SOLIS MINERALS LTD

ARBN 653 083 026

ANNUAL REPORT

For the Year Ended 31 May 2022

CONTENTS

1. CORPORATE DIRECTORY

Board of Directors

Christopher Gale	(Non-Executive Chairman)
Jason Cubitt	(Executive Director and CEO)
Kevin Wilson	(Non-Executive Director)
Michael Parker	(Non-Executive Director)
Chafika Eddine	(Non-Executive Director)

Chief Financial Officer
Rachel Chae

Secretary
Sarah Smith (Australia)
Frances Murphy (Canada)

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3043 – 595 Burrard Street
Vancouver, British Columbia
V7X 1L7

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Suite 11, 23 Railway Road
Subiaco WA 6008

Registered Office (Canada)
1008 – 550 Burrard Street
Vancouver, British Columbia
V6C 2B5

Securities Exchange Listing
TSX Venture Exchange (TSXV: SLMN)
Australian Securities Exchange (ASX Code: SLM)
OTC Markets' Venture Market (OTCQB: SLMFF)
Frankfurt Stock Exchange (FRA: 08W)

Auditors
Davidson & Company LLP
CF Pacific Centre
1200 – 609 Granville Street
Vancouver B.C. Canada V7Y 1G6

Australian Share Registry
Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000
Telephone: +61 08 9323 2033

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Place of Incorporation
British Columbia

2. DIRECTORS' REPORT

The Directors of Solis Minerals Ltd. ("the Company") present their report, together with the financial statements on the consolidated entity consisting of Solis Minerals Ltd. and its controlled entities ("the Group") for the year ended 31 May 2022.

The Company presents its financial statements (the "Financial Statements") in Canadian dollars. All dollar figures in this Annual Report are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Annual Report relating to the Company have been prepared using IFRS.

2.1. Corporate Structure

The Company was incorporated on December 1, 2005 under the name "Max Resources Ltd." under the Business Corporations Act (British Columbia) ("BCBCA") and changed its name to "Westminster Resources Ltd." on 27 January 2006, and to "Solis Minerals Ltd." on 20 July 2021.

The Common Shares are listed for trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "SLMN", on the Australian Securities Exchange (the "ASX") under the trading symbol "SLM", on the OTC Markets' Venture Market (the "OTCQB") under the symbol "SLMFF" and on the Frankfurt Stock Exchange under the trading symbol "08W". The Company is a reporting issuer in the provinces of British Columbia and Alberta. The principal regulator of the Company is the British Columbia Securities Commission.

2.2. Directors & Key Management Personnel

The names and particulars of the Company's directors in office during the financial year and at the date of this report are as follows. The Directors held office for this entire year unless otherwise stated.

Christopher Gale – Non-Executive Chairman *(Appointed 17 July 2018)*
Qualifications: Business Accounting and Finance Certificate (Graduate School of Management, University of Western Sydney), MACID.

Christopher (Chris) Gale has extensive experience in senior management roles in both the public and private sectors, especially in commercial and financial roles. He has also held various board and executive roles at several mining and technology companies during his career.

Mr Gale is the Managing Director of Latin Resources Limited. (ASX:LRS) and Executive Chairman of Oar Resources Limited (ASX: OAR). Chris is the former Chairman of the Council on Australian Latin American Relations (COALAR) from 2012 to 2018, which was established by the Australian Government Department of Foreign Affairs and Trade (DFAT) in 2001.

He is a founding director of Allegra Capital, a boutique corporate advisory firm based in Perth and is a member of the Australian Institute of Company Directors (AICD).

Jason Cubitt – Executive Director, President & CEO *(Appointed 29 August 2017)*
Qualifications: Investment Funds Institute of Canada's Exempt Market Products Course (2009).

Mr. Cubitt has 25 years of experience working with resource companies in various capacities as founder, finance agent and institutional investor. Most recently, Mr. Cubitt was director of investments for Vertus Investment Advisory and Ascenta Asset Management, offshore investment advisory firms for which he was responsible for precious metals and special situations mining and energy funds.

Mr. Cubitt was originally appointed to the Board on 29 August 2017; however has held the position of President and CEO from 20 December 2018. Mr. Cubitt's other current directorships include Volatus Capital Corp. (CSE: VC) (non-executive Director and Audit Committee Chair from October 2019 to present) and Crest Resources Inc. (CSE: CRES) (non-executive Director and Audit Committee member from August 2021 to present).

2. DIRECTORS' REPORT (continued)

Kevin Wilson – Non-Executive Director *(Appointed 9 November 2021)*
Qualifications: Bachelor of Science (Hons) (University of London), Degree of Master of Business Administration (The City University London).

Mr. Wilson has over 30 years' experience in the minerals and finance industries. He was the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. His previous experience includes 8 years as a geologist with the Anglo American Group in Africa and North America and 14 years as stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australian and the USA.

Mr. Wilson was appointed to the Board with effect from 10 November 2021. Mr. Wilson's other current directorships include Navarre Minerals Ltd (ASC: NML) (Chairman from April 2007 to present) and Los Cerros Ltd (ASX: LCL) (Non-executive director from November 2019 to present).

Mr. Wilson is considered independent.

Michael Parker – Non-Executive Director *(Appointed 24 December 2021)*
Qualifications: BSc. Mining Geology (Honours), University of Leicester (1986).

Mr. Parker is a geologist by training and has been a member of the AusIMM for 16 years. Mr. Parker is fluent in English, Spanish and French, and has extensive experience in exploration and project development, overseeing projects from discovery through construction to production. In 21 years with First Quantum Minerals (FQM), he held progressively senior Country Manager positions, and was instrumental in two major copper discoveries: the Lonshi and Frontier mines. He was Country Manager in the Democratic Republic of Congo (DRC) for FQM, overseeing up to 3,000 staff with two operating copper mines and a mine construction project.

Between 2011 to 2017, he was country manager for FQM in Peru, responsible for the design and implementation of FQM's corporate strategy in Latin.

America, including Argentina and Chile. He oversaw community relations programs and sustainability processes, ensuring that projects complemented community development in remote areas including preparations for resettlement programs. He was responsible for all government relations and communications throughout Latin America. He currently runs his own consultancy company, Mining Footprint Ltd.

Mr. Parker is considered to be independent.

2. DIRECTORS' REPORT (continued)

Chafika Eddine – Non-Executive Director *(Appointed 24 December 2021)*
Qualifications: Doctor of Business Administration with ESG focus (in progress), Royal Roads University, Canada, 2020; Master's in Community Development and Sustainability, University of Victoria, Canada, 2017; Bachelor's in Law, LLB, Brazil, Sao Paulo Law Bar, 2001; Project Management Professional, PMP Certification, Canada, 2011; Advanced Business Finance Securities – 192 hours, University of Sao Paulo, Brazil, 2001.

Ms. Eddine has over 20 years of experience in corporate governance including as a non-executive board member of public mining companies. She is presently the Chief Sustainability Officer for Orla Mining and has previously held positions as Vice President Corporate Development for Bear Creek Mining and Director Corporate Social Responsibility for Hudbay Minerals during early stages of exploration into a feasibility phase, and through the construction of three mines.

She has restructured and established exploration offices in 10 countries for several companies including Anglo American and AngloGold Ashanti, and has worked and lived in Europe, and in South, Central and North America, applying her expertise in compliance towards sustainability and risk mitigation.

Ms. Eddine was a Director of the Board for the Peruvian-Canadian Chamber of Commerce from 2012 to 2018 and is one of the founders of the Global Change for Children Society. Ms Eddine has also previously served on the Company's Board from 2 October 2018 to 25 June 2019.

Ms. Eddine is considered independent.

Fred Tejada – Non-Executive Director *(4 December 2019 – 24 December 2021)*
Qualifications: BS Geology, Professional Geoscientist (Engineers and Geoscientist of British Columbia License #30021)

Mr Tejada is a professional geologist, registered in British Columbia. He has over 35 years of international mineral industry experience and has a proven track record, working with both major and junior mining and exploration focused organisations. Mr Tejada was Country Manager for Phelps Dodge Exploration Corporation in the Philippines and previously Vice President for Exploration of Panoro Minerals Ltd. Where he directed the resource definition drilling of its two major copper projects in Peru, and Vice President Exploration for Tirex Resources Ltd. He had also been previously involved in the exploration of the Trend and the Belcourt Saxon coal projects in Northeast British Columbia.

Mr. Tejada was considered to be independent during his service as Director. He resigned from the board 24 December 2021, maintaining his role as Lead Technical Advisor, and Qualified Person as is defined under Canadian securities regulations.

Rachel Chae – Chief Financial Officer *(Appointed 20 January 2020)*
CPA; Certified General Account of Canada; Diploma in Financial Management (British Columbia Institute of Technology).

Rachel Chae has served as CFO for various publicly traded companies, including a number of junior exploration companies based in Vancouver, British Columbia. Ms. Chae is a Chartered Professional Accountant and Certified General Accountant presented employed by Cross Davis & Company LLP (from August 2015 to present), a Chartered Professional Accountant firm providing accounting services to publicly listed entities, primarily in the mining sectors. Ms. Chae works directly with mining Chief Executive Officers and directors, assisting with their regulatory and accounting needs.

