SOLARIS
RESOURCES

Solaris Resources Inc.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2022 and 2021

(Unaudited)

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – in thousands of United States dollars)

	Note		June 30, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	24,033	$	33,897
Prepaids and other	3		1,194		957
			25,227		34,854
Restricted cash	6		78		74
Exploration and evaluation assets	4		20,180		20,180
Property, plant and equipment	5		3,064		2,542
Total assets		$	48,549	$	57,650
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	8,136	$	10,750
Lease liability			67		136
Derivative liability	7		582		1,783
			8,785		12,669
Long-term liabilities					
Lease liability			213		188
Reclamation provision	6		1,933		1,509
Other long-term liability			108		165
Total liabilities			11,039		14,531
Shareholders' equity					
Common shares	8		148,454		119,555
Reserves	8		18,239		21,554
Deficit			(137,065)		(105,901)
Equity attributable to shareholders of the Company			29,628		35,208
Non-controlling interests	12		7,882		7,911
Total shareholders' equity			37,510		43,119
Total liabilities and equity		$	48,549	$	57,650

Commitments (Note 16)

Subsequent events (Notes 4 and 8)

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 and six months ended June 30, 2022 and 2021
(Unaudited – in thousands of United States dollars, except share and per share amounts)

	Note	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Exploration expenses	9	$ 13,838	$ 11,237	$ 28,143	$ 19,588
General and administrative expenses	10	1,919	2,331	4,188	4,317
Loss from operations		15,757	13,568	32,331	23,905
Change in fair value of derivative	7	(634)	(1,724)	(1,188)	1,121
Finance income, net		(75)	(125)	(114)	(249)
Other expense (income)		143	(1)	164	16
Net loss		$ 15,191	$ 11,718	$ 31,193	$ 24,793
Other comprehensive (income) loss					
Items that may be reclassified to profit or loss:					
Foreign currency translation loss (income)		251	(987)	45	(1,734)
Total comprehensive loss		$ 15,442	$ 10,731	$ 31,238	$ 23,059
Net loss attributable to:					
Shareholders of the Company		$ 15,178	$ 11,709	$ 31,164	$ 24,767
Non-controlling interest	12	13	9	29	26
		$ 15,191	$ 11,718	$ 31,193	$ 24,793
Total comprehensive loss attributable to:					
Shareholders of the Company		$ 15,429	$ 10,722	$ 31,209	$ 23,033
Non-controlling interest	12	13	9	29	26
		$ 15,442	$ 10,731	$ 31,238	$ 23,059
Net loss per share attributable to shareholders of the Company					
Basic and diluted		$ 0.14	$ 0.11	$ 0.28	$ 0.23
Weighted average number of shares outstanding					
Basic and diluted		111,629,877	107,897,742	110,244,087	106,761,459

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 and six months ended June 30, 2022 and 2021
(Unaudited – in thousands of United States dollars)

	Note	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Cash provided by (used in):					
Operations					
Net loss for the period		$ (15,191)	$ (11,718)	$ (31,193)	$ (24,793)
Adjustments for:					
Change in fair value of derivative	7	(634)	(1,724)	(1,188)	1,121
Finance income, net		(75)	(125)	(114)	(249)
Foreign exchange and other		(94)	7	(65)	2
Share-based compensation	8	908	1,294	1,944	2,425
Amortization	5	203	100	365	138
Reclamation provision		149	231	416	419
Loss from disposal of property, plant and equipment and termination of leases		119	–	119	–
Net changes in non-cash working capital items:					
Prepaids and other		32	(432)	(239)	(1,037)
Accounts payable and accrued liabilities		(1,951)	1,504	(2,616)	2,123
Due from related parties	15	–	(1)	–	(67)
Other long-term liability		(153)	–	(57)	–
		(16,687)	(10,864)	(32,628)	(19,918)
Financing					
Proceeds from exercise of Equinox Warrants, warrants and stock options	8	23,644	708	23,685	5,041
Payment of lease liability		(38)	(15)	(78)	(31)
Finance income received, net		89	127	137	255
		23,695	820	23,744	5,265
Investing					
Restricted cash contribution		(4)	(4)	(4)	(4)
Capital expenditures	5	(358)	(262)	(987)	(697)
		(362)	(266)	(991)	(701)
Effect of exchange rate changes on cash and cash equivalents		(181)	1,105	11	1,924
Increase (decrease) in cash and cash equivalents		6,465	(9,205)	(9,864)	(13,430)
Cash and cash equivalents, beginning of period		17,568	69,368	33,897	73,593
Cash and cash equivalents, end of period		$ 24,033	$ 60,163	$ 24,033	$ 60,163

