



Rock sample from Cinto¹

2024 Annual Report

For the Year Ended 31 May 2024

ASX: **SLM**

ARBN 653 083 026

¹ASX Announcement dated 9 July 2024

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1. CORPORATE DIRECTORY

Board of Directors

Christopher Gale	(Non-Executive Chairman)
Michael Parker	(Executive Director)
Kevin Wilson	(Non-Executive Director)
Chafika Eddine	(Non-Executive Director)

Chief Financial Officer

Rachel Chae

Secretary

Sarah Smith (Australia)
Kelly Gill (Canada)

Head Office

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Suite 2501, Vancouver BC
Canada V6C 2B5

Registered Office (Australia)

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Registered Office (Canada)

550 Burrard Street
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Securities Exchange Listing

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

Auditors

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

Australian Share Registry

Computershare Investor Services Pty Ltd

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Place of Incorporation

British Columbia

2. CHAIRMAN'S LETTER

To my fellow Shareholders

I am pleased to present the 2024 Solis Mineral Ltd Annual Report following a period of mixed exploration success for the Company. Our Peruvian copper projects were expanded during the year, with exciting drill targets generated on four of the projects, with more in the pipeline. At the other end of the spectrum, our lithium exploration efforts in Brazil did not yield positive results and coupled with a challenging lithium price environment, the decision was made to pause activities there.

With copper performing as one of the better commodities during the reporting period, it was pleasing to see significant knowledge gained and targets defined across a number of our project areas within Peru's coastal belt.

A systematic approach to exploration involving drone magnetometry, geochemistry and induced polarisation (IP) surveys has been successful in defining targets at Ilo Este and Chanco Al Palo. Newer acquisitions Cinto and Guaneros are on a similar track to drill target identification.

With the drill permitting process well advanced for the project areas, we expect to be in a position to commence drill testing targets from late 2024 with a continuous 6-9 month exploration programme anticipated.

The Board welcomed the promotion of experienced mining executive and Non-Executive Director, Michael Parker, to the role of Executive Director post the end of the reporting period. This followed the resignation of Matthew Boyes. We thank Matthew for his contribution over the past two years and are confident that Michael will continue Matthew's good work as we advance the Peruvian copper portfolio.

The portfolio of copper assets that the Company has assembled has improved markedly during the year with the addition of Guaneros, and detailed exploration at Ilo Este, Chanco Al Palo and Cinto. We believe that the coastal belt of Peru is a highly fertile area for copper discoveries and is relatively underexplored. We believe that we have put together an excellent exploration portfolio in the region and our experience and knowledge drives us to maximise our chances of exploration success.

The exposure to copper through the assets in Peru provides optionality to one of the most important energy transition commodities. The portfolio of assets in Peru is expected to continue to grow over the upcoming reporting period and, with an excellent team in place, the Company continues to add value to its copper portfolio.

I look forward to Solis Minerals' future and to achieving commercial growth through the development of our copper projects in Peru. With the tenacity of our talented technical team and expansion of quality landholdings, we will continue to advance our committed exploration programme of high potential assets in South America.

Yours sincerely



Christopher Gale
Non-Executive Chairman

12 September 2024

3. DIRECTORS' REPORT

The Directors of Solis Minerals Ltd. ("Solis Minerals" or "the Company") present their report, together with the financial statements on the consolidated entity consisting of Solis Minerals Ltd and its controlled entities ("the Group") for the year ended 31 May 2024.

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

3.1. Corporate Structure

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

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

3.2. Directors & Key Management Personnel

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

Christopher Gale – Non-Executive Chairman (Appointed 17 July 2018)

Qualifications: Business Accounting and Finance Certificate (Graduate School of Management, University of Western Sydney), MACID.

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

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

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

Matthew Boyes – Executive Director (Appointed 1 March 2023 – Resigned 30 August 2024)

Qualifications: Fellow, Australian Institute of Mining and Metallurgy (AUSIMM)

Mr. Boyes is a qualified geologist with over 25 years of international experience in mine geology, project evaluations, mine development, corporate management and capital markets. As former Managing Director of Delta Lithium Limited (formerly Red Dirt Metals), Mr. Boyes led the growth of the company through the acquisition and aggressive development of the Mt Ida lithium project. During this period, Mr. Boyes oversaw the transition from junior gold explorer to a lithium developer and grew a \$15 million market capitalization to a value in excess of \$200 million in a two-year period in which he was at the helm. He was also the former Chief Operating Officer of Patagonia Gold Corp.

Michael Parker – Executive Director (Appointed 24 December 2021)

Qualifications: BSc. Mining Geology (Honours), University of Leicester (1986).

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

Between 2011 to 2017, he was country manager for FQM in Peru, responsible for the design and implementation of FQM's corporate strategy in Latin America, including Argentina and Chile. He oversaw community relations programs and sustainability processes, ensuring that projects complemented community development in remote areas including preparations for resettlement programs. He was responsible for all government relations and communications throughout Latin America. He currently runs his own consultancy company, Mining Footprint Ltd.

Kevin Wilson – Non-Executive Director (Appointed 9 November 2021)

Qualifications: Bachelor of Science (Hons) (University of London), Degree of Master of Business Administration (The City University London).

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

Mr. Wilson was appointed to the Board with effect from 10 November 2021. Mr. Wilson's other current directorship is Los Cerros Ltd (ASX: LCL) (Non-executive director from November 2019 to present).

Mr. Wilson is considered independent.

Chafika Eddine – Non-Executive Director (Appointed 24 December 2021)

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

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

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

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

Ms. Eddine is considered independent.

