SOLIS MINERALS LTD.

(An Exploration Stage Company)

CONSOLIDATED
FINANCIAL STATEMENTS

For the Years Ended May 31, 2024 and 2023

(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, 2024 and 2023, 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 material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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 $11,969,313 during the year ended May 31, 2024 and, as of that date, Company has an accumulated deficit of $39,698,419. 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.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our auditor's report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 4 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $7,368,100 as of May 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Asset.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Assessing the Company's rights to explore E&E Assets
- Obtaining, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

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 Accounting Standards, 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 27, 2024

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

		May 31, 2024		May 31, 2023
Assets				
Current				
Cash	$	3,921,451	$	113,036
Receivables (Note 7)		41,932		41,695
Prepaid expenses		158,386		49,748
		4,121,769		204,479
Non-Current				
Equipment (Note 8)		28,498		7,353
Prepaid expenses		90,000		-
Right-of-use assets (Note 9)		22,847		-
Deferred acquisition costs and advances (Notes 5 and 14)		-		771,589
Exploration and evaluation assets (Notes 4 and 5)		7,368,100		4,234,011
	$	11,631,214	$	5,217,432
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable (Note 7)	$	310,260	$	325,590
Accrued liabilities (Note 7)		112,000		102,000
Derivative liability (Note 6)		-		125,432
Lease liabilities (Note 9)		10,144		-
		432,404		553,022
Non-Current				
Lease liabilities (Note 9)		14,681		-
		447,085		553,022
Shareholders' Equity				
Share capital (Note 6)		47,329,630		29,025,555
Reserves (Note 6)		3,700,446		3,367,961
Accumulated other comprehensive loss – cumulative translation adjustment		(147,528)		-
Deficit		(39,698,419)		(27,729,106)
		11,184,129		4,664,410
	$	11,631,214	$	5,217,432

Nature of Operations and Going Concern – Note 1
Commitments – Note 13

Approved on behalf of the Board of Directors:

Signed *"Kevin Wilson"*, 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, 2024	2023
Expenses		
Accounting, audit and legal	$ 451,679	$ 249,446
Amortization of equipment (Note 8)	10,156	1,534
Amortization of right of use assets (Note 9)	11,239	-
Bank charges and interest recovery	(191,190)	(7,773)
Consulting fees (Note 7)	764,472	535,971
Foreign exchange loss	37,632	99,181
Insurance	80,211	78,195
Loss (gain) on change in fair value of warrants (Note 6)	7,388,568	(324,484)
Management fees (Note 7)	40,000	105,000
Office	353,829	227,993
Property investigation	25,592	100,511
Regulatory and filing fees	238,196	115,071
Rent	-	27,823
Share-based compensation (Notes 6 & 7)	476,550	-
Shareholder communications	343,130	114,730
Travel and related	266,096	64,117
Write-off of exploration and evaluation assets (Note 4)	1,673,153	74,118
Loss for the year	(11,969,313)	(1,461,433)
Other comprehensive loss		
Exchange difference on translating foreign operations	(147,528)	-
Comprehensive loss	$(12,116,841)	$(1,461,433)
Loss per common share, basic and diluted	$ (0.14)	$ (0.02)
Weighted average number of common shares outstanding – basic and diluted	84,716,514	60,466,654

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**	**Accumulated Other Comprehensive loss - Cumulative Translation Adjustments**	**Deficit**	**Total shareholders' equity**
Balance - May 31, 2022	**60,466,654**	**$ 29,025,555**	**$ 3,367,961**	**$ -**	**$ (26,267,673)**	**$ 6,125,843**
Loss for the year	-	-	-	-	(1,461,433)	(1,461,433)
Balance - May 31, 2023	**60,466,654**	**29,025,555**	**3,367,961**	**-**	**(27,729,106)**	**4,664,410**
Private placement	15,067,273	7,323,053	-	-	-	7,323,053
Share issuance cost	-	(274,837)	-	-	-	(274,837)
Exercise of options	650,000	314,065	(144,065)	-	-	170,000
Exercise of warrants	11,160,956	10,491,794	-	-	-	10,491,794
Shares issued for acquisition of Onca	500,000	450,000	-	-	-	450,000
Share-based compensation	-	-	476,550	-	-	476,550
Other comprehensive loss for the year	-	-	-	(147,528)	-	(147,528)
Loss for the year	-	-	-	-	(11,969,313)	(11,969,313)
Balance - May 31, 2024	**87,844,883**	**$ 47,329,630**	**$ 3,700,446**	**$ (147,528)**	**$ (39,698,419)**	**$ 11,184,129**

