SOLARIS
RESOURCES

Solaris Resources Inc.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2020 and 2019

(Unaudited)

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – in thousands of United States dollars)

	Note		March 31, 2020		December 31, 2019
Assets					
Current assets					
Cash and cash equivalents		$	3,589	$	6,093
Prepaids and other			197		98
			3,786		6,191
Restricted cash	4(b)		70		70
Exploration and evaluation assets	4		20,180		20,180
Property, plant and equipment	5		150		142
Derivative asset	7		4,536		5,765
Total assets		$	28,722	$	32,348
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	846	$	379
Due to related parties	15		104		45
Lease liability	6		32		32
			982		456
Long-term liabilities					
Derivative liability	3(c)		–		1,510
Lease liability	6		57		65
Total liabilities			1,039		2,031
Shareholders’ equity					
Common shares	8		43,265		43,104
Reserves	3(c)		1,658		811
Deficit			(25,057)		(21,420)
Equity attributable to shareholders of the Company			19,866		22,495
Non-controlling interests	12		7,817		7,822
Total shareholders’ equity			27,683		30,317
Total liabilities and equity		$	28,722	$	32,348

Going concern (Note 2)

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, 2020 and 2019
(Unaudited – in thousands of United States dollars, except share and per share amounts)

		For the three months ended March 31,	
	Note	2020	2019
Exploration expenses	9	$ 2,397	$ 962
General and administrative expenses	10	626	172
Loss from operations		3,023	1,134
Change in fair value of derivatives	7	616	(750)
Finance income		(21)	–
Other expense (income)		24	(10)
Net loss		$ 3,642	$ 374
Other comprehensive loss			
Items that may be reclassified to profit or loss:			
Foreign currency translation loss		822	–
Total comprehensive loss		$ 4,464	$ 374
Net loss attributable to:			
Shareholders of the Company		$ 3,637	$ 353
Non-controlling interest	12	5	21
		$ 3,642	$ 374
Total comprehensive loss attributable to:			
Shareholders of the Company		$ 4,459	$ 353
Non-controlling interest	12	5	21
		$ 4,464	$ 374
Basic and diluted net loss per share attributable to shareholders of the Company		$ 0.06	$ 0.01
Weighted average number of shares outstanding		60,552,340	38,419,069

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, 2020 and 2019
(Unaudited – in thousands of United States dollars)

	Note	For the three months ended March 31, 2020	2019
Cash provided by (used in):			
Operations			
Net loss for the period		$ (3,642)	$ (374)
Adjustments for:			
Change in fair value of derivatives	7	616	(750)
Foreign exchange and other		21	(19)
Share-based compensation	8	168	3
Amortization	5	11	1
Net changes in non-cash working capital items:			
Prepaids and other		(99)	50
Accounts payable and accrued liabilities		467	154
Due to related parties	15	59	–
		(2,399)	(935)
Financing			
Private placement equity financings	8	–	2,950
Share issue costs paid		–	(28)
Advances from Equinox Gold Corp.	15	–	721
Payment of lease liability	6	(9)	–
Proceeds from exercise of Equinox Warrants and stock options	8	319	–
		310	3,643
Investing			
Capital expenditures	5	(19)	–
		(19)	–
Effect of exchange rate changes on cash and cash equivalents		(396)	–
Increase (decrease) in cash and cash equivalents		(2,504)	2,708
Cash and cash equivalents, beginning of period		6,093	241
Cash and cash equivalents, end of period		$ 3,589	$ 2,949

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

Solaris Resources Inc.

Condensed Consolidated Interim Statements of Changes in Equity

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

		Share Capital		Reserves					
	Note	Number of Shares (Note 3(b))	Amount	Options, RSUs and warrants	Foreign currency translation	Total	Deficit	Non-controlling interest	Total equity
Balance, December 31, 2019		60,424,610	$ 43,104	$ 811	$ –	$ 811	$ (21,420)	$ 7,822	$ 30,317
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	152	–	–	–	–	–	152
Share-based compensation	8	–	–	168	–	168	–	–	168
Warrants reclassified as equity on change of functional currency	3(c)	–	–	1,510	–	1,510	–	–	1,510
Net loss and comprehensive loss		–	–	–	(822)	(822)	(3,637)	(5)	(4,464)
Balance, March 31, 2020		60,637,483	$ 43,265	$ 2,480	$ (822)	$ 1,658	$ (25,057)	$ 7,817	$ 27,683
Balance, December 31, 2018		37,251,740	$ 32,704	$ 671	$ –	$ 671	$ (20,471)	$ 7,876	$ 20,780
Private placement equity financing, net of $28 in share issue costs	8	7,868,000	2,922	–	–	–	–	–	2,922
Shares issued on vesting of RSUs	8	34,871	31	(31)	–	(31)	–	–	–
Share-based compensation	8	–	–	3	–	3	–	–	3
Net loss and comprehensive loss		–	–	–	–	–	(353)	(21)	(374)
Balance, March 31, 2019		45,154,611	$ 35,657	$ 643	$ –	$ 643	$ (20,824)	$ 7,855	$ 23,331