Rachel Chae – Chief Financial Officer (Appointed 20 January 2020)

CPA; Certified General Account of Canada; Diploma in Financial Management (British Columbia Institute of Technology).

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

3.3. Interests In Shares and Options of the Company

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

Director	Common Shares	Options	Performance Rights
Christopher Gale	767,614	450,000	1,200,000
Kevin Wilson	109,091	-	600,000
Michael Parker	-	-	600,000
Chafika Eddine	72,727	-	600,000
Total	1,294,887	450,000	3,000,000

3.4. Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 May 2024 and the number of meetings attended by each Director were:

Director	Full Board		Audit and Risk Committee	
	Held	Attended	Held	Attended
Christopher Gale	5	5	N/A	N/A
Matthew Boyes ¹	5	5	N/A	N/A
Jason Cubitt ²	5	1	N/A	N/A
Kevin Wilson	5	5	3	3
Michael Parker	5	5	3	3
Chafika Eddine	5	4	3	3

¹Matthew Boyes resigned on 30 August 2024

²Jason Cubitt resigned on 18 July 2023

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

The Company is mineral exploration company. During the financial year ended 31 May 2024, the Company was focused on exploring for principally copper and other metals in Peru, and lithium and other metals in Brazil.

The Company's administrative offices are based in Vancouver, British Columbia, Canada and West Leederville, Western Australia, Australia. Its main exploration projects are the Ilo Este, Ilo Norte, Cinto and Regional Projects in Southern Peru. The Company also has the Borborema Project in northeastern Brazil and an option to acquire 100% of the Mina Vermelha in the Borborema province of Brazil.

3.6. Review of Financial Results

The loss for the entity, after providing for income tax, amounted to CAD\$11,969,313 (2023: CAD\$1,461,433). Cash and cash equivalents at the end of the year were CAD\$3,921,451 (2023:

CAD\$113,036). Net assets for the Company increased from CAD\$4,664,410 at 31 May 2023 to CAD\$11,184,129 at 31 May 2024.

3.7. Dividends

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

3.8. Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year that is not mentioned elsewhere within the Annual Report.

3.9. Matters Subsequent to Financial Year Ended 31 May 2024

Apart from matters disclosed below, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group.

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

3.10. Likely Developments and Expected Results of Operations

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

3.11. Social and Environmental Policies

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

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

3.12. Legal Proceedings and Regulatory Actions

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

4. REVIEW OF OPERATIONS

For the year ended 31 May 2024, the Company's focus has been continuing the development of its copper projects in Peru. Several other lithium projects were assessed in Brazil, however a low lithium price environment and limited exploration success resulted in work there being paused. The Company continues to assess business development opportunities in Latin America that are complementary and have the potential to generate significant value for shareholders.

During the reporting period, the Company conducted lithium focused exploration in Brazil at Jaguar, Estrella and Mina Vermelha, targeting outcropping pegmatites. No significant results were returned from

these programs, with the Company electing not to proceed with the Jaguar acquisition and exploration paused at Estrella and Mina Vermelha.

The Company subsequently refocussed on its copper portfolio in Peru's southwest copper belt, with the addition of new projects at Guaneros and Regional Norte, and advancing Chanco Al Palo and Cinto to add to the existing portfolio featuring Ilo Norte and Ilo Este copper IOCG and porphyry projects.

The initial evaluation of the Peruvian assets utilised the Worldview-3 remote sensing data and alteration interpretation was completed by Fathom Geophysics LLC, a geophysics consulting company from Newark, Ohio, USA. Field checks of highlighted anomalies and detailed geological mapping was conducted during the period to prepare for future drill testing of targets.

Systematic exploration including drone magnetometry followed by rock geochemistry and Induced Polarisation (IP) surveys has been successful in identifying drill targets within the Peruvian copper portfolio.

Drill targets have been generated on all four of the key projects, with drill permitting well underway at Chanco al Palo and Ilo Este, with Cinto and Guaneros to follow. The Company anticipates receiving the first approvals in late 2024 with drilling expected to commence immediately after and continue continuously over the following 6-9 months.

Summary of Projects

PERU

The Company has assembled an extensive portfolio of copper focussed projects in the coastal belt of Peru, as shown in Figure 1.

