Condensed Interim Consolidated Financial Statements

SOLID RESOURCES

Three Months Ended March 31, 2014

(Expressed in Canadian dollars)

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars - Unaudited)

	Notes		March 31, 2014		December 31, 2013
ASSETS					
Current assets					
Cash and cash equivalents		$	501,206	$	643,603
Receivables	4		9,776		20,114
Prepaids			1,211		4,417
Total current assets			512,193		668,134
Environmental security deposit	5		69,287		-
Exploration and evaluation assets	5		5,297,136		4,701,565
TOTAL ASSETS		$	5,878,616	$	5,369,699
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	6	$	235,803	$	170,956
TOTAL LIABILIITES			235,803		170,956
EQUITY					
Share capital	7		26,069,835		24,483,666
Subscription advances	7		-		781,711
Reserves	8		6,628,512		6,200,783
Deficit			(27,055,534)		(26,267,417)
TOTAL EQUITY			5,642,813		5,198,743
TOTAL LIABILITIES AND EQUITY		$	5,878,616	$	5,369,699

Nature and continuance of operations (Note 1)

Subsequent events (Note 14)

On behalf of the Board:

"Rick Gliege" Director *"Greg Pendura"* Director

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

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars - Unaudited)

	Notes	Three months ended March 31, 2014	Three months ended March 31, 2013
Expenses			
Consulting fees	10	$ 67,856	$ 23,000
Investor relations		5,032	14,140
Management fees	10	63,000	63,000
Office and general		15,809	16,531
Professional fees		174,760	3,667
Share-based payments	8	416,737	299,404
Transfer agent and filing fees		16,693	10,499
Travel		24,217	55,990
		784,104	486,230
Loss before other items		(784,104)	(486,230)
Other items			
Foreign exchange gain (loss)		(1,734)	7,059
Other income		-	-
Write-down of exploration and evaluation assets	5	(2,281)	-
Loss and comprehensive loss for the period		(788,117)	(493,290)
Basic and diluted loss per common share	9	$ (0.01)	$ (0.00)
Weighted average number of common shares outstanding		138,974,472	111,782,019

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

SOLID RESOURCES LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUIITY

(Expressed in Canadian dollars - Unaudited)

	Share Capital					
	Number of Shares	Amount	Reserves	Subscription Advances	Deficit	Total
Balance at December 31, 2012	108,342,715	$ 22,922,186	$ 5,017,415	$ -	$ (23,890,879)	$ 4,048,722
			-	-		
Private placements	8,004,164	557,000	-	-	-	557,000
Share issuance costs	-	(13,930)	-	-	-	(13,930)
Share-based payments	-	-	299,404	-	-	299,404
Comprehensive loss for the period	-	-	-	-	(493,290)	(493,290)
Balance at March 31, 2013	116,346,879	23,465,256	5,316,819	-	(24,384,169)	4,397,906
Private placements	10,975,000	972,535	-	-	-	972,535
Exercise of warrants	372,500	45,875	-	-	-	45,875
Warrants issued to Glencore Xstrata plc (Note 5)	-	-	839,165	-	-	839,165
Share subscriptions advances	-	-	-	781,711	-	781,711
Share-based payments	-	-	44,799	-	-	44,799
Comprehensive loss for the period	-	-	-	-	(1,883,248)	(1,883,248)
Balance at December 31, 2013	127,694,379	24,483,666	6,200,783	781,711	(26,267,417)	5,198,743
Private placements	14,791,667	1,690,000	-	(781,711)	-	908,289
Share issuance costs	-	(103,831)	10,992	-	-	(92,839)
Share-based payments	-	-	416,737	-	-	416,737
Comprehensive loss for the period	-	-	-	-	(788,117)	(788,117)
Balance at March 31, 2014	142,486,046	$ 26,069,835	$ 6,628,512	$ -	$ (27,055,534)	$ 5,642,813

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

SOLID RESOURCES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars - Unaudited)

