

# SOLARIS RESOURCES

## **Solaris Resources Inc.**

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited)

**Notice of No Auditor Review of Condensed Consolidated Interim Financial Statements**

These unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Professional Chartered Accountants for a review of interim financial statements by an entity's auditor.

# Solaris Resources Inc.

## Condensed Consolidated Interim Statements of Financial Position

(Unaudited – in thousands of United States dollars)

	Note	March 31, 2021	December 31, 2020
<b>Assets</b>			
Current assets			
Cash and cash equivalents		\$ 69,368	\$ 73,593
Prepays and other	3	847	244
		70,215	73,837
Restricted cash	4, 6	70	70
Exploration and evaluation assets	4	20,180	20,180
Property, plant and equipment	5	1,232	835
<b>Total assets</b>		<b>\$ 91,697</b>	<b>\$ 94,922</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 3,872	\$ 3,230
Due to related parties	15	–	66
Lease liability		58	56
Derivative liability	7	6,754	3,996
		10,684	7,348
Long-term liabilities			
Lease liability		64	79
Reclamation provision	6	1,125	936
<b>Total liabilities</b>		<b>11,873</b>	<b>8,363</b>
Shareholders' equity			
Common shares	8	115,582	110,239
Reserves	8	18,508	17,511
Deficit		(62,163)	(49,105)
Equity attributable to shareholders of the Company		71,927	78,645
Non-controlling interests	12	7,897	7,914
<b>Total shareholders' equity</b>		<b>79,824</b>	<b>86,559</b>
<b>Total liabilities and equity</b>		<b>\$ 91,697</b>	<b>\$ 94,922</b>

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

## Solaris Resources Inc.

### Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For the three months ended March 31, 2021 and 2020

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

	Note	For the three months ended March 31,	
		2021	2020
Exploration expenses	9	\$ 8,351	\$ 2,397
General and administrative expenses	10	1,986	626
Loss from operations		10,337	3,023
Change in fair value of derivatives	7	2,845	468
Finance income, net		(124)	(21)
Other expense		17	24
Net loss		\$ 13,075	\$ 3,494
Other comprehensive (income) loss			
Items that may be reclassified to profit or loss:			
Foreign currency translation (income) loss		(747)	686
Total comprehensive loss		\$ 12,328	\$ 4,180
Net loss attributable to:			
Shareholders of the Company		\$ 13,058	\$ 3,489
Non-controlling interest	12	17	5
		\$ 13,075	\$ 3,494
Total comprehensive loss attributable to:			
Shareholders of the Company		\$ 12,311	\$ 4,175
Non-controlling interest	12	17	5
		\$ 12,328	\$ 4,180
Net loss per share attributable to shareholders of the Company			
Basic and diluted		\$ 0.12	\$ 0.06
Weighted average number of shares outstanding			
Basic and diluted		105,612,668	60,552,340

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

## Solaris Resources Inc.

### Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2021 and 2020

(Unaudited – In thousands of United States dollars)

	Note	For the three months ended March 31,	
		2021	2020
Cash provided by (used in):			
Operations			
Net loss for the period		\$ (13,075)	\$ (3,494)
Adjustments for:			
Change in fair value of derivatives	7	2,845	468
Finance income, net		(124)	(21)
Foreign exchange and other		(5)	20
Share-based compensation		1,131	168
Amortization		38	11
Reclamation provision		188	–
Net changes in non-cash working capital items:			
Prepays and other		(605)	(99)
Accounts payable and accrued liabilities		619	467
Due (from) to related parties	15	(66)	59
		(9,054)	(2,421)
Financing			
Proceeds from exercise of Equinox Warrants, warrants and stock options		4,333	319
Payment of lease liability		(16)	(9)
Finance income received, net		128	22
		4,445	332
Investing			
Purchases of plant and equipment		(435)	(19)
		(435)	(19)
Effect of exchange rate changes on cash and cash equivalents		819	(396)
Decrease in cash and cash equivalents		(4,225)	(2,504)
Cash and cash equivalents, beginning of period		73,593	6,093
Cash and cash equivalents, end of period		\$ 69,368	\$ 3,589

*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)