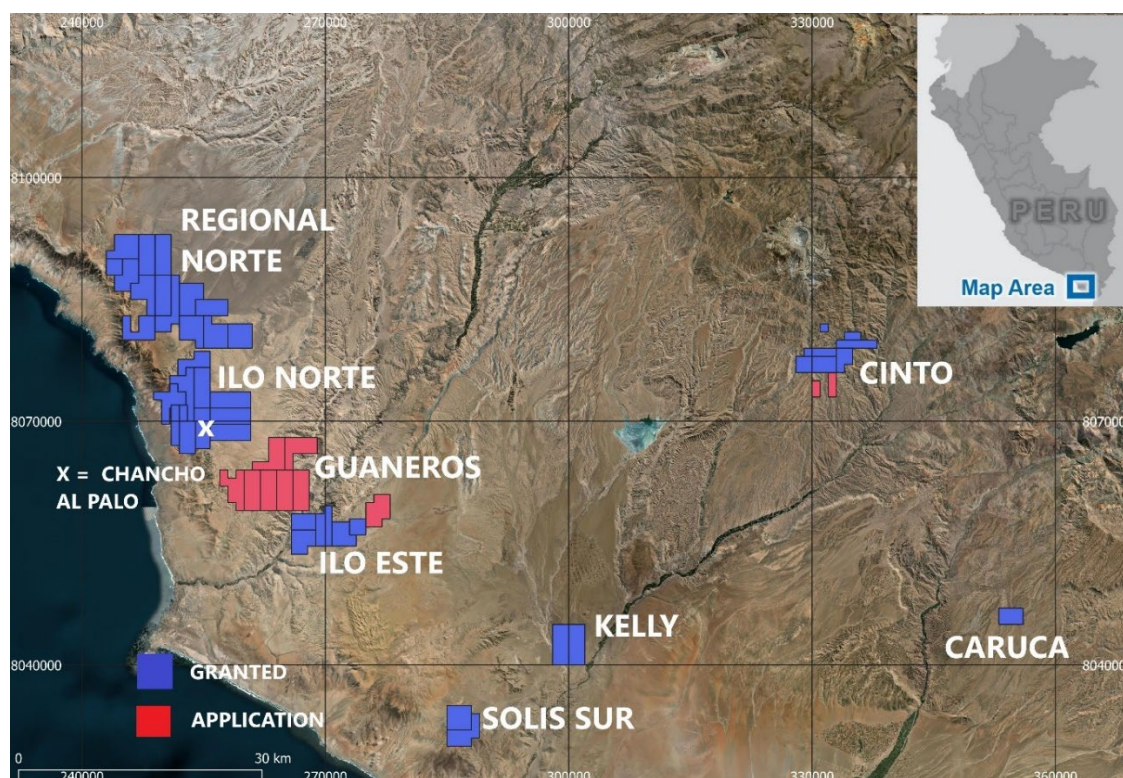


Figure 1: Tenement holdings as at 4th September 2024

Ilo Norte (Peru)

The Ilo Norte Project in southern Peru was originally explored as an Iron Oxide Copper Gold (IOCG) exploration target with significant potential in the north of the Ilo Norte permits.

Within the Ilo Norte permits, the Company has identified an additional prospective zone, known as Chanco al Palo, where a systematic approach of drone magnetometry, induced polarisation (IP) surveys and rock geochemistry developed both IOCG and porphyry copper targets.

During the reporting period, 150km of drone magnetometry lines were completed across the tenements¹ at Chanco Al Palo. Analysis of the results, which included structure analysis, outlined several magnetic susceptibility anomalies associated with high-angle cross-structures across the main Andean structural trend. Four targets were identified for further follow up analysis.

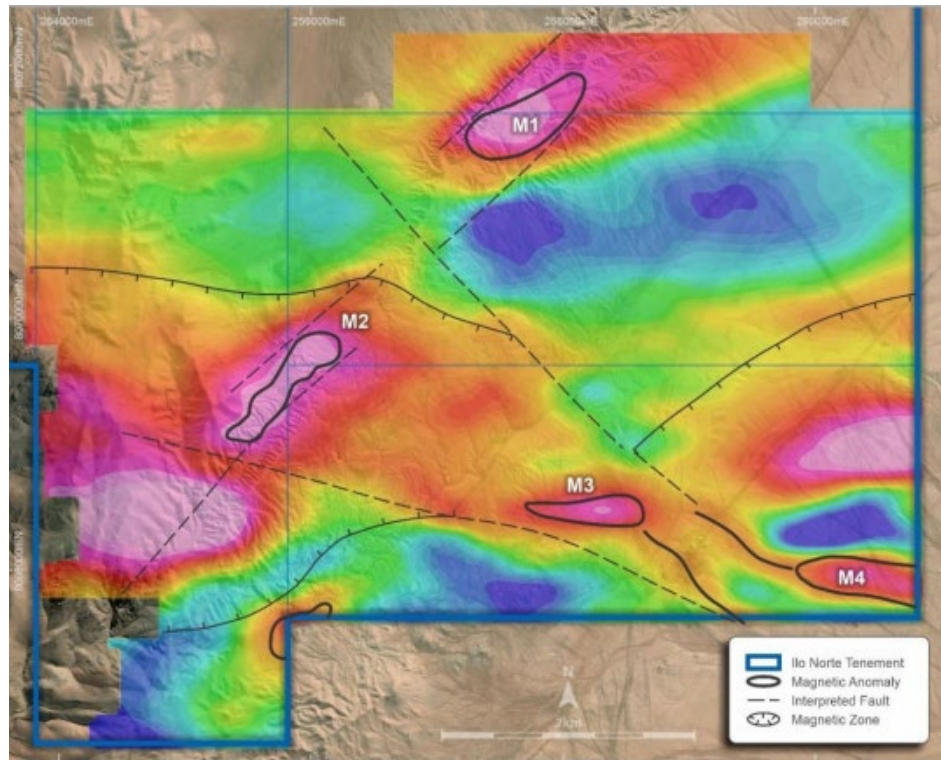


Figure 2: Geophysical targets M1-M4 identified from drone magnetometry survey over the southern portion of the Ilo Norte tenement package¹

To complement the extensive geological mapping campaign carried out during 2023 and the drone magnetometry survey (Figure 2), an area in Chanco al Palo was covered by eight lines of time-domain IP geophysical surveys of 16.7km total length¹. Dipole interval was 100m and line spacing 250m. The lines were oriented WNW to ESE and were limited to the east by the presence of recent sediments including caliche (calcrete).

