SOLARIS RESOURCES

Solaris Resources Inc.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and 2021

(Unaudited)

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited – In thousands of United States dollars)

	Note		March 31, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	17,568	$	33,897
Prepaids and other	3		1,223		957
			18,791		34,854
Restricted cash	6		74		74
Exploration and evaluation assets	4		20,180		20,180
Property, plant and equipment	5		3,009		2,542
Total assets		$	42,054	$	57,650
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	10,077	$	10,750
Lease liability			134		136
Derivative liability	7		1,248		1,783
			11,459		12,669
Long-term liabilities					
Lease liability			157		188
Reclamation provision	6		1,777		1,509
Other long-term liability			261		165
Total liabilities			13,654		14,531
Shareholders' equity					
Common shares	8		119,606		119,555
Reserves	8		22,786		21,554
Deficit			(121,887)		(105,901)
Equity attributable to shareholders of the Company			20,505		35,208
Non-controlling interests	12		7,895		7,911
Total shareholders' equity			28,400		43,119
Total liabilities and equity		$	42,054	$	57,650

Commitments (Note 16)
Subsequent event (Note 17)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For the three months ended March 31, 2022 and 2021

(Unaudited – In thousands of United States dollars, except share and per share amounts)

	Note		For the three months ended March 31, 2022		2021
Exploration expenses	9	$	14,305	$	8,351
General and administrative expenses	10		2,269		1,986
Loss from operations			16,574		10,337
Change in fair value of derivatives	7		(554)		2,845
Finance income, net			(39)		(124)
Other expense			21		17
Net loss		$	16,002	$	13,075
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Foreign currency translation			(206)	$	(747)
Total comprehensive loss		$	15,796	$	12,328
Net loss attributable to:					
Shareholders of the Company	12	$	15,986	$	13,058
Non-controlling interest	12		16		17
		$	16,002	$	13,075
Total comprehensive loss attributable to:					
Shareholders of the Company		$	15,780	$	12,311
Non-controlling interest	12		16		17
		$	15,796	$	12,328
Net loss per share attributable to shareholders of the Company					
Basic and diluted		$	0.15	$	0.12
Weighted average number of shares outstanding					
Basic and diluted		$	108,842,900	$	105,612,668

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2022 and 2021
(Unaudited – In thousands of United States dollars)

	Note	For the three months ended March 31, 2022	2021
Cash provided by (used in):			
Operations			
Net loss for the period		$ (16,002)	$ (13,075)
Adjustments for:			
Change in fair value of derivatives	7	(554)	2,845
Finance income, net		(39)	(124)
Foreign exchange and other		29	(5)
Share-based compensation	8	1,036	1,131
Amortization	5	162	38
Reclamation provision		267	188
Net changes in non-cash working capital items:			
Prepaids and other		(271)	(605)
Accounts payable and accrued liabilities		(665)	619
Due to related parties	15	–	(66)
Other long-term liability		96	–
		(15,941)	(9,054)
Financing			
Proceeds from exercise of Equinox Warrants, warrants and stock options		41	4,333
Payment of lease liability		(40)	(16)
Finance income received, net		48	128
		49	4,445
Investing			
Capital expenditures		(629)	(435)
		(629)	(435)
Effect of exchange rate changes on cash and cash equivalents		192	819
Decrease in cash and cash equivalents		(16,329)	(4,225)
Cash and cash equivalents, beginning of period		33,897	73,593
Cash and cash equivalents, end of period		$ 17,568	$ 69,368

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited – In thousands of United States dollars, except number of shares)

