SOLIS MINERALS LTD.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Nine Months Ended February 29, 2024

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada and in other countries; business opportunities that may be presented to, or pursued by, us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements.

We disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

1.1 Date

The following management's discussion and analysis ("MD&A"), which is dated April 12, 2024. The Company had $4,998,538 in cash (May 31, 2023 – $113,036) and working capital of $4,715,306 (May 31, 2023 – working capital deficit of $348,543).

1.2 Outlook and Recent Exploration Activity

For the period ended February 29, 2024, the Company's focus has been continuing the development of its projects in Peru; drill testing of its lithium properties in Brazil; continuing its review of other mineral projects that may fit within the Company's portfolio (which led to the announcements on February 15, 2023 and May 31, 2023 of the acquisition in Brazil of greenfield lithium exploration assets, and the Jaguar Lithium project, respectively); and investigating the potential sourcing of other additional funding and/or pursuing industry partnerships. The following information presents details on the Company's properties and recent exploration and evaluation activities in Peru and Brazil and its former Chilean property. The WorldView-3 satellite imagery analyses discussed below was undertaken by Fathom Geophysics LLC, a geophysics consulting company from Newark, Ohio, USA.

Exploration Highlights

In Peru, Solis Minerals holds 47 concessions totalling 37,100 Ha. 34 concessions are fully granted (27,500 Ha) and 13 concessions are being processed (9,600 Ha including new applications).

Ilo Norte (Peru)

The Ilo Norte Project in southern Peru is an Iron Oxide Copper Gold (IOCG) and porphyry copper exploration target with significant potential. Work to date has concentrated on a relatively small portion of the prospective part of the lease holding. Remote sensing and in-field mapping has demonstrated that a silica and potassic alteration halo exists at the known IOCG mineralisation, which is repeated with phyllic and jarosite alteration in the south-west of the property – an area with no previous drilling. Results of Worldview-3 satellite imagery received also outlined a new target area in the east of the property as well as confirming previous anomalies from regional remote sensing data. Field exploration initiated in April 2023 and aided the delineation of target areas. A drone magnetometry survey was completed in May 2023 over previously unsurveyed areas. Geochemical sampling was completed in target zones identified from the magnetic and remote sensing data. A compilation of the above data outlined an area in the southwest of the property, known as Chancho Al Palo, considered to be prospective for both IOCG and porphyry-style mineralisation. An induced polarisation survey (IP) was completed at Chancho Al Palo in December 2023 and, combined with mapping, geochemistry, and ground magnetometry programs, delineated two target areas for drilling. A third target area requires further work in the south of the area. Permitting will be initiated to allow drilling to take place.

Ilo Este (Peru)

Ilo Este, also in southern Peru, is a copper-gold porphyry occurrence that has been eroded down to the mid-level of the system in the eastern part of the permit. WorldView-3 satellite imagery enabled an analysis of the alteration zones on a permit-wide scale with the identification of prospective areas in the west of the permit. Geochemical sampling is underway in the western area. Historical data from the previous drilling has been extensively re-assessed, and a magnetic vector inversion carried out on a previous ground magnetometry survey using modern techniques which showed an undrilled magnetic anomaly in the west of the permits. A subsequent IP survey in this area identified a significant chargeability anomaly with drill targets A drone magnetometry survey to the south-east of the main anomaly was undertaken in December 2023 and two additional exploration permits were obtained in the area. The permitting process for drilling was initiated in Q1 2024.

Cinto Copper (Peru)

The Cinto Copper Project is in the southern Peruvian Copper belt located near Toquepala mine and is situated on, or adjacent to, the regional-scale Incapuquio Fault system. Various prospective rocks are exposed north of the fault and are hidden by cover further south. WorldView-3 satellite analysis was commissioned by Solis and exploration targets were identified. Field visits confirmed the nature of the alteration and exploration mapping and regional rock geochemistry was carried out in late 2023.