2. DIRECTORS' REPORT (continued)

2.3. Interests In Shares and Options of the Company

The following table sets out each current Director's relevant interest in shares, options and performance rights of the Company as at the date of this report:

Director	Common Shares	Options	Warrants
Jason Cubitt	535,000	450,000	400,000
Christopher Gale	531,250	450,000	125,000
Kevin Wilson	-	-	-
Michael Parker	-	-	-
Chafika Eddine	-	-	-
Total	**1,066,250**	**900,000**	**525,000**

2.4. Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 May 2022 and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
Director	Held	Attended	Held	Attended
Jason Cubitt	4	4	n/a	n/a
Christopher Gale	4	3	n/a	n/a
Kevin Wilson	4	4	2	2
Michael Parker	3	3	2	2
Chafika Eddine	3	3	2	2
Fred Tejada	1	1	n/a	n/a

2.5. Principal Activities and Significant Changes in the Nature of Events

The Company is a mineral exploration company. During the financial year ended 31 May 2022, the Company was focused on exploring for copper and other metals in Chile and Peru. Subsequent to the financial year ended, in June 2022, the Company announced that it had elected to withdraw from its option agreement on the Mostazal Project in Chile.

The Company's administrative offices are based in Vancouver, British Columbia, Canada and West Leederville, Western Australia, Australia. Its main exploration projects are the Ilo Este and Ilo Norte projects in southern Peru.

2.6. Review of Financial Results

The loss for the entity, after providing for income tax, amounted to $3,118,728 (2021: $184,973). Cash and cash equivalents at the end of the year were $3,570,301 (2021: 2,547,807). Net assets for the Company increased from $5,623,996 at 31 May 2021 to $6,125,843 at 31 May 2022.

2.7. Dividends

There were no dividends paid, recommended, or declared during the current or previous financial years.

2.8. Significant Changes in the State Affair

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

2. DIRECTORS' REPORT (continued)

2.9. Matters Subsequent to Financial Year Ended 31 May 2022

On 30 June 2022, the Company announced that it has elected to withdraw from its option agreement on the Mostazal Project in Chile. Accordingly, the Company will have no future claim on the Mostazal Project, or any contiguous exploration ground acquired through staking, and will be released from any further obligations to the vendor. Pursuant to the Option Agreement dated 23 June 2021, the Company, through its wholly owned subsidiary Westminster Chile SpA, was granted the right to earn up to a 100% interest in the Mostazal Project in Chile's Atacama Desert by spending US$5,000,000 on exploration and making payments of US$5,000,000 to the vendor over four years.

There has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

2.10. Likely Developments and Expected Results of Operations

The Group's objective is to continue to explore for copper and other battery metals in Peru and elsewhere in South America.

2.11. Environmental, Social and Governance Policies

In August 2021, in advance of its ASX listing in December 2021, the Company considered various policies suitable to its operations and revised or adopted a number of policies, including a Statement of Values, an Anti-Bribery and Anti-Corruption Policy, a Diversity Policy and a Risk Management Policy, which included consideration of environmental risk.

In addition, all phases of the Company's operations are subject to governance, social and environmental regulation in the jurisdictions in which it operates. Social and environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in social and environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that social, regulatory and environmental approvals will be obtained on a timely basis, or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or to preclude entirely the economic development of a property. Social and environmental hazards may exist on the properties which are unknown to the Company at present which may have been caused by previous or existing owners or operators of the properties.

2.12. Legal Proceedings and Regulatory Actions

The Company is not party to any legal proceedings or regulatory actions and no such proceedings are known to the Company to be contemplated.

3. REVIEW OF OPERATIONS

Effective 19 July 2021, the Company completed a corporate name change from Westminster Resources Ltd. to Solis Minerals Ltd. and continued trading on Canada's TSX Venture Exchange under a new symbol: SLMN. The name change, and associated re-branding, was undertaken to better reflect the Company's expanding operational focus in Latin America. At that time the Company assumed a new CUSIP number 83423L108 and a new ISIN number CA83423L1085. There was no change in the capitalisation structure of the Company.

On 5 October 2021, the Company approved for appointment of two independent non-executive directors, Chafika Eddine and Michael Parker—to be formally appointed subject to acceptance of the Company's application to trade on the Australian Stock Exchange (ASX). On 15 November 2021, the Company announced the appointment of Kevin Wilson as a non-executive independent director. The above appointments were designed to improve the technical and governance capabilities of the Company whilst enhancing the independence of its board.

Solis announced its listing on the ASX via Initial Public Offering (IPO) on 24 December 2021 under the symbol SLM. In support of the IPO, the Company raised a total of A$5.5 million through the issue of 27,500,000 Chess Depository Interests ("CDIs") at A$0.20, with one attaching option for every two shares subscribed in the IPO with an exercise price of AUD$0.30 for a period of two-years from the date of issue.

In the fiscal year ending 31 May 2022, the Company had two material mineral exploration projects:

(a) Mostazal Project in the Atacama region of Chile; and

(b) Ilo Este and Ilo Norte Projects in southern Peru.

Subsequent to the fiscal year end, on 22 June 2022, the Company announced that it had elected to withdraw from its option agreement on the Mostazal Project due to the results from its drilling and geophysical programs undertaken in 2022 not meeting minimum expectations. The Company has since refocussed on its Peruvian portfolio, comprising the Ilo Norte and Ilo Este copper IOCG and porphyry projects, as well as the newly acquired Cinto project in Peru's southwest copper belt - approximately 10 kilometres south of Southern Copper Corporation's Toquepala porphyry copper mine.

3.1. Mostazal Project

Diamond drilling commenced in late January 2022 at the Company's Mostazal Copper Project, located in the third region of Chile. The drilling program comprised four holes for a total of 1,831 metres of diamond drilling, targeting both porphyry and manto-style copper mineralisation as well as interpreted feeder system (porphyry) structures at depth.

Observations of drill core from the four holes completed revealed widespread copper sulphide mineralisation comprising several mineralised zones from surface consisting of chalcocite+/-bornite occurring as amygdales, fracture fillings, or in veinlets (with quartz-epidote-chlorite-calcite) and/or chalcopyrite (*refer to ASX announcements dated 8 February 2022 and 24 February 2022, & 7 April 2022).*

While these results supported the Company's exploration thesis of widespread, near surface manto mineralisation, drill core assays and logs did not show any significant indications of an underlying mineralised porphyry system at depth (*refer ASX announcement dated 28 July 2022*).

Following a detailed review of the available historic and new geophysical, geological, geochemical and drilling information, the Company concluded that results did not meet the Company's minimum requirements, resulting in the Company withdrawing from the Mostazal Option Agreement (*refer to ASX announcement dated 22 June 2022)*.

In accordance with the Mostazal Option Agreement, all rights to the adjoining mineral tenements secured by the Company through staking of available ground, were surrendered to the vendor. The Company has no further obligations to the Mostazal Project vendors.

3. REVIEW OF OPERATIONS (continued)

3.2. Peruvian Projects

The Ilo Este and Ilo Norte Projects are a portfolio of exploration concessions in the highly prospective coastal IOCG/porphyry copper belt of southern Peru. Solis believes that the mineralisation identified on Ilo Norte is part of an IOCG system, with a high-grade copper-skarn target; while the mineralisation at Ilo Este is part of a copper-gold-molybdenum porphyry system.

The Ilo Norte and Ilo Este project areas are composed of interlayered andesite volcanic rocks and volcaniclastic sedimentary rocks of the Lower Jurassic Chocolate Formation, the Upper Jurassic Guaneros Formation and the Lower to Middle Cretaceous Toquepala Group. The andesitic rocks are fine to medium-grained lavas and subvolcanic intrusives and the volcaniclastic rocks are typically fine to medium grained sandstones and coarser conglomerates (Figure 1).

Intruded into the Chocolate and Guaneros formations is the Cretaceous age Ilo Batholith which comprises gabbros, gabrodiorites and diorites. It is these intrusives that have driven the regional metamorphism and mineralisation.

Solis also owns a 100% interest in several earlier-stage concessions in Peru, the Chappolita, Caruca, Pallagua and Uschusma Projects, located to the east and southeast of Ilo Este and a new project, northeast of Ilo Este, to be called Cinto (Figure 1). These are earlier-stage projects, all prospective for copper, and initial prospecting activities will be built around the more-advanced work programs on the Ilo Este and Ilo Norte Projects.