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, 2024	May 31, 2023
Cash flows from operating activities		
Loss for the year	$(11,969,313)	$ (1,461,433)
Items not affecting cash:		
Amortization of equipment	10,156	1,534
Amortization of right of use assets	11,239	-
Interest expense	4,232	-
Loss (gain) on change in fair value of warrants	7,388,568	(324,484)
Share-based compensation	476,550	-
Write-off of exploration and evaluation assets	1,673,153	74,118
Changes in non-cash working capital items:		
Decrease (increase) in receivables	1,365	(5,741)
Decrease (increase) in prepaid expenses and deposits	(198,638)	60,315
Increase (decrease) in accounts payable/accrued liabilities	(59,358)	121,701
Net cash used in operating activities	(2,662,046)	(1,533,990)
Cash flows from investing activities		
Cash received in acquisition of Onca	97,178	-
Exploration and evaluation assets	(3,777,933)	(1,151,686)
Deferred acquisition costs and advances	-	(771,589)
Purchase of capital assets	(31,301)	-
Net cash used in investing activities	(3,712,056)	(1,923,275)
Cash flows from financing activities		
Issuance of capital stock	7,323,053	-
Share issuance costs	(274,837)	-
Shares issued – options exercised	170,000	-
Shares issued – warrants exercised	2,977,794	-
Lease payments	(13,493)	-
Net cash provided by financing activities	10,182,517	-
Net change in cash for the year	3,808,415	(3,457,265)
Cash – beginning of the year	113,036	3,570,301
Cash – end of the year	$ 3,921,451	$ 113,036
Supplemental cash flow information		
Cash paid for interest and income taxes	$ -	$ -
Right of use assets	$ 34,086	$ -
Exploration and evaluation assets accrued through accounts payable and accrued liabilities	$ 91,209	$ 41,379
Deferred acquisition costs reclassified to exploration and evaluation assets	$ 771,589	$ -
Derivative liability reclassified to share capital	$ 7,514,000	$ -
Fair value of option exercised	$ 144,065	$ -

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 registered office at Unit 3, 32 Harrogate Street, West Leederville WA 6017, Australia. 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.

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, 2024, the Company reported a loss of $11,969,313 (2023 – $1,461,433) and an accumulated deficit of $39,698,419 (2023 – $27,729,106). As at May 31, 2024, the Company had working capital of $3,689,365 (2023 – working capital deficit of $348,543). 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 will seek 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 mineral 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. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

The Company's business, financial condition and results of operations may be further negatively affected by economic and other consequences from war in Europe, changes in inflationary pressures in the developed economies, political uncertainty in the Middle East and economic uncertainty in China. While the Company expects any direct impacts of pandemics, the wars in the Ukraine and the Middle East, and the broader economic cycle to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business and may make it more difficult for it to raise equity or debt financing. There can be no assurance that the Company will not be impacted by adverse consequences that may be brought about on its business, results of operations, financial position and cash flows in the future.

In order to continue as a going concern and to meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. During the year ended May 31 2024, the Company raised gross proceeds of A$8.155 million (CAD$7,323,053) via a two tranche private placement of common shares, which was completed on August 21, 2023.

1. Nature of Operations and Going Concern (continued)

These consolidated financial statements have been prepared in accordance with IFRS Accounting 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 audited 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 27, 2024.

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 functional currency of Onça Mineração Ltda. is the Brazilian Real.

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, Westminster Chile SpA and Onça Mineração Ltda. from the date of acquisition on June 5, 2023. All significant inter-company balances and transactions have been eliminated upon consolidation.

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. Material Accounting Policy Information, 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) Valuation of performance rights

The Company valued the performance rights ("PSUs") using the trading price on the date of grant adjusted for the estimated likelihood of vesting. Determining the estimated likelihood of vesting requires subjective assumptions. Changes in the assumptions could materially affect the fair value estimate and the Company's earnings and shareholders' equity reserves.

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

a) Sources of Estimation Uncertainty (continued)

(ii) 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.

(iii) 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 E&E 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, 2024, the Company is not aware of any existing environmental obligations related to any of its current or former mineral property interests that may result in a liability to the Company.

(iv) Valuation of share-based compensation and derivative liabilities

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation 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 shareholders’ 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.

(v) 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. Material Accounting Policy Information, New Standards and Interpretations (continued)

b) Critical Accounting Judgments (continued)

(i) Impairment assessment

The Company assesses its equipment and E&E 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 E&E 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) 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.

(iii) 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 the functional currencies detailed in Note 2 are appropriate.

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.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification
Cash	Amortized cost
Receivables	Amortized cost
Accounts payable	Amortized cost
Accrued liabilities	Amortized cost
Derivative liability	FVTPL
Lease liability	Amortized cost

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

(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 profit or 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 recognized in profit or loss. Other net gains and losses are recognized 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 recognized 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 recognized 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.

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.