		Share Capital		Reserves					
	Note	Number of Shares	Amount	Options, RSUs and warrants	Foreign currency translation	Total	Deficit	Non-controlling interest	Total equity
Balance, December 31, 2021		108,827,567	$ 119,555	$ 19,834	$ 1,720	$ 21,554	$ (105,901)	$ 7,911	$ 43,119
Shares issued on exercise of stock options	8	2,500	4	(1)	–	(1)	–	–	3
Shares issued on exercise of Solaris warrants and Equinox Warrants	8	40,500	47	(9)	–	(9)	–	–	38
Share-based compensation	8	–	–	1,036	–	1,036	–	–	1,036
Net loss and comprehensive loss		–	–		206	206	(15,986)	(16)	(15,796)
Balance, March 31, 2022		108,870,567	119,606	20,860	1,926	22,786	(121,887)	7,895	28,400
Balance, December 31, 2020		105,057,203	$ 110,239	$ 16,492	$ 1,019	$ 17,511	$ (49,105)	$ 7,914	$ 86,559
Shares issued on redemption of RSUs, net of shares withheld for tax	8	4,191	4	(32)	–	(32)	–	–	(28)
Shares issued on exercise of stock options	8	224,269	192	(54)	–	(54)	–	–	138
Shares issued on exercise of Solaris warrants and Equinox Warrants	8	2,214,543	5,147	(795)	–	(795)	–	–	4,352
Share-based compensation	8	–	–	1,131	–	1,131	–	–	1,131
Net loss and comprehensive loss		–	–	–	747	747	(13,058)	(17)	(12,328)
Balance, March 31, 2021		107,500,206	$ 115,582	$ 16,742	$ 1,766	$ 18,508	$ (62,163)	$ 7,897	$ 79,824

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Solaris Resources Inc. (the "Company" or "Solaris") was incorporated under the Business Corporations Act of British Columbia on June 18, 2018 as a wholly owned subsidiary of Equinox Gold Corp. ("Equinox"). Equinox subsequently distributed 60% of the outstanding shares of the Company to its shareholders pursuant to a plan of arrangement (the "Arrangement"). Solaris' shares trade on the Toronto Stock Exchange under the symbol "SLS".

The Company is engaged in the acquisition, exploration and development of mineral property interests. The Company's assets consist primarily of the Warintza property ("Warintza") in Ecuador, the 60% owned La Verde property ("La Verde") in Mexico, the Ricardo property ("Ricardo") in Chile, optioned to Freeport-McMoRan, and its optioned and owned Tamarugo property ("Tamarugo") in Chile. The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

The Company relies on share issuances in order to fund its exploration and other business objectives. As at March 31, 2022, the Company has cash and cash equivalents of $17,568. Based on the forecasted cash inflows and expenditures, this balance would be sufficient to fund the Company's committed exploration expenses and general and administrative costs for the next twelve months; however, if the Company continues its current level of exploration activities throughout the next twelve months, the expected cash balances may not be sufficient to fund these expenditures. In the longer term, the Company's ability to continue as a going concern is dependent upon successful execution of its business plan, raising additional capital or evaluating strategic alternatives for its mineral property interests. The Company expects to continue to raise the necessary funds primarily through the issuance of common shares. There can be no guarantees that future equity financing will be available on acceptable terms or at all, in which case the Company may need to reduce its longer-term exploration plans. Subsequent to March 31, 2022, the Company received proceeds from the exercise of common share purchase warrants of Solaris totalling $23,613 (C$30,431). Please refer to Note 17.

On March 11, 2020, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The Company has largely resumed its normal operations including personnel's travel and work locations. While the Company has not been significantly impacted by COVID-19 to date, disruptions resulting from COVID-19 at any of the Company's projects or in the jurisdictions in which the Company operates could have a significant negative effect on the Company. In particular, unwarranted disruptions may prevent Company personnel from working because of quarantine or other restrictions imposed by local health authorities, as well as cause the Company to delay planned business activities, including permitting and exploration activities, and increase fiscal losses. Responses to COVID-19, including government and local restrictions on the movement of people and goods, may cause visits, fieldwork and analysis performed by the Company and its contractors to slow or even cease. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial and metals markets, which could have a significant negative effect on the ability of the Company to obtain equity financing to fund additional exploration activities.

2. BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Accounting Standard 34 ("IAS 34"), Interim Financial Reporting, and do not include all of the information required for annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performances since the last annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual audited financial statements for the year ended December 31, 2021. The accounting policies, significant judgments made by management in applying these policies and key sources of estimation uncertainty are the same as those applied in the Company's annual audited consolidated financial statements for the year ended December 31, 2021.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on May 13, 2022.