	Note	Share Capital		Reserves			Total	Deficit	Non-controlling interest	Total equity
		Number of Shares	Amount	Options, RSUs and warrants	Foreign currency translation					
Balance, December 31, 2020		105,057,203	\$ 110,239	\$ 16,492	\$ 1,019	\$ 17,511	\$ (49,105)	\$ 7,914	\$ 86,559	
Shares issued on redemption of RSUs, net of shares withheld for tax	8	4,191	4	(32)	–	(32)	–	–	(28)	
Shares issued on exercise of stock options	8	224,269	192	(54)	–	(54)	–	–	138	
Shares issued on exercise of Solaris warrants and Equinox Warrants	8	2,214,543	5,147	(795)	–	(795)	–	–	4,352	
Share-based compensation	8	–	–	1,131	–	1,131	–	–	1,131	
Net loss and comprehensive loss		–	–	–	747	747	(13,058)	(17)	(12,328)	
<b>Balance, March 31, 2021</b>		<b>107,500,206</b>	<b>\$ 115,582</b>	<b>\$ 16,742</b>	<b>\$ 1,766</b>	<b>\$ 18,508</b>	<b>\$ (62,163)</b>	<b>\$ 7,897</b>	<b>\$ 79,824</b>	
Balance, December 31, 2019	8	60,424,610	\$ 43,104	\$ 811	\$ –	\$ 811	\$ (23,186)	\$ 7,822	\$ 28,551	
Shares issued on vesting of RSUs	8	10,562	9	(9)	–	(9)	–	–	–	
Shares issued on exercise of stock options and Equinox Warrants	8	202,311	242	–	–	–	–	–	242	
Share-based compensation		–	–	168	–	168	–	–	168	
Warrants reclassified as equity on change of functional currency		–	–	1,510	–	1,510	–	–	1,510	
Net loss and comprehensive loss		–	–	–	(686)	(686)	(3,489)	(5)	(4,180)	
<b>Balance, March 31, 2020</b>		<b>60,637,483</b>	<b>\$ 43,355</b>	<b>\$ 2,480</b>	<b>\$ (686)</b>	<b>\$ 1,794</b>	<b>\$ (26,675)</b>	<b>\$ 7,817</b>	<b>\$ 26,291</b>	

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

# Solaris Resources Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

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### 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 and owned Tamarugo property (“Tamarugo”) in Chile. The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable. The business of mining and the exploration for minerals involves a high degree of risk and there can be no assurance that such activities will result in profitable mining operations.

The Company has incurred operating losses to date and has no current sources of revenue or cash inflows from operations. The Company relies on share issuances in order to fund its exploration and other business objectives. As at March 31, 2021, the Company has cash and cash equivalents of \$69,368 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. The impacts of the still spreading COVID-19 pandemic on the Company are unpredictable. The Company continues to operate with modifications to personnel’s travel and work locations. While the Company has not been significantly impacted by COVID-19 to date, disruptions resulting from COVID-19 at any of the Company’s projects or in the jurisdictions in which the Company operates could have a significant negative effect on the Company. In particular, 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 push out forecasts for activity, including permitting and exploration activities, and increase fiscal losses. Responses to COVID-19, including government and local restrictions on the movement of people and goods, may cause visits, fieldwork and analysis performed by the Company and its contractors to slow or even cease. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial and metals markets, which could have a significant negative effect on the ability of the Company to obtain equity financing to fund additional exploration activities.

### 2. BASIS OF PREPARATION

#### a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Accounting Standard 34 (“IAS 34”), *Interim Financial Reporting*, and do not include all of the information required for annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performances since the last annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company’s most recent annual audited financial statements for the year ended December 31, 2020. 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, 2020.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on May 13, 2021.

# Solaris Resources Inc.

## Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

### b) Basis of presentation

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

### 3. PREPAIDS AND OTHER

	Note	March 31, 2021	December 31, 2020
Prepaid expenses and deposits		\$ 471	\$ 118
Inventory		175	83
Taxes recoverable		71	38
Amounts receivable and other		126	5
Due from related party	15	4	–
		\$ 847	\$ 244

### 4. EXPLORATION AND EVALUATION ASSETS

	Note	March 31, 2021	December 31, 2020
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, amended in October 2019.



## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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

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

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

- Stage 1: Upon receipt of the relevant exploration permits in December 2018 (the "Effective Date"), Freeport is required to spend \$4.2 million in exploration expenditures over the three years and three months following the Effective Date.
- Stage 2: Upon completion of Stage 1, Freeport can elect to spend \$4.8 million in the fourth year plus three months following the Effective Date, \$8.0 million in the fifth year plus three months 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.

#### 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 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 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.

Tamarugo also includes a 100% owned claim block which covers approximately 7,300 hectares.