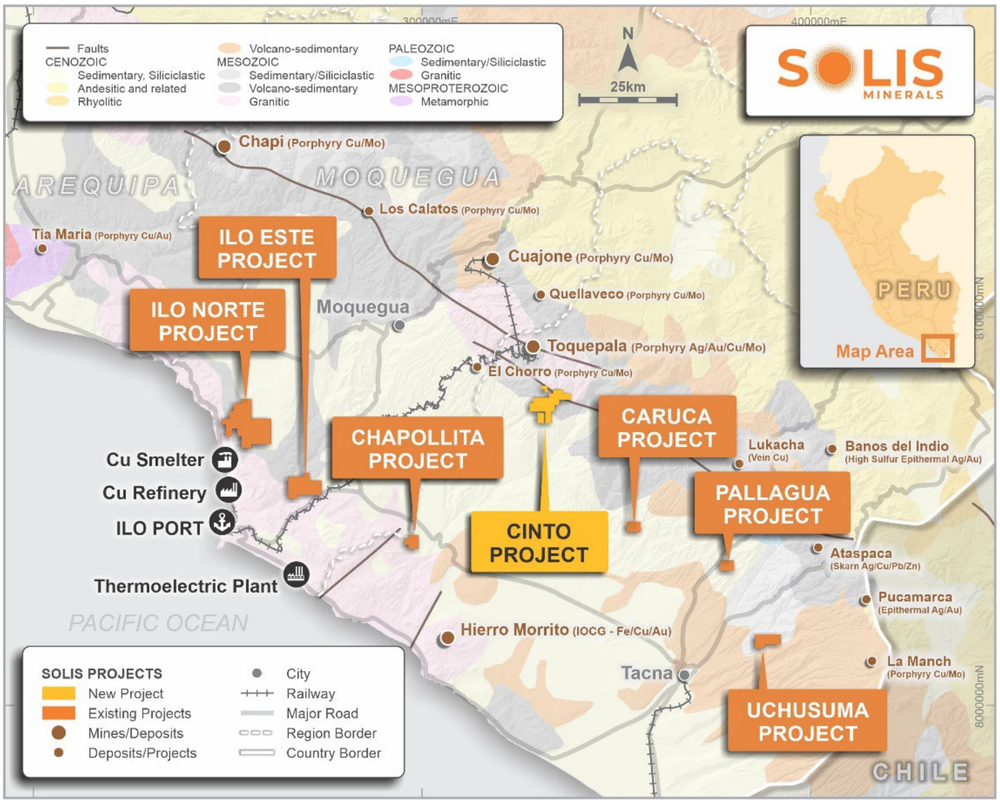

Figure 1: Solis Minerals Ltd. – Peruvian Projects' Location Plan including new project (Cinto), over simplified regional scale geology

3. REVIEW OF OPERATIONS (continued)

3.2.1. Work Completed

Ilo Norte & Ilo Este

The Company has undertaken a full and detailed review of the previous exploration at Ilo Norte and Ilo Este, including drilling and geophysical surveys. This review resulted in a number of recommendations for additional geophysical and other remote sensing surveys including:

Ilo Norte Project

- An extension of a 2012 IP geophysical survey where practical (Figure 2), to cover the interpreted extension of the chargeable zone to extend east and west beyond previous 2012 survey coverage and coincides with a magnetic anomaly with a NE- SW strike.
- Additional drone or ground MAG geophysical survey (Figure 2), to extend coverage to the north and east to allow for a 3D inversion model block to be generated over the area and allow interpretation based on 3D models.
- Undertake remote sensing surveys over the project area using WorldView-3 satellite data acquisition to guide alteration mapping and target generation and complement the extensive ground mapping carried out to date.

This data will be used to support the next phase of exploration for the Ilo Norte Project, which may include drill testing of the identified anomalies.

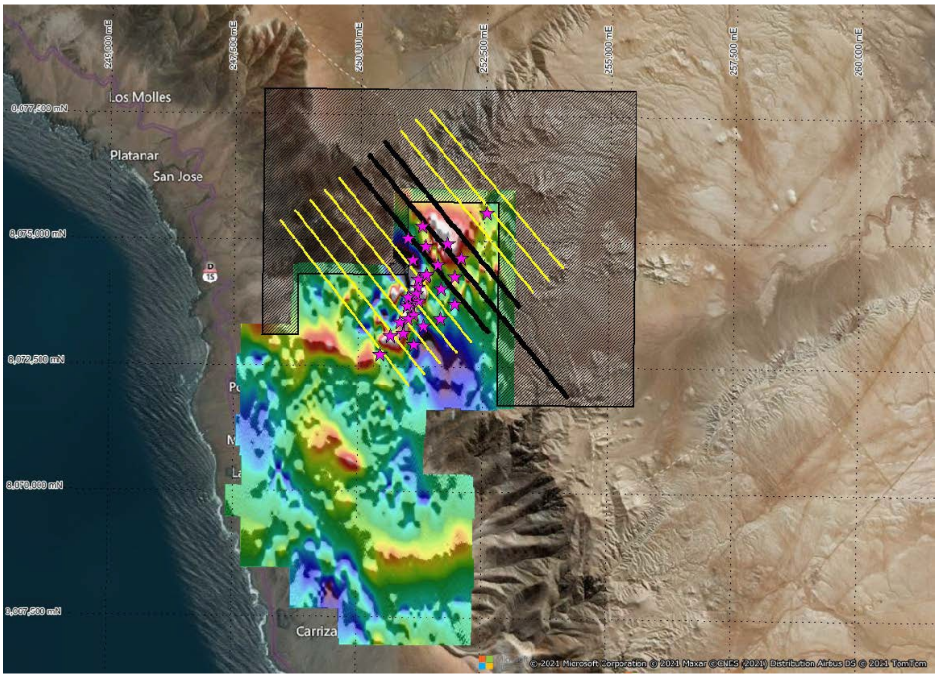

Figure 2: Ilo Norte Project showing 2009 GMAG data, 2013 IP transects (black), drillhole locations (pink stars), proposed new IP transects (yellow) and proposed ground/drone MAG extension (hatched area)

Ilo Este Project

- The original digital data from a 2014 ground magnetic survey over Ilo Este was located and the Company is considering resurveying the area to re-capture the historical anomalies. Further analysis in the form of 3D inversions would need to be performed to aid with interpretation and planning of any additional geophysical surveys (Figure 3).
- Undertake remote sensing surveys over the project area using WorldView-3 satellite data acquisition to guide alteration mapping and target generation and complement the extensive ground mapping carried out to date.

This data will be used to support the next phase of exploration for the Ilo Este Project, which may include drill testing of the identified anomalies.

3. REVIEW OF OPERATIONS (continued)

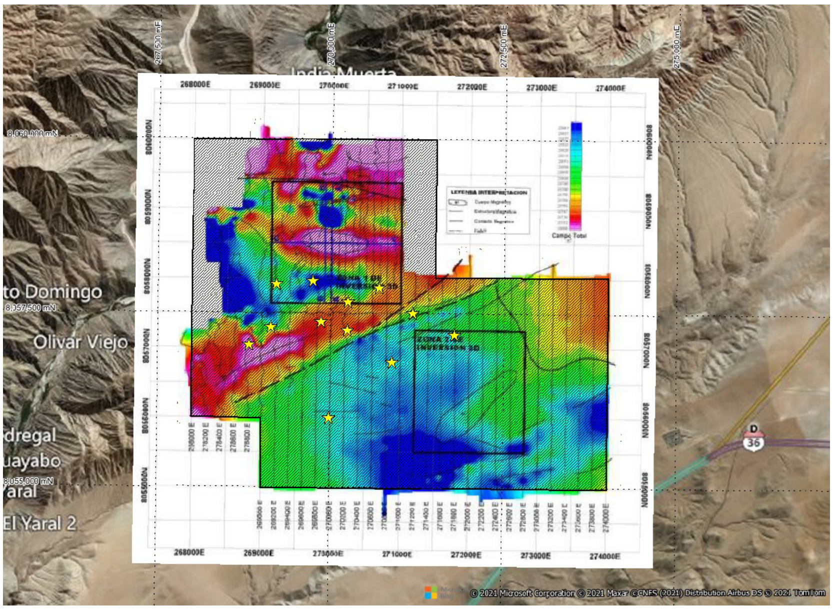

Figure 3: Ilo Este project showing 2014 GMAG data, drillhole locations (yellow stars) and area (hatched area) for GMAG re-acquisition

Cinto Project

In early 2022 the Company expanded its footprint in Peru through the application for seven concessions in the Tacna Region of Southern Peru (Figures 1 & 4), 15km from Southern Copper Corporation's Toquepala Mine in a highly prospective geological region. The concession applications lie along the regional Incapuquio Fault system in southern Peru, which is associated with three large copper-molybdenum deposits currently in production: Cuajone, Quellaveco and Toquepala.

The Company will undertake remote sensing surveys over project areas using WorldView-3 data acquisition to guide alteration mapping and target generation and complement the extensive ground mapping carried out to date.

Following these surveys, the Company plans to undertake on ground exploration including fact checking of the regional geology and alteration and systematic sampling to identify potential drill targets.

