Solaris Resources Inc.

Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2022 and 2021

(Unaudited)

Solaris Resources Inc.

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

	Note		September 30, 2022		December 31, 2021
Assets					
Current assets					
Cash and cash equivalents		$	11,495	$	33,897
Prepaids and other	3		651		957
			12,146		34,854
Restricted cash	6		78		74
Exploration and evaluation assets	4		20,180		20,180
Property, plant and equipment	5		2,905		2,542
Total assets		$	35,309	$	57,650
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	8,562	$	10,750
Lease liability			134		136
Derivative liability	7		345		1,783
			9,041		12,669
Long-term liabilities					
Lease liability			123		188
Reclamation provision	6		1,938		1,509
Other long-term liability			121		165
Total liabilities			11,223		14,531
Shareholders' equity					
Common shares	8		149,063		119,555
Reserves	8		18,095		21,554
Deficit			(150,936)		(105,901)
Equity attributable to shareholders of the Company			16,222		35,208
Non-controlling interests	12		7,864		7,911
Total shareholders' equity			24,086		43,119
Total liabilities and equity		$	35,309	$	57,650

Subsequent event (Note 8)
Commitments (Note 16)

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 nine months ended September 30, 2022 and 2021

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

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Exploration expenses	9	$ 12,152	$ 14,120	$ 40,295	$ 33,708
General and administrative expenses	10	2,048	2,125	6,236	6,442
Loss from operations		14,200	16,245	46,531	40,150
Change in fair value of derivative	7	(212)	(3,381)	(1,400)	(2,260)
Finance income, net		(100)	(90)	(214)	(339)
Other expense		1	15	165	31
Net loss		$ 13,889	$ 12,789	$ 45,082	$ 37,582
Other comprehensive loss (income)					
Items that may be reclassified to profit or loss:					
Foreign currency translation loss (income)		799	1,342	844	(392)
Total comprehensive loss		$ 14,688	$ 14,131	$ 45,926	$ 37,190
Net loss attributable to:					
Shareholders of the Company		$ 13,871	$ 12,768	$ 45,035	$ 37,535
Non-controlling interest	12	18	21	47	47
		$ 13,889	$ 12,789	$ 45,082	$ 37,582
Total comprehensive loss attributable to:					
Shareholders of the Company		$ 14,670	$ 14,110	$ 45,879	$ 37,143
Non-controlling interest	12	18	21	47	47
		$ 14,688	$ 14,131	$ 45,926	$ 37,190
Net loss per share attributable to shareholders of the Company					
Basic and diluted		$ 0.12	$ 0.12	$ 0.40	$ 0.35
Weighted average number of shares outstanding					
Basic and diluted		114,420,480	108,226,182	111,651,516	107,255,066

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

	Note	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Cash provided by (used in):					
Operations					
Net loss for the period		$ (13,889)	$ (12,789)	$ (45,082)	$ (37,582)
Adjustments for:					
Change in fair value of derivative	7	(212)	(3,381)	(1,400)	(2,260)
Finance income, net		(100)	(90)	(214)	(339)
Foreign exchange and other		77	39	12	41
Share-based compensation	8	910	1,235	2,854	3,660
Amortization	5	204	128	569	266
Reclamation provision		(13)	53	403	472
Loss from disposal of property, plant and equipment and termination of leases		4	–	123	–
Net changes in non-cash working capital items:					
Prepaids and other		548	45	309	(992)
Accounts payable and accrued liabilities		360	2,381	(2,256)	4,504
Due from a related party	15	–	(5)	–	(72)
Other long-term liability		13	–	(44)	–
		(12,098)	(12,384)	(44,726)	(32,302)
Financing					
Proceeds from exercise of Equinox Warrants, warrants and stock options	8	354	761	24,039	5,802
Payment of lease liability		(36)	(106)	(114)	(137)
Contribution from non-controlling interest		–	58	–	58
Finance income received, net		124	98	261	353
		442	811	24,186	6,076
Investing					
Restricted cash contribution		–	–	(4)	(4)
Deposits for property and equipment		–	(59)	–	(59)
Capital expenditures	5	(22)	(365)	(1,009)	(1,062)
		(22)	(424)	(1,013)	(1,125)
Effect of exchange rate changes on cash and cash equivalents		(860)	(1,445)	(849)	479
Decrease in cash and cash equivalents		(12,538)	(13,442)	(22,402)	(26,872)
Cash and cash equivalents, beginning of period		24,033	60,163	33,897	73,593
Cash and cash equivalents, end of period		$ 11,495	$ 46,721	$ 11,495	$ 46,721