Southern Peru Regional Exploration

Based on a compilation of historic data and the recent remote sensing analyses (satellite platforms), the Company opted to expand its exploration in Southern Peru with the application for 10 more licenses on November 16, 2022. These applications augment the area of Ilo Norte and expand into prospective ground to the north. South of Ilo Este, but not contiguous to the existing permits, three applications were made to target specific remote sensing anomalies in prospective geology – one application was subsequently rejected due to a nature conservation area being present. Further analysis led to the staking of seven new concessions – five north of Ilo Norte and ten around the existing licence called Kelly. The entire regional exploration area around Ilo Norte was covered by Worldview-3 satellite imagery and the results were received showing alteration zones of exploration targets in July 2023. During the period ended February 29, 2024, results were received of an inversion of historic magnetic data and four more licence applications were made over magnetic anomaly targets which augment the Company's Southern Peru Regional Exploration portfolio.

Borborema (Brazil)

The Company announced on February 15, 2023 it had secured the acquisition of 22 licence areas in North-eastern Brazil. The tenements cover a total area of 24,800 hectares in predominantly greenfields terrain. The tenements have yet to be exposed to systematic modern exploration techniques targeting LCT-bearing pegmatite systems. Historically, the pegmatite Borborema province has been reported to host several mineralised pegmatite occurrences and artisanal works producing Be, Nb-Ta, Li, Sn, gems, quartz, feldspar and others. Historical mining in the region, and the presence of the Niobium-Tantalum, Lithium and feldspars, indicate the area is pregnant with LCT-bearing pegmatite systems.

The Company completed a compilation of available historical geological data and commenced follow up with a comprehensive field programme aimed at generating near-term drill targets. Following transaction completion (which occurred during the period ended February 29, 2024), a systematic regional mapping and soil and rock chip geochemical sampling survey was undertaken with 843 sample locations sampled across a surface soil grid area on an approximate 200m x 100m pattern. Assay results to date have been received for 543 locations with no significant base, precious or battery metal anomalies identified. Field mapping continues and new areas of interest identified will be followed up with additional geochemical soil and rock chip sampling.

Mina Vermelha (Borborema, Brazil)

Solis' geologists identified nine outcropping pegmatite bodies at the Mina Vermelha project. A diamond drill programme comprising eight diamond drill holes for 1,609m of drilling into multiple targets along the 2km strike of the Mina Vermelha project area was completed in January 2024. Pegmatites were intersected in all drillholes although none returned material values of Lithium mineralisation.

Estrela Project (Borborema, Brazil)

Fifteen drillholes were completed into six separate outcropping pegmatite bodies on the Estrela tenement. All outcropping pegmatites were mapped and sampled with confirmed spodumene mineralisation encountered at surface. Diamond drilling was completed in January 2024 and all samples submitted to SGS in Belo Horizonte for analysis. No Lithium mineralisation of potential economic grades was reported. The mineralisation in the intercepted pegmatites at Estrela is considered to be pod-like, dispersed and not representative of a large volume of lithium bearing pegmatite.

Solis is continuing to evaluate other prospects within the Borborema region and in known Lithium-rich pegmatite bearing regions such as Bahia and Minas Gerais.

Jaguar (Brazil)

On May 31, 2023, the Company announced it had entered into an option agreement to purchase the Jaguar hard rock Lithium project in Bahia State, Brazil. Drilling commenced on June 23, 2023 with the objective of testing strike and depth extent of the mineralisation exposed at the surface and within the Jaguar artisanal pit which contains considerable amounts of spodumene rich pegmatite. A total of 12 drillholes were completed of which 2 reported cutting spodumene bearing pegmatite bodies.

Relinquishment of the Jaguar Project

During the period ended February 29, 2024, negotiations regarding the additional extension to the due diligence period for the Jaguar Project to conduct sufficient exploration to justify the acquisition price have been concluded without reaching satisfactory terms with the vendor. The lack of conclusive positive exploration results from the initial drill holes did not give the Company confidence that the project contained sufficient potential for grade or scale to continue with the acquisition. All claims over the project have now been relinquished by Solis and Onça Mineração.