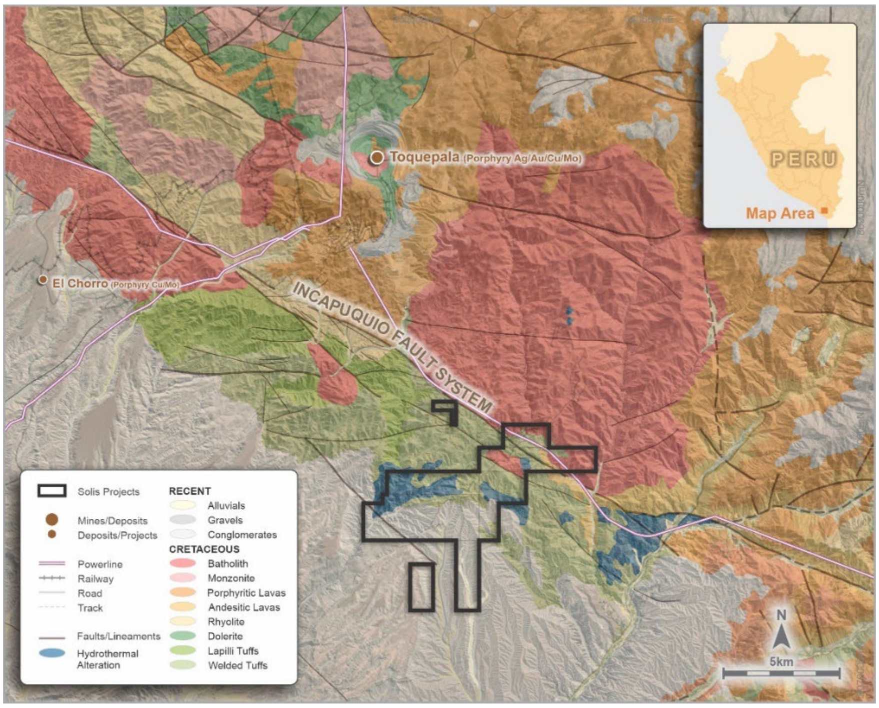

Figure 4: Cinto Project showing regional location and simplified regional geology

3. REVIEW OF OPERATIONS (continued)

3.2.2. Exploration, Development and Production

With a current cash balance of approximately A$2.7 million, the Company remains in a strong position to advance its portfolio of porphyry and IOCG copper projects in Peru.

The Company intends to undertake to continue to advance the Peruvian projects to drillable status. This includes remote sensing surveys on sections of the Ilo project areas using WorldView-3 data acquisition to guide alteration mapping and target generation and complement the extensive ground mapping carried out to date. Combined with previous drilling, these exploration tools are aimed to provide a strong vector for identification of new drill targets in the short to medium term on the permits.

The Company applied for new tenements 15 kilometres south of, the Toquepala Mine in a highly prospective region and is in the process of being granted 2,700 Ha of largely contiguous exploration ground in seven concessions after some subdivisions for overlapping applications were effected.

The Company is currently compiling all of the available historic exploration and regional government data for the project area. This prospective area will also be subject to WorldView-3 data acquisition to assist in target generation and future exploration.

3.3. Competent Person Statement

The information in this ASX release in relation to Geological Information and Exploration Results is based on and fairly represent information compiled by Mr Anthony Greenaway, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is an employee of Solis Minerals Ltd. and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the exploration activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Greenaway consents to the inclusion in this report of the matters based on information in the form and context in which it appears. Mr Greenaway has provided his prior written consent as to the form and context in which the Geological Information and Exploration Results and supporting information are presented in this Announcement.

All information relating to exploration results that have been previously released to the market is appropriately referenced in this document.

Disclaimer

In relying on the above mentioned ASX announcement and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the above-mentioned announcement.

4. CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Solis Minerals Ltd. is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable. The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("the ASX Principles"). This statement incorporates the disclosures required by the ASX Principles under the headings of the eight core principles. All of these practices, unless otherwise stated, are in place.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at https://solisminerals.com/about-us/corporate-governance/.

5. ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 9 September 2022.

5.1. Distribution of Registered Shareholders as at 9 September 2022

The number of shareholders, by size of holding, is:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	9	574	0.00%
above 1,000 up to and including 5,000	60	177,388	0.29%
above 5,000 up to and including 10,000	91	814,760	1.35%
above 10,000 up to and including 100,000	269	10,998,719	18.19%
above 100,000	76	48,475,213	80.17%
Totals	**505**	**60,466,654**	**100%**

5.2. Twenty Largest Registered Shareholders as at 9 September 202

Position	Holder Name	Holding	% IC
1	CDS & CO	13,262,835	21.93%
2	LATIN RESOURCES LIMITED	7,938,158	13.13%
3	MR DARREN CARTER	3,050,000	5.04%
4	BLUE COASTERS PTY LTD	1,650,000	2.73%
5	CITICORP NOMINEES PTY LIMITED	1,085,388	1.80%
6	PEARSE STREET PTY LTD	1,000,000	1.65%
7	WOLF LIKE ME PTY LTD	1,000,000	1.65%
8	ALLEKIAN EXCHANGE PTY LTD	800,000	1.32%
9	SHAPE WEALTH PTY LTD	750,000	1.24%
10	KHE SANH PTY LTD <TRADING NO 2 A/C>	700,000	1.16%
11	TWO TOPS PTY LTD	675,000	1.12%
12	INJI INVESTMENTS PTY LTD	580,000	0.96%
13	CHRISTOPHER GALE	531,250	0.88%
14	KHE SANH PTY LTD <TRADING NO 1 A/C>	500,000	0.83%
15	MRS LYDIA PARKER	500,000	0.83%
16	MR SCOTT DEAKIN <DEAKIN FAMILY A/C>	500,000	0.83%
17	IVORY GLEAM PTY LTD	500,000	0.83%
18	FAIRBROTHER HOLDINGS PTY LTD	500,000	0.83%
19	FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER A/C>	500,000	0.83%
20	MR JOSHUA GALLAGHER <GALLAGHER INVESTMENT A/C>	500,000	0.83%
	Total	**36,522,631**	**60.40%**
	Total issued Common shares as at 9 September 2023	**60,466,654**	**100.00%**

5. ASX ADDITIONAL INFORMATION (continued)

5.3. Substantial Shareholders

As at 9 September 2022, the following held a substantial shareholding within the meaning of the Australia Corporations Act 2001 (Cth):

Holder Name	Holding Balance	% of Issued Capital
CDS & CO	13,262,835	21.93%
LATIN RESOURCES LIMITED	7,938,158	13.13%
MR DARREN CARTER	3,050,000	5.04%

5.4. Unquoted Securities As At 9 September 2022

- 13,749,994 unquoted options held by 429 individual shareholders with an exercise price of $0.30 and an expiry date of 15 December 2023.
- 3,666,667 unquoted options (escrowed) held by 1 individual shareholders with an exercise price of $0.30 and an expiry date of 15 December 2023.
- 1,650,000 unquoted options held by 5 individual shareholders with an exercise price of $0.175 and an expiry date of 27 October 2025.
- 200,000 unquoted options held by 2 individual shareholders with an exercise price of $0.25 and an expiry date of 23 March 2023.
- 25,000 unquoted options held by 1 individual shareholder with an exercise price of $0.25 and an expiry date of 29 September 2022.
- 1,025,000 unquoted options held by 9 individual shareholders with an exercise price of $0.30 and an expiry date of 18 June 2026.
- 3,256,700 warrants held by 15 individual shareholders with an exercise price of $0.20 and an expiry date of 21 October 2022.
- 6,889,376 warrants held by 66 individual shareholders with an exercise price of $0.30 and an expiry date of 14 May 2023.

5.5. Significant Unquoted Option Holder (>20%) As At 9 September 2022

As at 9 September 2022, the following held a substantial shareholding within the meaning of the Australia Corporations Act 2001 (Cth):

Holder Name	Holding Balance	% of Issued Capital
ZENIX NOMINEES PTY LTD	3,666,667	21.05%

As at 9 September 2022, there are no significant holders of unquoted warrants.

5.6. Restricted Securities

3,666,667 options exercisable at A$0.28 and expiring 23 December 2024 are classified by ASX as restricted securities and to be held in escrow until 24 December 2023, being 24 months from the date of quotation.

5. ASX ADDITIONAL INFORMATION (continued)

5.7. Distribution of CDI Holders as at 9 September 2022

The number of shareholders, by size of holding, is:

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	9	574	0.00%
above 1,000 up to and including 5,000	59	175,388	0.38%
above 5,000 up to and including 10,000	90	808,319	1.76%
above 10,000 up to and including 100,000	257	10,346,793	22.51%
above 100,000	73	34,632,378	75.35%
Totals	**488**	**45,963,452**	**100.00%**

5.8. Twenty Largest CDI Holders as at 9 September 202

Position	Holder Name	Holding	% IC
1	LATIN RESOURCES LIMITED	7,938,158	17.27%
2	MR DARREN CARTER	3,050,000	6.64%
3	BLUE COASTERS PTY LTD	1,650,000	3.59%
4	CITICORP NOMINEES PTY LIMITED	1,085,388	2.36%
5	PEARSE STREET PTY LTD	1,000,000	2.18%
5	WOLF LIKE ME PTY LTD	1,000,000	2.18%
7	ALLEKIAN EXCHANGE PTY LTD	800,000	1.74%
8	SHAPE WEALTH PTY LTD	750,000	1.63%
9	KHE SANH PTY LTD <TRADING NO 2 A/C>	700,000	1.52%
10	TWO TOPS PTY LTD	675,000	1.47%
11	INJI INVESTMENTS PTY LTD	580,000	1.26%
12	CHRISTOPHER GALE	531,250	1.16%
13	MR SCOTT DEAKIN <DEAKIN FAMILY A/C>	500,000	1.09%
13	FAIRBROTHER HOLDINGS PTY LTD	500,000	1.09%
13	FLOREANT AMBO PTY LTD <REZOS FAMILY SUPER A/C>	500,000	1.09%
13	MR JOSHUA GALLAGHER + MRS OLIVIA GALLAGHER <GALLAGHER INVESTMENT A/C>	500,000	1.09%
13	IVORY GLEAM PTY LTD	500,000	1.09%
13	KHE SANH PTY LTD <TRADING NO 1 A/C>	500,000	1.09%
13	MRS LYDIA PARKER	500,000	1.09%
20	SB & ET HOLDINGS PTY LTD	450,000	0.98%
	Total	**23,709,796**	**51.58%**
	Total number of CDIs quoted on ASX as at 9 September 2022	**45,963,452**	**100.00%**

5. ASX ADDITIONAL INFORMATION (continued)

5.9. Unmarketable Parcels

There were 88 holders of less than a marketable parcel of issued CDIs, which as at 7 September 2022 was 301,593 CDIs.

