company has begun to benefit from some improvements to the ShareworksTM application undertaken in the latter part of 2006 aimed at lowering call volumes from participants.

Professional fees increased by \$71,192 between 2007 and 2006 mainly due to increased legal and consulting fees.

- Legal fees increased by \$59,372. Legal services were utilized in relation to the Company's normal course issuer bid, the Company's listing on the TSX, and working through regulatory infrastructure requirements in the U.S.
- General consulting fees increased by \$36,221. Consultants contributed to the re-design of the Company's website, which was changed to provide better usability and applicability to non-Canadian visitors to the site. In addition, temporary operational staff were utilized during the first quarter of 2007.

Regulatory and compliance expenses increased by \$95,736 between the comparable quarters in 2007 and 2006. A one-time fee of \$93,657 was paid to the TSX with respect to the new listing on the TSX.

Rent and occupancy expenses increased by \$9,169. New office space relating to the Company's U.S. operations was leased at the end of the first quarter of 2006 explaining approximately \$4,500 of the increase between the comparable quarters in 2007 and 2006. In addition, occupancy costs for the Company's offices in Calgary, Toronto and Montreal increased effective January 1, 2007.

Travel and entertainment expenses decreased by \$9,659. The Company incurs travel expenses due to sales and business development in Canada and the U.S., and due to travel associated with clients located in various geographical locations. Such travel decreased slightly between the comparable quarters of 2007 and 2006.

Amortization

Amortization expense was \$94,191 in the first quarter of 2007 (2006 – \$57,684). The increase of \$36,507 is attributable to the amortization of leasehold improvements undertaken in the second quarter of 2006, to the addition of \$281,121 in other capital assets throughout 2006, and the addition of \$54,910 in capital assets in the first quarter of 2007.

Income Taxes

\$7,500 of future income tax recovery was recorded in the first quarter of 2007 (2006 – \$82,549). The Company has recorded the benefit of certain Canadian tax loss carryforwards. The Company currently maintains a future tax asset on its balance sheet calculated based on the net earnings of its prior four quarters. Any change to this future tax asset from period to period is reflected as a change in the valuation allowance for the asset and is reflected as a future income tax expense or recovery.

Financial Condition, Liquidity and Capital Resources

Working Capital

Cash on hand as at March 31, 2007 was \$1,930,723 (December 31, 2006 – \$3,074,767). Working capital as at March 31, 2007 was \$4,880,813 (December 31, 2006 – \$4,472,636). Working capital is expected to remain strong as a result of positive cash flow from operations forecasted for the remainder of 2007.

Cash decreased from December 31, 2006 mainly as a result of an increase in accounts receivable and a decrease in accounts payable. The Company implemented a new accounting software package in the first quarter of 2007. As a result of this implementation, billings to clients were delayed during the first quarter. The collection of accounts receivable were thus also delayed. In parallel, accounts payable decreased partially as a result of the implementation of the new accounting software package. To facilitate the transition of accounts between the old and the new packages, accounts were paid out ahead of normal payment cycles. Following the completion of this implementation, processes are being addressed to bring the payment cycles back to normal.

The cash position as at March 31, 2007 was also affected by the payout of 2006 bonuses in the amount of \$450,000 during the first quarter of 2007. In addition, cash was utilized in the Company's Normal Course Issuer Bid to purchase 89,100 common shares at a cost of \$130,367 in January 2007. These shares were cancelled from treasury effective January 15, 2007.

Contractual Obligations

	Total	Payments Due by Fiscal Period			
		2007	2008 to 2009	2010 to 2011	2012 and beyond
Operating Leases	\$ 806,293	\$ 144,388	\$ 321,594	\$ 281,109	\$ 59,202
Purchase Obligations**	\$ 75,000	\$ 75,000	–	–	–
Total Contractual Obligations	\$ 881,293	\$ 219,388	\$ 321,594	\$ 281,109	\$ 59,202

** Relates to the purchase of a new phone system. Estimated timing of purchase is the second quarter of 2007.

Capital Expenditures

Capital expenditures of \$54,910 during the first quarter of 2007 were comprised of furniture and equipment, computer hardware, and computer software. The Company implemented a new accounting software package to scale with growing operations, and to facilitate more flexible financial reporting and user security.