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for derivatives which are recognized at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These condensed consolidated interim financial statements are presented in United States dollars ("US dollars"). The functional currency of the Company is the Canadian dollar and for its subsidiaries is the US dollar.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control.

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries as described below:

Company	Location	Ownership interest
Lowell Copper Holdings Inc.	Canada	100%
1330783 B.C. Ltd	Canada	100%
Lowell Copper Holdings (US) Inc.	Canada	100%
Solaris Exploration Inc.	Canada	100%
Lowell Copper (US) Inc.	United States	100%
Lowell Mineral Exploration Ecuador S.A.	Ecuador	100%
Solaris Resources Ecuador S.A.S	Ecuador	100%
Minera Ricardo Resources Inc. S.A.	Chile	100%
Solaris Copper SpA	Chile	100%
Lowell Copper S.A.C.	Peru	100%
Minera Gabriella S.A. de C.V.	Mexico	100%
Ascenso Inversiones S.A.	Guatemala	100%
Catalyst Copper Corp.	Canada	100%
Minera Hill 29, S.A. de C.V.	Mexico	100%
Minera Torre de Oro, S.A.P.I. de C.V.	Mexico	60%

3. PREPAIDS AND OTHER

	Note		March 31, 2022		December 31, 2021
Prepaid expenses and deposits		$	851	$	724
Supplies inventory			182		86
Taxes recoverable			110		75
Amounts receivable and other			4		5
Due from a related party	16		76		67
		$	1,223	$	957

4. EXPLORATION AND EVALUATION ASSETS

	Note		March 31, 2022		December 31, 2021
La Verde (Mexico)	a)	$	19,741	$	19,741
Warintza (Ecuador)	b)		188		188
Ricardo (Chile)	c)		251		251
		$	20,180	$	20,180

a) La Verde

La Verde is situated in the Sierra Madre del Sur west of Mexico City in Michoacán State, Mexico and consists of the Unificación Santa Maria claim. The project is held 60% by the Company and 40% by a subsidiary of Teck Resources Ltd. The joint venture agreement governing the operation and funding of La Verde was formalized effective February 28, 2015. The Agreement provides that Solaris be the operator of the project. The Agreement further provides for dilution of either party's ownership should funding not be provided in accordance with their respective participating interests. La Verde is subject to a 0.5% net smelter royalty held by Minera CIMA, S.A. de C.V.

b) Warintza

The Company owns a 100% interest in Warintza. Warintza is located in southeastern Ecuador in the province of Morona Santiago, Canton Limon Indanza. It consists of eight mining concessions (the “Concessions”) covering a total of 26,777 hectares. The Concessions expire between September 2031 and March 2042 and can be renewed for an additional period of 25 years. South32 Royalty Investments Pty Ltd holds a 2% net smelter royalty on the original three concessions covering a total of 10,000 hectares.

c) Ricardo

The Company owns a 100% interest in Ricardo, an early-stage exploration porphyry copper prospect located near Calama, Chile in the Calama Mining District. The Ricardo claim block covers approximately 16,000 hectares.

In October 2018, and amended in October 2019 and February 2022, the Company entered into a definitive earn-in option agreement (the “Ricardo Option Agreement”) with Minera Freeport-McMoRan South America Limitada (“Freeport”) with respect to Ricardo.

The current amended Ricardo Option Agreement provides for a three-staged process by which Freeport can earn up to an 80% interest in the Ricardo property as follows:

To earn an initial 60% interest in the Ricardo property, Freeport must complete both Stage 1 and Stage 2:

- Stage 1: Upon receipt of the relevant exploration permits in December 2018, Freeport is required to spend $4.2 million in exploration expenditures over the period ending December 2022.

- Stage 2: Upon completion of Stage 1, Freeport can elect to spend $4.8 million by December 2023, $8.0 million by December 2024 and $13.0 million by December 2025.

