SOLARIS
RESOURCES

Solaris Resources Inc.

Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Solaris Resources Inc.

Opinion

We have audited the consolidated financial statements of Solaris Resources Inc. ("the Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and December 31, 2019;
- the consolidated statements of net loss and comprehensive loss for the years ended December 31, 2020 and December 31, 2019;
- the consolidated statements of cash flows for the years ended December 31, 2020 and December 31, 2019;
- the consolidated statements of changes in equity for the years ended December 31, 2020 and December 31, 2019; and
- notes to the consolidated statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020 and December 31, 2019, and its consolidated financial performance and consolidated cash flows for the years ended December 31, 2020 and December 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our auditors' report.

Evaluation of the fair value of the derivative related to the obligation to issue common shares on the exercise of Equinox Gold Corp.'s share purchase warrants

Description of the matter

We draw your attention to notes 4(f)(iv), 5(b) and 10 to the financial statements.

The Entity is obligated to issue its common shares on the exercise of certain Equinox Gold Corp.'s ("Equinox") share purchase warrants ("Equinox Warrants") to such warrant holders. On exercise of each Equinox Warrant, the Entity receives from Equinox one tenth of the proceeds received by Equinox and in return, issues one-twentieth of a common share of the Entity. The obligation to issue shares on exercise of Equinox Warrants meets the definition of a derivative. The Entity recognizes the derivative at fair value with changes in fair value recognized in net income or loss. At December 31, 2020, the fair value of the derivative is a liability of $3,996 thousand. Significant assumptions applied by management in determining the fair value of the derivative include the correlation of the share prices of the Entity and Equinox, share price volatility of the Entity's and Equinox's shares, and discount rate.

Why the matter is a key audit matter

We identified the evaluation of the fair value of the derivative related to the obligation to issue common shares on the exercise of Equinox Warrants as a key audit matter. This matter represented an area of higher assessed risk of material misstatement given the magnitude of estimation uncertainty in determining the fair value of the derivative. Significant auditor judgment and professionals with specialized skills and knowledge were required to evaluate the Entity's significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

We evaluated the competence, experience and objectivity of the valuation specialist used by the Entity to estimate the fair value of the derivative related to the obligation to issue common shares on the exercise of Equinox Warrants.

We involved valuation professionals with specialized skills and knowledge who, for a selection of the Equinox warrant tranches, assisted in:

- evaluating the share price correlation assumption by comparing it against a range that was independently developed using the share price correlation of a peer group of companies of the Entity and the share price of Equinox
- evaluating the Entity's share price volatility assumption by comparing it against a volatility range that was independently developed using the historical share price volatility of a peer group of companies
- evaluating Equinox's share price volatility assumption by comparing it against a volatility range that was independently developed using the historical share price volatility of Equinox
- evaluating the discount rate assumption by comparing it to the Bank of Canada Bond yields
- independently estimating the fair value using the above assumptions and comparing to the amount recorded by the Entity.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indication that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants

The engagement partner on the audit resulting in this auditors' report is Guy Elliott, CA, CPA.

Vancouver, Canada
April 19, 2021

Solaris Resources Inc.
Consolidated Statements of Financial Position
As at December 31, 2020 and 2019
(Expressed in thousands of United States dollars)

	Note		2020		2019 Restated (Note 3)
Assets					
Current assets					
Cash and cash equivalents		$	73,593	$	6,093
Prepaids and other			244		98
			73,837		6,191
Restricted cash	6, 9		70		70
Exploration and evaluation assets	6		20,180		20,180
Property, plant and equipment	7		835		142
Derivative asset	10		–		3,999
Total assets		$	94,922	$	30,582
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	3,230	$	379
Due to related parties	20		66		45
Lease liability	8		56		32
Derivative liability	10		3,996		–
			7,348		456
Long-term liabilities					
Derivative liability	10		–		1,510
Lease liability	8		79		65
Reclamation provision	9		936		–
Total liabilities			8,363		2,031
Shareholders' equity					
Common shares	11		110,239		43,104
Reserves	11		17,511		811
Deficit			(49,105)		(23,186)
Equity attributable to shareholders of the Company			78,645		20,729
Non-controlling interests	15		7,914		7,822
Total shareholders' equity			86,559		28,551
Total liabilities and equity		$	94,922	$	30,582

Subsequent event (note 23)

Approved on behalf of the Board:

"Ron Walsh"
Ron Walsh – Director

"Greg Smith"
Greg Smith – Director

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

Solaris Resources Inc.

Consolidated Statements of Net Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(Expressed in thousands of United States dollars, except share and per share amounts)

	Note		2020		2019 Restated (Note 3)
Exploration expenses	12	$	15,520	$	3,930
General and administrative expenses	13		3,819		1,502
Loss from operations			19,339		5,432
Change in fair value of derivatives	10		6,713		(2,266)
Finance income, net			(88)		(38)
Other (income) expense			27		(168)
Gain on settlement of debt			–		(191)
Net loss		$	25,991	$	2,769
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Foreign currency translation income			(1,019)		–
Total comprehensive loss		$	24,972	$	2,769
Net loss attributable to:					
Shareholders of the Company			25,919		2,715
Non-controlling interest			72		54
		$	25,991	$	2,769
Total comprehensive loss attributable to:					
Shareholders of the Company		$	24,900	$	2,715
Non-controlling interest	15		72		54
		$	24,972	$	2,769
Net loss per share attributable to shareholders of the Company					
Basic and diluted		$	0.33	$	0.06
Weighted average number of shares outstanding					
Basic and diluted			77,404,206		45,715,563

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

Solaris Resources Inc.

Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed In thousands of United States dollars)

	Note		2020		2019 Restated (Note 3)
Cash provided by (used in):					
Operations					
Net loss for the year		$	(25,991)	$	(2,769)
Adjustments for:					
Change in fair value of derivatives	10		6,713		(2,266)
Finance income, net			(88)		–
Foreign exchange and other			(12)		(137)
Share-based compensation			1,591		212
Amortization			68		13
Reclamation provision			936		–
Gain on settlement of debt	11		–		(191)
Net changes in non-cash working capital items:					
Prepaids and other			(150)		(28)
Accounts payable and accrued liabilities			2,799		224
Due to related parties	20		22		392
			(14,112)		(4,550)
Financing					
Private placement equity financings	11		78,549		9,780
Share issue costs paid			(794)		(66)
Proceeds from exercise of Equinox Warrants, warrants and stock options			3,202		–
Payment of lease liability			(44)		(6)
Contributions from non-controlling interest			164		–
Finance income received, net			93		–
Advances from Equinox Gold Corp.	20		–		720
			81,170		10,428
Investing					
Restricted cash contributions	6		–		(70)
Purchases of property, plant and equipment			(684)		(7)
			(684)		(77)
Effect of exchange rate changes on cash and cash equivalents			1,126		51
Increase in cash and cash equivalents			67,500		5,852
Cash and cash equivalents, beginning of year			6,093		241
Cash and cash equivalents, end of year		$	73,593	$	6,093

Supplementary cash flow information (Note 22)

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

Solaris Resources Inc.

Consolidated Statements of Changes in Equity

(Expressed in thousands of United States dollars, except number of shares)

		Share Capital		Reserves					
	Note	Number of Shares (Note 2)	Amount	Options, RSUs and warrants	Foreign currency translation	Total	Deficit Restated (Note 3)	Non-controlling interest	Total equity
Balance, December 31, 2018		37,251,740	$ 32,704	$ 671	$ –	$ 671	$ (20,471)	$ 7,876	$ 20,780
Private placement equity financing, net of $68 in share issue costs	11	19,606,500	8,566	–	–	–	–	–	8,566
Units issued for cancellation of debt payable to Equinox	11	3,437,500	1,705	–	–	–	–	–	1,705
Shares issued on vesting of RSUs	11	81,811	72	(72)	–	(72)	–	–	–
Shares issued on exercise of Equinox Warrants		47,059	57	–	–	–	–	–	57
Share-based compensation	11	–	–	212	–	212	–	–	212
Net loss and comprehensive loss		–	–	–	–	–	(2,715)	(54)	(2,769)
Balance, December 31, 2019		60,424,610	$ 43,104	$ 811	$ –	$ 811	$ (23,186)	$ 7,822	$ 28,551
Private placement equity financing, net of $794 in share issue costs	11	42,000,000	64,802	12,910	–	12,910	–	–	77,712
Shares issued on redemption of RSUs	11	76,804	33	(67)	–	(67)	–	–	(34)
Shares issued on exercise of stock options	11	459,603	400	(146)	–	(146)	–	–	254
Shares issued on exercise of Solaris warrants and Equinox Warrants	11	2,096,186	1,900	(117)	–	(117)	–	–	1,783
Share-based compensation	11	–	–	1,591	–	1,591	–	–	1,591
Warrants reclassified as equity on change of functional currency	2	–	–	1,510	–	1,510	–	–	1,510
Contributions from non-controlling interest	15	–	–	–	–	–	–	164	164
Net loss and comprehensive loss		–	–	–	1,019	1,019	(25,919)	(72)	(24,972)
Balance, December 31, 2020		105,057,203	$ 110,239	$ 16,492	$ 1,019	$ 17,511	$ (49,105)	$ 7,914	$ 86,559

The accompanying notes form an integral part of these consolidated 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 commenced trading on the TSX Venture Exchange in July 2020 under the symbol “SLS”. In February 2021, Solaris’ common shares commenced trading on the Toronto Stock Exchange and were delisted from the TSX Venture Exchange.

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 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 cash inflows from operations. The Company relies on share issuances in order to fund its exploration and other business objectives. During 2020 the Company raised $78.5 million through the issuance of units comprised of common shares and warrants, and as at December 31, 2020 has cash and cash equivalents of $73.6 million which, based on current forecasts is sufficient to fund the Company’s exploration activities and general and administrative costs for the next twelve months. 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 in which case the Company may need to reduce its longer-term exploration activities.

On March 11, 2020, the novel coronavirus outbreak (“COVID-19”) was declared a pandemic by the World Health Organization. While, other than travel restriction to the Company’s exploration projects, the Company has not been significantly impacted by COVID 19, the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company’s business are not known at this time. These impacts could include an impact on the Company’s ability to obtain equity financing to fund additional exploration activities as well as the Company’s ability to explore and conduct business.

2. BASIS OF PREPARATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”) issued and outstanding as of December 31, 2020. The Company has consistently applied the accounting policies in the preparation of its IFRS financial statements to all periods presented. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on April 19, 2021.

b) Basis of presentation

These consolidated 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 consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in United States dollars (“US dollars”).

Effective May 1, 2020, the Company completed a consolidation of its common shares at a ratio of two pre-consolidation common shares for one post-consolidation common share. As a result of the consolidation, shares issuable pursuant to the Company’s outstanding options, warrants, restricted share units and other convertible securities were proportionally adjusted on the same basis. All common share numbers, numbers of shares issuable under options, warrants and restricted share units and related per share amounts in these consolidated financial statements have been retrospectively adjusted to reflect the share consolidation.

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

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the Company until the date that control ceases. All intercompany transactions and balances have been eliminated on consolidation.

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

Company	Location	Ownership interest
Lowell Copper Holdings Inc.	Canada	100%
Lowell Copper Holdings (US) Inc.	Canada	100%
Lowell Copper (US) Inc.	United States	100%
Lowell Mineral Exploration Ecuador S.A.	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%

d) Functional and presentation currency

Prior to January 1, 2020, the functional currency of Solaris, the parent company, was the United States dollar ("USD"). Management considers primary and secondary indicators in determining functional currency including the currency that influences labor, purchases and other costs, and other indicators including the currency in which funds from financings are generated.

Based on these factors, management concluded that effective January 1, 2020, the parent company's functional currency should be the Canadian dollar ("CAD"). The primary factors affecting the decision was the Company entering into an arrangement with a management company (Note 20), resulting in Solaris' expenditures being denominated primarily in CAD and the Company being funded primarily from issuance of equity instruments which proceeds are in CAD. The functional currency of the Company's subsidiaries and the Company's reporting currency remains the USD.