5.10. On-Market Buy-Back

There is currently no on-market buyback program for any of Solis Mineral's listed securities.

5.11. Use Of Funds

In accordance with the Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily mineral exploration.

5.12. Voting Rights

CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.

As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands.

CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.

Converting between Shares and CDIs

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares by:

(a) in the case of CDIs held through the issuer sponsored sub-register, contacting the Share Registry directly to obtain the applicable request form; or

(b) in the case of CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the Share Registry to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and issued in book-entry or certificated form in accordance with instructions in the request. This will cause the Shares to be registered in the holder's name on the register of Shareholders and trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs by contacting the Canadian Share Registry if the Shares held are registered directly in their name or their stockbroker (or applicable controlling participant) if the Shares are held on their behalf in the Canadian Central Security Depository. In each case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The CDIs are be tradeable on ASX.

6. SCHEDULE OF MINING CLAIMS

Table 1

Mining tenements held at the date of this report, their location and interest held.

Tenement Licences	Project Name	Registered Holder	Location	Interest held
Ilo Norte Project[2]				
Latin Ilo Norte 3	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 4	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 6	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 7	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 8	Ilo Norte	Westminster Peru SAC	Peru	100%
Brigette 1	Ilo Norte	Westminster Peru SAC	Peru	100%
Essendon 26	Ilo Norte	Westminster Peru SAC	Peru	100%
Maddison 1	Ilo Norte	Westminster Peru SAC	Peru	100%
Illo Este Project[2]				
Latin Ilo Este I	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este II	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este III	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este IX	Ilo Este	Westminster Peru SAC	Peru	100%
Chaplolita Project				
Kelly 00[1]	Chapollita	Westminster Peru SAC	Peru	100%
Caruca Project				
Caruca[2]	Caruca	Westminster Peru SAC	Peru	100%
Pallagua Project				
Pallagua 1[2]	Pallagua	Westminster Peru SAC	Peru	100%
Uchsuma Project				
Uchsuma A[2]	Uchsuma	Westminster Peru SAC	Peru	100%
Uchsuma B[2]	Uchsuma	Westminster Peru SAC	Peru	100%
Tenement Applications				
SOLIS02/ 10013422[3]		Westminster Peru SAC	Peru	0%
SOLIS02A/ 10013422A[3]		Westminster Peru SAC	Peru	0%
SOLIS03/ 10013522[3]		Westminster Peru SAC	Peru	0%
SOLIS04/ 10013622[3]		Westminster Peru SAC	Peru	0%
SOLIS05/ 10013722[3]		Westminster Peru SAC	Peru	0%
SOLIS06/ 10013822[3]		Westminster Peru SAC	Peru	0%
SOLIS07/ 10013922[3]		Westminster Peru SAC	Peru	0%
SOLIS07A/ 10013822A[3]		Westminster Peru SAC	Peru	0%

[1] Mining Exploration Concession Applications.

[1] Mining Concessions- allow exploration subject to access and other conditions.

[2] Mining Pediments- essentially applications for Mining Concessions.

[3] Mining Exploration Concession Applications.

7. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

SOLIS MINERALS LTD.

(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended May 31, 2022 and 2021

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Solis Minerals Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Solis Minerals Ltd. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a loss of $3,118,728 during the year ended May 31, 2022 and, as of that date, the Company's accumulated deficit was $26,267,673. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 these consolidated 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 consolidated 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada Chartered Professional Accountants

August 29, 2022

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

		May 31, 2022		May 31, 2021
Assets				
Current				
Cash	$	3,570,301	$	2,548,807
Receivables (Note 6)		35,954		66,267
Prepaid expenses		110,063		27,985
		3,716,318		2,643,059
Non-Current				
Receivables (Note 6)		-		117,455
Deposits		-		28,843
Equipment (Note 7)		8,887		10,828
Exploration and evaluation assets (Note 4)		3,376,800		3,360,003
	$	7,102,005	$	6,160,188
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable (Note 6)	$	376,549	$	380,190
Accrued liabilities (Note 6)		149,697		104,986
Short-term borrowing (Note 8)		-		51,016
Derivative liability (Note 5)		449,916		-
		976,162		536,192
Shareholders' Equity				
Share capital (Note 5)		29,025,555		26,161,373
Reserves (Note 5)		3,367,961		2,611,568
Deficit		(26,267,673)		(23,148,945)
		6,125,843		5,623,996
	$	7,102,005	$	6,160,188

Nature of Operations and Going Concern – Note 1

Approved on behalf of the Board of Directors:

Signed *"Jason Cubitt"* , Director Signed *" Chafika Eddine"* , Director

The accompanying notes are an integral part of the consolidated financial statements.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	Year Ended May 31, 2022	2021
Expenses		
Accounting, audit and legal	$ 598,537	$ 95,838
Accretion of office lease liability (Note 14)	-	7,895
Amortization of right-of-use asset (Note 14)	-	139,850
Amortization of equipment (Note 7)	1,941	2,512
Bank charges and interest	2,876	8,723
Consulting fees (Note 6)	588,974	200,286
Foreign exchange gain	(84,193)	(60,770)
Gain on change in fair value of warrants (Note 5)	(913,259)	-
Gain on settlement of accounts payable and accrued liabilities (Note 5)	(19,003)	(610,896)
Gain on settlement of short-term borrowing (Note 8)	-	(66,926)
Insurance	47,349	-
Loss on write-off of receivables (Note 6)	108,910	-
Management fees (Note 6)	122,500	57,500
Office	160,925	64,992
Property investigation	7,320	-
Regulatory and filing fees	156,512	28,825
Rent	49,573	-
Share-based compensation (Note 5)	253,300	322,100
Shareholder Communications	125,316	13,094
Sublease office rent income (Note 14)	-	(89,625)
Travel and entertainment	18,978	-
Write-off of exploration and evaluation assets (Note 4)	1,892,172	71,575
Loss and comprehensive loss	$ (3,118,728)	$ (184,973)
Loss per common share, basic and diluted	$ (0.07)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	45,515,284	15,879,286

The accompanying notes are an integral part of the consolidated financial statements.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	Share Capital								
	Number		**Amount**		**Reserves**		**Deficit**		**Total shareholders' equity**
Balance - May 31, 2020	**9,454,099**	**$**	**22,505,856**	**$**	**2,289,468**	**$**	**(22,963,972)**	**$**	**1,831,352**
Private placements	20,742,151		3,452,090		-		-		3,452,090
Shares issuance costs	-		(203,838)		-		-		(203,838)
Shares issued for debt settlement	2,545,404		407,265		-		-		407,265
Share-based compensation	-		-		322,100		-		322,100
Loss and comprehensive loss for the year	-		-		-		(184,973)		(184,973)
Balance - May 31, 2021	**32,741,654**	**$**	**26,161,373**	**$**	**2,611,568**	**$**	**(23,148,945)**	**$**	**5,623,996**
Balance - May 31, 2021	**32,741,654**	**$**	**26,161,373**	**$**	**2,611,568**	**$**	**(23,148,945)**		**5,623,996**
Private placements	27,500,000		5,045,230		-		-		5,045,230
Warrants exercised	225,000		45,000		-		-		45,000
Finder's warrants	-		(503,093)		503,093		-		-
Share issuance costs	-		(359,780)		-		-		(359,780)
Derivative liability - unit warrants	-		(1,363,175)		-		-		(1,363,175)
Share-based compensation	-		-		253,300		-		253,300
Loss and comprehensive loss for the year	-		-		-		(3,118,728)		(3,118,728)
Balance - May 31, 2022	**60,466,654**	**$**	**29,025,555**	**$**	**3,367,961**	**$**	**(26,267,673)**	**$**	**6,125,843**

The accompanying notes are an integral part of the consolidated financial statements.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the Year Ended May 31, 2022	2021
Cash flows from operating activities		
Loss for the year	$ (3,118,728)	$ (184,973)
Items not affecting cash:		
Amortization of equipment	1,941	2,512
Amortization of right-of-use asset	-	139,850
Accretion of office lease liability	-	7,895
Accrued interest on short-term borrowing	-	5,212
Gain on change in fair value of warrants	(913,259)	-
Gain on settlement of accounts payable and accrued liabilities	(19,003)	(610,896)
Gain on settlement of short-term borrowing	-	(66,926)
Loss on write-off of receivables	108,910	-
Share-based compensation	253,300	322,100
Write-off of exploration and evaluation assets	1,892,172	71,575
Changes in non-cash working capital items:		
Decrease (increase) in receivables	30,313	(55,940)
Increase in prepaid expenses and deposits	(82,078)	(26,570)
Decrease in accounts payable/accrued liabilities	(147,935)	(29,813)
Net cash used in operating activities	(1,994,367)	(425,974)
Cash flows from investing activities		
Deposits	28,843	-
Exploration and evaluation assets	(1,692,416)	(200,056)
Net cash used in investing activities	(1,663,573)	(200,056)
Cash flows from financing activities		
Issuance of capital stock	5,045,230	3,452,090
Share issuance costs	(359,780)	(99,330)
Shares issued – warrants exercised	45,000	-
Short-term borrowing	966	35,500
Repayment of short-term borrowing	(51,982)	(66,988)
Lease payments	-	(156,482)
Net cash provided by financing activities	4,679,434	3,164,790
Net change in cash for the year	1,021,494	2,538,760
Cash – beginning of the year	2,548,807	10,047
Cash – end of the year	$ 3,570,301	$ 2,548,807

	2022	2021
Supplemental cash flow information		
Cash paid for interest and income taxes	$ -	$ -
Exploration and evaluation assets accrued through accounts payable and accrued liabilities	$ 261,736	$ 45,183
Fair value of warrants issued for private placement	$ 503,093	$ -
Shares issued for debt settlement	$ -	$ 407,265
Share issuance cost accrued in accounts payable and accrued liabilities	$ -	$ 104,508
Recognition of derivative liability	$ 1,363,175	$ -

The accompanying notes are an integral part of the consolidated financial statements.