(Expressed in Canadian Dollars – Unaudited)

Qualified Person

Technical information in this MD&A has been reviewed and approved by Matthew Boyes, Fellow AUSIMM, an employee of the Company and a qualified person as defined in National Instrument 43-101.

1.3 Summary of Quarterly Results

The following table sets out certain unaudited financial information of the Company for each of the last eight quarters, beginning with the last quarter of fiscal 2022. This financial information has been prepared in accordance International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB").

Quarterly results are highly variable for exploration companies depending, in particular, on whether the Company has any property write-downs, share-based payments expenses and gain or losses resulting from foreign exchange.

	Income (Loss) per quarter	Fully diluted Income (loss) per share
Mar. 1, 2022 – May 31, 2022	$ (1,418,937)	$ (0.02)
Jun. 1, 2022 – Aug. 31, 2022	$ (456,258)	$ (0.01)
Sep. 1, 2022 – Nov. 30, 2022	$ (362,553)	$ (0.01)
Dec. 1, 2022 – Feb. 28, 2023	$ (720,699)	$ (0.01)
Mar 1, 2023 – May 31, 2023	$ 78,077	$ 0.00
Jun 1, 2023 – Aug 31, 2023	$ (4,967,992)	$ (0.07)
Sep 1, 2023 – Nov 30, 2023	$ 1,950,531	$ 0.02
Dec 1, 2023 – Feb 29, 2024	$ (800,344)	$ (0.01)

During the three-month period ended February 29, 2024, the Company incurred a loss of $800,344 which was primarily attributable to consulting fees of $222,982 and share-based compensation of $265,020.

During the three-month period ended November 30, 2023, the Company incurred an income of $1,950,531 which was primarily attributable to gain on change in fair value of warrants of $2,832,071, offset by write off of exploration and evaluation assets of $379,715 and consulting fees of $200,824.

During the three-month period ended August 31, 2023, the Company incurred a loss of $4,967,992 which was primarily attributable to loss on change in fair value of warrants of $2,774,406 and write off of exploration and evaluation assets of $1,040,179.

During the three-month period ended May 31, 2023, the Company incurred an income of $78,077 which was primarily attributable to gain on change in fair value of warrants of $491,776.

During the three-month period ended February 28, 2023, the Company incurred a loss of $720,699 which was primarily attributable to loss on change in fair value of warrants of $374,110 and consulting fees of $115,789.

During the three-month period ended November 30, 2022, the Company incurred a loss of $362,553 which was primarily attributable to accounting, audit and legal of $93,963 and consulting fees of $206,803.

During the three-month period ended August 31, 2022, the Company incurred a loss of $456,258 which was primarily attributable to consulting fees of $126,838 and write-off of exploration and evaluation assets of $199,442.

(Expressed in Canadian Dollars – Unaudited)

1.4 Results of Operations

During the nine months ended February 29, 2024 and the year ended May 31, 2023 exploration expenditures were as follows:

	Balance as at May 31, 2022	Additions	Balance as at May 31, 2023	Additions	Balance as at February 29, 2024
Ilo Norte/Ilo Este/Cinto and Regional Project, Peru:					
Acquisition costs	$ 3,369,445	$ 723,301	$ 4,092,746	$ 21,698	$ 4,114,444
Exploration expenditures					
Consulting and engineering	85,121	96,185	181,306	541,522	722,828
Fieldwork and miscellaneous	6,335	37,725	44,060	127,359	171,419
Write-down	(84,101)	-	(84,101)	-	(84,101)
	3,376,800	857,211	4,234,011	690,579	4,924,590
Mostazal, Chile:					
Acquisition costs	303,716	-	303,716	-	303,716
Exploration expenditures					
Assay and core logging	94,962	-	94,962	-	94,962
Consulting and engineering	450,881	74,118	524,999	-	524,999
Drilling	422,190	-	422,190	-	422,190
Fieldwork and miscellaneous	620,423	-	620,423	-	620,423
Write-down	(1,892,172)	(74,118)	(1,966,290)	-	(1,966,290)
	-	-	-	-	-
Jaguar Lithium, Brazil:					
Acquisition costs	-	-	-	411,045	411,045
Exploration expenditures					
Assay and core logging	-	-	-	11,305	11,305
Consulting and engineering	-	-	-	216,339	216,339
Drilling	-	-	-	553,659	553,659
Fieldwork and miscellaneous	-	-	-	204,248	204,248
Write-down	-	-	-	(1,396,596)	(1,396,596)
	-	-	-	-	-
Borborema, Brazil:					
Acquisition costs	-	-	-	82,209	82,209
Acquisition costs - shares	-	-	-	450,000	450,000
Exploration expenditures					
Assay and core logging	-	-	-	32,395	32,395
Consulting and engineering	-	-	-	181,217	181,217
Drilling	-	-	-	615,567	615,567
Fieldwork and miscellaneous	-	-	-	172,850	172,850
	-	-	-	1,534,238	1,534,238
Mina Vermelha, Brazil:					
Acquisition costs	-	-	-	137,015	137,015
Exploration expenditures					
Assay and core logging	-	-	-	36,156	36,156
Consulting and engineering	-	-	-	138,956	138,956
Drilling	-	-	-	354,812	354,812
Fieldwork and miscellaneous	-	-	-	116,808	116,808
	-	-	-	783,747	783,747
	$ 3,376,800	$ 857,211	$ 4,234,011	$ 3,008,564	$ 7,242,575

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.

Jaquar Lithium, Brazil

During the year ended May 31, 2023, Onça Mineração Ltda. ("Onca") entered into an option agreement to acquire 100% interest of the Jaguar lithium project in Bahia state, north-east Brazil upon completion of the following:

i) Cash payment of 1,500,000 BRL ($416,691 advanced by the Company);
ii) Cash payment of 3,500,000 BRL on or before September 1, 2023 ("Option Exercise Fee"): and
iii) Cash payment of 14,500,000 BRL on or before August 27, 2024 ("Deferred Consideration").

Simultaneously with payment of the Option Exercise Fee and subject to the exercise of the option the Company agreed to issue to the Vendor 3,000,000 performance rights ("Performance Rights") which convert on a one-for-one basis into fully paid ordinary shares in the capital of the Company upon delineation of an inferred (or greater) mineral resource of 10Mt at 1.0% Li2O or greater within 24 months from the issue of the Performance Rights.

During the period ended February 29, 2024, a lack of conclusive positive exploration results from initial drill holes did not give the Company confidence that the project contained sufficient potential for grade or scale to continue with the acquisition. The Company terminated the option agreement and wrote-off $1,396,596 of exploration and evaluation assets to reduce the carrying value to $Nil. All claims over the project have now been relinquished by Solis and Onça.

Borborema, Brazil

During the year ended May 31, 2023, Onca entered into an agreement to acquire licences in North-eastern Brazil as part of a share assignment agreement whereby the Company subsequently acquired 100% of Onça, a Brazilian company.

The Company paid US$20,000 and issued 500,000 fully paid ordinary shares of the Company on completion.

Mina Vermelha Project, Brazil

During the period ended February 29, 2024, the Company entered into an option agreement to acquire 100% interest of the Mina Vermelha project in the Borborema province of Brazil upon completion of the following:

i) Cash payment of 500,000 BRL (AUD$155,000) upon signing of the option agreement which granted the Company a 12-month due diligence period (paid);
ii) Cash payment of 10,000,000 BRL (AUD$3,100,000) on or before October 9, 2024;
iii) Cash payment of 10,000,000 BRL (AUD$3,100,000) on or before October 9, 2025; and
iv) Cash payment of 5,000,000 BRL (AUD$1,550,000) on or April 9, 2026.

The agreement is subject to a 1.5% net smelter royalty, which the Company has the right to purchase for an amount to be determined by an independent third-party evaluation of the Mina Vermelha Project.