The Company has accounted for the change in functional currency prospectively with no impact of this change on prior period comparative information. The Company has made an accounting policy choice to reassess the classification of financial instruments as liabilities or equity or vice versa as applicable when the functional currency of the Company or its subsidiaries changes. The policy will be applied consistently in the future. As a result, certain of the Company's CAD denominated warrants with a carrying value of $1,510, which previously were classified as a derivative liability as their exercise prices were denominated in a currency other the Company's functional currency, were reclassified to equity effective January 1, 2020.

For the purpose of preparing the consolidated financial statements, the assets and liabilities are first expressed in the entity's respective functional currency and translated into the USD presentation currency using exchange rates prevailing at the reporting date, while the income and expense items are translated at the average exchange rates for the period. Translation differences are recognized in other comprehensive income (loss) and recorded in the "foreign currency translation reserve" included in equity.

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

3. RESTATEMENT OF PRIOR PERIOD

During the year ended December 31, 2020, the Company identified an error in the previously reported December 31, 2019 value of the derivative asset associated with its obligation to issue shares upon exercise of Equinox Warrants. As result, the Company has restated previously reported amounts as follows:

		As previously reported		Adjustment		As adjusted
As at and for the year ended December 31, 2019						
Derivative asset	$	5,765	$	(1,766)	$	3,999
Deficit		(21,420)		(1,766)		(23,186)
Change in fair value of derivatives		(4,003)		1,737		(2,266)
Other (income) expense		(197)		29		(168)
Net loss		1,003		1,766		2,769
Net loss per share attributable to Solaris shareholders – basic and diluted	$	0.01	$	0.05	$	0.06

4. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents and restricted cash

Cash and cash equivalents consist of cash on hand with banks and highly liquid investments with a maturity date at purchase of less than 90 days.

Restricted cash consists of a term deposit held in a foreign financial institution, restricted through an agreement with a third party. The funds are being used to collateralize a guarantee issued to support environmental bonding requirements.

b) Exploration and evaluation

Exploration and evaluation expenditures relate to costs incurred in the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity include permitting, community engagement, exploratory drilling and sampling, surveying transportation and infrastructure requirements, and gathering exploration data through geophysical studies.

The Company capitalizes significant direct costs of acquiring resource property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option.

Subsequent to the acquisition of a mineral interest, exploration and evaluation costs incurred, including those related to asset retirement obligations, are expensed as incurred up to the date the technical feasibility and commercial viability of extracting a mineral resource are demonstrable for a project and on receipt of project development approval from the Board of Directors. The approval from the Board of Directors will be dependent on the Company obtaining necessary permits and licenses to develop the mineral property. At this point, exploration and evaluation assets are assessed for impairment and then reclassified to property, plant and equipment. Previously capitalized acquisition costs are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, with any impairment loss recognized as an expense.

Value-added taxes are included in exploration and evaluation costs when the recoverability of these amounts is uncertain.

Although the Company has taken steps to verify title to exploration and evaluation properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

c) Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated amortization and accumulated impairment losses. The cost of an item of property, plant and equipment consist of purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, initial estimates of the costs of dismantling and removing an item and restoring the site on which it is located, and, where applicable, borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment, including major components, are depreciated using the straight-line method over their estimated useful lives, typically ranging from 3 to 10 years.

Right-of-use assets are depreciated using the straight-line method from the date the asset is available for use by the Company to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful life of the right-to-use assets are determined on the same basis as those of property, plant and equipment.

The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for property, plant and equipment and any changes arising from the assessment are applied by the Company prospectively.

d) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- The contract involves the use of an identified asset that is physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then no right of use asset is identified.
- The Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

Payments related to short-term leases and leases of low-value assets are recognized as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

The Company recognizes a right-to-use asset and a corresponding lease liability on the date the leased asset is available for use by the Company.

The right of use asset and corresponding lease liability are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. The cost of the right of use asset also includes any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset or the site on which it is located, less any lease incentives received.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and

- the exercise prices under a purchase price option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

e) Reclamation provision

A reclamation provision is recognized at the time the legal or constructive obligation first arises which is generally the time that the environmental disturbance occurs. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Upon initial recognition reclamation costs related to exploration and evaluation activities are included in exploration expenses in net loss. Following the initial recognition of the provision, the carrying amount of the provision is increased for unwinding of the discount and for changes to the discount rate and the amount or timing of cash flows needed to settle the obligation. The unwinding of the discount is recognized as finance expense in net loss while the effect of the changes to the discount rate and the amount or timing of cash flows are recognized in exploration expenses.

f) Financial instruments

Financial instruments are recognized initially at fair value. Subsequent to initial recognition, financial instruments are classified and measured as described below.

Transaction costs associated with financial instruments carried at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

(i) Financial asset at amortized cost

Financial assets are recorded at amortized cost if both of the following criteria are met: 1) the objective of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent 'solely payments of principal and interest.

The Company's cash and cash equivalents, amounts receivable and restricted cash are recorded at amortized cost as they meet the required criteria.

(ii) Financial assets recorded at fair value through profit or loss

Financial assets are classified at fair value through profit or loss if they are acquired for the purpose of selling in the near term. Gains or losses on these items are recognized in net income (loss). Other than derivatives, the Company does not have financial assets recorded at fair value through profit or loss.

(iii) Financial liabilities

Accounts payable and accrued liabilities and due to related parties are accounted for at amortized cost using the effective interest rate method.

(iv) Derivatives

Derivatives are initially recognized at their fair value on the date the derivative contract is entered into and transaction costs are expensed. The Company's derivatives are subsequently re-measured at their fair value at each statement of financial position date with changes in fair value recognized in net income or loss. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts.

The obligation to issue shares on exercise of Equinox Warrants meets the definition of a derivative.

g) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects. Proceeds related to the issuance of units are allocated between the common shares and warrants on a relative fair value basis where warrants are classified as equity instruments. For warrants classified as derivative liabilities, the fair value of the warrants is determined with the residual amount allocated to common shares.

h) Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties, less costs of disposal. When a binding sale agreement is not available, fair value less costs to sell is estimated using a discounted cash flow approach with inputs and assumptions consistent with those at market. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "cash generating unit" or "CGU"). This generally results in the Company evaluating its non-financial assets on a property-by-property basis.