Upon completion of both Stage 1 and Stage 2, Freeport can elect to complete Stage 3 to earn an additional 20% interest in the Ricardo property whereby Freeport is required to complete the first of (i) funding a feasibility study for a mine at Ricardo and (ii) spending an additional $100 million in exploration expenditures. Should Stage 3 not be completed within ten years, Freeport can maintain the option by paying to the Company $1 million annually until Stage 3 is complete.

d) Tamarugo

Tamarugo is a grass-roots copper porphyry target located in northern Chile. The Company entered into a definitive earn-in option agreement with Freeport with respect to 5,100 hectares owned by Freeport and approximately 5,000 hectares 100% owned by the Company in June 2019, amended in November 2020.

Pursuant to the amended option agreement, the Company can earn up to a 75% interest in Tamarugo as follows:

- To earn an initial 51% interest in Tamarugo, the Company is required to spend $4.0 million in exploration expenditures over five years commencing in December 2019 with $0.25 million in years one and two (completed), $0.35 million in year three, $1.9 million in year four and $1.5 million in year five.

- Within 60 days of the Company earning the initial 51% interest in Tamarugo, Freeport may exercise a back-in right to reacquire 11% of Tamarugo by paying to the Company $12 million (the “Back-in Right”). Freeport will then be required to fund all exploration expenditures until either completing a pre-feasibility study for a mine at Tamarugo or spending a total of $50 million within 10 years of exercise of the Back-in Right. Should Freeport not complete either the pre-feasibility study or spend a total of $50 million within 10 years of exercise of the Back-in Right, Freeport can maintain its 11% interest by paying to the Company $1 million annually until it completes either one of these obligations.

- Should Freeport elect not to exercise the Back-in Right, the Company can elect to earn an additional 24% interest in Tamarugo by spending an additional $1.5 million in exploration expenditures by December 2025 and delivering a pre-feasibility study for a mine at Tamarugo by December 2027.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

The Company is obligated to issue an additional 500,000 common shares to the estate of a former consultant of the Company upon discovery of potentially economic mineralization at Tamarugo. No amount has been recognized for these common shares as there is currently insufficient evidence that this non-market performance condition will be met.

Tamarugo also includes a 100% owned claim block which covers approximately 7,300 hectares, which is not part of the option agreement with Freeport as discussed above.

e) Other projects

Solaris has earn-in agreements on certain other projects including the Capricho and Paco Orco projects in Peru. The Capricho project is a 4,200-hectare copper-molybdenum-gold property. The Paco Orco project is a 4,400-hectare lead, zinc and silver property.

In December 2021, the Company announced its intention of transferring its non-core assets held in Ecuador, Peru, Chile and Mexico into a newly incorporated wholly owned subsidiary of Solaris named Solaris Exploration Inc. ("Solaris Exploration") pursuant to an internal re-organization (the "Re-Organization"). Following the Re-Organization, it is expected that 100% of the common shares of Solaris Exploration will be spun out to shareholders relative to their shareholdings in Solaris (the "Spin-Out"), subject to the approval of the Company's shareholders as well as the respective regulatory approvals.

5. PROPERTY, PLANT AND EQUIPMENT

	Site infra-structure and equipment	Construction in progress	Vehicles	Warehouse & office equipment & furniture	Right-of-use assets	Total
Cost						
As at December 31, 2020	$ 669	$ 50	$ –	$ 109	$ 180	$ 1,008
Additions	706	629	4	343	433	2,115
Transfers	407	(407)	–	–	–	–
As at December 31, 2021	$ 1,782	$ 272	$ 4	$ 452	$ 613	$ 3,123
Additions	266	346	–	17	–	629
Transfers	–	–	–	–	–	–
As at March 31, 2022	$ 2,048	$ 618	$ 4	$ 469	$ 613	$ 3,752
Accumulated amortization						
As at December 31, 2020	$ 110	$ –	$ –	$ 15	$ 48	$ 173
Amortization	200	–	–	98	110	408
As at December 31, 2021	$ 310	$ –	$ –	$ 113	$ 158	$ 581
Amortization	82	–	–	33	47	162
As at March 31, 2022	$ 392	$ –	$ –	$ 146	$ 205	$ 743
Net book value						
As at December 31, 2021	$ 1,472	$ 272	$ 4	$ 339	$ 455	$ 2,542
As at March 31, 2022	$ 1,656	$ 618	$ 4	$ 323	$ 408	$ 3,009