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

c) Financial Instruments (continued)

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, 2024 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Liabilities				
Derivative liability	$ -	$ -	$ -	$ -

The Company's measurement of fair value of financial instruments as at May 31, 2023 in accordance with the fair value hierarchy is as follows:

	Total	Level 1	Level 2	Level 3
Liabilities				
Derivative liability	$ 125,432	$ -	$ -	$ 125,432

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.

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

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

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.

j) Share-based Compensation

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.

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

j) Share-based Compensation (continued)

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 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 compensation 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 non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in reserves, 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.

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.

3. Material Accounting Policy Information, New Standards and Interpretations (continued)

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.

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.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

The Company's interests in exploration and evaluation assets are located in Peru, Chile and Brazil. The following table outlines the expenditures for the year ended May 31, 2024 and 2023:

	Balance as at May 31, 2022	Additions	Balance as at May 31, 2023	Additions	Balance as at May 31, 2024
Ilo Norte/Ilo Este/Cinto and Regional Project, Peru:					
Acquisition costs	$ 3,369,445	$ 723,301	$ 4,092,746	$ 74,184	$ 4,166,930
Exploration expenditures					
Consulting and engineering	85,121	96,185	181,306	664,892	846,198
Fieldwork and miscellaneous	6,335	37,725	44,060	192,252	236,312
Write-down	(84,101)	-	(84,101)	-	(84,101)
	3,376,800	857,211	4,234,011	931,328	5,165,339
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 – on Onca acquisition	-	-	-	521,004	521,004
Acquisition costs – shares for Onca acquisition	-	-	-	334,000	334,000
Exploration expenditures					
Assay and core logging	-	-	-	11,179	11,179
Consulting and engineering	-	-	-	214,339	214,339
Drilling	-	-	-	547,455	547,455
Fieldwork and miscellaneous	-	-	-	82,916	821,916
Foreign exchange adjustment	-	-	-	(37,740)	(37,740)
Write-down	-	-	-	(1,673,153)	(1,673,153)
	-	-	-	-	-
Borborema, Brazil:					
Acquisition costs– on Onca acquisition	-	-	-	180,944	180,944
Acquisition costs - shares for Onca acquisition	-	-	-	116,000	116,000
Exploration expenditures					
Assay and core logging	-	-	-	63,814	63,814
Consulting and engineering	-	-	-	257,614	257,614
Drilling	-	-	-	608,669	608,669
Fieldwork and miscellaneous	-	-	-	126,649	126,649
Foreign exchange adjustment	-	-	-	(35,230)	(35,230)
	-	-	-	1,318,460	1,318,460
Mina Vermelha, Brazil:					
Acquisition costs	-	-	-	135,480	135,480
Exploration expenditures					
Assay and core logging	-	-	-	73,847	73,847
Consulting and engineering	-	-	-	184,142	184,142
Drilling	-	-	-	350,836	350,836
Fieldwork and miscellaneous	-	-	-	165,955	165,955
Foreign exchange adjustment	-	-	-	(25,959)	(25,959)
	-	-	-	884,301	884,301
	$ 3,376,800	$ 857,211	$ 4,234,011	$ 3,134,089	$ 7,368,100

4. Exploration and Evaluation Assets (continued)

a) Ilo Norte, Ilo Este, Cinto and Regional Project, Peru

The Company owns a 100% interest in a portfolio of concessions in southern Peru.

b) 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. During the year ended May 31, 2023, the Company terminated the option agreement and wrote-off $74,118 of exploration and evaluation assets to reduce the carrying value to $Nil.

c) Mina Vermelha Project, Brazil

During the year ended May 31, 2024, the Company entered into an option agreement to acquire a 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 will grant 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 before 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.

d) Borborema, Brazil

During the year ended May 31, 2023, the Company entered into an agreement to acquire a 100% interest in Onça Mineração Ltda. ("Onça"), a Brazilian company. During the year ended May 31, 2024, the Company completed the acquisition by paying off $27,769 (US$20,000) and issuing 500,000 common shares of the Company with a fair value of $450,000 (Note 14). Onça is the holder of lithium exploration permit applications located in Brazil, known as the Borborema claims.

e) Jaguar Lithium, Brazil

During the year ended May 31, 2023, Onça 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 on behalf of Onça);
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.

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% Li_2O or greater within 24 months from the issue of the Performance Rights.

During the year ended May 31, 2024, the Company determined it would not continue exploring the Jaguar claims and terminated the option agreement. The Company wrote-off $1,673,153 of exploration and evaluation assets to reduce the carrying value to $Nil. All claims over the project were relinquished by Solis and Onça.

(Expressed in Canadian Dollars – Unaudited)

5. Deferred acquisition costs and advances

As at May 31, 2023, the Company had advances of $771,589 relating to Borborema (Note 4) and Jaguar Lithium (Note 4) which were transferred to exploration and evaluation assets during the year ended May 31, 2024.