	Three months ended March 31, 2014	Three months ended March 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (788,117)	$ (493,289)
Items not affecting cash:		
Share-based payments	416,737	299,404
Write-down of exploration and evaluation assets	2,281	-
Changes in non-cash working capital items:		
Receivables	10,339	(8,438)
Prepaids	3,205	3,206
Environmental security deposit	(69,297)	-
Accounts payable and accrued liabilities	152,439	338,270
	(275,313)	139,153
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures on exploration and evaluation assets	(685,445)	(469,787)
	(685,445)	(469,787)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of share capital, net of subscriptions of $781,711 received in advance	908,289	557,000
Share issuance costs	(92,839)	(13,930)
	815,450	543,070
Change in cash for the period	(142,397)	212,436
Cash, beginning of the period	643,603	22,851
Cash, end of the period	$ 501,206	$ 235,287

Supplemental disclosure with respect to cash flows (Note 13)

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

1. Nature and continuance of operations

Solid Resources Ltd. (the "Company") is incorporated under the laws of the Province of Alberta, Canada. Its shares are listed for trading on the TSX Venture Exchange where its common shares trade under the symbol "SRW". The Company is involved in the exploration and development of mineral resource properties and does not currently have a recurring revenue stream. The registered head office and principal address and records office of the Company are located at Suite 600, 815 – 8th Avenue SW, Calgary, AB T2P 3P2.

The Company has not yet determined whether its exploration and evaluation assets contain economically recoverable ore reserves. The recovery of the amounts comprising of exploration and evaluation assets are dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete the exploration and development of those reserves and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

The condensed interim consolidated financial statements were approved for issue on May 30, 2014 by the Board of Directors of the Company.

2. Significant accounting policies

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *"Interim Financial Reporting"* ("IAS 34") as issued by the International Financial Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Basis of presentation

The financial statements have been prepared using the same accounting policies and methods as those used in the audited financial statements for the year ended December 31, 2013, except for the impact of the adoption of the accounting standard described below. These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit and loss, which are stated at their fair value and are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2013.

2. Significant accounting policies (cont'd)

Basis of consolidation

The condensed interim consolidated financial statements include, on a consolidated basis, the assets, liabilities, revenues and expenses and expenses of the Company and its wholly-owned subsidiary, Solid Mines Espana S.A, incorporated in Spain.

Subsidiary is an entity controlled by the Company. Control exists when the Company has the power to, directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account in the assessment of whether control exists. Subsidiary is fully consolidated from the date on which control is transferred to the Company. It is deconsolidated from the date on which control ceases.

All inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

3. New standards, amendments and interpretations not yet effective

The following new Standards were issued by the IASB, and are effective for annual periods beginning on or after periods stated.

- IAS 32 - Financial Instruments: Presentation (January 1, 2014)
- IFRS 9 - Financial Instruments (January 1, 2015)

The Company does not expect these standards to have a material impact on the financial statements, although additional disclosure may be required.

4. Receivables

	March 31, 2014	December 31, 2013
Sales and other taxes receivables	$ 9,776	$ 20,115

(Expressed in Canadian dollars)

5. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral claims. The Company has investigated title to all of its mineral properties, and, to the best of its knowledge, title to all of its properties, except as described below, are properly registered and in good standing.

The following is a description of the Company's exploration and evaluation assets and the related spending commitments:

	Cehegin, Spain	Doade-Presqueira, Spain	Peru Gold & Copper	Total
Balance, December 31, 2012	$ -	$ 3,959,945	$ 136,768	$ 4,096,713
Additions:				
Geological fees and expenses	-	301,824	16,525	318,349
Mining rights and taxes	-	23,545	-	23,545
Drilling, sampling and assay	-	416,251	-	416,251
Total additions	-	741,620	16,525	758,145
Write-off of exploration and evaluation assets	-	-	(153,293)	(153,293)
Balance, December 31, 2013	-	4,701,565	-	4,701,565
Additions:				
Geological fees and expenses	-	50,026	2,281	52,307
Mining rights and taxes	344,651	14,963	-	359,614
Drilling, sampling and assay	-	185,931	-	185,931
Total additions	344,651	250,920	2,281	597,852
Write-off of exploration and evaluation assets	-	-	(2,281)	(2,281)
Balance, March 31, 2014	**$ 344,651**	**$ 4,952,485**	**$ -**	**$ 5,297,136**

Doade-Presqueira, Spain

The Company has 100% interest in this concession which is located in northwestern Spain and is 4,902 hectares (12,108 acres) in size. This property is under exploration for Lithium, Tantalum, Tin, Rubidium, and Cesium.