6. RECLAMATION PROVISION

	March 31, 2022	December 31, 2021
Balance, start of period	$ 1,509	$ 936
Additions	241	600
Accretion	1	7
Change in estimate	26	(34)
Balance, end of period	$ 1,777	$ 1,509

(Unaudited – In thousands of United States dollars, unless otherwise noted)

The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza, estimated to be incurred in the year 2027. The total undiscounted estimated cash flows required to settle these obligations as at March 31, 2022 are $2,047 (December 31, 2021 – $1,639), which have been inflated at an average rate of 2.25% per annum (December 31, 2021 – 1.00%) and discounted at an average rate of 2.40% (December, 31, 2021 – 1.44%) per annum being an estimate of the risk-free, pre-tax cost of borrowing over the respective periods. Restricted cash of $74 (December 31, 2021 – $74) represents funds being used to collateralize a guarantee issued to support environmental bonding requirements with respect to the environmental disturbances at Warintza.

7. DERIVATIVES

Pursuant to the Arrangement under which Equinox distributed 60% of the shares of the Company to its shareholders in August 2018, the Company became obligated to issue Solaris common shares on any exercise of then existing Equinox Warrants. The obligation to issue shares on exercise of Equinox Warrants meets the definition of a derivative.

As at March 31, 2022, the Company is obligated to issue 153,529 common shares (December 31, 2021 – 153,529) on exercise of Equinox Warrants which have a weighted average exercise price per one whole Equinox common share and one-quarter Solaris common share issuable of C$5.30 (December 31, 2021 – C$5.30) and a weighted average contractual life of 1.10 years (December 31, 2021 – 1.34 years). Equinox is required to pay to the Company one-tenth of the proceeds it receives on the exercise of these warrants.

At March 31, 2022 and December 31, 2021, the fair value of the Company's obligation to issue shares on exercise of Equinox Warrants classified as a derivative was determined using the Monte Carlo Simulation model.

The following assumptions were used in estimating the fair value of the derivative for March 31, 2022 and December 31, 2021:

Weighted average		March 31, 2022		December 31, 2021
Risk-free rate		1.94%		0.76%
Correlation of changes in Solaris and Equinox share prices		26%		21%
Expected term (years)		1.10		1.34
Expected volatility – Equinox and Solaris[1]		44% and 52%		40% and 58%
Expected dividend		–		–
Solaris share price per whole share	C$	12.28	C$	16.94
Equinox share price per whole share	C$	10.32	C$	8.56

[1] The expected volatility of Solaris is based on the historical volatility of the Solaris shares.

During the three months ended March 31, 2022, the Company did not issue any common shares on exercise of Equinox Warrants (December 31, 2021 – issued 174,890 common shares on exercise of 3,497,793 Equinox Warrants). A continuity of the derivative asset (liability) is as follows:

		March 31, 2022		December 31, 2021
Balance, start of period	$	(1,783)	$	(3,996)
Exercise of warrants		–		792
Change in fair value		554		1,530
Foreign exchange on translation		(19)		(109)
Balance, end of period	$	(1,248)	$	(1,783)

The derivative liability is classified as a current liability because the holder can exercise these warrants at any time.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

8. SHARE CAPITAL

a) Common shares

Authorized: Unlimited common shares, with no par value.

Issued and fully paid: 108,870,567 (December 31, 2021 – 108,827,567)

b) Share purchase options

For the three months ended March 31, 2022, the Company recognized a share-based compensation expense included in general and administrative expenses of $1,036, respectively (three months ended March 31, 2021 – $1,131).