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

1. NATURE OF OPERATIONS

Solaris Resources Inc. (the “Company” or “Solaris”) was incorporated under the Business Corporations Act of British Columbia on June 18, 2018 as a wholly owned subsidiary of Equinox Gold Corp. (“Equinox”). Equinox subsequently distributed 60% of the outstanding shares of the Company to its shareholders pursuant to a Plan of Arrangement.

The Company is engaged in the acquisition, exploration and development of mineral property interests. The Company’s assets consist primarily of the Warintza copper-molybdenum-gold exploration property (“Warintza”) in Ecuador, the 60%-owned La Verde copper exploration property (“La Verde”) in Mexico, the Ricardo copper-molybdenum exploration property (“Ricardo”) in Chile and the Tamarugo copper-molybdenum 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.

2. GOING CONCERN

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred operating losses to date and has no current sources of revenue or cash inflows from operations. 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. In April and May 2020, the Company received $1,708 (CAD$2,388) from the exercise of Equinox Warrants (Note 7). Based on anticipated cash flows, further funds will be required to fund future obligations and exploration plans in the next year. The Company expects to continue to raise the necessary funds primarily through the issuance of common shares.

On March 11, 2020, the novel coronavirus outbreak (“COVID-19”) was declared a pandemic by the World Health Organization. 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 ongoing exploration activities as well as the Company’s ability to explore and conduct business. There can be no guarantees that future equity financing will be available in which case the Company will need to reduce its planned exploration activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for these condensed consolidated interim financial statements, adjustments would be necessary to the carrying amounts of the assets and liabilities and the statement of financial position classifications used. Such adjustments could be material.

3. 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 full annual financial statements prepared using International Financial Reporting Standards (“IFRS”). 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, 2019. The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual audited consolidated financial statements for the year ended December 31, 2019.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2020.

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

(b) Basis of presentation

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 condensed consolidated interim financial statements have been retrospectively adjusted to reflect the share consolidation.

(c) Change in functional 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 financing 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 15), 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 liabilities 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 condensed consolidated interim 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.

4. EXPLORATION AND EVALUATION ASSETS

	Note		March 31, 2020		December 31, 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 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 will 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

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 May 2032 and are subject to a 2% net smelter royalty held by Billiton Ecuador B.V. The Concessions can be renewed for an additional period of 25 years.

Restricted cash consists of a bank guarantee issued to the regulatory authorities for compliance 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 (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. In addition, the Stage 2 third, fourth and fifth year exploration periods were amended to follow the end of the Stage 1.

(d) Tamarugo

Tamarugo is a grass-roots copper porphyry target consisting of approximately 5,100 hectares strategically located in northern Chile. The Company entered into a definitive earn-in option agreement with Freeport with respect to Tamarugo in July 2019.

Pursuant to the 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 four years with $0.25 million to be spent in year one, $0.35 million in year two, $1.9 million in year three and $1.5 million in year four.

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

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

- Should Freeport elect not to exercise the Back-in Right, the Company can elect to earn an additional 24% interest in Tamarugo by spending an additional $1.5 million in exploration expenditures 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 1,000,000 common shares to a 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 4,600-hectare property in Peru prospective for near-surface copper-molybdenum-gold mineralization. The Paco Orco project is a 4,400-hectare property in Peru prospective for lead, zinc and silver.

5. PROPERTY, PLANT AND EQUIPMENT

	Field equipment	Office equipment & furniture	Right-of-use asset	Total
Cost				
As at December 31, 2019	$ 115	$ 29	$ 103	$ 247
Additions	16	3	–	19
As at March 31, 2020	$ 131	$ 32	$ 103	$ 266
Accumulated amortization				
As at December 31, 2019	$ 94	$ 5	$ 6	$ 105
Amortization	1	1	9	11
As at March 31, 2020	$ 95	$ 6	$ 15	$ 116
Net book value				
As at December 31, 2019	$ 21	$ 24	$ 97	$ 142
As at March 31, 2020	$ 36	$ 26	$ 88	$ 150

6. LEASE LIABILITY

	March 31, 2020	December 31, 2019
Balance, start of period	$ 97	$ –
Addition	–	102
Interest on lease liability recognized in net loss	1	1
Lease payments for the period	(9)	(6)
Balance, end of period	$ 89	$ 97
Less current portion	32	32
Long-term lease liability	$ 57	$ 65

During the three months ended March 31, 2020, the Company recognized $46 of office and other expense for two lease premises that do not meet the definition of a lease (Note 16). The Company is jointly liable for rent payments and uses the assets jointly.