Supplemental cash flow information (note 17)

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 redemption of RSUs	8	472,125	149	(149)	–	(149)	–	–	–
Shares issued on exercise of stock options	8	65,168	72	(28)	–	(28)	–	–	44
Shares issued on exercise of Solaris warrants	8	5,198,625	29,287	(5,292)	–	(5,292)	–	–	23,995
Share-based compensation	8	–	–	2,854	–	2,854	–	–	2,854
Net loss and comprehensive loss		–	–	–	(844)	(844)	(45,035)	(47)	(45,926)
Balance, September 30, 2022		114,563,485	$ 149,063	$ 17,219	$ 876	$ 18,095	$ (150,936)	$ 7,864	$ 24,086
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	510,605	524	(179)	–	(179)	–	–	345
Shares issued on exercise of Solaris warrants and Equinox Warrants	8	2,767,290	7,266	(1,017)	–	(1,017)	–	–	6,249
Share-based compensation	8	–	–	3,660	–	3,660	–	–	3,660
Contribution from non-controlling interest		–	–	–	–	–	–	58	58
Net loss and comprehensive loss		–	–	–	392	392	(37,535)	(47)	(37,190)
Balance, September 30, 2021		108,339,289	$ 118,033	$ 18,924	$ 1,411	$ 20,335	$ (86,640)	$ 7,925	$ 59,653

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 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 has, to date, relied on cash received from share issuances in order to fund its exploration and other business objectives. As at September 30, 2022, the Company has cash and cash equivalents of $11,495. Subsequent to September 30, 2022, 6.8 million share purchase warrants were exercised for cash proceeds of C$20,979 ($15,395). Theses balances, together with the expected cash inflows from the exercise of additional warrants that are currently in-the-money, 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 the successful execution of its business plan, raising additional capital and/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 in support of its business activities. There can be no guarantees that future equity financing or strategic alternatives will be available on acceptable terms to the Company or at all, in which case the Company may need to reduce its exploration plans or other business activities.

On March 11, 2020, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The Company has resumed its normal operations including personnel's travel and work locations. While the Company has not been significantly impacted by COVID-19 to date, any future disruptions resulting from COVID-19 and its variants 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 mobilization 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 as well as other emerging risks have caused and may continue to cause 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.

In late February 2022, Russia launched a large-scale military attack on Ukraine, which amplified global geopolitical tensions. In response to the military action by Russia, various countries, including Canada, issued broad-ranging economic sanctions against Russia. Such sanctions and any future sanctions against Russia may adversely impact, among other things, the Russian economy, which directly and indirectly affect various sectors of the economy, disrupt the global supply chain, and increase inflationary pressures. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility and cause severe negative effects on regional and global economic markets, and therefore 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.

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

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on November 8, 2022.

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		September 30, 2022		December 31, 2021
Prepaid expenses and deposits		$	388	$	724
Supplies inventory			104		86
Taxes recoverable			56		75
Amounts receivable and other			15		5
Due from a related party	15		88		67
		$	651	$	957

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

4. EXPLORATION AND EVALUATION ASSETS

	Note		September 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 nine 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 four 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.

On July 27, 2022, the Company received a letter of notification from Freeport that it wished to cease the earn-in of the Ricardo property. The termination date of the Ricardo Option Agreement was effective on 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	519	359	–	151	80	1,109
Transfers	610	(610)	–	–	–	–
Disposals	(167)	–	–	(31)	(179)	(377)
As at September 30, 2022	$ 2,744	$ 21	$ 4	$ 572	$ 514	$ 3,855
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	323	–	–	111	135	569
Disposals	(40)	–	–	(27)	(133)	(200)
As at September 30, 2022	$ 593	$ –	$ –	$ 197	$ 160	$ 950
Net book value						
As at December 31, 2021	$ 1,472	$ 272	$ 4	$ 339	$ 455	$ 2,542
As at September 30, 2022	$ 2,151	$ 21	$ 4	$ 375	$ 354	$ 2,905