¹ ASX Announcement 30 October 2023 – Quarterly Activities Report for the quarter ended 31 August 2023

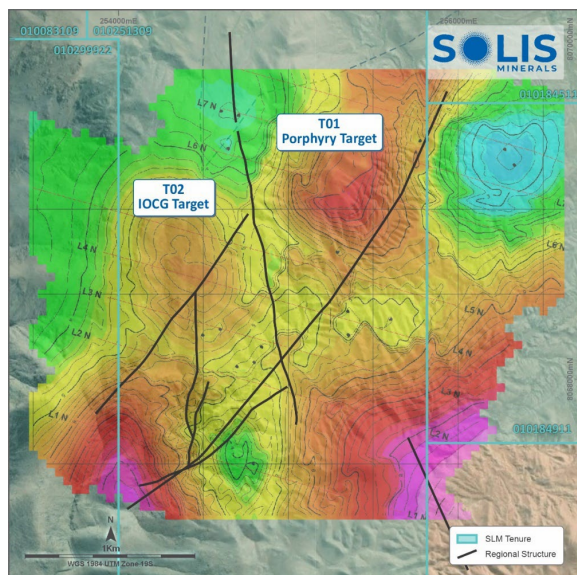


Figure 3: IP chargeability anomalies¹ identified at Ilo Norte, Chanco al Palo project, Target 1 and Target 2

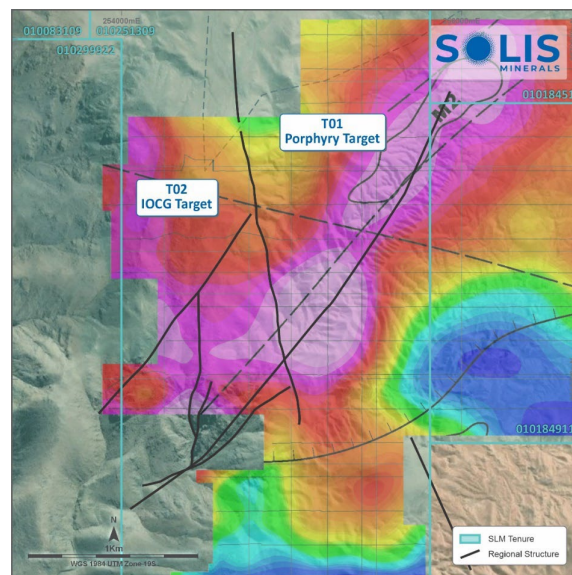


Figure 4: Drone magnetic anomaly¹ coincident with IP anomaly at Ilo Norte, Chanco al Palo project

The focus of the survey was an eastern zone of Jurassic volcano-sedimentary rocks intruded by the Cretaceous coastal batholith, and similar rocks to the west displaying development of extensive hornfels alteration. The eastern area is considered prospective for porphyry mineralisation whilst the western area is prospective for IOCG (Iron oxide copper gold) style mineralisation. The areas are separated by a north-south fault with interpreted downthrow to the west with the IOCG zone being considered a higher-emplaced more distal expression of potential porphyry mineralisation to the east.

The study identified significant drill targets with some limited surface exposure confirming copper mineralisation² (Figure 3 and Figure 4).

Drill permitting was submitted in May 2024² and is expected to be approved in 4Q 2024.

Ilo Este (Peru)

Ilo Este, 17km south-east of Chanco al Palo, is a copper-gold porphyry deposit that has been eroded down to the mid-level of the system in the eastern part of the permit. WorldView-3 satellite imagery enabled an analysis of the alteration zones on a permit-wide scale with the identification of new prospective areas in the west of the permit.

A review of historic ground magnetometry data was undertaken and a new inversion model created. A zone of high magnetic susceptibility in the south-west of the permit coincides with zones of potassic alteration and malachite (copper oxide) occurrences in porphyritic exposures.

An Induced Polarisation program was completed in September with the Company identifying a large high magnitude chargeability anomaly targeted by the Induced Polarisation (IP) geophysical survey³. Results of the IP survey outlined a high chargeability anomaly of >20mV/V in contact with the Southern Magnetic Anomaly to the south and extending east (Figure 5 and Figure 6).

² ASX Announcement 30 July 2024 – Quarterly Activities Report for the period ended 31 May 2024

³ ASX Announcement 30 January 2024 – Quarterly Activities Report for the period ended 30 November 2023