6. 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, 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 costs 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. Upon exercise, the Company reallocated $7,514,000 of derivative liability on change in fair value of warrants to the common shares.

v) completed the acquisition of Onça by issuing 500,000 common shares valued at $450,000 of the Company (Note 14).

During the year ended May 31, 2023, the Company did not undertake any share issuance activity.

c) 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, 2024 is presented below:

	Exercise Price	Balance at May 31, 2023	Granted	Exercised/Expired/ Cancelled	Balance at May 31, 2024	Expiry Date	Remaining contractual life in years	Number of options vested
$	0.175	1,650,000	-	(800,000)	850,000	October 27, 2025	1.41	850,000
$	A0.09	-	1,750,000	-	1,750,000	December 31, 2025	1.59	437,500
$	0.30	725,000	-	(625,000)	100,000	June 18, 2026	2.05	100,000
$	A0.60	-	600,000	-	600,000	August 11, 2026	2.20	600,000

(Expressed in Canadian Dollars – Unaudited)

Totals:	2,375,000	2,350,000	(1,425,000)	3,300,000	1.64	2,762,500
	$ 0.21	$ 0.22	$ 0.23	$ 0.21	Weighted average exercise prices	$ 0.29

6. Share Capital and Reserves (continued)

c) *Stock Options* (continued)

A summary of the status of the Company’s stock options as at May 31, 2023 is presented below:

Exercise Price	Balance at May 31, 2022	Cancelled	Expired	Balance at May 31, 2023	Expiry Date	Remaining contractual life in years	Number of options vested
$ 0.175	1,650,000	-	-	1,650,000	October 27, 2025	2.41	1,650,000
$ 0.25	200,000	-	(200,000)	-	March 30, 2023	-	-
$ 0.25	25,000	-	(25,000)	-	September 29, 2022	-	-
$ 0.30	1,025,000	(300,000)	-	725,000	June 18, 2026	3.05	725,000
Totals:	2,900,000	(300,000)	(225,000)	2,375,000		2.61	2,375,000
	$ 0.23	$ 0.30	$ 0.25	$ 0.21	Weighted average exercise prices		$ 0.21

d) *Share-Based Compensation*

On August 11, 2023, the Company 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.

On February 2, 2024, the Company 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 at $212,120. $127,977 of share-based compensation was recorded during the year ended May 31, 2024 as the options vest on a quarterly basis following the date of issuance. At May 31, 2024, 1,312,500 options remained unvested.

During the year ended May 31, 2023, the Company did not grant any share options.

The options granted during the year ended May 31, 2024 and 2023 were valued using the Black-Scholes option pricing model with the following weighted average grant date assumptions:

	Year ended May 31, 2024	**Year ended May 31, 2023**
Weighted average grant date fair value	$0.18	-
Weighted average risk-free interest rate	4.34%	-
Expected dividend yield	0.00%	-
Weighted average stock price volatility	182.30%	-
Weighted average forfeiture rate	0.00%	-
Weighted average expected life of options in years	2.19	-

e) *Performance Rights*

On August 11, 2023, the Company adopted an omnibus equity incentive plan (the “Plan”) pursuant to which the Company can grant equity compensation to directors, employees and consultants including stock options, restricted share units (“RSUs”) and PSUs. In addition, the Company can grant deferred share units (“DSUs”) to non-employee directors and their designated affiliates.

(Expressed in Canadian Dollars)

6. Share Capital and Reserves (continued)

e) *Performance Rights* (continued)

During the year ended May 31, 2024, the Company granted 7,000,000 performance rights with a fair value of $337,750 to directors. 250,000 performance rights vest 12 months from grant. 250,000 performance rights vest 24 months from grant. The remaining 6,500,000 vest pursuant to specific performance criteria associated with the Company's exploration and evaluation assets. All performance rights expire on August 21, 2026. During the year ended May 31, 2024, the Company recognized share-based payment expense of $148,204.

f) *Share Purchase Warrants*

Exercise Price	Balance at May 31, 2023	Exercised	Expired	Balance at May 31, 2024	Expiry Date	Remaining contractual life in years
AUD$0.30	13,750,000	(11,160,956)	(2,589,044)	-	Dec 15, 2023	-
AUD$0.28	3,666,667	-	-	3,666,667	Dec 23, 2024	0.56
	17,416,667	(11,160,956)	(2,589,044)	3,666,667		0.56
	$ 0.30	$ 0.30	$ 0.30	$ 0.28	Weighted average exercise prices	

Exercise Price	Balance at May 31, 2022	Exercised	Expired	Balance at May 31, 2023	Expiry Date	Remaining contractual life in years
$ 0.80	774,000	-	(774,000)	-	June 15, 2022	-
$ 0.20	3,256,700	-	(3,256,700)	-	Oct 21, 2022	-
$ 0.30	6,889,376	-	(6,889,376)	-	May 14, 2023	-
AUD$0.30	13,750,000	-	-	13,750,000	Dec 15, 2023	0.57
AUD$0.28	3,666,667	-	-	3,666,667	Dec 23, 2024	1.57
	28,336,743	-	(10,920,076)	17,416,667		0.78
	$ 0.30	$ -	$ 0.31	$ 0.30	Weighted average exercise prices	

As at May 31, 2024, all of the above existing warrants were exercisable.