6. RECLAMATION PROVISION

	September 30, 2022	December 31, 2021
Balance, start of period	$ 1,509	$ 936
Additions	533	600
Accretion	26	7
Change in estimate	(130)	(34)
Balance, end of period	$ 1,938	$ 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 September 30, 2022 are $2,343 (December 31, 2021 – $1,639), which have been inflated at an average rate of 2.22%[1] per annum (December 31, 2021 – 1.00%) and discounted at an average rate of 4.06%[2] (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 September 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 0.59 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 September 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		September 30, 2022		December 31, 2021
Risk-free rate		3.55% – 3.78%		0.76%
Correlation of changes in Solaris and Equinox share prices		74%		21%
Expected term (years)		0.59		1.34
Expected volatility – Equinox and Solaris[1]		55% and 58%		40% and 58%
Expected dividend		–		–
Solaris share price per whole share	C$	5.80	C$	16.94
Equinox share price per whole share	C$	5.01	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:

		September 30, 2022		December 31, 2021
Balance, start of period	$	1,783	$	3,996
Exercise of warrants		–		(792)
Change in fair value		(1,400)		(1,530)
Foreign exchange on translation		(38)		109
Balance, end of period	$	345	$	1,783

[1] Source: Statista Research Department, Projected annual inflation rate in the United States from 2010 to 2027, dated September 30, 2022.
[2] Source: US Department of Treasury, 5 Year Treasury Rate, dated September 30, 2022.

(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: 114,563,485 (December 31, 2021 – 108,827,567)

b) Share purchase options

For the three and nine months ended September 30, 2022, the Company recognized a share-based compensation expense included in general and administrative expenditures of $910 and $2,854, respectively (September 30, 2021 – $1,235 and $3,660, respectively).

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

	2022	2021
Balance, start of period	7,982,504	8,086,002
Granted	300,000	700,000
Exercised	(65,168)	(510,605)
Forfeited	(69,444)	(169,860)
Balance, end of period	8,147,892	8,105,537

The weighted average exercise price per share issuable of options granted, exercised and forfeited during the nine months ended September 30, 2022 was C$7.36, C$0.87and C$1.06, respectively. The weighted average exercise price per share issuable of options granted, exercised and forfeited in the nine months ended September 31, 2021 was C$10.59, C$0.84 and C$0.96, respectively.

The assumptions used in the Black-Scholes option pricing model for the options granted in the nine months ended September 30, 2022 and 2021 were as follows:

Weighted average		2022		2021
Exercise price per share issuable	C$	7.36	C$	10.59
Expected term (years)		5.00		5.00
Volatility[1]		63%		67%
Expected dividend yield		–		–
Risk-free interest rate		2.91%		0.92%

[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 September 30, 2022, a total of 838,914 (September 30, 2021 – 1,672,025) Arrangement options are outstanding with each option entitling the holder to one-tenth of a Solaris share. As at September 30, 2022, a total of 83,894 shares (September 30, 2021 – 167,205) are issuable by Solaris upon exercise of the Arrangement options.

Outstanding and 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)
$0.10	7,500	750	$	0.10	0.84
$0.12	831,414	83,144		0.12	0.85
	838,914	83,894	$	0.12	0.85

[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 September 30, 2022, attributable to the issuance of a whole Solaris share was C$1.20 (September 30, 2021 – C$1.18).

Solaris options

The following is a summary of the Company's outstanding and exercisable options as at September 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	1.86	650,000	1.86
November 18, 2019	0.80	700,000	2.14	700,000	2.14
November 21, 2019	0.80	220,832	2.15	133,334	2.15
January 2, 2020	0.80	350,000	2.26	350,000	2.26
March 20, 2020	0.80	100,000	2.47	100,000	2.47
May 27, 2020	0.80	2,593,166	2.66	1,726,000	2.66
November 2, 2020	4.90	2,300,000	3.09	766,666	3.09
March 16, 2021	7.24	300,000	3.46	150,000	3.46
September 15, 2021	13.11	400,000	3.96	100,000	3.96
November 10, 2021	12.45	150,000	4.12	–	–
August 9, 2022	7.36	300,000	4.86	–	–
	3.26	8,063,998	2.84	4,676,000	2.55

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 nine months ended September 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 and pRSUs	(2,021,250)	(101,328)	(472,125)	(10,133)
Balance, end of period	260,836	2,282,086	26,085	498,210

During the nine months ended September 30, 2022, 2,021,250 RSUs were redeemed resulting in the issuance of 472,125 common shares of the Company to the RSU and pRSU holders. The weighted average share price, at the date of redemption of these RSUs was C$7.48. During the nine months ended September 30, 2021, 101,328 RSUs for 10,133 shares issuable were redeemed under a provision of the Company's RSU plan which allowed 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.