An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in net income or loss. Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount. An impairment charge is reversed through net income or loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of any applicable amortization, if no impairment loss had been recognized.

Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For trade receivables the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

i) Share-based payments

Stock options

The Company grants stock options to acquire common shares to directors, officers, employees and consultants. The Board of Directors determines the specific grant terms within the limits set by the Company's stock option plan.

The fair value of the estimated number of stock options that will eventually vest, determined as of the date of the grant, is recognized as share-based compensation expense over the vesting period of the stock options, with a corresponding increase in shareholders' equity (in other reserves). The total amount recognized as an expense is adjusted to reflect the number of options expected to vest at each reporting date.

Restricted share units

The Company grants to employees, officers, directors and consultants, restricted share units ("RSUs") in such numbers and for such terms as may be determined by the Board of Directors. RSUs granted under the RSU Plan are exercisable into common shares for no additional consideration after the vesting conditions, as specified by the Board of Directors, are met. The Company intends to settle each RSU with one common share of the Company and therefore RSUs are accounted for as equity-settled instruments.

RSUs are measured at fair value on the date of grant and the corresponding share-based compensation is recognized over the vesting period in exploration or general and administration expenses, as applicable.

In addition to service conditions, RSUs may have non-market-based performance vesting conditions ("pRSU"). Share-based compensation for these pRSUs is measured on the grant date but is recognized only when it is more likely than not that the performance vesting conditions will be met.

j) Income tax

Income tax on income or loss comprises current and deferred tax. Income tax is recognized in net income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable or receivable related to previous years.

Deferred tax is recognized for differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recorded for temporary differences related to the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, temporary differences arising on the initial recognition of goodwill and temporary differences relating to the investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred taxes are measured at the tax rates that are expected to be applied to temporary differences when they reverse based on laws that have been enacted or substantively enacted at period end.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets against tax liabilities and when they are related to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Earnings per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of shares outstanding for the effects of all dilutive potential common shares, which comprise the Company's obligation to issue shares on exercise of Equinox Warrants, the Company's own warrants, stock options, RSUs and pRSUs. The dilutive effect of these instruments assumes that the proceeds to be received on exercise are applied to repurchase common shares. Dilutive instruments are only included in the dilutive calculations to the extent exercise prices are below the average market price of the common shares. Shares issuable on the exercise of options, RSUs, pRSUs, warrants issued by the Company and Equinox Warrants were not included in the computation of diluted EPS for periods presented because they are anti-dilutive.

5. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements and estimates that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Judgements

a) Determination of functional currencies

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of Solaris is the Canadian dollar, and the functional currency of each subsidiary entity is the US dollar. Assessment of functional currency involves certain judgements to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Key sources of estimation uncertainty

b) Valuation of derivative and other financial instruments

The valuation of the Company's derivative financial instruments requires the use of option pricing models or other valuation techniques. Measurement of the Company's obligation to issue shares upon exercise of Equinox Warrants classified as a derivative is based on a Monte Carlo pricing model which uses assumptions with respect to share price, expected life, share price volatility, correlation assumptions and discount rates. The fair value of warrants issued by the Company used to allocate proceeds of share unit offerings between common shares and warrants is determined using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make various estimates and assumptions that impact the value assigned to the warrants including the expected volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the warrant. Changes in these assumptions and estimates result in changes in the fair value of these instruments and a corresponding change in the amount recognized in profit or loss or allocated amounts to common shares and warrants which are included in reserves. Significant assumptions related to derivatives are disclosed in Note 10 related to warrants and in Note 11 related to warrants issued in connection with share units.

c) Reclamation provision

The ultimate costs for reclamation and rehabilitation are uncertain, and cost estimates can vary in response to many factors, including estimates of the nature, extent and timing of rehabilitation activities, technological changes, regulatory changes, changes in inflation rates, the risk-free interest rate used for discounting future cash flows, foreign exchange rates, and estimates of the underlying currencies in which the provisions will ultimately be settled. The Company estimates its costs based on studies using current restoration standards and techniques, and the provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

d) Valuation of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. The Company undertakes periodic reviews of the carrying values of exploration and evaluation assets and whenever events or changes in circumstances indicate that their carrying values may exceed their recoverable amount. In undertaking these reviews, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the exploration and evaluation assets. These include risks and uncertainties related to mineral reserve and mineral resource estimation, title to mineral properties, future commodity prices, estimated costs of construction of a mine and production costs, changes to government regulation and regulations and other factors.

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

e) Share-based compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of stock options granted to directors, officers, employees and consultants of the Company. The use of the Black-Scholes option pricing model requires management to make various estimates and assumptions that impact the value assigned to the stock options including the expected volatility of the stock price, the risk-free interest rate, dividend yield, the expected life of the stock options and the number of options expected to vest. The expected term of the options granted is determined based on historical data of the average hold period before exercise, cancellation or expiry. Expected volatility is estimated with reference to the historical volatility of the share price of a peer group of companies as applicable given the short period for which the Company's shares have been publicly listed. Any changes in these assumptions could change the amount of share-based compensation recognized. Significant assumptions related to share-based payments are disclosed in Note 11.

6. EXPLORATION AND EVALUATION ASSETS

As at December 31,	Note		2020		2019
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 parties' 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 south eastern 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 holds a 2% net smelter royalty on the original three concessions covering a total of 10,000 hectares.

Restricted cash consists of a bank guarantee issued to regulatory authorities in the event of an environmental impact from exploration activities on certain Warintza mining concessions.

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, 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 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 (the "Effective Date"), Freeport is required to spend $4.2 million in exploration expenditures over the two years following the Effective Date.

- Stage 2: Upon completion of Stage 1, Freeport can elect to spend $4.8 million in the third year following the Effective Date, $8.0 million in the fourth year following the Effective Date and $13.0 million in the fifth year following the Effective Date.

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.