The surrounding schist also contains significant quantities of Lithium, Rubidium, and Cesium. The mineralized pegmatites are located in a northerly trending belt approximately 0.6 km wide and 15 km in length

5. Exploration and evaluation assets (cont'd)

Peru Gold & Copper Property

The Company entered into a binding option agreement with an arm's length third party (the "Optionor") pursuant to which it acquired the option to purchase a metallic mining license, covering an area of 1,000 hectares, located in Northwest Peru. Under the terms of the option agreement, the Company has the right to purchase the license by paying the Optionor a total of US$500,000. The first cash payment of US$4,000 has already been paid to the Optionor. Although the agreement expired on December 31, 2012, by mutual consent it has remained in force.

During the year ended December 31, 2013, the Company has changed its focus on exploring and developing the Doade-Presqueira and the Cehegín Iron Ore Concessions in Spain; accordingly, all related capitalized costs of $153,293 were considered to be fully impaired and written-down to zero.

During the three months ended March 31, 2014, costs of $2,281 were also written-down.

The Cehegín Iron Ore Concession, Spain

On October 21, 2013, The Company signed a definitive and exclusive Co-operation Agreement (the "Agreement") with a wholly owned subsidiary of Glencore Xstrata plc ("Glencore"), for joint due diligence of the Cehegin Project. The Agreement also provides for the potential formation of a joint venture company to progress development of the formerly producing Cehegin Iron Ore Mine located in the Province of Murcia, south-eastern Spain

Under the terms of the Joint Venture Agreement (the "JVA"), Glencore would be granted a 20% interest in the Cehegin Project, with the Company retaining an 80% interest. The joint venture would progress exploration and phased development studies with the objective of identifying and constructing a new iron ore mine.

The proposed Project would be carried out in 4 Phases. In the Agreement, during Phase 1, the Company and Glencore would determine the potential feasibility of the Project. Following the completion of the due diligence during Phase 1, Glencore would then either elect to proceed with Phase 2, in which case the parties would enter into the JVA, or terminate the Agreement.

Set out in the JVA, during Phase 2, the parties would form a joint venture company (the "JV Company") to carry out the Project, which would initially be owned 80% by the Company and 20% by Glencore. The ownership of the JV Company would be subject to change based on the terms of the JVA, which would depend on further funding requirements. The Company would transfer all of its rights in the Cehegin Iron Ore concessions in south-eastern Spain to the JV Company. During Phase 2, the parties would prepare an Exploration and Concept Study. During Phase 3, the parties would prepare a Pre-Feasibility Study. During Phase 4, the parties would prepare a Feasibility Study and raise funding for the Project.

Significant terms of the potential JVA are:

- Glencore to hold a 20% interest, with the Company maintaining an 80% interest.
- Glencore to exclusively purchase all production.
- Agreement to jointly pursue third party financing when required.
- Dilution of non-financing partner(s) at fair market value.

(Expressed in Canadian dollars)

5. Exploration and evaluation assets (cont'd)

The Cehegín Iron Ore Concession, Spain (cont'd)

In addition, upon execution of the Agreement, the Company has also issued to Glencore 12,000,000 purchase warrants to purchase an equivalent number of common shares in the capital of the Company, at an exercise price of $0.19 during the period from the date of issuance until October 18, 2014 and $0.26 during the period from October 19, 2014 until the expiry date of October 18, 2015. The warrants will only vest and be exercisable as to 50% on the signing of the Agreement and as to 50% on Glencore contributing its share of costs for the initial exploration and study phase of the development programme.

The Company expensed a fair value of $839,165 to project investigations, which represents 50% of the warrants issued upon signing of the Agreement. The fair value of these warrants was determined using the Black-Scholes option pricing model weighted average assumptions with volatility of 157%, average risk free interest rate of 1.18%, expected life of 2 years, forfeiture rate of 0% and a dividend rate of 0%.