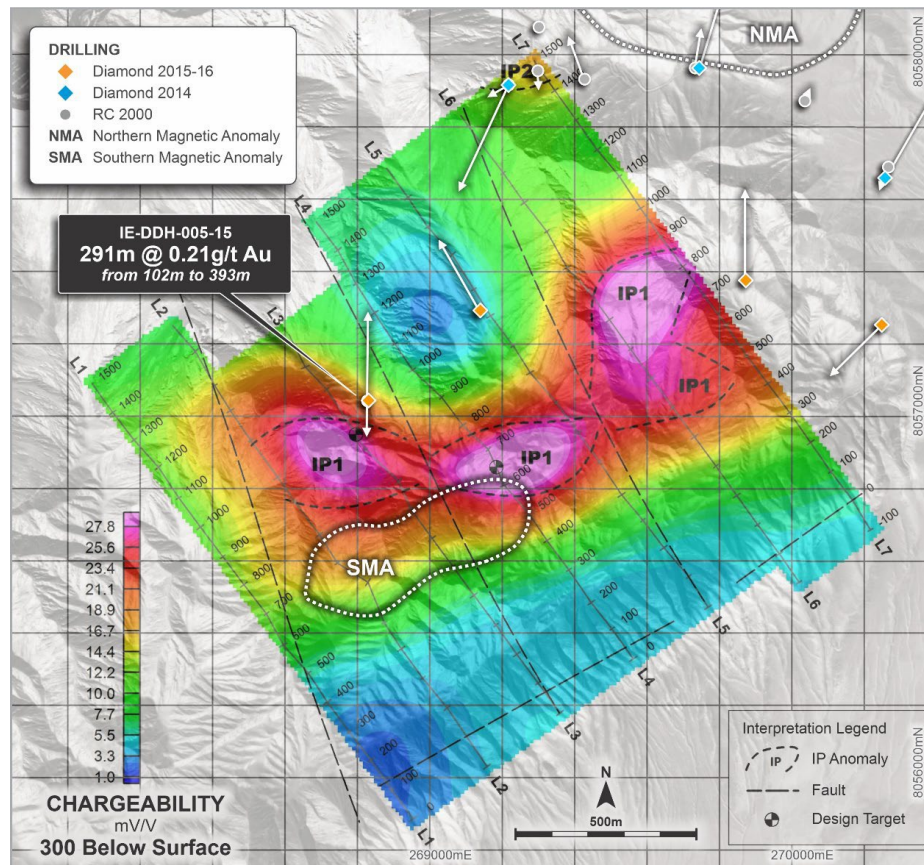


Figure 5: Ilo Este - Results of IP (Induced Polarisation) study shown in plan view slice 300m from surface. This shows the high chargeability anomaly (IP1) with coincident/adjacent magnetic anomaly (SMA) and existing drillhole traces showing the untested (non-drilled) area. Note the gold intercept in DDH005 drilled away from the northern margin of IP1 and some initial target drill hole pierce points³

The high chargeability anomaly (>20mV/V) held dimensions of 1,250m length and 200-400m width and was detectable from approximately 100m below surface to 500m below surface. The magnetic and IP anomalies have not been previously drilled. A diamond hole on the northern margin of the IP anomaly returned 291m @ 0.21g/t Au in altered volcanics and porphyritic quartz microdiorites.

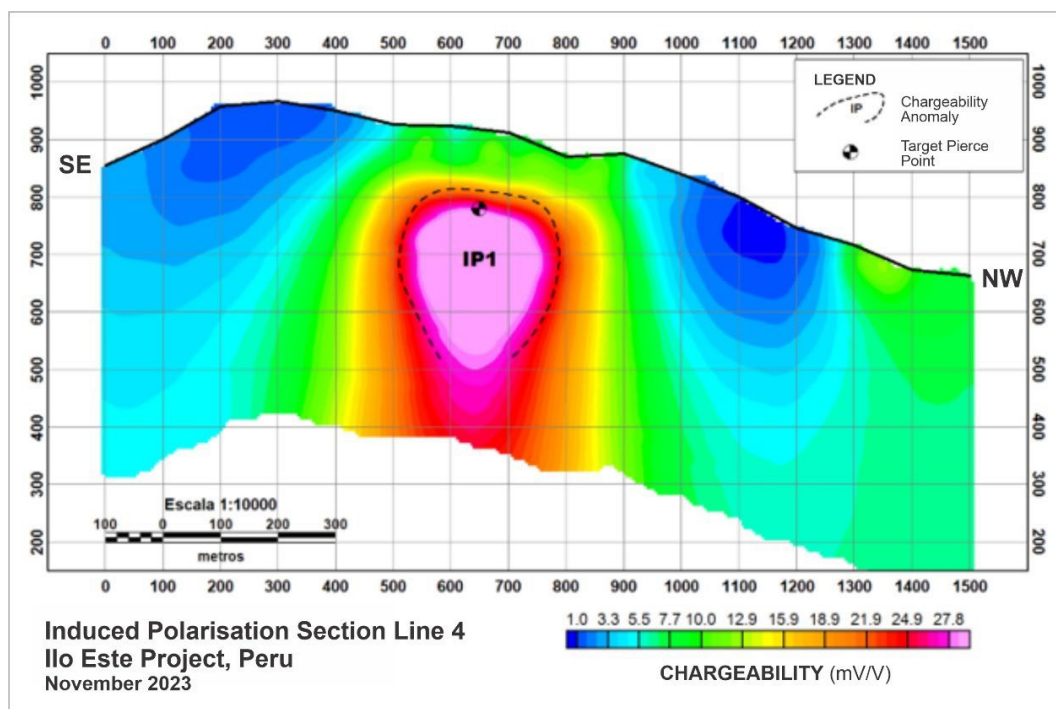


Figure 6: Section of higher chargeability anomaly Line 4 with target area at approximately 120m below current surface³.

During the February quarter⁴, the Company completed a drone magnetometry survey over extensions to Ilo Este to the north east¹ (Figure 7).

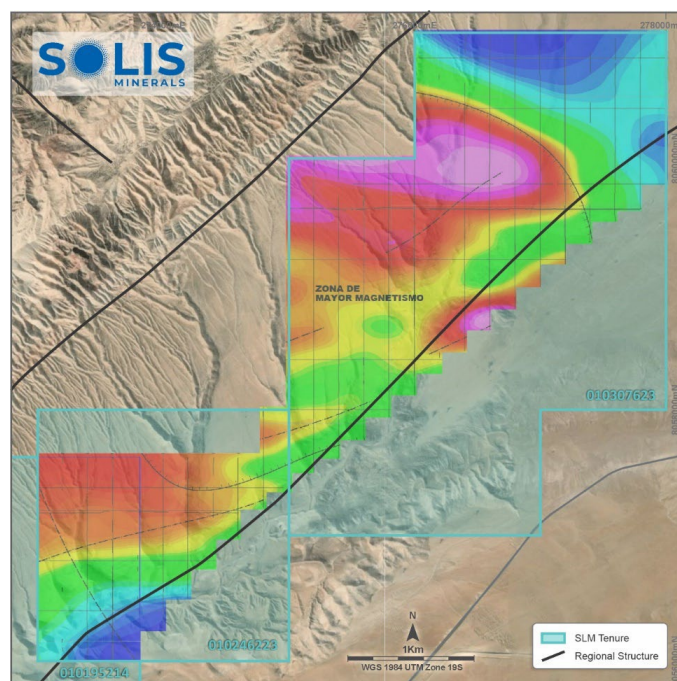


Figure 7: Drone magnetometry survey completed at Ilo Este I and Ilo Este II, north-east extension¹