As at March 31, 2007, the Company has a commitment to purchase a new phone system for approximately \$75,000. This new phone system is required to support a growing call centre and will be able to scale as the operations continue to grow. In addition, the system will provide more robust reporting than is available with the system currently in use today.

Capital purchases of computer equipment, furniture and fixtures planned for the second quarter of 2007 are expected to be less than \$200,000, and less than \$400,000 for the remainder of 2007.

It is expected that ongoing capital expenditures will be financed from funds generated by operating activities.

Capital Resources

The Company has a revolving credit facility of \$500,000 with a Canadian bank. As at March 31, 2007, no amounts had been drawn on the credit facility.

Transactions with Related Parties

During the first quarter of 2007, the Company utilized legal services totaling \$58,361 (2006 – \$24,513), plus applicable taxes, which were provided by a firm in which a Director of the Company is a partner. These services were measured at fair market value. As at March 31, 2007, \$61,863 (2006 – \$26,229) was payable, inclusive of applicable taxes.

During the first quarter of 2007, the Company utilized personnel hiring and general consulting services totaling \$16,600 (2006 – \$3,663), plus applicable taxes, which were provided by a firm owned by the spouse of a Director of the Company. These services were measured at fair market value. As at March 31, 2007, \$12,707 (2006 – \$1,089) was payable, inclusive of applicable taxes.

During the first quarter of 2007, the Company paid a Director approximately \$20,377 (2006 – \$27,000) for consulting services associated with the ongoing development of the business strategy for the U.S.

Critical Accounting Estimates

The Company's significant accounting policies are detailed in Note 2 of the December 31, 2006 audited consolidated financial statements. In the determination of financial results, the Company must make certain significant accounting estimates as follows:

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, future income tax liabilities and assets are recorded based on temporary differences between the carrying amounts of assets and liabilities on the balance sheet and their tax bases as well as for the benefit of losses available to be carried forward to future years for tax purposes that are more likely than not to be realized. In establishing the appropriate income tax valuation allowances, the Company assesses the realizability of its net future income tax assets and based on all available evidence, both positive and negative, determines whether it is more likely than not that the remaining net future income tax assets or a portion thereof will be realized.

Historically, prior to 2005, the Company had established a full valuation allowance against the calculated tax benefits, since it was uncertain that these tax benefits were more likely than not to be realized. In determining the valuation allowance to establish against these future tax benefits, the Company considers many factors, including the specific tax jurisdiction, the carry forward period, income tax strategies, and forecasted earnings. A valuation allowance is recognized if, based on the weight of available evidence, the Company concludes that it is more likely than not that some portion or all of the future tax benefits will not be realized. On the basis of consecutive quarters of profitability from 2004 through the first quarter of 2007 and the Company's forecasts of operating results for the foreseeable future, it has determined that it is more likely than not that a portion of the future income tax assets will be realized.

In evaluating the realizability of the future income tax asset, the financial results of the last four financial quarters are used as a key indicator. In addition, assumptions about the continued ability to service existing clients and add new clients, the sustainability of the capital markets, and the continued ability to manage costs due to growth are inherent in estimating the realizability of the future tax benefits.

Changes in Accounting Estimates Including Initial Adoption

Financial Instruments

Effective January 1, 2007, the Company adopted Section 3855 – *Financial Instrument Recognition and Measurement*, Section 3861 – *Financial Instruments Disclosure and Presentation*, and Section 3865 – *Hedges*. These standards were adopted prospectively.