Three Months Ended February 29, 2024

Total loss and comprehensive loss for the three months ended February 29, 2024 was $800,344 compared to a total loss and comprehensive loss of $720,699 for the three months ended February 28, 2023. During the period ended February 29, 2024:

i) Accounting, audit and legal decreased to $44,294 (February 28, 2023 – $66,653) due to expenses of the acquisition of Mostazal, the ASX dual-listing and IPO occurring in the comparative period.

ii) Consulting fees increased to $222,982 (February 28, 2023 – $115,789) due to increased business advisory and business development services rendered in the current period.

iii) Foreign exchange gain decreased to $46,418 (February 28, 2023 – $82,135) due to fluctuations in the currency exchange in the current period.

iv) Gain on change in fair value of warrants increased to $67,767 (February 28, 2023 – loss of $374,110) due to revaluation of derivative liability associated with the unit warrants in the current period, driven by volatility in the Company's common stock prices.

v) Office costs increased to $105,816 (February 28, 2023 – $70,020) due to an increase in general activities in the current period.

vi) Share-based compensation increased to $265,020 (February 28, 2023 – $Nil) due to options granted during the current period.

vii) Shareholder communications increased to $140,812 (February 28, 2023 – $28,339) primarily as a result of the Company using more marketing and investor relations consultants during the current period.

viii) Travel and entertainment increased to $125,552 (February 28, 2023 – $Nil) due to an increase in the number of operational, business development and investor trips taken by management.

Nine Months Ended February 29, 2024

Total loss and comprehensive loss for the nine months ended February 29, 2024 was $3,844,111 compared to a total loss and comprehensive loss of $1,539,510 for the nine months ended February 28, 2023. During the period ended February 29, 2024:

i) Accounting, audit and legal increased to $355,147 (February 28, 2023 – $224,314) due to expenses relating to the acquisition of Onca in the current period.

ii) Consulting fees increased to $566,882 (February 28, 2023 – $449,430) due to increased business advisory services rendered and director fees accrued in the current period.

iii) Foreign exchange loss increased to $93,486 (February 28, 2023 – gain of $176,318) due to fluctuations in the currency exchange in the current period.

iv) Gain on change in fair value of warrants increased to $125,432 (February 28, 2023 – loss of $167,292) due to revaluation of derivative liability associated with the unit warrants in the current period, driven by volatility in Company's common stock prices.

v) Office costs increased to $302,031 (February 28, 2023 – $152,909) due to an increase in general activities in the current period.

vi) Property investigation decreased to $25,156 (February 28, 2023 – $72,811) due to a decrease in investigating potential properties in the current period.

vii) Regulatory and filing fees increased to $206,158 (February 28, 2023 – $85,573) due to the acquisition of Onça Mineração Ltda. during the current period.

viii) Share-based compensation increased to $530,349 (February 28, 2023 – $Nil) due to options granted during the current period.

ix) Shareholder communications increased to $254,244 (2023 – $94,038) primarily as a result of the Company using more marking and investor relations consultants during the current period.

x) Travel and entertainment increased to $210,549 (2023 – $16,212) due to an increase in the number of operational, business development and investor trips taken by management.

xi) Write-off of exploration and evaluation assets increased to $1,396,596 (2023 – $278,063) due to the write-off of Jaguar lithium project in the current period.

1.5 Liquidity and Going Concern

The recovery of the Company's investment in exploration and evaluation properties and the attainment of profitable operations are dependent upon the discovery and development of economic precious and/or base metal or related reserves, and the ability of management to joint venture or profitably dispose of a development asset to a third party, or to arrange sufficient financing to bring a project into production. The ultimate outcome of these matters cannot presently be determined.

As the Company is in the exploration stage, no mineral producing revenue has been generated to date. The ability of the Company to meet its obligations and continue the exploration and development of its mineral properties is dependent upon its ability to continue to raise adequate financing. Historically, operating capital and exploration requirements have been funded primarily from equity financing, joint ventures, disposition of mineral properties and investments. There can be no assurance that such financing will be available to the Company in the amount required at any time or for any period or, if available, that it can be obtained on terms satisfactory to the Company. Based on the amount of funding raised, the Company's exploration program may be tailored accordingly.

Other than those obligations disclosed in the notes to its audited annual consolidated financial statements and discussed in this MD&A, the Company has no other long-term debt, capital lease obligations, operating leases, or any other long-term obligations. The Company has no outstanding debt facility upon which to draw.