In October 2019, the Ricardo Option Agreement was amended to extend the Stage 1 exploration expenditure period up to fifteen additional months in the case that Freeport determines the need for additional exploration permits. The Stage 2 third, fourth and fifth year exploration periods were extended by an additional fifteen months to follow the end of Stage 1.

d) Tamarugo

Tamarugo is a grass-roots copper porphyry target consisting of approximately 5,100 hectares located in northern Chile. The Company entered into a definitive earn-in option agreement with Freeport with respect to Tamarugo 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 to be spent in years one and two, $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 in year five and delivering a pre-feasibility study for a mine at Tamarugo by the end of year seven.

The Company paid a fee in connection with the option agreement consisting of an initial 500,000 warrants exercisable for three years into common share of Solaris at an exercise price of C$0.70. The share-based compensation of $71 associated with these warrants has been recorded as exploration expenditures. The Company is obligated to issue an additional 500,000 common shares to 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.

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.

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

7. PROPERTY, PLANT AND EQUIPMENT

	Site infrastructure and equipment	Construction in progress	Office equipment & furniture	Right-of-use asset (Note 8)	Total
Cost					
As at December 31, 2018	$ 115	$ –	$ 22	$ –	$ 137
Additions	–	–	7	103	110
As at December 31, 2019	$ 115	$ –	$ 29	$ 103	$ 247
Additions	554	50	80	77	761
As at December 31, 2020	$ 669	$ 50	$ 109	$ 180	$ 1,008
Accumulated amortization					
As at December 31, 2018	$ 91	$ –	$ 1	$ –	$ 92
Amortization	3	–	4	6	13
As at December 31, 2019	$ 94	$ –	$ 5	$ 6	$ 105
Amortization	16	–	10	42	68
As at December 31, 2020	$ 110	$ –	$ 15	$ 48	$ 173
Net book value					
As at December 31, 2019	$ 21	$ –	$ 24	$ 97	$ 142
As at December 31, 2020	$ 559	$ 50	94	132	835

8. LEASE LIABILITY

As at December 31,	2020	2019
Balance, start of year	$ 97	$ –
Additions	77	102
Interest on lease liability recognized in net loss	5	1
Lease payments for the period	(44)	(6)
Balance, end of period	$ 135	$ 97
Less current portion	56	32
Long-term lease liability	$ 79	$ 65

During the year ended December 31, 2020, the Company recognized $212 in rent payments in office and other expense for two premises that do not meet the definition of a lease (Note 21). The Company is jointly liable for rent payments and uses the assets jointly.

9. RECLAMATION PROVISION

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 December 31, 2020 are $997 (December 31, 2019 – $nil), which have been inflated at an average rate of 1.00% per annum and discounted at an average rate of 0.92% per annum being an estimate of the risk-free, pre-tax cost of borrowing over the respective periods.

Restricted cash of $70 (December 31, 2019 – $70) represents funds being used to collateralize a guarantee issued to support environmental bonding requirements with respect to the environmental disturbances at Warintza.

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

10. DERIVATIVES

Solaris warrants

The fair value of the Company's share purchase warrants issued in connection with common share placements in November and December 2019 and classified as derivative liabilities was determined using the Black-Scholes option pricing model. The assumptions used in the Black-Scholes option pricing model to calculate the fair value of the warrants issued during the year ended December 31, 2019 was as follows:

Weighted average		December 31, 2019		On issuance
Exercise price per share issuable	C$	1.20	C$	1.20
Expected term (years)		2.89		3.00
Volatility[1]		70%		70%
Expected dividend yield		Nil		Nil
Risk-free interest rate		1.68%		1.59%

A continuity of the derivative liability is as follows:

Balance, December 31, 2018	$	–
Issuance of warrants		1,518
Change in fair value		(35)
Change related to foreign exchange		27
Balance, December 31, 2019	$	1,510

These warrants were reclassified to equity effective January 1, 2020 as a result of the change in functional currency (Note 2(d)).

Equinox Warrants

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 December 31, 2020, the Company is obligated to issue 4,425,287 common shares (December 31, 2019 – 6,012,802) 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$14.24 (December 31, 2019 – C$12.00) and a weighted average contractual life of 0.80 years (December 31, 2019 – 1.58 years). Equinox is required to pay to the Company one-tenth of the proceeds it receives on the exercise of these warrants.

At December 31, 2020 and December 31, 2019, 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.

The following assumptions were used in estimating the fair value of the derivative for December 31, 2020 and December 31, 2019:

Weighted average		2020		2019
Risk-free rate		0.04% – 0.20%		1.69% – 1.74%
Correlation of changes in Solaris and Equinox share prices		25%		50%
Expected term (years)		0.80		1.58
Expected volatility – Equinox and Solaris[1]		59% and 91%		50% and 90%
Expected dividend		–		–
Solaris share price per whole share[2]	C$	6.08	C$	0.40
Equinox share price per whole share	C$	13.17	C$	9.99

[1] The expected volatility of Solaris is based on the historical volatility of the shares of a comparative peer group of companies.
[2] Solaris share price per whole share at December 31, 2019 is the pre-consolidation share price of Solaris used in the estimation of the fair

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

value of the derivative.

During the year ended December 31, 2020, the Company issued 1,551,436 common shares (December 31, 2019 – 47,059) on exercise of 31,028,672 Equinox Warrants (December 31, 2019 – 941,176). A continuity of the derivative asset (liability) is as follows:

As at December 31,		2020		2019 (Restated – Note 3)
Balance, start of year	$	3,999	$	1,673
Exercise of warrants		(1,165)		(14)
Change in fair value		(6,713)		2,231
Change related to foreign exchange		–		109
Foreign exchange on translation		(117)		–
Balance, end of period	$	(3,996)	$	3,999

11. SHARE CAPITAL

a) Common shares

Authorized: Unlimited common shares, with no par value

Issued and fully paid: 105,057,203 (December 31, 2019 – 60,424,610)

b) Private placements

2020 Issuances

On May 28, 2020 and June 10, 2020, the Company closed non-brokered private placement financings for an aggregate of 26,500,000 units at C$0.80 per unit for gross proceeds of $15,427 (C$21,200). Each unit consisted of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$1.20 per common share for a period of three years. Directors and officers subscribed for 17,100,000 units for gross proceeds of $9,939 (C$13,680), Equinox subscribed for 7,500,000 units for gross proceeds of $4,359 (C$6,000) and other parties subscribed for 1,900,000 units for gross proceeds of $1,129 (C$1,520). The Company allocates the proceeds received from the issuance of units to common shares and warrants based on the relative fair value of respective instruments. As a result, the Company allocated $11,434 to the common shares and $3,993 to the warrants. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions: share price of C$0.80, exercise price of C$1.20, an expected life of 3 years, annualized volatility of 70%, a risk-free rate of 0.29%, and zero expected dividend yield. The expected volatility is based on the historical volatility of the shares of a comparative peer group of companies.