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

7. DERIVATIVE ASSET

The Company determined that the obligation to issue shares on exercise of Equinox Warrants continues to meet the definition of a derivative as its value is determined in part on the share price of Equinox's common shares.

Pursuant to the Plan of Arrangement under which Equinox distributed the shares of the Company to its shareholders, as at March 31, 2020, the Company is obligated to issue 5,813,254 common shares (December 31, 2019 – 6,012,801) 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$12.24 (December 31, 2019 – C$12.00) and a weighted average contractual life of 1.27 years (December 31, 2019 – 1.58 years).

At March 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 approach to simulate future share prices of Equinox and Solaris.

The following assumptions were considered in the simulations for at March 31, 2020 and December 31, 2019:

Weighted average		March 31, 2020		December 31, 2019
Risk-free rate		0.21% - 0.50%		1.69% - 1.74%
Correlation of Solaris share to Equinox share		50%		50%
Expected term (years)		1.27		1.58
Expected volatility – Equinox and Solaris[1]		60% and 100%		50% and 90%
Expected dividend		Nil		Nil
Solaris share price (C$) per whole share[2]	C$	0.40	C$	0.40
Equinox share price (C$) per whole share	C$	9.40	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 March 31, 2020 and December 31, 2019 are the pre-consolidation share prices used in the Monte Carlo Simulation.

During the three months ended March 31, 2020, the Company issued 199,548 common shares on exercise of 3,990,945 Equinox warrants. A continuity of the derivative asset is as follows:

		March 31, 2020		December 31, 2019
Balance, start of period	$	5,765	$	1,673
Exercise of warrants		(168)		(14)
Change in fair value		(616)		3,968
Change related to foreign exchange		–		138
Foreign exchange on translation		(445)		–
Balance, end of period	$	4,536	$	5,765

Subsequent to the reporting date, the Company issued 1,218,518 common shares on the exercise of 24,370,344 Equinox Warrants for total proceeds of $1,708 (CAD$2,388).

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

8. SHARE CAPITAL

(a) Common shares

Authorized: Unlimited common shares, with no par value

Issued and fully paid: 60,637,483 (December 31, 2019 – 60,424,610)

(b) Private placements

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 C$3,934 ($2,950), less share issue costs of $28.

(c) Share purchase options

For the three months ended March 31, 2020, the Company recognized a share-based compensation expense related to stock options included in general and administrative expenditures of $168 (March 31, 2019 – $nil).

A continuity of the shares issuable for stock options is as follows:

	Number of shares issuable
Balance, December 31, 2019	3,172,788
Granted	450,000
Exercised	(2,762)
Forfeited	(112,456)
Balance, March 31, 2020	3,507,570

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. No options were issued or outstanding in the three months ended March 31, 2019.

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

Weighted average		2020
Exercise price per share issuable	C$	$0.80
Expected term (years)		5.00
Volatility[1]		82%
Expected dividend yield		–
Risk-free interest rate		1.43%

[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 Plan of 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, 2020, a total of 6,450,573 (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 March 31, 2020, a total of 645,070 (December 31, 2019 – 660,298) shares are issuable by Solaris upon exercise of the Arrangement options.

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

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	3,036,028	303,607	$	0.06	1.09	303,227	$	0.06
$0.11 - $0.20	2,590,204	259,023		0.12	2.55	250,710		0.12
$0.21 - $1.04	824,341	82,440		0.33	1.23	82,427		0.33
	6,450,573	645,070	$	0.12	1.69	636,364	$	0.12

[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 March 31, 2020, attributable to the issuance of a whole Solaris share was C$1.20 (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	1,250,000	4.36	–	–
November 18, 2019		0.80	900,000	4.64	–	–
November 21, 2019		0.80	262,500	4.65	–	–
January 2, 2020		0.80	350,000	4.76	–	–
March 20, 2020		0.80	100,000	4.97	–	–
	$	0.67	2,862,500	4.55	–	–

(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, 2019	3,227,899	362,798
Vested and issued for shares	(105,625)	(10,562)
Additional shares issuable for pRSU which vested based on market performance conditions	–	90,000
Balance, March 31, 2020	3,122,274	442,236

Total net share-based compensation expense with respect to RSUs for the three months ended March 31, 2020 was expense of $nil (March 31, 2019 – expense of $3). 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.