The Company's cash position as at February 29, 2024 was $4,998,538 (May 31, 2023 – $113,036) and had working capital of $4,715,306 (May 31, 2023 – working capital deficit of $348,543).

During the period ended February 29, 2024, cash flow used in operating activities was $2,251,852 (February 28, 2023 – $901,949) relating to general operating expenses detailed on the statement of loss and comprehensive loss.

During the period ended February 29, 2024, cash flow used in investing activities was $3,022,656 (February 28, 2023 – $854,638). It consists primarily of exploration and evaluation assets.

During the period ended February 29, 2024, cash flow provided by financing activities was $10,160,010 (February 28, 2023 – $Nil). It consists primarily of proceeds from a private placement, exercise of warrants and options.

Historically, the Company's primary source of funding has been the issuance of equity securities for cash. The Company has issued common share capital pursuant to private placement financings, and the exercise of warrants and options. The Company's access to exploration financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company's ability to raise additional funds may be impacted by future exploration results and changes in metal prices or market conditions.

During the period ended February 29, 2024, the Company closed additional financing in a two tranche private placement of common shares to raise A$8,287,000 (before costs), which was completed on August 21, 2023. A description of the Company's completed private placements is provided in the section that follows.

(Expressed in Canadian Dollars – Unaudited)

1.6 Capital Resources

During the period from June 1, 2023 to April 12, 2024, the Company:

i) closed the first tranche of a private placement and issued 5,545,455 common shares at $0.50 (A$0.55) per share for gross proceeds of $2,753,368 (A$3,050,000). The Company incurred $172,419 (A$192,000) in finders' fees.

ii) closed the second tranche of a private placement and issued 9,521,818 common shares at $0.48 (A$0.55) per share for gross proceeds of $4,569,685 (A$5,237,000). The Company incurred $67,961 (A$78,000) in brokers' fees and paid share issuance cost of $34,457.

iii) issued 650,000 common shares pursuant to the exercise of options for gross proceeds of $170,000 and allocated $144,065 reserve to share capital.

iv) issued 11,160,956 common shares pursuant to the exercise of warrants for gross proceeds of $2,977,794.

v) completed the acquisition of Onca Mineração Ltda. by issuing 500,000 common shares valued at $450,000 of the Company.

vi) granted 7,000,000 performance rights to the Company's directors. These performance rights vest over the period to August 21 2026, or pursuant to specific performance criteria associated with the Company's exploration & evaluation assets.

vii) granted 600,000 options stock options to a consultant of the Company. The options are exercisable at AUD$0.60 per option until August 11, 2026. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $200,368. The options were fully vested on the grant date.

viii) granted 1,750,000 options stock options to a consultant of the Company. The options are exercisable at AUD$0.09 per option until December 31, 2025. The options were valued using the Black-Scholes option pricing model resulting in share-based compensation of $212,120. The options were fully vested on the grant date.

1.7 Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

1.8 Transactions with Related Parties

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 period ended February 29, 2024 and February 28, 2023 were as follows:

	Nine months ended February 29, 2024	Nine months ended February 28, 2023
Short-term benefits	$ 496,639	$ 312,658
Total	$ 496,639	$ 312,658

Included in short term benefits are the following:

(i) $40,000 (February 28, 2023 - $90,000) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's former Chief Executive Officer.

(ii) $13,500 (February 28, 2023 - $13,500) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(iii) $52,567 (February 28, 2023 - $59,158) in director fees paid or accrued to Christopher Gale, a director of the Company.

(Expressed in Canadian Dollars – Unaudited)

(iv) $Nil (February 28, 2023 - $15,000) in consulting fees recorded under exploration and evaluation assets paid or accrued to Fred Tejada, a former director of the Company.

(v) $45,000 (February 28, 2023 - $45,000) in director fees paid or accrued to Kevin Wilson, a director of the Company.

(vi) $45,000 (February 28, 2023 - $45,000) in director fees paid or accrued to Chafika Eddine, a director of the Company.