The Company has classified all financial instruments into one of the following five categories: 1) loans and receivables, 2) assets held-to-maturity, 3) assets available-for-sale, 4) other financial liabilities, and 5) held-for-trading (assets and liabilities). All financial instruments must initially be recognized at fair value. Subsequent measurement of the financial instruments is based on their classification. Financial instruments that are classified as held-for-trading or available-for-sale are re-measured each reporting period at fair value with the resulting gain or loss recognized immediately in net earnings and other comprehensive income, respectively. All other financial instruments are accounted for at amortized cost.

The Company made the following classifications of financial instruments outstanding on January 1, 2007:

- Cash and cash equivalents – designated as held-for-trading
- Accounts receivable – loans and receivables
- Bank overdrafts, accounts payable and accrued liabilities – other financial liabilities

Due to the nature and/or short maturity of these financial instruments, their carrying value approximated their fair value at January 1, 2007.

Exposure to counterparty credit risk, interest rate risk and foreign currency risk arises in the normal course of the Company's business. The Corporation currently does not enter into derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Company's operations.

Derivatives embedded in other financial instruments or contracts are separated from their host contracts and accounted for as derivatives when their economic characteristics and risks are not closely related to those of the host contract. The Company has never had any contracts or financial instruments with embedded derivatives that require bifurcation.

The Company currently does not utilize hedges, and as a result the adoption of Section 3865 currently has no material impact on the financial statements of the Company.

Comprehensive Income

Effective January 1, 2007, the Company adopted Section 1530 – *Comprehensive Income*. Comprehensive income is the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in the fair value of certain financial instruments. The Company did not have any items to record as transitional adjustments with respect to comprehensive income.

Upon adoption of Section 1530, the Company revised its "Statements of Earnings and Deficit" to include the newly required Statement of Comprehensive Income by creating a combined "Statements of Earnings, Deficit and Comprehensive Income," and changed the Balance Sheet classification from "Deficit" to "Deficit and accumulated other comprehensive income."

Disclosure Controls

The Company has a Corporate Disclosure Policy in place to ensure that communications with the investing public about the Company are timely, factual and accurate; disseminated in accordance with all applicable legal and regulatory requirements; and that all material information in respect of the Company is communicated to the Chief Executive Officer and the Chief Financial Officer, and where appropriate, the Board of Directors and/or committees thereof. As at March 31, 2007, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective to provide reasonable assurance that material information related to Solium is made known to them for disclosure purposes.

It should be noted that while the Chief Executive Officer and Chief Financial Officer believe that the disclosure controls and procedures will provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of Solium are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The design of the internal controls over financial reporting was assessed as of December 31, 2006. Management identified certain material weaknesses in internal controls over financial reporting which were as follows:

- a) Due to the limited number of accounting staff at Solium, it was not possible to achieve a segregation of duties; and
- b) Due to the legacy systems that were established at Solium when it was a smaller company, Solium did not have a sophisticated accounting system in place with strong user security controls.

These weaknesses in Solium's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting by segregating duties as much as possible under the current circumstances. Improvements over these weaknesses are expected during 2007 through the hiring of additional staff and the implementation of a new accounting system. In spite of management's best efforts, there can be no assurance that the risk of material misstatement can be reduced to less than a remote likelihood.

Outlook

Business Prospects

During the first quarter of 2007, seven corporate plans were implemented onto Solium's application adding approximately \$230,000 in expected annualized access fee revenue to the Company.

As at March 31, 2007, the Company had in progress, 21 corporate plans with approximately \$550,000 in expected annualized access fee revenue being implemented onto Shareworks™. Implementation of these plans is expected to be completed throughout the remainder of 2007.

Overall, economic and industry factors are substantially unchanged from those described in the MD&A for the year ended December 31, 2006.

U.S. Market

The Company is continuing to develop its operations in the U.S. In March 2007, the Company appointed a new President and Chief Executive Officer of Solium Capital Ltd., the Company's wholly-owned U.S. subsidiary.