The results indicate the presence of potential alteration associated with magnetite that can be interpreted as extensions of the porphyry-style mineralisation encountered at Ilo Este to the west across the Chololo regional fault. Follow-up mapping of incised valleys and float will be undertaken to assess drill targets.

In the primary advanced target area at Ilo Este, environmental monitoring programs commenced during the reporting period in support of the drill permit applications initiated in February 2024, which are in progress. Drilling is anticipated in Q1 2025, subject to receipt of necessary permits.

Guaneros Copper (Peru)

The 7,000 hectare Guaneros project is located between the Company's Chanco al Palo (Ilo Norte) and Ilo Este Projects (Figure 1) and has been subject to minimal systematic exploration by previous owners. During the May quarter^{2,5}, Solis' geologists identified alteration and outcropping copper mineralisation in the new applications, approximately 8km north-west along strike from, and in a similar geological setting to, known porphyry-style mineralisation at Ilo Este.

Subsequent to the end of the reporting period, the Company flew a drone magnetometry survey in conjunction with a survey at Cinto. Mapping, geochemical sampling and IP surveys are planned for Guaneros.

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 under cover further south.

Fieldwork at Cinto was undertaken post the end of the reporting period⁶, with a first pass geochemical programme. The programme identified high grade samples up to 7.14% copper with mineralisation

⁴ SLM Quarterly Activities Report 30 April 2024 – For the period ended 28 February 2024

⁵ ASX Announcement 10 May 2024 – Solis boosts copper landholding in Peru (Amended)

⁶ ASX Announcement 9 July 2024 – High grade copper samples identified at Cinto

mapped over a 200m x 100m area in historical workings associated with significant alteration and structural deformation.

Initial mapping programmes identified a zone within and bordering the Incapuquio Fault system that showed the presence of abundant copper oxides through artisanal workings (Figure 8 & Figure 9). The zone, approximately 200 x 100m in extent, consisted of shales and tuffs with argillic and propylitic alteration showing considerable multi-directional faulting and brecciation with copper oxides occurring in distinct patches.



Figure 8: Cinto Project surface grab sample 17142 with visible copper oxides and silicification returned 7.14% Cu⁶



Figure 9: Grab sample 17181 (1.0% Cu) with copper oxides from outcropping historical workings at Cinto Project⁶

Several assays returned copper values greater than 1% and one high grade sample returned 7.14% Cu in a highly mineralised oxide zone⁴. Some mineralised structures were at high angles to a bounding splay of the Incapuquio fault to the north. The nature of the occurrence (mineralisation breccias, abundant copper oxide mineralisation in places) suggest a proximal source. Geochemical assay results (associated Ag, Au, Mo and zinc) have reflected a chemistry similar to the neighbouring Toquepala deposit. The copper occurrences are considered by management as a marker for a potential porphyry style mineralisation in the area.

Subsequent to the end of the reporting period, the Company is undertaking a drone magnetometry survey, which is expected to be followed up by a ground IP programme to assist in target development and initial drill hole design.

BRAZIL

Borborema (Brazil)

The Company announced on 15 February 2023 that 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 greenfield terrain.

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 other minerals. Historical mining in the region, and the presence of the niobium-tantalum, lithium and feldspars, indicate the area is pregnant with LCT-bearing pegmatite systems.

The Estrella Prospect was assessed during the reporting period with rock chip samples recording bonanza grades of up to 7.6% Li₂O³. A subsequent drill programme at Estrella commenced in October 2023, with 15 holes completed over a 1.2km strike³. No significant lithium assays were reported from the first four drillholes analysed¹, with the highest lithium values reported as 0.07% Li₂O from 89.2m to 90.2m downhole in ESDDH00001.

Mina Vermelha (Brazil)

The Company expanded its Brazil landholdings early in the reporting period via an option to purchase

the 500 hectare Mina Vermelha Project, also located in the Borborema Province, approximately 20km south of the existing tenements³.

Solis Minerals' geologists identified six outcropping pegmatite bodies over a 2km strike that were tested with eight drillholes during the reporting period¹. Four drillholes were assayed with no significant lithium assays received and all major outcropping mineralised bodies were tested during the programme with no further exploration drilling planned.

Jaguar (Brazil)

On 31 May 2023, the Company announced it had entered into a binding option agreement to purchase the Jaguar lithium Project in Bahia State, Brazil. Twelve drillholes were completed into all the known outcropping pegmatites in the project, with only two reporting the presence of lithium mineralisation¹. A decision was made to not exercise the option to acquire the project¹.

Competent Person Statement

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

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

Disclaimer

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

5. CORPORATE GOVERNANCE STATEMENT

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

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

6. ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange and not shown elsewhere in this Annual Report is as follows. The information is current as of 3 September 2024.