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	15,167	19	(6)	–	(6)	–	–	13
Shares issued on exercise of Solaris warrants	8	4,639,250	28,880	(5,208)	–	(5,208)	–	–	23,672
Share-based compensation	8	–	–	1,944	–	1,944	–	–	1,944
Net loss and comprehensive loss		–	–	–	(45)	(45)	(31,164)	(29)	(31,238)
Balance, June 30, 2022		113,481,984	$ 148,454	$ 16,564	$ 1,675	$ 18,239	$ (137,065)	$ 7,882	$ 37,510
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	482,412	483	(168)	–	(168)	–	–	315
Shares issued on exercise of Solaris warrants and Equinox Warrants	8	2,618,387	6,268	(888)	–	(888)	–	–	5,380
Share-based compensation	8	–	–	2,425	–	2,425	–	–	2,425
Net loss and comprehensive loss		–	–	–	1,734	1,734	(24,767)	(26)	(23,059)
Balance, June 30, 2021		108,162,193	$ 116,994	$ 17,829	$ 2,753	$ 20,582	$ (73,872)	$ 7,888	$ 71,592

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' common 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 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 has incurred operating losses to date and has no current sources of revenue or significant cash inflows from operations. The Company relies on share issuances in order to fund its exploration and other business objectives. As at June 30, 2022, the Company has cash and cash equivalents of $24,033. 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.

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 August 9, 2022.

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

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets and financial liabilities 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.

c) Basis of consolidation

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		June 30, 2022		December 31, 2021
Prepaid expenses and deposits		$	777	$	724
Supplies inventory			150		86
Taxes recoverable			46		75
Amounts receivable and other			166		5
Due from a related party	15		55		67
		$	1,194	$	957

4. EXPLORATION AND EVALUATION ASSETS

	Note		June 30, 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"). 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 August 2032 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.

On July 27, 2022, the Company received a letter of notification from Freeport that it does not intend to continue with the earn-in of the Ricardo Property after delays in receiving environmental permits required for drilling. The effective termination date of the Ricardo Option Agreement will be 30 days from the date of the notification, or August 26, 2022.

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.

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

- 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.

A finder's fee in the amount of 500,000 common shares of the Company are issuable 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.

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	493	371	1	122	73	1,060
Transfers	389	(389)	–	–	–	–
Disposals	(167)	–	–	(25)	(179)	(371)
As at June 30, 2022	$ 2,497	$ 254	$ 5	$ 549	$ 507	$ 3,812
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	198	–	–	74	93	365
Disposals	(40)	–	–	(25)	(133)	(198)
As at June 30, 2022	$ 468	$ –	$ –	$ 162	$ 118	$ 748
Net book value						
As at December 31, 2021	$ 1,472	$ 272	$ 4	$ 339	$ 455	$ 2,542
As at June 30, 2022	$ 2,029	$ 254	$ 5	$ 387	$ 389	$ 3,064

6. RECLAMATION PROVISION

	June 30, 2022	December 31, 2021
Balance, start of period	$ 1,509	$ 936
Additions	445	600
Accretion	8	7
Change in estimate	(29)	(34)
Balance, end of period	$ 1,933	$ 1,509

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 June 30, 2022 are $2,235 (December 31, 2021 – $1,639), which have been inflated at an average rate of 2.22% per annum (December 31, 2021 – 1.00%) and discounted at an average rate of 3.04% (December, 31, 2021 – 1.44%) per annum being an estimate of the risk-free, pre-tax cost of borrowing over the respective periods.

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

Restricted cash of $78 (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. DERIVATIVE

Pursuant to the Arrangement under which Equinox distributed 60% of the shares of the Company to its shareholders in August of 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 June 30, 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 0.85 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 June 30, 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 a Monte Carlo Simulation model.