1. Nature of Operations and Going Concern

Solis Minerals Ltd. (an Exploration Stage Company) was incorporated under the Business Corporations Act of British Columbia, Canada on December 1, 2005 and maintains its corporate head office at Suite 3043 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company's common shares are listed on the TSX Venture Exchange (TSX.V: SLMN) in Canada and began trading on the Australian Securities Exchange (ASX: SLM) effective December 24, 2021. Solis Minerals Ltd. and its subsidiaries (collectively referred to as the "Company" or "Solis") are principally engaged in the acquisition and exploration of mineral properties as described herein.

Effective July 21, 2021, the Company changed its name to Solis Minerals Ltd.

These consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. However, there are factors that management has identified that may cast significant doubt on the entities ability to continue as a going concern.

For the year ended May 31, 2022, the Company reported a loss of $3,118,728 (2021 – $184,973) and an accumulated deficit of $26,267,673 (2021 – $23,148,945). As at May 31, 2022, the Company had working capital of $2,740,156 (2021 – $2,106,867). The Company has no source of operating cash flow and relies on issuances of equity to finance operations, including exploration of its exploration and evaluation ("E&E") assets.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition and exploration of its E&E assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these matters cannot be predicted at this time. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its E&E assets. The recoverability of amounts shown for E&E assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties and future profitable production or proceeds from disposition of E&E assets.

In March 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business, including potential delays to its business plans and activities, and continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that may be necessary should the Company be unable to continue as a going concern, and therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business.

2. Basis of Presentation and Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issue by the Company's Board of Directors on August 29, 2022.

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative balances have been reclassified to conform with current year presentation.

The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Solis Minerals Ltd (the parent entity), Westminster Chile SpA and Westminster Peru SAC.

The preparation of consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

These consolidated financial statements include the accounts of the Company and its wholly-owned integrated subsidiaries, Westminster Peru SAC and Westminster Chile SpA (incorporated during fiscal 2021). All significant inter-company balances and transactions have been eliminated upon consolidation.

During the year ended May 31, 2022, the Company sold Minera Westminster, S.A. de C.V. ("Minera Westminster") and Servicios Westminster, S.A. de C.V. ("Servicios Westminster") for $Nil proceeds. The entities were dormant and accordingly no gain or loss was recognized on disposal.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or had rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

3. Significant Accounting Policies, New Standards and Interpretations

a) Sources of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

(i) Realization of mineral property interests

The Company assesses its E&E assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period. The assessment of any impairment of E&E asset is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

a) Sources of Estimation Uncertainty (continued)

(ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property, discounted to its present value, and capitalized as part of the cost of exploration assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to the exploration assets. The accretion on the reclamation provision is included in the reclamation liability.

As at May 31, 2022, the Company is not aware of any existing environmental obligations related to any of its current or former exploration properties that may result in a liability to the Company.

(iii) Valuation of share-based payments and derivative liabilities

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and derivative liabilities. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company's earnings and equity reserves, as well as valuation of derivative liability, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company's stock options and warrants.

(iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

b) Critical Accounting Judgments

Significant judgments about the future and other sources of judgment uncertainty that management has made at the statements of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:

3. Significant Accounting Policies, New Standards and Interpretations (continued)

b) Critical Accounting Judgments (continued)

(i) Impairment assessment

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

(ii) Recoverability of amounts receivable

The balance in amounts receivable includes GST and amounts due from a related party for rent and other shared expenses. At each financial position reporting date, the carrying amounts of the Company's amounts receivable are reviewed to determine whether there is any indication that those assets are impaired. The Company uses judgment in determining whether there are facts and circumstances suggesting that the carrying amounts of its amounts receivable may exceed the recoverable amount. The Company determined that the amounts are collectible, taking into account factors such as economic and market conditions.

(iii) Assessment of going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(iv) Assessment of functional currency

The Company uses judgment in determining its functional currency. International Accounting Standards ("IAS") 21 The Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates and has determined that Canadian Dollars best reflects the Company's economic environment for the parent and its subsidiaries.

c) Financial Instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Derivative liability	FVTPL

(ii) Measurement

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVTOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset 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 financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

Financial liabilities
The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Fair value hierarchy
The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

The Company's measurement of fair value of financial instruments as at May 31, 2022 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash	$ 3,570,301	$ 3,570,301	$ -	$ -
Liabilities				
Derivative liability	$ 449,916	$ -	$ -	$ 449,916

The Company's measurement of fair value of financial instruments as at May 31, 2021 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Assets				
Cash	$2,548,807	$ 2,548,807	$ -	$ -

d) Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to profit or loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

e) Equipment

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

Office furniture and equipment	30% declining-balance
Computer equipment	45% declining-balance
Field equipment	15% declining-balance

f) Impairment of Non-Financial Assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

g) Reclamation Obligations

The Company recognizes the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

h) Share Capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

i) Valuation of Equity Units Issued in Private Placements

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

j) Share-based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

The expected life used in the model is adjusted, based on management's best estimate, for the effects of nontransferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

k) Loss per Share

Basic loss per common share is computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of common shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

3. Significant Accounting Policies, New Standards and Interpretations (continued)

l) Income Taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

m) Foreign Currency Translation

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the statement of financial position date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

n) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

o) Leases

The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognize a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies, New Standards and Interpretations (continued)

o) Leases (continued)

The lease liability is initially measured at a present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses it's incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect any lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less amortization and any impairment losses. Right-of-use assets are amortized over the shorter period of the lease term and useful life of the underlying asset.

4. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Peru and Chile. The following table outlines the expenditures for the year ended May 31, 2022 and 2021:

	Balance as at May 31, 2020	Additions	Balance as at May 31, 2021	Additions	Balance as at May 31, 2022
Ilo Norte/Ilo Este Project, Peru:					
Acquisition costs	$ 3,118,810	$ 87,301	$ 3,206,111	$ 163,334	$ 3,369,445
Exploration expenditures					
Consulting and engineering	81,630	-	81,630	3,491	85,121
Fieldwork and miscellaneous	-	-	-	6,335	6,335
Write-down	(84,101)	-	(84,101)	-	(84,101)
	3,116,339	87,301	3,203,640	173,160	3,376,800
La Ronge, Saskatchewan:					
Acquisition costs	70,000	-	70,000	-	70,000
Exploration expenditures					
Consulting and engineering	-	1,575	1,575	-	1,575
Write-down	-	(71,575)	(71,575)	-	(71,575)
	70,000	(70,000)	-	-	-
Mostazal, Chile:					
Acquisition costs	-	43,433	43,433	260,283	303,716
Exploration expenditures					
Assay and core logging	-	-	-	94,962	94,962
Consulting and engineering	-	112,930	112,930	337,951	450,881
Drilling	-	-	-	422,190	422,190
Fieldwork and miscellaneous	-	-	-	620,423	620,423
Write-down	-	-	-	(1,892,172)	(1,892,172)
	-	156,363	156,363	(156,363)	-
	$ 3,186,339	$ 173,664	$ 3,360,003	$ 16,797	$ 3,376,800

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

a) Ilo Norte and Ilo Este, Peru

The Company owns a 100% interest in a portfolio of concessions in southern Peru. During the year ended May 31, 2021, the Company settled $135,263 (US$100,000) accrued acquisition costs through the issuance of common shares.

b) La Ronge, Saskatchewan

During the year ended May 31, 2019, the Company earned a 50% interest in two mineral claims located in the La Ronge district of Saskatchewan by issuing 400,000 common shares with a fair value of $70,000.

During the year ended May 31, 2021, the Company wrote-off $71,575 of exploration and evaluation assets to reduce the carrying value to $Nil as the option agreement was terminated during the year ended May 31, 2021.

c) Mostazal, Chile

During the year ended May 31, 2021, the Company entered into an option agreement to earn up to a 100% interest in the Mostazal Copper property in Chile via the acquisition of shares in several Chilean entities.