6.1. Distribution of Registered Shareholders as at 3 September 2024

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

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	131	73,139	0.08%
above 1,000 up to and including 5,000	371	1,121,336	1.28%
above 5,000 up to and including 10,000	252	2,125,067	2.42%
above 10,000 up to and including 100,000	446	15,187,121	17.29%
above 100,000	122	69,338,220	78.93%
Totals	1,322	87,844,883	100%

6.2. Twenty Largest Registered Shareholders as at 3 September 2024

Position	Holder Name	Holding	% IC
1	LATIN RESOURCES LIMITED	13,392,703	15.25%
2	CDS & CO	9,952,217	11.33%
3	MR DARREN CARTER	4,500,000	5.12%
4	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	2,650,000	3.02%
5	UNITED TRADING PTY LTD	2,133,634	2.43%
6	BLUE COASTERS PTY LTD	2,000,000	2.28%
7	KHE SANH PTY LTD <TRADING NO 1 A/C>	1,750,000	1.99%
8	BCI HOLDINGS PTY LTD <BCI SUPERANNUATION FUND A/C>	1,290,000	1.47%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,138,552	1.30%
10	CITICORP NOMINEES PTY LIMITED	1,067,273	1.22%
11	MANDOLIN NOMINEES PTY LTD <TJ COWCHER FAMILY A/C>	1,050,000	1.20%
12	MR SCOTT DEAKIN <DEAKIN FAMILY A/C>	900,000	1.03%
13	DIMENSIONAL HOLDINGS PTY LTD	890,000	1.01%
14	MR MATTHEW GARFIELD BOYES	645,455	0.74%
15	VIVIEN ENTERPRISES PTE LTD	600,000	0.68%
16	MR NATHAN CARATTI	562,500	0.64%
17	CHRISTOPHER GALE	531,250	0.61%
18	PALM BEACH NOMINEES PTY LIMITED	529,550	0.60%
19	MRS LYDIA PARKER	500,000	0.57%
20	PROFESSIONAL PAYMENT SERVICES PTY LTD	500,000	0.57%
	Total	46,583,134	53.03%
	Total issued Common shares as at 3 September 2024	87,844,883	100.00%

6.3. Substantial Shareholders

As at 3 September 2024, the following held a substantial shareholding within the meaning of the Australia Corporations Act 2001 (Cth):

Holder Name	Holding Balance	% of Issued Capital
LATIN RESOURCES LIMITED	13,392,703	15.25%
CDS & CO	9,952,217	11.33%

6.4. Unquoted Securities as at 3 September 2024

- 1,750,000 unquoted options held by 1 holder with an exercise price of AUD\$0.09 and an expiry date of 31 December 2025.
- 3,666,667 unquoted options (escrowed) held by Zenix Nominees Pty Ltd with an exercise price of AUD\$0.28 and an expiry date of 23 December 2024.
- 850,000 unquoted options held by 2 holders with an exercise price of CAD\$0.175 and an expiry date of 27 October 2025.
- 100,000 unquoted options held by 1 holder with an exercise price of CAD\$0.30 and an expiry date of 18 June 2026.
- 600,000 unquoted options held by 2 holders with an exercise price of AUD\$0.60 and an expiry date of 11 August 2026.
- 3,000,000 performance rights held by 4 holders subject to vesting conditions and expiring on 21 August 2026.

6.5. Restricted Securities

There are no securities that are subject to voluntary escrow or mandatory escrow restriction under ASX Listing Rules Chapter 9.

6.6. Distribution of CDI Holders as at 3 September 2024

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

Holding Ranges	Holders	Total Units	% Issued Share Capital
above 0 up to and including 1,000	131	73,139	0.09%
above 1,000 up to and including 5,000	370	1,119,336	1.45%
above 5,000 up to and including 10,000	250	2,108,626	2.72%
above 10,000 up to and including 100,000	440	14,852,195	19.19%
above 100,000	120	59,229,003	76.54%
Totals	1,311	77,382,299	100.00%

6.7. Twenty Largest CDI Holders as at 3 September 2024

Position	Holder Name	Holding	% IC
1	LATIN RESOURCES LIMITED	13,392,703	17.31%
2	MR DARREN CARTER	4,500,000	5.82%
3	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	2,650,000	3.42%
4	UNITED TRADING PTY LTD	2,133,634	2.76%
5	BLUE COASTERS PTY LTD	2,000,000	2.58%
6	KHE SANH PTY LTD <TRADING NO 1 A/C>	1,750,000	2.26%
7	BCI HOLDINGS PTY LTD <BCI SUPERANNUATION FUND A/C>	1,290,000	1.67%
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,138,552	1.47%
9	CITICORP NOMINEES PTY LIMITED	1,067,273	1.38%
10	MANDOLIN NOMINEES PTY LTD <TJ COWCHER FAMILY A/C>	1,050,000	1.36%
11	MR SCOTT DEAKIN <DEAKIN FAMILY A/C>	900,000	1.16%
12	DIMENSIONAL HOLDINGS PTY LTD	890,000	1.15%
13	MR MATTHEW GARFIELD BOYES	645,455	0.83%
14	VIVIEN ENTERPRISES PTE LTD	600,000	0.78%
15	MR NATHAN CARATTI	562,500	0.73%
16	CHRISTOPHER GALE	531,250	0.69%
17	PALM BEACH NOMINEES PTY LIMITED	529,550	0.68%
18	ATKINS SUPERANNUATION FUND PTY LTD <ATKINS SUPER A/C>	500,000	0.65%
18	HARSHELL INVESTMENTS PTY LTD <KAPLAN FAMILY A/C>	500,000	0.65%
18	KUDOSS INVESTMENTS PTY LTD <AITKEN GLOBAL FAMILY A/C>	500,000	0.65%
18	MRS LYDIA PARKER	500,000	0.65%
18	PROFESSIONAL PAYMENT SERVICES PTY LTD	500,000	0.65%
	Total	38,130,917	49.28%
	Total number of CDIs quoted on ASX as at 3 September 2024	77,382,299	100.00%

6.8. Unmarketable Parcels

There were 511 holders of less than a marketable parcel of issued CDIs, based on the closing price of \$0.092 as at 3 September 2024.