The following assumptions were used in estimating the fair value of the derivative:

Weighted average		June 30, 2022		December 31, 2021
Risk-free rate		2.65% and 3.10%		0.76%
Correlation of changes in Solaris and Equinox share prices		61%		21%
Expected term (years)		0.85		1.34
Expected volatility – Equinox and Solaris[1]		49% and 56%		40% and 58%
Expected dividend		–		–
Solaris share price per whole share	C$	7.46	C$	16.94
Equinox share price per whole share	C$	5.74	C$	8.56

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

A continuity of the derivative liability is as follows:

		June 30, 2022		December 31, 2021
Balance, start of period	$	1,783	$	3,996
Exercise of warrants		–		(792)
Change in fair value		(1,188)		(1,530)
Foreign exchange on translation		(13)		109
Balance, end of period	$	582	$	1,783

(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: 113,481,984 (December 31, 2021 – 108,827,567)

b) Share purchase options

For the three and six months ended June 30, 2022, the Company recognized a share-based compensation expense included in general and administrative expenditures of $908 and $1,944, respectively (June 30, 2021 – $1,294 and $2,425, respectively).

The following table shows the change in the shares issuable for Arrangement options and Solaris options during the six months ended June 30, 2022 and 2021:

	2022	2021
Balance, start of period	7,982,504	8,086,002
Granted	–	300,000
Exercised	(15,167)	(482,412)
Forfeited	(52,778)	(53,759)
Balance, end of period	7,914,559	7,849,831

The weighted average exercise price per share issuable of options exercised and expired during the six months ended June 30, 2022 was C$1.09 and C$1.14, respectively. The weighted average exercise price per share issuable of options granted, exercised and forfeited in the six months ended June 31, 2021 was C$7.24, C$0.82 and C$0.58, respectively.

The assumptions used in the Black-Scholes option pricing model for the options granted in the six months ended June 30, 2021 were as follows:

Weighted average		2021
Exercise price per share issuable	C$	7.24
Expected term (years)		5.00
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 June 30, 2022, a total of 838,914 (June 30, 2021 – 2,128,247) Arrangement options are outstanding with each option entitling the holder to one-tenth of a Solaris share. As at June 30, 2022, a total of 83,894 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	1.09	750	$	0.10
$0.12	831,414	83,144		0.12	1.10	83,144		0.12
	838,914	83,894	$	0.12	1.10	83,894	$	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 June 30, 2022, attributable to the issuance of a whole Solaris share was C$1.20 (June 30, 2021 – C$1.35).

Solaris options

The following is a summary of the Company's outstanding and exercisable options as at June 30, 2022:

	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	2.11	650,000	2.11
November 18, 2019	0.80	700,000	2.39	700,000	2.39
November 21, 2019	0.80	237,499	2.40	150,001	2.40
January 2, 2020	0.80	350,000	2.51	350,000	2.51
March 20, 2020	0.80	100,000	2.72	100,000	2.72
May 27, 2020	0.80	2,643,166	2.91	1,759,334	2.91
November 2, 2020	4.90	2,300,000	3.35	766,666	3.35
March 16, 2021	7.24	300,000	3.71	150,000	3.71
September 15, 2021	13.11	400,000	4.21	–	–
November 10, 2021	12.45	150,000	4.37	–	–
	3.08	7,830,665	3.02	4,626,001	2.77

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 and six months ended June 30, 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 and six months ended June 30, 2022, there were no RSUs redeemed under the provision of the Company's RSU plan. During the six months ended June 30, 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 June 30, 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 as at June 30, 2022.

Subsequent to June 30, 2022, 470,000 pRSUs and 2,125 RSUs have been redeemed which resulted in the issuance of 472,125 common shares of the Company.

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

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:

	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 and June 30, 2022	153,529	$	2.12	$	5.30

Outstanding shares issuable for Equinox Warrants as of June 30, 2022 are as follows:

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 June 30, 2022:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2021	Exercised	Expired	June 30, 2022
July 8, 2019	$0.70	July 8, 2022	500,000	–	–	500,000
November 8, 2019	$1.20	November 8, 2022	2,668,875	(126,750)	–	2,542,125
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	(4,500,000)	–	2,482,500
			38,363,875	(4,639,250)	–	33,724,625

The weighted average exercise price of the warrants outstanding at June 30, 2022 is C$1.60 (December 31, 2021 – C$2.20).