On December 31, 2020, the Company closed a non-brokered private placement financing for 15,500,000 units at C$5.20 per unit for gross proceeds of $63,122 (C$80,600), less share issue costs of $837 (C$1,069). Each unit consisted of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$6.75 per common share for a period of two years. Directors and officers subscribed for 6,640,000 units for gross proceeds of $27,040 (C$34,528), Equinox subscribed for 2,000,000 units for gross proceeds of $8,145 (C$10,400) and other parties subscribed for 6,860,000 units for gross proceeds of $27,936 (C$35,672). The Company allocates the net proceeds received from the issuance of units to common shares and warrants based on the relative fair value of respective instruments. As a result, the Company allocated $53,368 to the common shares and $8,917 to the warrants. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: share price of C$5.80, exercise price of C$6.75, an expected life of 2 years, annualized volatility of 70%, a risk-free rate of 0.20%, and zero expected dividend yield. The expected volatility is based on the historical volatility of the shares of a comparative peer group of companies.

The Company incurred transaction costs of $837 related to these private placements.

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

2019 Issuances

On March 18, 2019, the Company closed a non-brokered private placement financing for 7,868,000 common shares at C$0.50 per share for gross proceeds of $2,951 (C$3,934). Directors and officers subscribed for 40,000 common shares for gross proceeds of $15 (C$20).

On June 20, 2019, the Company closed a non-brokered private placement financing for 1,226,000 common shares at C$0.50 per share for gross proceeds of $458 (C$613).

On November 8, 2019, the Company closed a non-brokered private placement financing for 7,060,500 units at C$0.80 per unit for gross proceeds of $4,272 (C$5,648). Each unit was comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$1.20 per common share until November 8, 2022. The Company determined that the fair value of the warrants issued on November 8, 2019 was $767. Directors and officers subscribed for 137,500 units for gross proceeds of $83 (C$110).

On November 15, 2019, the Company issued to Equinox 3,437,500 units of the Company in exchange for the cancellation of debt payable by the Company to Equinox totaling $2,078 (C$2,750). Each unit was comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$1.20 per common share until November 15, 2022 (Note 10, 20 and 22). The Company determined that the fair value of the warrants issued on November 15, 2019 was $373 (Note 10). The Company recorded a gain on settlement of debt of $191 in net loss as the fair value of the units issued was less than the advances settled.

On December 24, 2019, the Company closed a non-brokered private placement financing for 3,452,000 units at C$0.80 per unit for gross proceeds of $2,099 (C$2,762). Each unit was comprised of one common share and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$1.20 per common share until December 24, 2022. The Company determined that the fair value of the warrants issued on December 24, 2019 was $378. Directors and officers subscribed for 700,000 units for gross proceeds of $426 (C$560).

The Company incurred transaction costs of $68 related to these private placements.

c) Share purchase options

For the year ended December 31, 2020, the Company recognized a share-based compensation expense included in general and administrative expenditures of $1,591 (December 31, 2019 – $141).

A continuity of the shares issuable for Arrangement options and Solaris options is as follows:

As at December 31,	2020	2019
Balance, start of year	3,172,788	711,528
Granted	5,549,500	2,512,500
Exercised	(459,603)	–
Forfeited	(176,683)	(51,240)
Balance, end of year	8,086,002	3,172,788

The weighted average exercise price per share issuable of options granted, exercised and forfeited during the year ended December 31, 2020 was C$2.50, $0.72 and C$0.92, respectively. The weighted average exercise price per share issuable of options granted and forfeited during the year ended December 31, 2019 was C$0.66 and C$2.33, respectively.

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

The assumptions used in the Black-Scholes option pricing model for the options granted in the year ended December 31, 2020 and 2019 were as follows:

Weighted average		2020		2019
Exercise price per share issuable	C$	2.50	C$	0.66
Expected term (years)		5		5
Volatility[1]		89%		90%
Expected dividend yield		–		–
Risk-free interest rate		0.48%		1.37%

[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 December 31, 2020, a total of 4,448,277 (December 31, 2019 – 6,602,985) Arrangement options are outstanding with each option entitling the holder to one-tenth of a Solaris share. As at December 31, 2020, a total of 444,836 (December 31, 2019 – 660,298) shares are issuable by Solaris upon exercise of the Arrangement options.

Outstanding						Exercisable		
Range of 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$)
\$0.01 - \$0.10	2,069,963	206,998	\$	0.07	0.50	206,998	\$	0.07
\$0.11 - \$0.20	1,830,898	183,091		0.12	1.89	183,091		0.12
\$0.21 - \$0.36	547,416	54,747		0.36	0.56	54,747		0.36
	4,448,277	444,836	\$	0.13	1.08	444,836	\$	0.13

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

The weighted average exercise price of the Arrangement options exercisable at December 31, 2020, attributable to the issuance of a whole Solaris share was C\$1.26 (December 31, 2019 – C\$1.20).

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	950,000	2.96	200,000	2.54
November 18, 2019		0.80	900,000	3.88	450,000	3.88
November 21, 2019		0.80	262,500	3.89	87,500	3.89
January 2, 2020		0.80	350,000	4.01	–	–
March 20, 2020		0.80	100,000	4.22	–	–
May 27, 2020		0.80	2,778,666	4.41	–	–
November 2, 2020		4.90	2,300,000	4.84	–	–
			7,641,166	4.26	737,500	3.52

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

d) 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.