During the quarter, on March 13, 2014, the Company's wholly-owned subsidiary, Solid Mines España, S.A.U. ("SME"), acquired all of the issued and outstanding shares of Lorente y Pallares, S.L. ("LYP"), a private Spanish company, in an arm's length transaction.

LYP holds all of the rights and interests associated with the Cehegin 62 iron ore concessions in south-eastern Spain.

The purchase price for the acquisition was €135,000 ($198,815 CAD), plus the repayment of mortgage debt in the amount of €45,000 In addition a security payment in the amount of €45,861 ($69,287 CAD) was given to a financial institution for future environmental restoration purposes and is now registered as an asset to SME. These amounts were paid on the closing representing a total price of €225,861 ($332,625 CAD).

SME will be required to pay an additional amount of up to €2,700,000 ($3,976,290 CAD) once a mining permit is submitted and granted for all 62 concessions, an improvement over the previously announced cost of €3,000,000 ($4,418,100 CAD). If SME proceeds with the new magnetite mining project, this additional payment would be made within four months from the decision notice date on which the permits or licenses are issued. This additional amount will be reduced to €1,800,000 ($2,650,860 CAD) if SME proceeds with the project, but does not obtain all mining permits for the total 62 concessions in its initial submission for permitting. No net royalties will be due on any proceeds from commercialization of the project to the previous owners.

6. Accounts payables and accrued liabilities

	March 31, 2014	December 31, 2013
Accounts payables	$ 38,324	$ 42,650
Accrued liabilities	197,479	128,306
	$ 235,803	$ 170,956

7. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At March 31, 2014, there were 142,486,046 issued and fully paid common shares (December 31, 2013 - 127,694,379).

Please refer to the Consolidated Statements of Changes in Equity for a summary of changes in share capital and reserves for the three months ended March 31, 2014. Reserves relate to stock options, agent's unit options, and compensatory warrants that have been issued by the Company.

Private placements

For the three months ended March 31, 2014

i) On January 7, 2014, the Company completed a non-brokered private placement of 10,541,667 units representing gross proceeds of $1,265,000. Each unit consists of one share and one share purchase warrant. Each warrant will entitle the holder thereof to purchase one (1) common share in the share capital of the Corporation at an exercise price of $0.20 per Common Share during the first year following the date of closing and at $0.26 per Common Share during the subsequent year up to a period of two years following the date of closing. The warrants are subject to an accelerated expiry stating that if at any time after the standard four month hold period the closing price of the Company's common shares on the TSX Venture Exchange exceeds $0.40 for any 10 consecutive trading days,

Finders acting in connection with the Offering received aggregate fees of $71,589 and 218,050 finder's warrants, with each finder's warrant entitling the holder to purchase one (1) common share in the share capital of the Corporation at an exercise price of $0.20 per Common Share during the first year following the date of closing and at $0.26 per Common Share during the subsequent year up to a period of two years following the date of closing.

The fair value of the finders' warrants, being $10,992 was determined using the Black-Scholes option pricing model weighted average assumptions with volatility of 93.4%, average risk free interest rate of 1.25%, expected life of 2 years, forfeiture rate of 0% and a dividend rate of 0%.

ii) On February 20, 2014, the Company completed a non-brokered private placement for a total of 4,250,000 common shares in the capital of the Corporation representing gross proceeds of $425,000. The Offering did not include any share purchase warrants.

In connection with this offering, finders' fees of $21,250 in cash were paid.

7. Share capital (cont'd)

Private placements (cont'd)

Year ended December 31, 2013

i) On January 24, 2013, the Company closed the non-brokered private placement of 4,166,664 units at a price of $0.06 per unit for aggregate gross proceeds of $250,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $0.15 at any time prior twenty four months from the date of the issuance of the units, subject to earlier termination in the event that the closing price (or closing bid price on days when there are no trades) of the common shares on the TSX Venture Exchange exceeds $0.25 for 20 consecutive trading days, then upon the Company sending subscribers written notice of such date and issuing a news release announcing such date, the Warrant will only be exercisable for a period of 30 days following the date on which such written notice is sent to the subscribers.

ii) On March 22, 2013, the Company closed the first tranche of its previously announced non-brokered private placement consisting of up to 6,250,000 units ("Units") at a price of $0.08 per unit for gross proceeds of up to $500,000. Each unit is comprised of one common share of the Company and one share purchase warrant.