(vii) $45,000 (February 28, 2023 - $45,000) in director fees paid or accrued to Michael Parker, a director of the Company.

(viii) $83,803 (February 28, 2023 - $Nil) capitalized in exploration and evaluation assets paid or accrued to a company controlled by Michael Parker, a director of the Company.

(ix) $171,769 (February 28, 2023 - $Nil) in director fees paid or accrued to Matthew Boyes, the Company's Chief Executive Officer.

Included in receivables is $16,800 (May 31, 2023 - $16,800) receivable from Volatus Capital Corp., a Company with a shared former director, for sublease office rent expenses.

Included in accounts payable and accrued liabilities is $81,496 (May 31, 2023 - $119,408) in key management compensation payable to directors, officers and a former officer.

Included in accounts payable and accrued liabilities is $10,565 (May 31, 2023 - $64,911) due to Latin Resources Limited, a company with a common director.

1.9 Recent Accounting Pronouncements and new standards and interpretations

Please refer to the condensed interim consolidated financial statements for the nine months ended February 29, 2024 on www.sedarplus.ca.

1.10 Financial Instruments and Other Instruments

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.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	New Classification IFRS 9
Cash	FVTPL
Receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Derivative liability	FVTPL

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil 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 a former related party. 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.

b) 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.

(i) 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.

(ii) 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.

The Company's net exposure to foreign currency risk is as follows (denominated in the currency of each country):

	February 29, 2024 US Dollars	May 31, 2023 US Dollars	February 29, 2024 Chilean Pesos	May 31, 2023 Chilean Pesos	February 29, 2024 AU Dollars	May 31, 2023 AU Dollars	February 29, 2024 Brazilian Real	May 31, 2023 Brazilian Real
Cash	$ 85,062	$ 24,949	1,231,581	1,297,092	$ 5,058,653	$ 32,347	1,446,179	-
Accounts payable	(134,148)	(44,083)	(17,248,081)	(16,151,422)	(94,976)	(68,956)	(248,354)	-
Net	$ (49,086)	$ (19,134)	(16,016,500)	(14,854,330)	$ 4,963,677	$ (36,609)	(1,197,825)	-

(iii) 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.

(Expressed in Canadian Dollars – Unaudited)

c) 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 February 29, 2024:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 460,607	$ -	$ -
Accrued liabilities	131,282	-	-
	$ 591,889	$ -	$ -

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2023:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 325,590	$ -	$ -
Accrued liabilities	102,000	-	-
	$ 427,590	$ -	$ -

1.11 Other MD&A Requirements

Disclosure of Outstanding Share Data

As at April 12, 2024, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common Shares	87,844,883		
Options			
	1,450,000	$0.175	October 27, 2025
	1,750,000	AUD $0.09	December 31, 2025
	275,000	$0.30	June 18, 2026
	600,000	AUD $0.60	August 11, 2026
	4,075,000		
Warrants			
	3,666,667	AUD$0.28 (approximately CAD$0.243)	December 23, 2024
Performance rights	7,000,000		August 21, 2026
Total diluted at April 12, 2024	102,586,550		

The performance rights vest over a period of 36 months from date of issue of August 21 2023, or pursuant to specific performance criteria associated with the Company's exploration and evaluation assets, and have zero exercise price.

Risks and uncertainties

The Company is in the business of acquiring and exploring mineral properties, which is a highly speculative endeavour, and the Company's future performance may be affected by events, risks or uncertainties that are outside of the Company's control.

The Company's management consider the risks disclosed to be the most significant to potential investors of the Company, but not all risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment.

Further Information

Additional information about the Company is available at the Company's website at www.solisminerals.com.

Commitments

The Company is committed to certain cash payments, and exploration expenditures in connection with its mineral property claims.

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.

On May 30, 2023, the Company entered into an investor awareness services contract whereby the Company agreed to issue 2,500,000 common shares. During the period ended February 29, 2024, this was fully settled by the issuance of 1,750,000 options and payment of AUD$307,500.

Changes in Management

On July 18, 2023, Jason Cubitt resigned as a director of the Company.