6.9. On-Market Buy-Back

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

6.10. Voting Rights

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

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

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

Converting between Shares and CDIs

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

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

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

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

7. SCHEDULE OF MINING CLAIMS

Mining tenements held as at 3 September 2024 and their location and interest.

Tenement Licences	Project Name	Registered Holder	Location	Interest held
Ilo Norte Project				
Latin Ilo Norte 3	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 4	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 6	Ilo Norte	Westminster Peru SAC	Peru	100%
Latin Ilo Norte 7	Ilo Norte	Westminster Peru SAC	Peru	100%
Ilo Este Project				
Latin Ilo Este I	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este II	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este III	Ilo Este	Westminster Peru SAC	Peru	100%
Latin Ilo Este IX	Ilo Este	Westminster Peru SAC	Peru	100%
Solis Ilo Este I	Ilo Este	Westminster Peru SAC	Peru	100%
Solis Ilo Este II ¹	Ilo Este	Westminster Peru SAC	Peru	0%
Chanco Al Palo Project				
Latin Ilo Norte 8	Chanco Al Palo	Westminster Peru SAC	Peru	100%
Brigette 1	Chanco Al Palo	Westminster Peru SAC	Peru	100%
Essendon 26	Chanco Al Palo	Westminster Peru SAC	Peru	100%
Maddison 1	Chanco Al Palo	Westminster Peru SAC	Peru	100%
SOLIS NORTE 1	Chanco Al Palo	Westminster Peru SAC	Peru	100%
SOLIS NORTE 2	Chanco Al Palo	Westminster Peru SAC	Peru	100%
Cinto Project				
SOLIS02	Cinto	Westminster Peru SAC	Peru	100%
SOLIS02A	Cinto	Westminster Peru SAC	Peru	100%
SOLIS03	Cinto	Westminster Peru SAC	Peru	100%
SOLIS04	Cinto	Westminster Peru SAC	Peru	100%
SOLIS05	Cinto	Westminster Peru SAC	Peru	100%
SOLIS06	Cinto	Westminster Peru SAC	Peru	100%
SOLIS07 ¹	Cinto	Westminster Peru SAC	Peru	0%
SOLIS07A ¹	Cinto	Westminster Peru SAC	Peru	0%
Regional Ilo Norte Project				
SOLIS NORTE 3	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 4	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 5	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 6	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 7	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 8	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 9	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 10	Regional Ilo Norte	Westminster Peru SAC	Peru	100%

SOLIS NORTE 11	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 12	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 13	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 14	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 15	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
SOLIS NORTE 16	Regional Ilo Norte	Westminster Peru SAC	Peru	100%
Regional South Project				
SOLIS KELLY 01	Regional South	Westminster Peru SAC	Peru	100%
SOLIS KELLY 02	Regional South	Westminster Peru SAC	Peru	100%
CARUCA ²	Regional South	Westminster Peru SAC	Peru	100%
SOLIS SUR 2	Regional South	Westminster Peru SAC	Peru	100%
SOLIS SUR 3	Regional South	Westminster Peru SAC	Peru	100%
Guaneros Project				
SOLIS NORTE 17 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 18 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 19 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 20 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 21 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 22 ¹	Guaneros	Westminster Peru SAC	Peru	0%
SOLIS NORTE 23 ¹	Guaneros	Westminster Peru SAC	Peru	0%
Brazil				
846.232/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
846.233/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
846.234/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.411/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.412/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.413/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.414/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.415/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.416/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.417/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.418/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.419/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.420/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.423/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.424/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.425/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.426/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.427/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.428/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.429/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%

848.430/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.431/2022 ¹	Borborema	Onça Mineração Ltda.	Brazil	0%
848.233/2015 ³	Estrela	Onça Mineração Ltda.	Brazil	0%
840.041/1985 ³	Mina Vermelha	Onça Mineração Ltda	Brazil	0%

¹ Mining Exploration Concession Applications.

² Mining Concessions- allow exploration subject to access and other conditions.

³ Tenement Concession under Option Agreement.

8. CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

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:

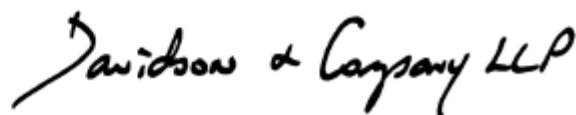
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of 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.



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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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:

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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 its 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.

SOLIS MINERALS LTD.

(An Exploration Stage Company)

Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(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

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For the year ended May 31, 2024

(Expressed in Canadian Dollars)

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% Li₂O 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.

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For the nine months ended February 29, 2024

(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

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(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.

SOLIS MINERALS LTD.

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(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 derivative 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%.

SOLIS MINERALS LTD.

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Notes to the Consolidated Financial Statements

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(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.

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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

SOLIS MINERALS LTD.

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Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

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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.

SOLIS MINERALS LTD.

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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.

SOLIS MINERALS LTD.

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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

SOLIS MINERALS LTD.

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Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

(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 Onça 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

SOLIS MINERALS LTD.

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Notes to the Consolidated Financial Statements

For the year ended May 31, 2024

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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.



ASX: **SLM**

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