The Company issued 3,837,500 units for total gross proceeds of $307,000 pursuant to the first tranche. The securities issued pursuant to the first tranche are subject to a four month hold period from the date of closing and the warrants are exercisable to acquire an additional common share at a price of $0.15 until March 22, 2015. The warrants are subject to an accelerated expiry stating that if at any time, after the standard 4 month hold period, the closing price of the Company's common shares on the TSX Venture Exchange exceeds $0.25 for any 20 consecutive trading days, the warrant holder will be given notice that the warrants will expire 30 days following the date of such notice. The Company paid finders' fees of $13,930 cash.

iii) On April 22, 2013, the Company completed of the second tranche of its previously announced non-brokered private placement for a total of 3,975,000 units representing gross proceeds of $318,000. Each unit consists of one share and one share purchase warrant, with each warrant exercisable to acquire an additional share until April 22, 2015. The warrants are subject to an accelerated expiry stating that if at any time, after the standard 4 month hold period, the closing price of the Company's common shares on the TSX Venture Exchange exceeds $0.25 for any 20 consecutive trading days, the warrant holder will be given notice that the warrants will expire 30 days following the date of such notice. The Company paid a finders' fee of $12,180 cash

On closing and when combined with the previous tranche, the Company will have issued a total of 7,812,500 units for gross proceeds of $625,000.

iv) On August 14, 2013, the Company completed a non-brokered private placement of 7,000,000 units at a subscription price of $0.10 per unit for total gross proceeds of $700,000. Each unit consists of one share and one share purchase warrant, with each warrant exercisable to acquire an additional share until August 14, 2015. The warrants are subject to an accelerated expiry stating that if at any time, after the standard 4 month hold period, the closing price of the Company's common shares on the TSX Venture Exchange exceeds $0.25 for any 10 consecutive trading days, the warrant holder will be given notice that the warrants will expire 30 days following the date of such notice. The Company paid finder's fees of $33,285 cash.

The fair value of the finders' warrants, being $34,293 was determined using the Black-Scholes option pricing model weighted average assumptions with volatility of 131%, average risk free interest rate of 1.21%, expected life of 2 years, forfeiture rate of 0% and a dividend rate of 0%.

(Expressed in Canadian dollars)

7. Share capital (cont'd)

Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price	**Expiry Date**
Balance outstanding, December 31, 2012	44,262,533	$	0.13	
Granted on private placement	4,166,664		0.15	January 21, 2015
Granted on private placement	3,837,500		0.15	March 22, 2015
Granted on private placement	3,975,000		0.15	April 22, 2015
Granted on private placement	7,000,000		0.15	August 14, 2015
Issued to Glencore (Note 5)	12,000,000		0.19	October 18, 2015
Exercised	(372,500)		(0.12)	
Expired or cancelled	(20,133,333)		(0.10)	
Balance outstanding, December 31, 2013	54,735,864	$	0.16	
Granted on private placement	10,541,667		0.20	January 7, 2016
Exercised	-		-	
Expired or cancelled	(13,129,200)		(0.15)	
Balance outstanding, March 31, 2014	52,148,331	$	0.17	
Balance exercisable, March 31, 2014	41,388,614	$	0.16	

Finders' warrants

Finders' warrant transactions and the number of warrants outstanding are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price	**Expiry Date**
Balance, December 31, 2012	626,500	$	0.15	
Expired or cancelled	(101,500)		-	
Balance, December 31, 2013	525,000		0.15	May 10, 2014
Granted	218,050		0.20	January 7, 2016
Exercised	-		-	
Balance outstanding, March 31, 2014	743,050	$	0.16	
Balance exercisable, March 31, 2014	525,000	$	0.15	

(Expressed in Canadian dollars)

8. Share-based payments (cont'd)

Stock options

The Company follows the policies of the TSX Venture Exchange, under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price of each option equals the market price of the Company's common shares as calculated on the date of grant. The options can be granted for a maximum term of 5 years. The vesting period for all options is at the discretion of the board of directors.