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. No Equinox Warrants were exercised during the nine months ended September 30, 2022 (174,665 Equinox Warrants were exercised during the nine months ended September 30, 2021).

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

Outstanding shares issuable for Equinox Warrants as at September 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 as at September 30, 2022:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2021	Exercised	Expired	September 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	(154,875)	–	2,514,000
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	(43,750)	–	1,450,000
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	(5,198,625)	–	33,165,250

The weighted average exercise price of the warrants outstanding as at September 30, 2022 is C$1.62 (December 31, 2021 – C$2.20).

Subsequent to September 30, 2022, 6,845,250 share purchase warrants with expiry dates of November 8, 2022, November 15, 2022, December 24, 2022, and December 30, 2022 were exercised for proceeds of $15,395 (C$20,979) which resulted in the issuance of 6,845,250 common shares of the Company.

9. EXPLORATION EXPENDITURES

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

	Three months ended September 30,				Nine months ended September 30,			
		2022		2021		2022		2021
Salaries, geological consultants and support, and travel	$	3,937	$	3,635	$	12,715	$	8,174
Site preparation, supplies, field and general		2,441		1,994		7,821		4,892
Drilling and drilling related costs		3,016		5,684		11,444		13,739
Assay and analysis		714		1,036		2,445		1,978
Community relations, environmental and permitting		1,520		1,545		3,813		3,459
Concession fees		36		22		448		418
Studies		297		23		637		310
Reclamation provision		(13)		53		403		472
Amortization		204		128		569		266
	$	12,152		14,120	$	40,295	$	33,708

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

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

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

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Ecuador	$ 11,702	$ 13,591	$ 39,007	$ 31,675
Chile	121	193	306	1,117
Mexico	41	43	110	105
Peru and other	288	293	872	811
	$ 12,152	$ 14,120	$ 40,295	$ 33,708

10. GENERAL AND ADMINISTRATIVE EXPENDITURES

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Share-based compensation	$ 910	$ 1,235	$ 2,854	$ 3,660
Salaries and benefits	423	243	1,355	1,116
Office and other	173	227	540	503
Filing and regulatory fees	34	6	188	263
Professional fees	275	308	769	467
Marketing and travel	233	106	530	433
	$ 2,048	$ 2,125	$ 6,236	$ 6,442

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:

	September 30, 2022	December 31, 2021
Mexico	$ 19,757	$ 19,758
Ecuador	3,102	2,740
Chile	261	261
Peru	43	37
	$ 23,163	$ 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:

	September 30, 2022	December 31, 2021
Current assets	$ 4	$ 15
Non-current assets	19,741	19,741
Current liabilities	11	8

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

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Net loss	$ 44	$ 52	$ 118	$ 117
Attributable to Shareholders of the Company	26	31	71	70
Attributable to Non-controlling interest	18	21	47	47

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 $11,732 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 September 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	$ 8,562	$ –	$ –	$ –	$ 8,562
Lease liabilities	134	123	–	–	257
Other long-term liabilities	–	–	–	121	121
Office rent obligations	327	676	26	–	1,029
Exploration expenses and other	320	30	–	–	350
	$ 9,343	$ 829	26	121	10,319

c) Foreign currency risk

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

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

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 nine months ended September 30, 2022 and 2021 is comprised of the following:

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Share-based compensation	$ 711	$ 1,002	$ 2,274	$ 3,023
Salaries and benefits	180	154	520	429
Professional fees	97	70	245	211
	$ 988	$ 1,226	$ 3,039	$ 3,663

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. All of the parties have jointly entered into a rental agreement for office space. 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 if the Company's participation in the arrangement was terminated on September 30, 2022 was approximately $1,502 (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 nine months ended September 30, 2022 and 2021.

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Salaries and benefits	$ 408	$ 318	$ 1,261	$ 898
Office and other	92	104	315	257
Filing and regulatory fees	–	–	79	52
Marketing and travel	5	5	15	15
	$ 505	$ 427	$ 1,670	$ 1,222

At September 30, 2022, amounts in prepaids and other include $88 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 $1,029 based on the Company's current share of rent paid. Payments by fiscal year are:

2022	$ 70
2023	344
2024	312
2025	158
2026	145

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

The Company is committed to payments related to exploration expenses and other of approximately $106 in 2022, $225 in 2023 and $19 in 2024.

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Non-cash items:				
Shares issued on redemption of RSUs of RSUs	$ 149	$ –	$ 149	$ 4
Capital asset additions accrued in accounts payable	$ 20	$ –	$ 20	$ –