#### 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.

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Site infrastructure and equipment	Construction in progress	Office equipment & furniture	Right-of- use asset	Total
<b>Cost</b>					
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
Additions	335	44	56	–	435
Transfers	74	(74)	–	–	–
As at March 31, 2021	\$ 1,078	\$ 20	\$ 165	\$ 180	\$ 1,443
<b>Accumulated amortization</b>					
As at December 31, 2019	\$ 94	\$ –	\$ 5	\$ 6	\$ 105
Amortization	16	–	10	42	68
As at December 31, 2020	\$ 110	\$ –	\$ 15	\$ 48	\$ 173
Amortization	16	–	7	15	38
As at March 31, 2021	\$ 126	\$ –	\$ 22	\$ 63	\$ 211
<b>Net book value</b>					
As at December 31, 2020	\$ 559	\$ 50	\$ 94	\$ 132	\$ 835
As at March 31, 2021	\$ 952	\$ 20	\$ 143	\$ 117	\$ 1,232

#### 6. RECLAMATION PROVISION

	March 31, 2021	December 31, 2020
Balance, start of period	\$ 936	\$ –
Additions	216	936
Accretion	1	–
Change in estimate	(28)	–
Balance, end of period	\$ 1,125	\$ 936

The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza, estimated to be incurred in the year 2027. The total undiscounted estimated cash flows required to settle these obligations as at March 31, 2021 are \$1,223 (December 31, 2020 – \$997), which have been inflated at an average rate of 1.00% per annum (December 31, 2020 – 1.00%) and discounted at an average rate of 1.40% (December, 31, 2020 – 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, 2020 – \$70) represents funds being used to collateralize a guarantee issued to support environmental bonding requirements with respect to the environmental disturbances at Warintza.

#### 7. DERIVATIVES

##### *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 March 31, 2021, the Company is obligated to issue 4,365,119 common shares (December 31, 2020 – 4,425,287) 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\$14.34 (December 31, 2020 – C\$14.24) and a weighted average contractual life of 0.56 years (December 31, 2020 – 0.80 years). Equinox is required to pay to the Company one-tenth of

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

the proceeds it receives on the exercise of these warrants.

At March 31, 2021 and December 31, 2020, the fair value of the Company's obligation to issue shares on exercise of Equinox Warrants classified as a derivative was determined using the Monte Carlo Simulation model.

The following assumptions were used in estimating the fair value of the derivative for March 31, 2021 and December 31, 2020:

	March 31, 2021	December 31, 2020
Weighted average		
Risk-free rate	0.06% – 0.22%	0.04% – 0.20%
Correlation of changes in Solaris and Equinox share prices	30%	25%
Expected term (years)	0.56	0.80
Expected volatility – Equinox and Solaris <sup>1</sup>	45% and 75%	59% and 91%
Expected dividend	–	–
Solaris share price per whole share	C\$ 8.98	C\$ 6.08
Equinox share price per whole share	C\$ 10.02	C\$ 13.17

<sup>1</sup> The expected volatility of Solaris is based on the historical volatility of the shares of a comparative peer group of companies.

During the three months ended March 31, 2021, the Company issued 57,543 common shares (December 31, 2020 – 1,551,436) on exercise of 1,150,860 Equinox Warrants (December 31, 2020 – 31,028,672). A continuity of the derivative asset (liability) is as follows:

	March 31, 2021	December 31, 2020
Balance, start of period	\$ (3,996)	\$ 3,999
Exercise of warrants	157	(1,165)
Change in fair value	(2,845)	(6,713)
Foreign exchange on translation	(70)	(117)
Balance, end of period	\$ (6,754)	\$ (3,996)

## 8. SHARE CAPITAL

### a) Common shares

Authorized: Unlimited common shares, with no par value

Issued and fully paid: 107,500,206 (December 31, 2020 – 105,057,203)

### b) Share purchase options

For the three months ended March 31, 2021, the Company recognized a share-based compensation expense included in general and administrative expenditures of \$1,131 (March 31, 2020 – \$168).

The following table shows the change in the shares issuable for Arrangement options and Solaris options during the three months ended March 31, 2021 and 2020:

	2021	2020
Balance, start of period	8,086,002	3,172,788
Granted	300,000	450,000
Exercised	(224,269)	(2,762)
Forfeited	–	(112,456)
Balance, end of period	8,161,733	3,507,570

The weighted average exercise price per share issuable of options granted and exercised during the three months

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

ended March 31, 2021 was C\$7.24 and C\$0.77. The weighted average exercise price per share issuable of options granted and forfeited in the three months ended March 31, 2020 was C\$0.80 and C\$1.02, respectively.

The assumptions used in the Black-Scholes option pricing model for the options granted in the three months ended March 31, 2021 and 2020 were as follows:

Weighted average		2021		2020
Exercise price per share issuable	C\$	7.24	C\$	0.80
Expected term (years)		5		5
Volatility <sup>1</sup>		70%		82%
Expected dividend yield		–		–
Risk-free interest rate		1.03%		1.43%

<sup>1</sup> The expected volatility of Solaris is based on the historical volatility of the shares of a comparative peer group of companies.