Derivative Liability

During the year ended May 31, 2022, the Company recognized a derivative liability valued at $1,363,175 associated with 13,750,000 warrants exercisable at $0.30 until December 24, 2023.

As at May 31, 2023, the Company revalued the derivative liability at $125,432 resulting in an unrealized gain on change in fair value of warrants of $324,484 through profit or loss for the year ended May 31, 2023. It was estimated using the Black-Scholes option pricing model with the following assumptions: expected life 0.57 years, volatility 105.67%, risk-free rate 4.27%, dividend yield 0%.

During the year ended May 31, 2024, 2,589,044 warrants expired and the Company recorded a loss on change in fair value of warrants of $7,388,568. During the year ended May 31, 2024, 11,160,956 were exercised. The derivate liability was revalued on the date of exercise at $7,514,000 and reallocated to share capital. The revaluation was done using the Black-Scholes option pricing model with the following weighted average assumptions: expected life 0.49 years, volatility 271.99%, risk-free rate 4.65%, dividend yield 0%.

(Expressed in Canadian Dollars)

7. 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, 2024 and 2023 were as follows:

		Year ended May 31, 2024		Year ended May 31, 2023
Short-term benefits	$	665,539	$	477,268
Performance rights		148,204		-
Total	$	813,743	$	477,268

Included in short-term benefits are the following:

(i) $40,000 (2023 - $105,000) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's former Chief Executive Officer.

(ii) $18,000 (2023 - $18,000) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(iii) $70,285 (2023 - $78,684) in director fees paid or accrued to Christopher Gale, a director of the Company.

(iv) $Nil (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) $60,000 (2023 - $60,000) in director fees paid or accrued to Kevin Wilson, a director of the Company.

(vi) $60,000 (2023 - $60,000) in director fees paid or accrued to Chafika Eddine, a director of the Company.

(vii) $60,000 (2023 - $60,000) in director fees and $20,324 in consulting fees paid or accrued to Michael Parker, a director of the Company.

(viii) $97,953 (2023 - $46,709) capitalized in exploration and evaluation assets paid or accrued to a company controlled by Michael Parker, a director of the Company.

(ix) $238,977 (2023 - $33,875) in director fees paid or accrued to Matthew Boyes, the Company's Executive Director.

Included in receivables is $16,800 (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 $80,117 (2023 - $119,408) in key management compensation payable to directors, an officer and a former officer.

Included in accounts payable and accrued liabilities is $15,271 (2023 - $64,911) due to Latin Resources Limited, a company with a common director.

(Expressed in Canadian Dollars)

8. Equipment

		Office furniture and equipment		Field equipment		Computer equipment		Total
Cost:								
Balance, May 31, 2022 and 2023	$	94,962	$	74,353	$	26,428	$	195,743
Additions		18,254		8,736		4,311		31,301
Balance, May 31, 2024	$	113,216	$	83,089	$	30,739	$	227,044
Accumulated amortization:								
Balance, May 31, 2022	$	94,156	$	66,538	$	26,162	$	186,856
Charge for the year		242		1,172		120		1,534
Balance, May 31, 2023		94,398		67,710		26,282		188,390
Charge for the year		3,392		2,307		4,457		10,156
Balance, May 31, 2024	$	97,790	$	70,017	$	30,739	$	198,546
Net book value:								
Balance, May 31, 2023	$	564	$	6,643	$	146	$	7,353
Balance, May 31, 2024	$	15,426	$	13,072	$	-	$	28,498

9. Right of use assets

During the year ended May 31, 2024, the Company entered a three-year lease for its office in Brazil. For the year ending May 31, 2024, depreciation expense on the right of use assets was $11,239 (2023 - $Nil). The lease term matures on June 20, 2026. The below tables show the continuity of Right of use assets:

Right of use assets, May 31, 2023 and 2022	$	-
Addition		34,086
Depreciation expense		(11,239)
Right of use assets, May 31, 2024	$	22,847

For the year ending May 31, 2024, interest expense on the lease obligation was $4,232 (2023 - $Nil). The below tables show the continuity of lease obligation and the reconciliation between the undiscounted and discounted balances:

Lease obligation, May 31, 2023 and 2022	$	-
Addition		34,086
Interest expense		4,232
Payments made		(13,493)
Lease obligation, May 31, 2024		24,825
Current portion		(10,144)
Non-current portion	$	14,681

9. Right of use assets (continued)

The weighted average incremental borrowing rate applied to the lease liabilities was 20%.