The following table shows the change in the shares issuable for Arrangement options (see below) and Solaris options during the three months ended March 31, 2022 and 2021:

For the three months ended March 31,	2022	2021
Balance, start of period	7,982,504	8,086,002
Granted (all Solaris options)	–	300,000
Exercised	(2,500)	(224,269)
Forfeited	(15,278)	–
Balance, end of period	7,964,726	8,161,733

The weighted average exercise price per share issuable of options exercised and forfeited during the three months ended March 31, 2022 was C$1.20 and C$1.00, respectively. The weighted average exercise price per share issuable of options granted and exercised during the three months ended March 31, 2021 was C$7.24 and C$0.77, respectively

There were no options granted in the three months ended March 31, 2022. The assumptions used in the Black-Scholes option pricing model for the options granted in the three months ended March 31, 2021 were as follows:

Weighted average		2021
Exercise price per share issuable	C$	7.24
Expected term (years)		5
Volatility[1]		70%
Expected dividend yield		–
Risk-free interest rate		1.03%

[1] The expected volatility of Solaris is based on the historical volatility of the shares of a comparative peer group of companies.

Arrangement options

Pursuant to the Arrangement under which Equinox distributed the shares of the Company to its shareholders, option holders of Equinox received options of Solaris which were proportionate to, and reflective of the terms of, their existing options of Equinox (“Arrangement options”). As at March 31, 2022, a total of 1,298,914 (March 31, 2021 – 4,205,592) Arrangement options are outstanding with each option entitling the holder to one-tenth of a Solaris share. As at March 31, 2022, a total of 129,894 (March 31, 2021 – 420,567) shares are issuable by Solaris upon exercise of the Arrangement options.

	Outstanding					Exercisable		
Exercise price per Arrangement option (C$)[2]	Number of Arrangement options outstanding	Number of shares issuable		Weighted average exercise price per option (C$)	Weighted average remaining contractual life (years)	Number of shares issuable		Weighted average exercise price per option (C$)
$0.10	7,500	750	$	0.10	1.34	750	$	0.10
$0.12	1,291,414	129,144		0.12	0.96	129,144		0.12
	1,298,914	129,894	$	0.12	0.96	129,894	$	0.12

[2] Exercise price per Arrangement option for 1/10th of a Solaris share.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

The weighted average exercise price of the Arrangement options exercisable at March 31, 2022, attributable to the issuance of a whole Solaris share was C$1.20 (March 31, 2021 – C$1.15).

Solaris options

	Outstanding				Exercisable	
Grant date		Exercise price (C$)	Number of options	Weighted average remaining contractual life (years)	Number of options	Weighted average remaining contractual life (years)
August 9, 2019	$	0.50	650,000	2.36	650,000	2.36
November 18, 2019		0.80	700,000	2.64	700,000	2.64
November 21, 2019		0.80	237,499	2.65	150,001	2.65
January 2, 2020		0.80	350,000	2.76	350,000	2.76
March 20, 2020		0.80	100,000	2.97	100,000	2.97
May 27, 2020		0.80	2,647,333	3.16	879,667	3.16
November 2, 2020		4.90	2,300,000	3.59	766,666	3.59
March 16, 2021		7.24	300,000	3.96	150,000	3.96
September 15, 2021		13.11	400,000	4.46	–	–
November 10, 2021		12.45	150,000	4.62	–	–
			7,834,832	3.26	3,746,334	2.98

c) Restricted share units

Pursuant to the Arrangement, holders of Equinox RSUs or pRSUs received RSUs or pRSUs of Solaris ("Arrangement RSUs"), which were proportionate to, and reflective of the terms of, their existing RSUs or pRSUs of Equinox. The holder of the Arrangement RSUs acquires one-tenth of a Solaris share upon vesting. The following table shows the change in the RSUs and pRSUs outstanding and shares issuable during the three months ended March 31, 2022 and 2021:

	RSUs and pRSUs outstanding		Shares issuable	
	2022	2021	2022	2021
Balance, start of period	2,282,086	2,383,414	498,210	508,343
Vesting or redemption of RSUs	–	(101,328)	–	(10,133)
Balance, end of period	2,282,086	2,282,086	498,210	498,210

During the three months ended March 31, 2022, there were no RSUs redeemed under the provision of the Company's RSU plan. During the three months ended March 31, 2021, 101,328 RSUs for 10,133 shares issuable were redeemed under a provision of the Company's RSU plan which allows for the issuance of common shares net of withholding tax obligations, resulting in the issuance of 4,191 common shares of the Company to the RSU holder. The weighted average share price, at the date of redemption of these RSUs was C$6.01.