#### Arrangement options

Pursuant to the Arrangement under which Equinox distributed the shares of the Company to its shareholders, option holders of Equinox received options of Solaris which were proportionate to, and reflective of the terms of, their existing options of Equinox (“Arrangement options”). As at March 31, 2021, a total of 4,205,592 (March 31, 2020 – 6,450,573) Arrangement options are outstanding with each option entitling the holder to one-tenth of a Solaris share. As at March 31, 2021, a total of 420,567 (March 31, 2020 – 645,070) shares are issuable by Solaris upon exercise of the Arrangement options.

Outstanding					Exercisable		
Range of exercise price per Arrangement option (C\$) <sup>2</sup>	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\$)	
\$0.06 - \$0.10	2,069,963	206,998	\$ 0.07	0.25	206,998	\$ 0.07	
\$0.11 - \$0.20	1,773,398	177,341	0.12	1.65	177,341	0.12	
\$0.21 - \$0.36	362,231	36,228	0.35	0.32	36,228	0.35	
	4,205,592	420,567	\$ 0.12	0.85	420,567	\$ 0.12	

<sup>2</sup> Range of exercise price per option for 1/10<sup>th</sup> of a Solaris share.

The weighted average exercise price of the Arrangement options exercisable at March 31, 2021, attributable to the issuance of a whole Solaris share was C\$1.15 (March 31, 2020 – 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	750,000	3.36	375,000	3.36
November 18, 2019	0.80	900,000	3.64	450,000	3.64
November 21, 2019	0.80	241,666	3.65	66,667	3.65
January 2, 2020	0.80	350,000	3.76	175,000	3.76
March 20, 2020	0.80	100,000	3.97	50,000	3.97
May 27, 2020	0.80	2,799,500	4.16	–	–
November 2, 2020	4.90	2,300,000	4.59	–	–
March 16, 2021	7.24	300,000	4.96	–	–
		7,741,166	4.14	1,116,667	3.58

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

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

#### c) Restricted share units

Pursuant to the Arrangement, holders of Equinox RSUs or pRSUs received RSUs or pRSUs of Solaris (“Arrangement RSUs”), which were proportionate to, and reflective of the terms of, their existing RSUs or pRSUs of Equinox. The holder of the Arrangement RSUs acquires one-tenth of a Solaris share upon vesting.

The following table shows the change in the RSUs and pRSUs outstanding and shares issuable during the three months ended March 31, 2021 and 2020:

	RSUs and pRSUs outstanding		Shares issuable	
	2021	2020	2021	2020
Balance, start of period	2,383,414	3,227,899	508,343	362,798
Vesting or redemption of RSUs	(101,328)	(105,625)	(10,133)	(10,562)
Additional shares issuable for pRSU which vested based on market performance conditions	–	–	–	90,000
Balance, end of period	2,282,086	3,122,274	498,210	442,236

During the three months ended March 31, 2021, 101,328 RSUs for 10,133 shares issuable were redeemed under a provision of the Company’s RSU Plan which allows for the issuance of common shares net of withholding tax obligations, resulting in the issuance of 4,191 common shares of the Company to the RSU holder. The 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 C\$6.01.

The number of shares issuable pursuant to certain pRSU’s vary depending on achievement of certain market performance conditions. In the three months ended March 31, 2020, a tranche of the pRSU’s vested and the shares expected to be issued increased by 90,000. These shares have not yet been issued.

#### d) Shares issuable for Equinox Warrants

Pursuant to the Arrangement, upon exercise of each pre-existing Equinox Warrant, warrant holders will receive one-fifth of a common share of Equinox and one-twentieth of a Solaris share. Equinox will pay to Solaris an amount equal to one-tenth of the proceeds received by Equinox on exercise of the warrants.

A continuity of the Company’s shares issuable for Equinox Warrants is as follows:

	Shares issuable on exercise of warrants	Weighted average price per Solaris share issuable (C\$)	Equinox weighted average exercise price <sup>3</sup> (C\$)
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
Exercised	(57,543)	2.64	6.59
Expired	(2,625)	4.87	12.18
Outstanding, March 31, 2021	4,365,119	\$ 5.74	\$ 14.34

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(Unaudited – 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 <sup>3</sup> (C\$)	Expiry dates
\$1.47 - \$1.99	79,364	\$ 1.47	\$ 3.67	May 2021
\$2.00 - \$3.99	153,529	2.12	5.30	December 2022 – May 2023
\$4.00 - \$5.99	127,810	4.52	11.31	August 2021
\$6.00	4,004,416	6.00	15.00	October 2021
	4,365,119	\$ 5.74	\$ 14.34	

<sup>3</sup> Equinox Warrants weighted average exercise price per one whole Equinox common share and one-quarter Solaris common share issuable.