One of the above-mentioned corporate plans that was implemented onto Shareworks™ in the first quarter of 2007 was a U.S. based client. This client is expected to have annualized access fee revenue of approximately \$14,000.

Five of the above-mentioned corporate plans currently in implementation are U.S. based clients. Approximately \$48,500 of expected annualized access fee revenue is estimated from these U.S. based clients.

The Company will also continue to explore channel opportunities in the U.S.

StockVantage Inc.

In March 2007, the Company announced the expansion of its product suite with the launching of a wholly owned subsidiary, StockVantage Inc. StockVantage™ will leverage Solium's Shareworks™ technology to deliver solutions for companies with smaller stock option plans. Offering scaled down, self-service functionality, StockVantage™ is targeted at companies that have less elaborate plans but face the same regulatory and reporting requirements as large companies with complex stock plans. With the creation of StockVantage™, the Company can now offer these companies a cost effective alternative to managing their plans internally on spreadsheets.

Canaccord Capital Corporation

In April 2007, the Company finalized an agreement with Canaccord Capital Corporation ("Canaccord") whereby Canaccord will provide trade execution services to Solium's clients. This previously announced strategic relationship enables Solium to provide an additional fully integrated execution and post settlement service for equity transactions through Shareworks™. Canaccord will offer Solium's Shareworks™ application to its growing institutional portfolio and offer a best of breed corporate reporting technology and cost effective brokerage solution to plan administrators and equity plan participants alike.

Solium and Canaccord are developing an automated solution that fully integrates the delivery of services to Solium's clients and their participants. Solium expects this automated solution will provide robust scalability, reliability and efficiency, which will further enhance Solium's current service offering to its clients and their participants and offer more choice for brokerage services. This enhanced solution will also support Solium's continued growth in both domestic and international markets.

In consideration of this investment by Solium and the services to be provided by Solium to Canaccord, Canaccord will pay to Solium administration fees related to such services and for access to Shareworks™. The amount of the administration fees payable in Canada to Solium will be dependent on the volume of securities transactions and fund movements. The aggregate amount of the administration fees achievable through this relationship will be subject to a number of factors including the adoption of the automated solution by clients and general market conditions. Subject to the foregoing factors, Solium believes that the economic terms and efficiencies associated with this strategic relationship could have a positive material impact on Solium's earnings.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at the date of this MD&A, there were 28,362,299 common shares outstanding.

Employees, directors, officers and consultants have been granted options to purchase common shares under a stock option plan. As at the date of this MD&A, there were 3,396,999 options outstanding.

Risk Assessment

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of the Company. The risks that could affect the Company have been described in the MD&A of the Company for the year ended December 31, 2006. The risks identified therein do not constitute an exhaustive list of all possible risks as there may be additional risks of which management is currently unaware of.

AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The unaudited interim consolidated financial statements for the period ended March 31, 2007 have not been reviewed by the Company's auditors, Deloitte & Touche LLP. The Company did not engage its auditors to provide a Review Engagement Report on the interim financial statements, and therefore, no such report was issued by the auditors for the period ended March 31, 2007.



Jeff English
President and Chief Executive Officer



Lynn Leong, CA
Chief Financial Officer

CONSOLIDATED STATEMENTS OF EARNINGS, DEFICIT AND COMPREHENSIVE INCOME

<i>Three Months Ended March 31 (Unaudited)</i>	2007 \$	2006 \$
Revenue		
Stock option services	1,167,306	959,809
Share purchase services	1,308,851	1,042,021
Consulting services	130,230	98,550
	2,606,387	2,100,380
Expenses		
Salaries and wages (Note 6)	1,335,577	888,078
General and administrative	732,392	541,514
Amortization	94,191	57,684
	2,162,160	1,487,276
Earnings before taxes	444,227	613,104
Income taxes (Note 3)		
Current	–	–
Future income tax recovery	7,500	82,549
	7,500	82,549
Net earnings	451,727	695,653
Deficit, beginning of period	(5,221,674)	(7,699,081)
Deficit, end of period	(4,769,947)	(7,003,428)
Accumulated other comprehensive income	–	–
Deficit and accumulated other comprehensive income, end of period	(4,769,947)	(7,003,428)
Net earnings per share		
Basic	0.016	0.025
Diluted	0.015	0.024