Subsequent to June 30, 2022, 500,000 share purchase warrants with expiry date of July 8, 2022 were exercised for proceeds of $268 (C$350) which resulted in the issuance of 500,000 common shares of the Company.

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

9. EXPLORATION EXPENDITURES

The Company's exploration expenditures by activity for three and six months ended June 30, 2022 and 2021 is as follows:

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Salaries, geological consultants and support, and travel	$ 4,576	$ 2,702	$ 8,778	$ 4,597
Site preparation, supplies, field and general	2,694	1,365	5,380	2,935
Drilling and drilling related costs	3,806	5,082	8,428	8,043
Assay and analysis	939	302	1,731	888
Community relations, environmental and permitting	1,439	1,180	2,293	1,880
Concession fees	(47)	89	412	396
Studies	79	186	340	292
Reclamation provision	149	231	416	419
Amortization	203	100	365	138
	$ 13,838	11,237	$ 28,143	$ 19,588

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

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

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Ecuador	$ 13,541	$ 10,304	$ 27,305	$ 18,084
Chile	(39)	578	185	924
Mexico	29	21	69	62
Peru and other	307	334	584	518
	$ 13,838	$ 11,237	$ 28,143	$ 19,588

10. GENERAL AND ADMINISTRATIVE EXPENDITURES

	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Share-based compensation	$ 908	$ 1,294	$ 1,944	$ 2,425
Salaries and benefits	479	453	932	873
Office and other	178	150	367	276
Filing and regulatory fees	44	120	154	257
Professional fees	158	101	494	159
Marketing and travel	152	213	297	327
	$ 1,919	$ 2,331	$ 4,188	$ 4,317

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

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:

		June 30, 2022		December 31, 2021
Mexico	$	19,758	$	19,758
Ecuador		3,262		2,740
Chile		261		261
Peru		41		37
	$	23,322	$	22,796

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

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:

		June 30, 2022		December 31, 2021
Current assets	$	21	$	15
Non-current assets		19,741		19,741
Current liabilities		14		8

	Three months ended June 30,				Six months ended June 30,			
		2022		2021		2022		2021
Net loss	$	34	$	22	$	74	$	65
Attributable to Shareholders of the Company		21		13		45		39
Attributable to Non-controlling interest		13		9		29		26

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 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 $24,378 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.

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

At June 30, 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	$ 8,136	$ –	$ –	$ –	$ 8,136
Lease liabilities	67	213	–	–	280
Other long-term liabilities	–	108	–	–	108
Office rent obligations	246	268	–	–	514
Exploration expenses and other	336	101	–	–	437
	$ 8,785	$ 690	$ –	$ –	$ 9,475

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At June 30, 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.

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 June 30, 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

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 and six months ended June 30, 2022 and 2021 comprised:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Share-based compensation	$ 719	$ 1,098	$ 1,563	$ 2,021
Salaries and benefits	163	140	340	275
Professional fees	78	72	148	141
	$ 960	$ 1,310	$ 2,051	$ 2,437

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 June 30, 2022 was approximately $503

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

(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 and six months ended June 30, 2022 and 2021.

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Salaries and benefits	$ 401	$ 372	$ 1,331	$ 720
Office and other	105	84	223	153
Filing and regulatory fees	–	51	79	52
Marketing and travel	5	8	10	10
	$ 511	$ 515	$ 1,643	$ 935

At June 30, 2022, amounts in prepaids and other include $55 due from a related party (December 31, 2021 – $67) with respect to this arrangement.

16. COMMITMENTS

The Company is committed to payments for office leases premises through 2024 in the total amount of approximately $514 based on the Company's current share of rent paid. Payments by fiscal year are:

2022	$ 145
2023	201
2024	168

The Company is committed to payments related to exploration expenses and other of approximately $193 in 2022, $225 in 2023 and $19 in 2024.