The acquisition terms to acquire the 100% interest are cumulative cash payments of US$5,000,000 and exploration expenditures of US$5,000,000 as follows:

	Payment [USD]	Exploration Expenditures [USD]	Ownership Interest (cumulative)
On or before June 23, 2021	$ 200,000 (paid C$247,700)	$ -	-
On or before June 23, 2022	300,000	450,000 (incurred)	-
On or before June 23, 2023	800,000	750,000	-
On or before June 23, 2024	1,600,000	1,400,000	49%
On or before June 23, 2025	2,100,000	2,400,000	100%

During the year ended May 31, 2021, the Company paid an exclusivity fee of US$40,000 ($43,433).

During the year ended May 31, 2022, the Company wrote-off $1,892,172 of exploration and evaluation assets to reduce the carrying value to $Nil as the option agreement was terminated subsequent to the year ended May 31, 2022.

5. Share Capital and Reserves

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Private Placements and Share Issuances

During the year ended May 31, 2022, the Company:

i) issued 225,000 common shares pursuant to exercise of warrants for gross proceeds of $45,000.

ii) closed an initial public offering of $5,045,230 (A$5,500,000) through the issuance of 27,500,000 shares (settled on the ASX in the form of CHESS depositary interests (CDIs)) at a price of $0.184 (A$0.20) per share, with one warrant for every two shares with an exercise price of A$0.30 until December 24, 2023. The Company recognized a derivative liability valued at $1,363,175 associated with the warrants. As at May 31, 2022, the Company revalued the derivative liability at $449,916 resulting in an unrealized gain on change in fair value of warrants of $913,259 through profit or loss for the year ended May 31, 2022.

The Company issued 3,666,667 finders' warrants (valued at $503,093) in connection with the initial public offering. Each warrant will entitle the holder to acquire an additional share of the Company at a price of A$0.28 per share until December 24, 2024. The Company incurred $359,780 in finders' fees and other share issuance costs associated with the offering.

During the year ended May 31, 2021, the Company:

i) closed a non-brokered private placement for 6,963,400 units at a price of $0.10 per unit for gross proceeds of $696,340. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.20 per share. The Company incurred $27,160 in share issuance costs.

ii) issued 2,545,404 common shares at a value of $407,265 to third-party lenders and related parties to settle some of the indebtedness, accounts payable and accrued liabilities of the Company for an aggregate total of $1,018,161 resulting in a gain of $610,896 on the settlement of debt, recognized through the consolidated statement of loss and comprehensive loss.

iii) closed a non-brokered private placement for 350,000 units at a price of $0.20 per unit for gross proceeds of $70,000. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.30 per share.

iv) closed a non-brokered private placement for 13,428,751 units at a price of $0.20 per unit for gross proceeds of $2,685,750. Each unit consists of one common share and one-half share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of $0.30 per share. The Company incurred $117,209 in share issuance costs.

The Company incurred other share issuance costs of $59,469 in connection with the private placements.

(Expressed in Canadian Dollars)

5. Share Capital and Reserves (continued)

b) Stock Options

The Company has a stock option plan (the “Plan”) in place that allows for the reservation of common shares issuable under the Plan to a maximum of 10% of the number of issued and outstanding common shares of the Company at any given time. The exercise price of any stock option granted under the plan may not be less than the closing price of the Company’s shares on the last business day immediately preceding the date of grant.

A summary of the status of the Company’s stock options as at May 31, 2022 is presented below:

Exercise Price	Balance at May 31, 2021	Granted	Cancelled	Balance at May 31, 2022	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	1,650,000	-	-	1,650,000	October 27, 2025	3.41	1,650,000
$ 0.25	275,000	-	(75,000)	200,000	March 30, 2023	0.83	200,000
$ 0.25	25,000	-	-	25,000	September 29, 2022	0.33	25,000
$ 0.30	-	1,025,000	-	1,025,000	June 18, 2026	4.05	1,025,000
Totals:	1,950,000	1,025,000	(75,000)	2,900,000		3.43	2,900,000
	$ 0.187	$ 0.30	$ 0.25	$ 0.23	Weighted average exercise prices		$ 0.23

A summary of the status of the Company’s stock options as at May 31, 2021 is presented below:

Exercise Price	Balance at May 31, 2020	Granted	Balance at May 31, 2021	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	-	1,650,000	1,650,000	October 27, 2025	3.73	1,650,000
$ 0.25	-	300,000	300,000*	March 30, 2023	0.28	200,000
Totals:	-	1,950,000	1,950,000		4.01	1,850,000
	$ -	$ 0.187	$ 0.187	Weighted average exercise prices		$ 0.187

*During the year ended May 31, 2022, the expiry date of 25,000 options were amended to September 29, 2022.

c) Share-Based Compensation

During the year ended May 31, 2022, the Company granted 1,025,000 stock options to directors and consultants of the Company. The options are exercisable at $0.30 per option for 5 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $253,300. The options were fully vested on the grant date.

(Expressed in Canadian Dollars)

5. Share Capital and Reserves (continued)

d) Share-Based Compensation (continued)

During the year ended May 31, 2021, the Company:

i) granted 1,650,000 stock options to directors and consultants of the Company. The options are exercisable at $0.175 per option for 5 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $271,100. The options were fully vested on the grant date.

ii) granted 300,000 stock options to directors and consultants of the Company. The options are exercisable at $0.25 per option for 2 years. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $51,000 on options granted and vested. 200,000 options were fully vested on the grant date and 100,000 options vest 25% every 3 months after grant.

The options granted during the year ended May 31, 2022 and 2021 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	Year ended May 31, 2022	**Year ended May 31, 2021**
Weighted average grant date fair value	$0.25	$0.16
Weighted average risk-free interest rate	0.85%	0.31%
Expected dividend yield	0%	0%
Weighted average stock price volatility	140.59%	150%
Weighted average forfeiture rate	0%	0%
Weighted average expected life of options in years	5.00	4.54

e) Share Purchase Warrants

Exercise Price	Balance at May 31, 2021	Granted	Exercised	Expired	Balance at May 31, 2022	Expiry Date	Remaining contractual life in years
$ 0.80	1,630,000	-	-	(1,630,000)	-	May 24, 2022	-
$ 0.80	774,000	-	-	-	774,000*	June 15, 2022	0.04
$ 0.20	3,481,700	-	(225,000)	-	3,256,700	Oct 21, 2022	0.39
$ 0.30	6,889,376	-	-	-	6,889,376	May 14, 2023	0.95
AUD$0.30	-	13,750,000	-	-	13,750,000	Dec 23, 2024	1.56
AUD$0.28	-	3,666,667	-	-	3,666,667	Dec 24, 2024	2.57
	12,775,076	17,416,667	(225,000)	(1,630,000)	28,336,743		1.37
	$ 0.37	$ 0.29	$ 0.20	$ 0.80	$ 0.30	Weighted average exercise prices	

*Expired subsequent to May 31, 2022

As at May 31, 2022, all of the above warrants were exercisable, except the 3,666,667 finders' warrants, which are restricted from exercise until December 24, 2023.

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(Expressed in Canadian Dollars)

5. Share Capital and Reserves (continued)

e) Share Purchase Warrants (continued)

Exercise Price	Balance at May 31, 2020	Granted	Balance at May 31, 2021	Expiry Date	Remaining contractual life in years
$ 0.80	1,630,000	-	1,630,000	May 24, 2022	0.98
$ 0.80	774,000	-	774,000	June 15, 2022	1.04
$ 0.20	-	3,481,700	3,481,700	Oct 21, 2022	1.39
$ 0.30	-	6,889,376	6,889,376	May 14, 2023	1.95
	2,404,000	10,371,076	12,775,076		1.62
	$ 0.80	$ 0.27	$ 0.37	Weighted average exercise prices	

The finders' warrants and unit warrants (derivative liability) granted during the year ended May 31, 2022 and 2021 were valued using the Black Scholes option pricing model with the following assumptions:

	Year ended May 31, 2022	**Grant date December 23, 2021**	**Year ended May 31, 2021**
Weighted average grant date fair value	$0.03	$0.11	-
Weighted average risk-free interest rate	2.62%	0.99%	-
Expected dividend yield	0%	0%	-
Weighted average stock price volatility	119.57%	121.42%	-
Weighted average forfeiture rate	0%	0%	-
Weighted average expected life of options in years	1.57	2.21	-

6. Related Party Transactions

Key management personnel are persons responsible for planning, directing and controlling the activities of the entity, and include all directors and officers. Key management compensation during the year ended May 31, 2022 and 2021 were as follows:

	Year ended May 31, 2022	Year ended May 31, 2021
Short-term benefits	$ 389,851	$ 163,250
Share-based compensation	$ 98,849	$ 259,917
Total	$ 488,700	$ 423,167

Included in short term benefits are the following:

(i) $122,500 (2021 - $57,500) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's Chief Executive Officer.

(ii) $18,000 (2021 - $13,500) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(iii) $76,036 (2021 - $60,000) in director fees paid or accrued to Christopher Gale, a director of the Company.

6. Related Party Transactions (continued)

(iv) $88,500 (2021 - $21,000) in consulting fees recorded under exploration and evaluation assets paid or accrued to Fred Tejada, a formal director of the Company.