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED BALANCE SHEETS

	As at March 31, 2007 \$	As at December 31, 2006 \$
	<i>(Unaudited)</i>	<i>(Audited)</i>
Assets		
Current		
Cash	1,930,723	3,074,767
Accounts receivable	2,452,295	1,663,623
Prepaid expenses	284,856	218,956
Future income taxes <i>(Note 3)</i>	817,500	810,000
	5,485,374	5,767,346
Future income taxes	14,467	11,572
Capital assets	494,781	534,062
	5,994,622	6,312,980
Liabilities		
Current		
Accounts payable and accrued liabilities	480,107	1,174,011
Current portion of deferred revenue	89,453	85,699
Current portion of deferred tenant inducement	35,000	35,000
	604,560	1,294,710
Deferred revenue	86,404	92,680
Deferred tenant inducement	145,815	154,564
	836,779	1,541,954
Shareholders' Equity		
Share capital <i>(Note 4)</i>	9,714,315	9,780,085
Contributed surplus <i>(Note 5)</i>	213,475	460,735
Shares held for cancellation <i>(Note 4)</i>	–	(248,120)
Deficit and accumulated other comprehensive income	(4,769,947)	(5,221,674)
	5,157,843	4,771,026
	5,994,622	6,312,980

APPROVED BY THE BOARD OF DIRECTORS



Anthony Webb
Director



Michael Broadfoot
Director

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>Three Months Ended March 31 (Unaudited)</i>	2007	2006
	\$	\$
Cash flows related to the following activities:		
Operating		
Net earnings	451,727	695,653
Adjustments for items not involving cash:		
Future income taxes	(7,500)	(82,549)
Amortization of capital assets	94,191	57,684
Stock-based compensation expense <i>(Note 6)</i>	52,207	52,952
Amortization of tenant inducement	(8,749)	(8,749)
	581,876	714,991
Future income taxes	(2,895)	–
Changes in non-cash working capital	(1,513,082)	(294,325)
	(934,101)	420,666
Financing		
Issuance of common shares <i>(Note 4)</i>	13,250	18,299
Purchase of common shares in issuer bid, net of purchase costs <i>(Note 4)</i>	(130,367)	–
Changes in non-cash working capital	(15,075)	–
	(132,192)	18,299
Investing		
Purchase of capital assets	(54,910)	(55,989)
Changes in non-cash working capital	(22,841)	(40,409)
	(77,751)	(96,398)
Net increase (decrease) in cash	(1,144,044)	342,567
Cash, beginning of period	3,074,767	1,478,400
Cash, end of period	1,930,723	1,820,967

The accompanying notes are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended March 31, 2007 and 2006 (Unaudited)

1. BASIS OF PRESENTATION

These unaudited interim consolidated financial statements of Solium Capital Inc. (the “Company” or “Solium”) have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim financial statements, and do not include all of the disclosures normally found in the annual financial statements for the Company. These interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2006.

The preparation of interim financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the interim financial statements and the accompanying notes. Actual results could differ from these estimates and the operating results for the interim period presented are not necessarily indicative of the results expected for the full year.

These interim financial statements have been prepared on a basis consistent with the audited financial statements for the year ended December 31, 2006, except as described in Note 2.

2. CHANGES IN ACCOUNTING POLICIES

a) Financial instruments and hedging activities

Effective January 1, 2007, the Company adopted Section 3855 – *Financial Instrument Recognition and Measurement*, Section 3861 – *Financial Instruments Disclosure and Presentation*, and Section 3865 – *Hedges*. These standards have been adopted prospectively and the comparative interim financial statements have not been restated.