10. 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 resource properties. 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.

11. Financial Instruments and Financial Risk

The Company's financial instruments consist of cash, receivables, accounts payable, accrued liabilities, and derivative liability. The fair values of these financial instruments approximate their carrying values except for the derivative liability which is valued using Level 3 inputs.

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 carrying value of cash, receivables, accounts payable and accrued liabilities and lease liabilities 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.

11. Financial Instruments and Financial Risk (Continued)

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 the Brazilian Real, 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 each country's currency):

	May 31, 2024 US Dollars	May 31, 2023 US Dollars	May 31, 2024 Chilean Pesos	May 31, 2023 Chilean Pesos	May 31, 2024 AU Dollars	May 31, 2023 AU Dollars	May 31, 2024 Brazilian Real	May 31, 2023 Brazilian Real
Cash	$ 23,755	$ 24,949	1,165,394	2,410	$ 4,218,061	$ 32,347	211,974	-
Accounts payable	(86,056)	(44,083)	(17,692,176)	(14,303,365)	(86,480)	(68,956)	(22,952)	-
Net	$ (62,301)	$ (19,134)	(16,526,782)	(14,300,955)	$ 4,131,581	$ (36,609)	189,022	-

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, 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, 2024, the Company had $Nil in amounts due greater than 90 days.

(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.

(Expressed in Canadian Dollars)

11. Financial Instruments and Financial Risk (continued)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2024:

		Within 60 days		Between 61-90 days		More than 90 days
Accounts payable	$	310,261	$	-	$	-
Accrued liabilities		112,000		-		-
	$	422,261	$	-	$	-

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	$	-	$	-

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.

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		**Brazil**		**Canada**		**Total**
May 31, 2024								
Capital assets	$	-	$	15,426	$	13,072	$	28,498
Right of use assets		-		22,847		-		22,847
Exploration and evaluation assets		5,165,339		2,202,761		-		7,368,100
	$	5,165,339	$	2,241,034	$	13,072	$	7,419,445
May 31, 2023								
Capital assets	$	-	$	-	$	7,353	$	7,353
Deferred acquisition costs and advances		-		771,589		-		771,589
Exploration and evaluation assets		4,234,011		-		-		4,234,011
	$	4,234,011	$	771,589	$	7,353	$	5,012,953

(Expressed in Canadian Dollars)

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.

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 year ended May 31, 2024, this was fully settled by issuing 1,750,000 options and a payment of AUD$307,500 (Note 6(d)).

14. Acquisition of Onça

During the year ended May 31, 2024, the Company completed the acquisition of Onca by paying $27,769 (US$20,000) and issuing 500,000 common shares (with a fair value of $450,000) of the Company on June 15, 2023 (Note 5).

The transaction does not constitute a business combination as Onça does not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of Onça has been accounted for as an asset acquisition in accordance with IFRS 2, whereby all of the assets acquired, and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, Onça became a subsidiary of the Company. The net assets acquired pursuant to the acquisition are as follows:

Net Assets Acquired		
Cash	$	97,178
Receivables		1,602
Accounts payable		(1,369)
Other payables		(771,589)
Mineral properties – Jaguar (Note 4)		855,003
Mineral properties – Borborema (Note 4)		296,944
	$	477,769

Total Purchase Price		
Cash	$	27,769
Issuance of 500,000 common shares (Note 6)		450,000
	$	477,769

(Expressed in Canadian Dollars)

15. Income taxes

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

	2024	2023
Net loss for the year	$(11,969,313)	$ (1,461,917)
Canadian statutory tax rate	27%	27%
Income tax benefit computed at statutory rates	(3,022,000)	(395,000)
Permanent differences	2,000	(14,000)
Share issue costs	(74,000)	-
Changes in timing differences	(913,000)	(481,000)
Foreign exchange effect on tax assets and liabilities	148,000	(2,000)
Unused tax losses not recognized in tax assets	3,859,000	892,200
	$ -	$ -

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 used tax losses for which no deferred tax asset is recognized consist of the following amounts:

	2024	2023
Tax value over book value of equipment	$ 213,000	$ 203,000
Allowable capital losses	3,112,000	-
Exploration and evaluation assets	4,973,000	3,300,000
Non-refundable mining credit	67,000	67,000
Share issue costs	404,000	298,000
Derivative liability	-	125,000
Non-capital losses	18,864,000	15,538,000
Unrecognized deferred tax amounts	$27,633,000	$ 19,531,000

As at May 31, 2024, the Company has approximately $17,830,000 (2023 – $14,779,000) of non-capital losses in Canada that may be used to offset future taxable income, expiring from 2027 to 2044.