#### e) Share purchase warrants

The following is a summary of the Company's warrants at March 31, 2021:

Date of Issue	Exercise Price (C\$)	Expiry Date	December 31, 2020	Exercised	Expired	March 31, 2021
July 8, 2019	\$0.70	July 8, 2022	500,000	–	–	500,000
November 8, 2019	\$1.20	November 8, 2022	3,380,250	(407,000)	–	2,973,250
November 15, 2019	\$1.20	November 15, 2022	1,718,750	–	–	1,718,750
December 24, 2019	\$1.20	December 24, 2022	1,531,250	–	–	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	1,300,000	(1,300,000)	–	–
December 30, 2020	\$6.75	December 30, 2022	7,750,000	(450,000)	–	7,300,000
			41,180,250	(2,157,000)	–	39,023,250

The weighted average exercise price of the warrants outstanding at March 31, 2021 is C\$2.23 (December 31, 2020 – C\$2.24).

## 9. EXPLORATION EXPENDITURES

The Company's exploration expenditures by activity for three months ended March 31, 2021 and 2020 is as follows:

For three months ended March 31,	2021	2020
Salaries, geological consultants and support, and travel	\$ 1,895	\$ 578
Site preparation and maintenance, field and general	1,570	474
Drilling and drilling related costs	2,961	764
Assay and analysis	586	–
Community relations, environmental and permitting	700	278
Concession fees	307	292
Studies	106	–
Reclamation provision	188	–
Amortization	38	11
	\$ 8,351	\$ 2,397

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

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

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

For three months ended March 31,	2021	2020
Ecuador	\$ 7,780	\$ 2,185
Chile	346	86
Mexico	41	12
Peru and other	184	114
	\$ 8,351	\$ 2,397

#### 10. GENERAL AND ADMINISTRATIVE EXPENDITURES

For three months ended March 31,	2021	2020
Share-based compensation	\$ 1,131	\$ 168
Salaries and benefits	420	194
Office and other	126	65
Filing and regulatory fees	137	25
Professional fees	58	77
Marketing and travel	114	97
	\$ 1,986	\$ 626

#### 11. SEGMENTED INFORMATION

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

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

	March 31, 2021	December 31, 2020
Mexico	\$ 19,761	\$ 19,762
Ecuador	1,441	1,050
Chile	261	261
Peru	19	12
	\$ 21,482	\$ 21,085

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:

	March 31, 2021	December 31, 2020
Current assets	\$ 14	\$ 25
Non-current assets	19,741	19,741
Current liabilities	16	7

  

For the three months ended March 31,	2021	2020
Net loss	\$ 43	\$ 12
Attributable to Shareholders of the Company	26	7
Attributable to non-controlling interest	17	5

## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

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

#### 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 \$69,564 represents the maximum exposure to credit risk.

##### b) Liquidity risk

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

At March 31, 2021, 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	\$ 3,872	\$ –	\$ –	\$ –	\$ 3,872
Lease liabilities	58	64	–	–	122
Office rent obligations	232	77	–	–	309
Exploration expenses and other	314	160	–	–	474
	\$ 4,476	\$ 301	\$ –	\$ –	\$ 4,777

##### c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At March 31, 2021, 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 March 31, 2021, the Company's derivative instruments are measured at fair value using Level 2 inputs. The carrying values of cash and cash equivalents, 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.



## Solaris Resources Inc.

### Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2021 and 2020

(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 months ended March 31, 2021 and 2020 comprised:

For the three months ended March 31,	2021	2020
Share-based compensation	\$ 923	\$ 107
Salaries and benefits	204	95
	\$ 1,127	\$ 202

##### *Related party transactions*

As at March 31, 2021, Equinox held 26% (December 31, 2020 – 26%) of the outstanding shares of the Company.

Equinox charged the Company \$47 in salaries and benefits and \$43 in expense reimbursements for the three months ended March 31, 2020.

On January 2, 2020, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments on March 31, 2021 was approximately \$261 (December 31, 2020 – \$317), 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 this arrangement:

For the three months ended March 31,	2021	2020
Salaries and benefits	\$ 348	\$ 147
Office and other	70	57
Marketing and travel	2	6
Other income	–	–
	\$ 420	\$ 210

At March 31, 2021, amounts prepaid and other includes \$4 (December 31, 2020 – \$15 due to related parties) with respect to this arrangement.