(v) $33,500 (2021 - $Nil) in director fees paid or accrued to Kevin Wilson, a director of the Company.

(vi) $26,315 (2021 - $Nil) in director fees paid or accrued to Chafika Eddine, a director of the Company.

(vii) $25,000 (2021 - $Nil) in director fees paid or accrued to Michael Parker, a director of the Company.

(viii) $Nil (2021 - $11,250) in consulting fees paid or accrued to a company controlled by Rodney Stevens, the Company's Vice President, Exploration.

Included in receivables is $Nil (2021 - $117,455) receivable from Jaxon Mining Inc., a Company which formerly had a shared Chief Financial Officer and shared directors, for former shared office space and administrative expenses. During the year ended May 31, 2021, the Company reclassified the receivable from current asset to non-current asset. During the year ended May 31, 2022, the Company wrote off the remaining receivable of $108,910.

Included in receivables is $16,800 (2021 - $16,800) receivable from Volatus Capital Corp., a Company with a shared director, for sublease office rent expenses.

Included in accounts payable and accrued liabilities is $69,475 (2021 - $79,285) in key management compensation payable to directors, officers and a former officer.

Included in accounts payable and accrued liabilities is $14,085 (2021 - $116,478) due to Latin Resources Limited, a company with a common director.

The optionor of the La Ronge, Saskatchewan property described in Note 4(b) is a company that formerly had a common director.

During the year ended May 31, 2021, the Company issued 1,496,278 common shares to related parties to settle debt of $598,511 which includes 338,158 common shares to settle the US$100,000 option payment of Ilo Norte and Ilo Este properties which was included in accounts payable and accrued liabilities (Note 4).

(Expressed in Canadian Dollars)

7. Equipment

	Office furniture and equipment	Field equipment	Computer equipment	Total
Cost:				
Balance, May 31, 2020, 2021 and 2022	$ 94,962	$ 74,353	$ 26,428	$ 195,743
Accumulated amortization:				
Balance, May 31, 2020	93,318	63,536	25,549	182,403
Charge for the year	493	1,624	395	2,512
Balance, May 31, 2021	93,811	65,160	25,944	184,915
Charge for the year	345	1,378	218	1,941
Balance, May 31, 2022	$ 94,156	$ 66,538	$ 26,162	$ 186,856
Net book value:				
Balance, May 31, 2021	$ 1,151	$ 9,193	$ 484	$ 10,828
Balance, May 31, 2022	$ 806	$ 7,815	$ 266	$ 8,887

8. Short-Term Borrowing

The Company has previously entered into arrangements with four lenders to provide funds on a short-term basis.

The arrangement with the first arm's length lender is for up to $16,000, repayable on demand, with an annual interest rate of 5%. During the year ended May 31, 2021, the Company repaid the loan and interest in full.

The arrangement with the second arm's length lender is for an amount of $26,506, repayable on demand with no provision for interest and preferred creditor status. During the year ended May 31, 2020, the loan of $26,506 was assigned to Ore Capital Partners Ltd., a Company which formerly had a shared director. During the year ended May 31, 2022, the Company repaid the loan in full.

The arrangement with the third lender is with Ore Capital Partners Ltd., for an amount of $24,510, repayable on demand with no provision for interest. During the year ended May 31, 2022, the Company repaid the loan in full.

On September 12, 2019, as amended October 21, 2019, an arrangement was entered into with a fourth arm's length lender to provide funds of up to $100,000, repayable on demand, with an annual interest rate of 10%, and preferred creditor status. During the year ended May 31, 2021, the Company received additional $35,500 and settled the loan and interest by paying $50,000 resulting in a gain of $66,926 on the settlement of debt.

As at May 31, 2022, a combined total of $Nil (2021 - $51,016) in short-term borrowing including accrued interest was outstanding.

9. Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of its resource property. The Company does not have any externally imposed capital requirements to which it is subject.

The Company considers the aggregate of its share capital, reserves and deficit as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or dispose of assets or adjust the amount of cash. The strategy is unchanged from the prior year.

10. Financial Instruments and Financial Risk

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, and derivative liability. The fair values of these financial instruments approximate their carrying values.

An entity classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurement. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and are classified as Level 1. The carrying value of the remaining financial instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Financial risk management objectives and policies

The risks associated with the Company's financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Currency risk

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities.

The Company is exposed to currency risk to the extent that expenditures incurred by the Company are denominated in currencies other than the Canadian dollar including Chilean peso and United States dollar. The Company does not manage currency risk through hedging or other currency management tools.

(Expressed in Canadian Dollars)

10. Financial Instruments and Financial Risk (continued)

Currency risk (continued)

The Company's net exposure to foreign currency risk is as follows:

	May 31, 2022 US Dollars	May 31, 2021 US Dollars	May 31, 2022 Mexican Pesos	May 31, 2021 Mexican Pesos	May 31, 2022 Chilean Pesos	May 31, 2021 Chilean Pesos
Cash	$ 247,924	$ 757	$ -	$ -	$ 50,242,599	$ -
Accounts payable	(13,359)	(94,647)	-	(511,559)	(164,313,671)	-
Net	$ 234,565	$ (93,890)	$ -	$ (511,559)	$ (114,071,072)	$ -

Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(i) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and receivables. To minimize the credit risk the Company places these instruments with a high quality financial institution. The Company's receivables consist of amounts due from the Canadian government and third parties and other parties. Some amounts are settled past normal trade terms and in cases where amounts become uncollectible the Company recognizes bad debt expense to write off the uncollectible amounts. At May 31, 2022, the Company had $Nil (2021 - $117,455) in amounts due from a former related party greater than 90 days and during fiscal 2022 recognized bad debt expense of $108,910 (2021 - $Nil).

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2022:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 376,549	$ -	$ -
Accrued liability	149,697	-	-
	$ 526,246	$ -	$ -

(Expressed in Canadian Dollars)

10. Financial Instruments and Financial Risk (continued)

Interest rate risk (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2021:

		Within 60 days		Between 61-90 days		More than 90 days
Accounts payable	$	380,190	$	-	$	-
Accrued liability		104,986		-		-
Short-term borrowing		51,016		-		-
	$	536,192	$	-	$	-

Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

11. Income Taxes

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

		2022		2021
Net loss for the year	$	(3,118,728)	$	(184,973)
Canadian statutory tax rate		27%		27%
Income tax benefit computed at statutory rates		(842,000)		(50,000)
Permanent differences		(60,000)		87,000
Share issue cost		(97,000)		(55,000)
Changes in timing differences		6,000		24,000
Foreign exchange effect on tax assets and liabilities		3,000		(25,000)
Unused tax losses not recognized in tax asset		9,000		19,000
	$	-	$	-

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

(Expressed in Canadian Dollars)

11. Income Taxes (continued)

		2022		2021
Tax value over book value of equipment	$	201,000	$	200,000
Exploration and evaluation assets		1,964,000		2,000
Non-refundable mining credit		67,000		67,000
Share issue costs		415,000		180,000
Non-capital losses		13,588,000		12,089,000
Unrecognized deferred tax amounts	$	16,235,000	$	12,538,000

As at May 31, 2022, the Company has approximately $13,358,000 (2021 - $11,705,000) of non-capital losses in Canada that may be used to offset future taxable income, expiring from 2027 to 2042.

In addition, as at May 31, 2022, the Company has approximately $Nil (2021 - $328,000) of non-capital losses in Mexico that may be used to offset future taxable income expiring from 2029 to 2037.

In addition, as at May 31, 2022, the Company has approximately $104,000 (2021 - $56,000) of non-capital losses in Peru that may be used to offset future taxable income expiring from 2029 to 2037.

In addition, as at May 31, 2022, the Company has approximately $126,000 (2021 - $Nil) of non-capital losses in Chile that may be used to offset future taxable income.

12. Segmented Information

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

		Peru		**Chile**		**Canada**		**Total**
May 31, 2022								
Capital assets	$	-	$	-	$	8,887	$	8,887
Exploration and evaluation assets		3,376,800		-		-		3,376,800
	$	3,376,800	$	-	$	8,887	$	3,385,687
May 31, 2021								
Capital assets	$	-	$	-	$	10,828	$	10,828
Exploration and evaluation assets		3,203,640		156,363		-		3,360,003
	$	3,203,640	$	156,363	$	10,828	$	3,370,831

13. Commitments

The Company is party to certain consulting agreements. These agreements contain clauses requiring additional payments to be made upon the occurrence of certain events such as change of control. As the likelihood of these events taking place is not determinable, the contingent payments have not been provided for in the consolidated financial statements.

14. Lease Obligation

For the year ended May 31, 2021 depreciation of the right of use asset was $139,850. The right of use asset is depreciated on a straight-line basis over the term of the lease.

(Expressed in Canadian Dollars)

14. Lease Obligation (continued)

Right of use asset, May 31, 2020	$	139,850
Depreciation of right of use asset		(139,850)
Right of use asset, May 31, 2021 and 2022	$	-

For the year ended May 31, 2021, finance charges on the lease liability were $7,895. The lease term matured on April 30, 2021.

Balance at May 31, 2020	$	148,587
Office lease payments		(156,482)
Accretion		7,895
Balance at May 31, 2021 and 2022	$	-

During the year ended May 31, 2021, the Company recognized $89,625 in sublease office rent income.