In addition, as at May 31, 2024, the Company has approximately $389,000 (2023 - $203,000) of non-capital losses in Peru that may be used to offset future income expiring from 2029 to 2037.

In addition, as at May 31, 2024, the Company has approximately $568,000 (2023 - $555,000) of non-capital losses in Chile that may be used to offset future taxable income.

In addition, as at May 31, 2024, the Company has approximately $77,000 (2023 - $Nil) of non-capital losses in Brazil that may be used to offset future taxable income.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended May 31, 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 August 27, 2024. The Company had $3,921,451 in cash (2023 – $113,036) and working capital of $3,689,365 (2023 – working capital deficit $348,543).

1.2 Outlook and Recent Exploration Activity

For the year ended May 31, 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 additional mineral properties. The following information presents details on the Company's properties and recent exploration and evaluation activities in Peru and Brazil.

Mineral Properties

Ilo Norte and Ilo Este, Cinto, and Regional, 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.

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 year ended May 31, 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.

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.

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% Li_2O or greater within 24 months from the issue of the Performance Rights.

During the year ended May 31, 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 $1,673,153 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.

Exploration Highlights

In Peru, as of 31 May 2024 Solis Minerals held 54 concessions totalling 44,100 Ha. 41 concessions are fully granted (33,600 Ha) and 13 concessions are being processed (10,500 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 prior to 2022 concentrated on a relatively small portion of the prospective part of the lease holding. Subsequently, 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 target areas for drilling. Drill permitting was initiated in May 2024.

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. Since exploration initiated with Solis in 2022, 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 in the western area identified zones of elevated copper and gold in rocks. 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 applied for in the area. The permitting process for drilling was initiated in February 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 has been carried out since late 2023.

Southern Peru Regional Exploration

The Company continues to expand its knowledge base especially in the coastal areas of South Peru. Based on interpretation of geological data from Ilo Norte and Ilo Este, a prospective Coastal Belt was identified consisting of batholith-adjacent formations that the company considers favourable to host porphyry copper-gold deposits. Combined with a compilation of historic data and recent remote sensing analyses (satellite platforms), the Company thus continued to expand its exploration in Southern Peru with applications for 11 more licenses. 4 of these applications augment the area of Ilo Norte and expand into prospective ground to the north based on MVI magnetic interpretation of existing data. 7 applications between Ilo Norte and Ilo Este form the basis of the Guaneros Project in prospective ground on the Coastal Belt.

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 to contain 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 year ended May 31, 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 585 locations with no significant base, precious or battery metal anomalies identified. Geochemical sampling and assaying has been halted pending the completion of further geological mapping and priority target areas identified.

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 for 2,082m core 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.

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 two reported spodumene bearing pegmatite bodies.

Relinquishment of the Jaguar Project

During the year ended May 31, 2024, negotiations regarding the additional extension to the due diligence period for the Jaguar Project to conduct sufficient exploration to justify the acquisition price 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)

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
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	$ (12,291,045)	$ (0.14)
Sep 1, 2023 – Nov 30, 2023	$ 1,950,531	$ 0.02
Dec 1, 2023 – Feb 29, 2024	$ (800,344)	$ (0.01)
Mar 1, 2024 – May 31, 2024	$ (828,455)	$ (0.01)

During the three-month period ended May 31, 2024, the Company incurred a loss of $828,455 compared to $800,344 in the previous period. The difference was primarily a result of a decrease in office expenses.

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 $12,291,045 which was primarily attributable to loss on change in fair value of warrants of $7,388,568 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.

1.4 Results of Operations

Three Months Ended May 31, 2024

Total loss for the three months ended May 31, 2024 was $828,455 compared to a total income and comprehensive income of $78,077 for the three months ended May 31, 2023. During the period ended May 31, 2024:

i) Consulting fees increased to $197,590 (2023 – $86,541) due to increased business advisory and business development services rendered in the current period.

ii) Foreign exchange gain decreased to $55,854 (2023 – $275,499) due to fluctuations in the currency exchange in the current period.

iii) Loss on change in fair value of warrants increased to $Nil (2023 – Gain of $491,776) 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.

iv) Property investigation decreased to $436 (2023 - $27,700) due to the Company investigating properties in the current period.

v) Shareholder communications increased to $88,886 (2023 – $Nil) primarily as a result of the Company using more marketing and investor relations consultants during the current period.

vi) Travel increased to $55,547 (2023 – $Nil) due to an increase in the number of operational, business development and investor trips taken by management.