The Company has classified all financial instruments into one of the following five categories: 1) loans and receivables, 2) assets held-to-maturity, 3) assets available-for-sale, 4) other financial liabilities, and 5) held-for-trading (assets and liabilities). All financial instruments must initially be recognized at fair value. Subsequent measurement of the financial instruments is based on their classification. Financial instruments that are classified as held-for-trading or available-for-sale are re-measured each reporting period at fair value with the resulting gain or loss recognized immediately in net earnings and other comprehensive income, respectively. All other financial instruments are accounted for at amortized cost.

The Company has made the following classifications of financial instruments outstanding on January 1, 2007:

- Cash and cash equivalents – designated as held-for-trading
- Accounts receivable – loans and receivables
- Bank overdrafts, accounts payable and accrued liabilities – other financial liabilities

Due to the nature and/or short maturity of these financial instruments, their carrying value approximated their fair value at January 1, 2007.

Exposure to counterparty credit risk, interest rate risk and foreign currency risk arises in the normal course of the Company’s business. The Corporation currently does not enter into derivative financial instruments to reduce exposure to fluctuations in any of the risks impacting the Company’s operations.

Derivatives embedded in other financial instruments or contracts are separated from their host contracts and accounted for as derivatives when their economic characteristics and risks are not closely related to those of the host contract. The Company has never had any contracts or financial instruments with embedded derivatives that require bifurcation.

The Company currently does not utilize hedges, and as a result the adoption of Section 3865 currently has no material impact on the financial statements of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Three Months Ended March 31, 2007 and 2006 (Unaudited)

b) Comprehensive income

Effective January 1, 2007, the Company adopted Section 1530 – *Comprehensive Income*. Comprehensive income is the change in shareholders' equity which results from transactions and events from sources other than the Company's shareholders. These transactions and events include changes in the currency translation adjustment relating to self-sustaining foreign operations and unrealized gains and losses resulting from changes in the fair value of certain financial instruments. The Company did not have any items to record as transitional adjustments with respect to comprehensive income.

Upon adoption of Section 1530, the Company revised its "Statements of Earnings and Deficit" to include the newly required Statement of Comprehensive Income by creating a combined "Statements of Earnings, Deficit and Comprehensive Income," and changed the Balance Sheet classification from "Deficit" to "Deficit and accumulated other comprehensive income."

3. INCOME TAXES

The Company has recorded the benefit of certain Canadian tax loss carryforwards. In assessing the realizability of the future tax asset, management considers whether it is more likely than not that some portion or all of the future tax asset will be realized. The financial results of the last four financial quarters is used as a key indicator. In addition, assumptions are made about the continued ability to service existing clients and add new clients, the sustainability of the capital markets, and the continued ability to manage costs due to growth.

Any change to the future tax asset from period to period is reflected as a change in the valuation allowance for the asset and is reflected as a future income tax expense or recovery. A future tax recovery of \$7,500 was recorded during the three months ended March 31, 2007.

4. SHARE CAPITAL

	Number of Shares	Amount \$
Issued – common shares		
Balance, December 31, 2006	28,603,899	9,780,085
Issued on exercise of stock options (Note 6)	25,000	13,250
Cancellation of shares purchased in issuer bid	(266,600)	(91,154)
Adjustment on exercise of stock options (Note 5)	–	12,134
Balance, March 31, 2007	28,362,299	9,714,315

In December 2006, Solium initiated a Normal Course Issuer Bid. 177,500 common shares were purchased by the Company in December 2006 at a cost of \$248,120. In January 2007, a further 89,100 common shares were purchased at a cost of \$130,367.

The first 177,500 shares were cancelled from treasury effective January 5, 2007, and the 89,100 shares were cancelled effective January 15, 2007. Upon cancellation, \$91,154 was applied against share capital representing the book value of such shares. The remaining \$287,333 was applied against contributed surplus.