The number of shares issuable pursuant to certain pRSUs varies depending on achievement of certain market performance conditions. As at March 31, 2022, all pRSUs are vested and no additional shares are issuable for pRSUs upon achievement of market performance conditions. The issuance of shares with respect to the vested pRSUs has been deferred and these vested pRSUs have not yet been redeemed.

d) Shares issuable for Equinox Warrants

Pursuant to the Arrangement, upon exercise of each pre-existing Equinox Warrant, warrant holders will receive one-fifth of a common share of Equinox and one-twentieth of a Solaris share. Equinox will pay to Solaris an amount equal to one-tenth of the proceeds received by Equinox on exercise of the warrants. A continuity of the Company's shares issuable for Equinox Warrants is as follows:

(Unaudited – In thousands of United States dollars, unless otherwise noted)

	Shares issuable on exercise of warrants		Weighted average price per Solaris share issuable (C$)		Equinox weighted average exercise price[3] (C$)
Outstanding, December 31, 2020	4,425,287	$	5.70	$	14.24
Exercised	(174,890)		2.52		6.30
Expired	(4,096,868)		5.97		14.92
Outstanding, December 31, 2021	153,529	$	2.12	$	5.30
Exercised	–		–		–
Expired	–		–		–
Outstanding, March 31, 2022	153,529	$	2.12	$	5.30

Outstanding shares issuable for Equinox Warrants as of March 31, 2022

Expiry dates	Shares issuable on exercise of warrants		Exercise price per Solaris share issuable (C$)		Equinox exercise price[3] (C$)
December 19, 2022	2,940	$	2.02	$	5.05
May 7, 2023	150,589		2.12		5.30
	153,529				

[3] Equinox Warrants exercise price per one whole Equinox common share and one-quarter Solaris common share issuable.

e) Share purchase warrants

The following is a summary of the Company's warrants at March 31, 2022:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2021	Exercised	Expired	March 31, 2022
July 8, 2019	$0.70	July 8, 2022	500,000	–	–	500,000
November 8, 2019	$1.20	November 8, 2022	2,668,875	(28,000)	–	2,640,875
November 15, 2019	$1.20	November 15, 2022	1,718,750	–	–	1,718,750
December 24, 2019	$1.20	December 24, 2022	1,493,750	(12,500)	–	1,481,250
May 28, 2020	$1.20	May 28, 2023	25,000,000	–	–	25,000,000
December 30, 2020	$6.75	December 30, 2022	6,982,500	–	–	6,982,500
			38,363,875	(40,500)	–	38,323,375

The weighted average exercise price of the Company's warrants outstanding at March 31, 2022 is C$2.20 (December 31, 2021 – C$2.20).

(Unaudited – In thousands of United States dollars, unless otherwise noted)

9. EXPLORATION EXPENSES

The Company's exploration expenses by activity for three months ended March 31, 2022 and 2021 is as follows:

For the three months ended March 31,		2022		2021
Salaries, geological consultants and support, and travel	$	4,202	$	1,895
Site preparation and maintenance, field and general		2,686		1,570
Drilling and drilling related costs		4,622		2,961
Assay and analysis		792		586
Community relations, environmental and permitting		854		700
Concession fees		459		307
Studies		261		106
Reclamation provision		267		188
Amortization		162		38
	$	14,305	$	8,351

Pursuant to agreements with local communities, the Company is required to make certain monthly community support payments.

The Company's exploration expenses by jurisdiction are as follows:

For the three months ended March 31,		2022		2021
Ecuador	$	13,764	$	7,780
Chile		224		346
Mexico		40		41
Peru and other		277		184
	$	14,305	$	8,351

10. GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31,		2022		2021
Share-based compensation	$	1,036	$	1,131
Salaries and benefits		453		420
Office and other		189		126
Filing and regulatory fees		110		137
Professional fees		336		58
Marketing and travel		145		114
	$	2,269	$	1,986

11. SEGMENTED INFORMATION

The Company has determined that it has one operating segment, being the exploration of mineral properties.