Year Ended May 31, 2024

Total loss loss for the year ended May 31, 2024 was $11,969,313 compared to a total loss and comprehensive loss of $1,461,433 for the year ended May 31, 2023. During the year ended May 31, 2024:

i) Accounting, audit and legal increased to $451,679 (2023 – $249,446) due to expenses relating to the acquisition of Onca in the current year.

ii) Consulting fees increased to $764,472 (2023 – $535,971) due to increased business advisory services rendered and director fees accrued in the current year.

iii) Loss on change in fair value of warrants increased to $7,388,568 (2023 – Gain of $324,484) due to revaluation of derivative liability associated with the unit warrants in the current year, driven by volatility in Company's common stock prices.

iv) Office costs increased to $353,529 (2023 – $227,993) due to an increase in general activities in the current year.

v) Property investigation decreased to $25,592 (2023 – $100,511) due to a decrease in investigating potential properties in the current year.

vi) Regulatory and filing fees increased to $238,196 (2023 – $115,071) due to the acquisition of Onça Mineração Ltda. during the current year.

vii) Shareholder communications increased to $343,130 (2023 – $114,730) primarily as a result of the Company using more marking and investor relations consultants during the current year.

viii) Travel increased to $266,096 (2023 – $64,117) due to an increase in the number of operational, business development and investor trips taken by management.

ix) Write-off of exploration and evaluation assets increased to $1,673,153 (2023 – $74,118) due to the write-off of Jaguar lithium project in the current year.

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 May 31, 2024 was $3,921,451 (2023 – $113,036) and had working capital of $3,689,365 (2023 – working capital deficit $348,543).

During the year ended May 31, 2024, cash flow used in operating activities was $2,662,046 (2023 – $1,533,990) relating to general operating expenses detailed on the statement of loss and comprehensive loss.

During the year ended May 31, 2024, cash flow used in investing activities was $3,712,056 (2023 – $1,923,275). It consists primarily of exploration and evaluation assets.

During the year ended May 31, 2024, cash flow provided by financing activities was $10,182,517 (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 year ended May 31, 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)

1.6 Capital Resources

During the period from June 1, 2023 to August 27, 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. Upon exercise, the Company reallocated $102,000 of gain on change in fair value of warrants to the common shares.

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 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 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 year ended May 31, 2024 and 2023 were as follows:

		Year ended May 31, 2024		Year ended May 31, 2023
Short-term benefits	$	665,539	$	477,268
Performance rights		148,204		-
Total	$	813,743	$	477,268

(i) $40,000 (2023 - $105,000) in management fees paid or accrued to a company controlled by Jason Cubitt, the Company's former Chief Executive Officer.

(ii) $18,000 (2023 - $18,000) in consulting fees paid or accrued to Rachel Chae, the Company's Chief Financial Officer.

(Expressed in Canadian Dollars)

(iii) $70,285 (2023 - $78,684) in director fees paid or accrued to Christopher Gale, a director of the Company.

(iv) $Nil (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) $60,000 (2023 - $60,000) in director fees paid or accrued to Kevin Wilson, a director of the Company.

(vi) $60,000 (2023 - $60,000) in director fees paid or accrued to Chafika Eddine, a director of the Company.

(vii) $60,000 (2023 - $60,000) in director fees and $20,324 in consulting fees paid or accrued to Michael Parker, a director of the Company.

(viii) $97,953 (2023 - $46,709) capitalized in exploration and evaluation assets paid or accrued to a company controlled by Michael Parker, a director of the Company.

(ix) $238,977 (2023 - $33,875) in director fees paid or accrued to Matthew Boyes, the Company's Executive Director.

Included in receivables is $16,800 (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 $80,117 (2023 - $119,408) in key management compensation payable to directors, an officer and a former officer.

Included in accounts payable and accrued liabilities is $15,271 (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 consolidated financial statements for the year ended May 31, 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):

(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.

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.

(Expressed in Canadian Dollars)

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities at May 31, 2024:

	Within 60 days	Between 61-90 days	More than 90 days
Accounts payable	$ 310,261	$ -	$ -
Accrued liabilities	112,000	-	-
	$ 422,261	$ -	$ -

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 August 27, 2024, the Company had the following securities issued and outstanding:

	Number	Exercise Price	Expiry Date
Common Shares	87,844,883		
Options			
	850,000	$0.175	October 27, 2025
	1,750,000	AUD $0.09	December 31, 2025
	100,000	$0.30	June 18, 2026
	600,000	AUD $0.60	August 11, 2026
	3,300,000		
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 August 27, 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 year ended May 31, 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.

On August 21, 2024, the Company announced the resignation of Matthew Boyes as Executive Director effective from August 30, 2024 and the appointment of Michael Parker as Executive Director.