	RSUs and pRSUs outstanding	Shares Issuable
Balance, December 31, 2018	4,158,886	415,895
Vesting or redemption of RSUs	(818,112)	(81,811)
Forfeited	(112,875)	(11,287)
Additional shares issuable for pRSU which vested based on market performance conditions	–	40,000
Balance, December 31, 2019	3,227,899	362,797
Vesting or redemption of RSUs	(844,485)	(84,454)
Additional shares issuable for pRSU which vested based on market performance conditions	–	230,000
Balance, December 31, 2020	2,383,414	508,343

During the year ended December 31, 2020, 15,631 RSUs 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 7,982 common shares of the Company to the RSU holders. The RSU holder received the number of common shares in the Company equivalent to the market value of the common shares underlying the number of RSUs redeemed less the withholding tax obligation, without payment of cash or any other consideration. The weighted average share price, at the date of redemption of these RSUs was $4.89.

Total net share-based compensation expense with respect to RSUs for the year ended December 31, 2020 was expense of $1 (December 31, 2019 – gain of $1). The number of shares issuable pursuant to certain pRSU's vary depending on achievement of certain market performance conditions. In the year ended December 31, 2020, a tranche of the pRSU's vested and the shares expected to be issued increased by 230,000 (December 31, 2019 – 40,000). These shares have not yet been issued.

e) 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, 2018	6,097,720	$ 4.79	$ 11.97
Exercised	(47,059)	2.02	5.05
Expired	(37,859)	5.83	14.58
Outstanding, December 31, 2019	6,012,802	$ 4.80	$ 12.00
Exercised	(1,551,436)	2.17	5.43
Expired	(36,079)	8.19	20.47
Outstanding, December 31, 2020	4,425,287	$ 5.70	$ 14.24

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

Range of exercise price per Solaris share issuable (C$)	Shares issuable on exercise of warrants		Weighted average price per Solaris share issuable (C$)		Equinox weighted average exercise price[3] (C$)	Expiry dates
$1.47 - $1.99	79,364	$	1.47	$	3.67	May 2021
$2.00 - $3.99	210,190		2.24		5.61	March 2021 – May 2023
$4.00 - $5.99	131,317		4.54		11.36	January 2021 – August 2021
$6.00 - $7.99	4,004,416		6.00		15.00	October 2021
	4,425,287	$	5.70	$	14.24	

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

f) Warrants issued to consultant

During the year ended December 31, 2019, the Company issued 500,000 share purchase warrants exercisable at C$0.70 per share for a period of 3 years for consulting services performed.

The Company determined that the fair value of the warrants issued was $71. The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions: share price of C$0.50, exercise price of C$0.70, an expected life of 3 years; annualized volatility of 68%, a risk-free rate of 1.43%; and zero expected dividend yield. The expected volatility is based on the historical volatility of the shares of a comparative peer group of companies.

g) Share purchase warrants

The following is a summary of the Company's warrants at December 31, 2020:

Date of Issue	Exercise Price (C$)	Expiry Date	December 31, 2019	Issued	Exercised	December 31, 2020
July 8, 2019	$0.70	July 8, 2022	500,000	–	–	500,000
November 8, 2019	$1.20	November 8, 2022	3,530,250	–	150,000	3,380,250
November 15, 2019	$1.20	November 15, 2022	1,718,750	–	–	1,718,750
December 24, 2019	$1.20	December 24, 2022	1,726,000	–	194,750	1,531,250
May 28, 2020	$1.20	May 28, 2023	–	25,000,000	–	25,000,000
June 10, 2020	$1.20	June 10, 2023	–	1,500,000	200,000	1,300,000
December 30, 2020	$6.75	December 30, 2023	–	7,750,000	–	7,750,000
			7,475,000	34,250,000	544,750	41,180,250

The weighted average exercise price of the warrants outstanding at December 31, 2020 is C$2.24 (December 31, 2019 – C$1.17).

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

12. EXPLORATION EXPENDITURES

The Company's exploration expenditures by activity is as follows:

For the year ended December 31,		2020		2019
Salaries, geological consultants and support, and travel	$	3,288	$	1,502
Site preparation and maintenance, field and general		3,184		1,635
Drilling and drilling related costs		4,850		–
Assay and analysis		341		–
Community relations, environmental and permitting		1,439		445
Concession fees		370		336
Geotechnical analysis		1,044		–
Reclamation provision		936		–
Amortization		68		12
	$	15,520	$	3,930

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

The Company's exploration expenditures by project and jurisdiction is as follows:

For the year ended December 31,	Note		2020		2019
Warintza (Ecuador)	6b)	$	14,487	$	3,018
Ricardo (Chile)	6c)		276		140
La Verde (Mexico)	6a)		198		118
Tamarugo (Chile)	6d)		115		158
Other (Peru, Guatemala)	6e)		444		496
		$	15,520	$	3,930

13. GENERAL AND ADMINISTRATIVE EXPENDITURES

For the year ended December 31,	Note		2020		2019
Share-based compensation		$	1,591	$	141
Salaries and benefits			1,202		–
Office and other			509		250
Professional fees			271		471
Management fees	20		99		426
Marketing and travel			147		214
		$	3,819	$	1,502

14. 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:

As at December 31,	Note		2020		2019 (Restated – Note 3)
Mexico		$	19,762	$	19,765
Canada	3		–		3,999
Ecuador			1,050		366
Chile			261		261
Peru			12		–
		$	21,085	$	24,391

Information about the Company's exploration expenditures by jurisdiction is detailed in Note 12.

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

15. NON-CONTROLLING INTEREST

The Company, through it 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:

As at December 31,		2020		2019
Current assets	$	25	$	5
Non-current assets		19,741		19,741
Current liabilities		7		10

For the year ended December 31,		2020		2019
Net loss	$	180	$	135
Attributable to Shareholders of the Company		108		81
Attributable to non-controlling interest		72		54

16. INCOME TAX

Income tax recovery differs from the amount that would result from applying the Canadian federal and provincial income tax rates to loss before income taxes. These differences result from the following items:

For the year ended December 31,		2020		2019 (Restated – Note 3)
Loss before income taxes	$	(25,991)	$	(2,769)
Combined federal and provincial income tax rates		27%		27%
Expected income tax recovery	$	(7,018)	$	(748)
Non-deductible expenses		298		268
Change in fair value of derivatives		1,813		(612)
Difference in tax rates in foreign jurisdictions		279		48
Tax effect of temporary differences for which no tax benefit has been recognized		5,157		967
Foreign exchange and other		(529)		77
Income tax recovery	$	–	$	–

Unused tax losses and other deductible temporary differences for which deferred tax assets have not been recognized are as follows:

As at December 31,		2020		2019
Non-capital losses (see below for expiry)	$	20,032	$	14,196
Exploration and evaluation expenditures		30,955		18,009
Other		1,191		643
	$	52,178	$	32,848

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company has not recognized deferred tax assets for any temporary differences as their utilization is not considered probable at this time.