5. CONTRIBUTED SURPLUS

	Amount \$
Balance, December 31, 2006	460,735
Stock-based compensation expense	52,207
Cancellation of shares purchased in issuer bid (Note 4)	(287,333)
Adjustment on exercise of stock options during the year	(12,134)
Balance, March 31, 2007	213,475

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Three Months Ended March 31, 2007 and 2006 (Unaudited)

6. STOCK-BASED COMPENSATION

Stock option activity with respect to the Company's stock option plan for the three months ended March 31, 2007 is shown below:

	Number of Shares	Weighted Average Exercise Price \$
Outstanding, December 31, 2006	3,104,499	0.52
Granted	372,500	2.03
Exercised	(25,000)	0.53
Forfeited	(55,000)	1.11
Outstanding, March 31, 2007	3,396,999	0.67

7. SEGMENTED INFORMATION

The following is a breakdown of financial information by geographic segment:

<i>Three months ended March 31,</i>	2007 \$	2006 \$
Revenue		
Canada	2,577,100	2,069,483
United States	29,287	30,897
	2,606,387	2,100,380
Net earnings (loss) before income taxes		
Canada	646,992	695,194
United States	(202,765)	(82,090)
	444,227	613,104
Net earnings (loss)		
Canada	654,492	777,743
United States	(202,765)	(82,090)
	451,727	695,653
Capital expenditures		
Canada	54,910	46,944
United States	-	9,045
	54,910	55,989
<i>As at March 31,</i>	2007 \$	2006 \$
Total assets		
Canada	5,721,464	4,142,009
United States	273,158	93,541
	5,994,622	4,235,550
Capital assets		
Canada	485,334	453,079
United States	9,447	14,385
	494,781	467,464

CORPORATE INFORMATION

OFFICERS

Rudolph Bester

Vice President, Market Development (Canada)

Brian Craig

Executive Director

June Davenport

Chief Products Officer

Jeff English

President and Chief Executive Officer

Lisa Fidaleo

Vice President, Sales (U.S.), Solium Capital Ltd.

Jeannie Kezama

Vice President, Service Operations

Lynn Leong

Chief Financial Officer

Marcos Lopez

*Executive Vice President,
Corporate Strategy and Business Development*

Lance Titchkosky

Vice President, Software Development

Russ Waterhouse

*President and Chief Executive Officer,
Solium Capital Ltd.*

DIRECTORS

James Aramanda

*Director,
Solium Capital Inc.*

Michael Broadfoot

*Director,
Solium Capital Inc.*

Brian Craig

*Executive Director,
Solium Capital Inc.*

Justin Ferrara

*Partner,
Macleod Dixon LLP*

Russ Waterhouse

*Director,
Solium Capital Inc.*

Anthony Webb

*Former President and Chief Executive Officer,
Royal Trust*

OFFICES

Head Office

200, 805 – 8th Avenue S.W.
Calgary, Alberta T2P 1H7
Phone 403-515-3910
Fax 403-515-3919
Toll Free 1-877-380-7793

Toronto Office

20 Adelaide Street East
Suite 1102
Toronto, Ontario M5C 2T6
Phone 416-365-7771
Fax 416-365-9169

Montreal Office

Suite 355
1470 Peel Street
Montreal, Quebec H3A 1T1
Phone 514-499-8200
Fax 514-499-8201

New York Office

17 Battery Place South
Suite 1343
New York, NY
10004-1014
Phone 212-248-2451
Fax 212-248-2543

INVESTOR INFORMATION

Transfer Agent

Valiant Trust Company

Legal Counsel

Macleod Dixon LLP

Auditors

Deloitte & Touche LLP

Stock Listing and Symbol

TSX
Symbol: SUM

Investor Contact

Lynn Leong, CFO
Phone 403-515-3910
Fax 403-515-3933
Email investorrelations@solium.com

Website

www.solium.com