Information about the Company's non-current assets by jurisdiction is detailed below:

		March 31, 2022		December 31, 2021
Mexico	$	19,758	$	19,758
Ecuador		3,210		2,740
Chile		261		261
Peru		34		37
	$	23,263	$	22,796

Information about the Company's exploration expenses by jurisdiction is detailed in Note 9.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

12. NON-CONTROLLING INTEREST

The Company, through its 60% ownership of Minera Torre de Oro, S.A.P.I. de C.V., controls the La Verde project, with a non-controlling interest accounting for the 40% owned by a subsidiary of Teck Resources Ltd.

Summarized financial information for the La Verde project is as follows:

	March 31, 2022	December 31, 2021
Current assets	$ 20	$ 15
Non-current assets	19,741	19,741
Current liabilities	11	8

For the three months ended March 31,	2022	2021
Net loss	$ 40	$ 43
Attributable to Shareholders of the Company	24	26
Attributable to non-controlling interest	16	17

13. FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets.

The Company is primarily exposed to credit risk on its cash and cash equivalents, restricted cash, deposits and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of $17,832 represents the maximum exposure to credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash.

At March 31, 2022, the Company had contractual cash flow commitments as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 10,077	$ –	$ –	$ –	$ 10,077
Lease liabilities	134	157	–	–	291
Other long-term liability	–	261	–	–	261
Office rent obligations	223	347	–	–	570
Exploration expenses and other	294	180	–	–	474
	$ 10,728	$ 945	$ –	$ –	$ 11,673

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At March 31, 2022, the Company had not entered into any contracts to manage foreign exchange risk.

The functional currency of the parent company is Canadian dollars. Therefore, the Company is exposed to currency risk from the assets and liabilities denominated in US dollars. However, the impact on such exposure is not currently material.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

The Company is also exposed to currency risk on financial assets and liabilities denominated in Peruvian soles, Chilean pesos, Mexican pesos and Guatemalan quetzals. However, the impact on such exposure is not currently material.

14. FAIR VALUE MEASUREMENTS

As at March 31, 2022, the Company's derivative instruments are measured at fair value using Level 2 inputs. The carrying values of cash and cash equivalents, restricted cash, deposits, amounts receivable and accounts payable and accrued liabilities approximate fair value due to their short terms to maturity. There were no transfers between fair value levels in the periods presented.

15. RELATED PARTY TRANSACTIONS

a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Senior Vice President Corporate Affairs and Corporate Secretary and Directors.

Key management compensation for the three months ended March 31, 2022 and 2021 is comprised of:

For the three months ended March 31,		2022		2021
Share-based compensation	$	844	$	923
Salaries and benefits		177		135
Professional fees		70		69
	$	1,091	$	1,127

During 2021, the Company entered an agreement with Augusta Capital Corporation for consulting services, which is recognized by the Company in professional fees. The owner of Augusta Capital Corporation is the Chairman and a major shareholder of the Company.

b) Related party transactions

On January 2, 2020, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments on March 31, 2022 was approximately $593 (December 31, 2021 – $603), determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the three months ended March 31, 2022 and 2021:

For the three months ended March 31,		2022		2021
Salaries and benefits	$	930	$	348
Professional fees		–		–
Office and other		118		70
Marketing and travel		5		2
Filing and regulatory fees		79		–
	$	1,132	$	420

At March 31, 2022, amounts in prepaids and other include $76 due from a related party (December 31, 2021 – $67) with respect to this arrangement.

(Unaudited – In thousands of United States dollars, unless otherwise noted)

16. COMMITMENTS

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately $570 based on the Company's current share of rent paid. Payments by fiscal year are:

2022	$	223
2023		189
2024		158

The Company is committed to payments related to exploration expenses and other of approximately $294 in 2022 and $180 in 2023.

17. SUBSEQUENT EVENT

Subsequent to March 31, 2022, the Company received $23,568 (C$30,375) from the exercise of 4,500,000 common share purchase warrants of Solaris at an exercise price of C$6.75 per warrant, and $45 (C$56) from the exercise of 46,875 common share purchase warrants of Solaris at an exercise price of C$1.20 per warrant.