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

The non-capital losses may be applied to reduce future taxable income. The loss carryforwards are in respect of Canadian, Peruvian, Chilean and Mexican operations and expire as follows:

As at December 31,		2020	Expiry		2019	Expiry
Canada	$	5,212	2033-2039	$	1,401	2024-2039
Peru		1,801	2020-2023		1,546	2019-2023
Chile		1,420	No expiry		862	No expiry
Mexico		9,862	2020-2029		10,387	2019-2029
Ecuador		1,735	2024-2025		–	–
USA		2	No expiry		–	–
	$	20,032		$	14,196	

17. CAPITAL MANAGEMENT

The Company's primary objective when managing capital is to ensure that it will be able to continue as a going concern and that it has the ability to satisfy its capital obligations and ongoing operational expenses, as well as having sufficient liquidity to fund suitable business opportunities as they arise.

The capital of the Company includes the components of equity attributable to shareholders of the Company, net of cash and cash equivalents. Capital is summarized in the following table:

As at December 31,		2020		2019
Equity	$	78,645	$	20,729
Cash and cash equivalents		(73,593)		(6,093)
	$	5,052	$	14,636

The Company manages its capital structure and makes adjustments to it as necessary in light of economic conditions. In order to maintain the capital structure, the Company may, from time to time, issue or buy back equity, repay debt, or sell assets. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

18. 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 $73,746 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.

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

At December 31, 2020, 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	$	3,230	$	–	$	–	$	–	$	3,230
Due to related parties		66		–		–		–		66
Lease liabilities		56		79		–		–		135
Office lease obligations		169		46		–		–		215
Exploration expenses and other		168		190		–		–		358
	$	3,689	$	315	$	–	$	–	$	4,004

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At December 31, 2020, the Company had not entered into any contracts to manage foreign exchange risk.

Prior to January 1, 2020, the functional currency of the parent company was the US dollar. Therefore, the Company was exposed to currency risk from financial assets and liabilities denominated in Canadian dollars. Effective January 1, 2020, management has determined that 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.

19. FAIR VALUE MEASUREMENTS

IFRS requires disclosure about fair value measurements for financial instruments and liquidity risk using a three-level hierarchy that reflects the significance of the inputs used in making the fair value measurements. The three-level hierarchy is as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3: Inputs that are not based on observable market data.

As at December 31, 2020, the Company’s derivative instruments are measured at fair value using Level 2 inputs. The carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties approximate fair value due to their short terms to maturity.

There were no transfers between fair value levels in the periods presented.

The following table provides the fair value of each classification of financial instrument:

As at December 31,		2020		2019 (Restated – Note 3)
Financial assets				
Financial assets at amortized cost:				
Cash and cash equivalents	$	73,593	$	6,093
Amounts receivable		83		17
Restricted cash		70		70
Financial assets at FVTPL:				
Derivative asset		–		3,999
Total financial assets	$	73,746	$	10,179

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

Financial liabilities				
Accounts payable and accrued liabilities	$	3,230	$	379
Due to related parties		66		45
Derivative liability		3,996		1,510
Total financial liabilities	$	7,292	$	1,934

20. 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 years ended December 31, 2020 and 2019 comprised:

For the year ended December 31,		2020		2019
Share-based compensation	$	1,201	$	59
Salaries and benefits		720		96
Salaries and benefits included in management fees charged by Equinox Gold Corp.		–		104
	$	1,921	$	259

Related party transactions

As at December 31, 2020, Equinox held 26% (December 31, 2019 – 30%) of the outstanding shares of the Company. During the year ended December 31, 2019, the Company received $720 debt funding from Equinox.

On November 15, 2019, Equinox subscribed for 6,875,000 units of the Company in exchange for the cancellation of the debt payable as of that date (Note 11).

Upon closing of the Arrangement, the Company entered into a management services agreement with Equinox to provide office and other services to the Company. As of November 15, 2019, the management services agreement with Equinox was terminated.

Equinox charged the Company $99 for the year ended December 31, 2020 (December 31, 2019 – $392) for salaries and management fees.

As at December 31, 2020, $51 (December 31, 2019 – $45) of the balance due to related parties is payable to Equinox for salaries and benefits expenses. These amounts are non-interest bearing and unsecured.

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 December 31, 2020 was approximately $317, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

Directors and officers and Equinox also participated in various private placement during the year (Note 11(a)).

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

The Company was charged for the following with respect to this arrangement in the year ended December 31, 2020.

For the year ended December 31,		2020
Salaries and benefits	$	721
Office and other		261
Marketing and travel		20
Other income		(33)
	$	969

At December 31, 2020, amounts due to related parties includes $15 (December 31, 2019 – $nil) with respect to this arrangement.

21. COMMITMENTS

The Company is committed to payments for office leases premises through 2022 in the total amount of approximately $215 based on the Company's current share of rent paid. Payments by fiscal year are approximately $169 in 2021 and $46 in 2022.

The Company is committed to payments related to exploration expenses and other of approximately $168 in 2021 and $120 in 2022 and $80 in 2023.

22. SUPPLEMENTAL CASH INFORMATION

For the year ended December 31,	Note		2020		2019
Non-cash items:					
Units issued for cancellation of debt payable to Equinox	11	$	–	$	2,078
Proceeds on exercise of Equinox Warrants offset against amounts payable to Equinox			–		71
Shares issued on vesting or redemption of RSUs			33		72
Accrued share issue costs			43		2
Right of use asset acquired			77		103

23. SUBSEQUENT EVENT

Subsequent to December 31, 2020, the Company received gross proceeds of $4,365 (C$5,454) on the issuance of 2,468,115 shares of the Company on exercise of options and warrants of the Company and Equinox Warrants.