(e) Shares issuable for Equinox Warrants

Pursuant to the Arrangement, upon exercise of Equinox Warrants, warrant holders will receive one-quarter of a Solaris share for each common share of Equinox. Equinox will pay to Solaris an amount equal to one-tenth of the proceeds received by Equinox on exercise of the warrants.

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

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	$	4.80	$	12.00
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	(199,548)		2.02		5.05
Outstanding, March 31, 2020	5,813,254	$	4.89	$	12.24

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

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	908,115	$	1.78	$	4.44	June 2020 – May 2021
$2.00 - $3.99	640,210		2.28		5.70	June 2020 – May 2023
$4.00 - $5.99	207,628		4.61		11.53	December 2020 – August 2021
$6.00 - $7.99	4,023,346		6.00		15.00	October 2021
$8.00 - $8.33	33,955		8.33		20.83	June 2020 – July 2020
	5,813,254	$	4.89	$	12.24	

9. EXPLORATION EXPENDITURES

The Company's exploration expenditures by activity for three months ended March 31, 2020 and 2019 is as follows:

For three months ended March 31,		2020		2019
Salaries, geological consulting and travel	$	578	$	258
Community relations, environmental and permitting		278		52
Concession fees		292		264
Field, site maintenance and general		474		387
Drilling and drilling related costs		764		–
Amortization		11		1
	$	2,397	$	962

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

For three months ended March 31,	Note		2020		2019
Warintza (Ecuador)	4(b)	$	2,185	$	799
Ricardo (Chile)	4(c)		56		22
La Verde (Mexico)	4(a)		12		52
Tamarugo (Chile)	4(d)		30		–
Other (Peru, Guatemala)	4(e)		114		89
		$	2,397	$	962

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

10. GENERAL AND ADMINISTRATIVE EXPENDITURES

For three months ended March 31,	Note		2020		2019
Professional fees		$	77	$	45
Salaries and benefits	15		194		–
Office and other			90		72
Marketing and travel			97		52
Share-based compensation			168		3
		$	626	$	172

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, 2020		December 31, 2019
Mexico	$	19,765	$	19,765
Canada		4,534		5,765
Ecuador		376		366
Chile		261		261
	$	24,936	$	26,157

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

12. NON-CONTROLLING INTEREST

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

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

		March 31, 2020		December 31, 2019
Current assets	$	5	$	5
Non-current assets		19,765		19,765
Current liabilities		10		10

For three months ended March 31,		2020		2019
Net loss	$	12	$	52
Attributable to Shareholders of the Company		7		31
Attributable to Non-controlling interest		5		21

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.

Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At March 31, 2020 and December 31, 2019, 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 asset and liabilities denominated in US dollars. However, the impact on such exposure is not currently material.

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

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

14. FAIR VALUE MEASUREMENTS

As at March 31, 2020, the Company's derivative assets are measured at fair value using Level 2 inputs. The carrying values of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate fair value due to their short terms to maturity. The fair value of amounts due to related parties are difficult to determine as they are primarily amounts owed to a significant shareholder.

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

15. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's 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, 2020 and 2019 comprised:

For three months ended March 31,		2020		2019
Share-based compensation	$	107	$	–
Salaries and benefits		95		–
	$	202	$	–

Related party transactions

As at March 31, 2020, Equinox holds 30% (December 31, 2019 – 30%) of the outstanding shares of the Company. During the three months ended March 31, 2019, the Company received $721 in funding from Equinox.

As at March 31, 2020, $90 (December 31, 2019 – $45) of the balance due to related parties is payable to Equinox, which consists of $47 in salaries and benefits and $43 in expense reimbursements charged for the three months ended March 31, 2020. These amounts, which are non-interest bearing and unsecured, were paid subsequent to 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, 2020 was approximately $88, determined based on the Company's average share of rent paid in the immediately preceding 12 months.

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

The Company was charged for the following with respect to these arrangements in the three months ended March 31, 2020.

For three months ended March 31,		2020
Salaries and benefits	$	147
Office and other		57
Marketing and travel		6
	$	210

At March 31, 2020, due to related parties includes $14 with respect to these arrangements.

16. COMMITMENTS

The Company is committed to payments for office leases premises through 2022 in the total amount of approximately $363. Payments by fiscal year are:

2020	$	133
2021		168
2022		62