The changes in options are as follows:

	Three months ended March 31, 2014		Year ended December 31, 2013	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of period	13,250,000	$ 0. 13	10,200,000	$ 0. 14
Options granted	4,150,000	0.13	4,100,000	0.11
Options cancelled/expired	-	-	(1,050,000)	(0.20)
Options outstanding, end of period	17,400,000	$ 0.13	13,250,000	$ 0.13
Options exercisable, end of period	16,712,500	$ 0.13	12,975,000	$ 0.13

During the three months ended March 31, 2014:

a) On January 2, 2014, the Company granted 3,950,000 stock options to directors, officers, employees and various consultants of the Company. The options are at an exercise price of $0.13 per share and valid for a period of five years from the date of the grant. The 3,425,000 options vest upon grant and 525,000 vest in quarterly installments thereafter.

b) On March 27, 2014, the Company granted 200,000 stock options to an officer of the Company. The options are at an exercise price of $0.13 per share and valid for a period of five years from the date of the grant. The options vest upon grant.

During the year ended December 31, 2013:

a) On February 15, 2013, the Company granted 3,650,000 stock options to directors, officers, employees and various consultants of the Company. The options are at an exercise price of $0.10 per share and valid for a period of five years from the date of the grant. The options vest 25% upon grant and 25% quarterly thereafter.

b) On September 12, 2013, the Company granted 250,000 stock options to a consultant of the Company. The options are at an exercise price of $0.17 per share and valid for a period of five years from the date of the grant. The options vest 25% upon grant and 25% quarterly thereafter.

c) On October 1, 2013, the Company granted 200,000 stock options to a consultant of the Company. The options are at an exercise price of $0.18 per share and valid for a period of five years from the date of the grant. The options vest 25% upon grant and 25% quarterly thereafter

(Expressed in Canadian dollars)

8. Share-based payments (cont'd)

Stock options (cont'd)

The stock options outstanding and exercisable at March 31, 2014 are as follows:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date
150,000	150,000	$ 0.24	May 6, 2014
200,000	200,000	$ 0.10	August 27, 2014
250,000	250,000	$ 0.10	October 7, 2014
300,000	300,000	$ 0.165	November 24, 2014
1,500,000	1,500,000	$ 0.29	February 11, 2015
3,100,000	3,100,000	$ 0.10	December 17, 2015
500,000	500,000	$ 0.135	January 7, 2016
200,000	200,000	$ 0.12	March 24, 2016
450,000	450,000	$ 0.10	September 1, 2016
2,250,000	2,250,000	$ 0.10	March 12, 2017
250,000	250,000	$ 0.10	November 20, 2017
3,650,000	3,650,000	$ 0.10	February 15, 2018
250,000	187,500	$ 0.17	September 12, 2018
200,000	100,000	$ 0.18	October 1, 2018
3,950,000	3,425,000	$ 0.13	January 2, 2019
200,000	200,000	$ 0.13	March 27, 2019
17,400,000	16,712,500		

Reserves

The reserves record items recognized as share-based payments expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amount recorded is transferred to deficit.

The total share-based payments recognized during the three months ended March 31, 2014, under the fair value method was $443,549 (2013 - $317,189) for the options granted during the period. The Company expensed during the three months period was $416,737 (2013 - $299,404) leaving an unamortized balance of $52,385 (December 31, 2013 - $25,573).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during the three months ended March 31, 2014 and 2013:

	2014	2013
Risk-free interest rate	1.25%	1.13%
Expected life of options	5 years	5 years
Annualized volatility	142%	190%
Dividend rate	0%	0%
Forfeiture rate	0%	0%

(Expressed in Canadian dollars)

9. Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2014 was based on the loss attributable to common shareholders of $788,117 (2013 - $493,290) and the weighted average number of common shares outstanding of 138,974,472 (2013 - 111,782,019).

Diluted loss per share did not include the effect of 17,400,000 stock options, 52,148,331 share purchase warrants and 743,050 finders' warrants as the effect would be anti-dilutive.

10. Related party transactions

The Company entered into the following transactions with related parties:

Key management personnel compensation

	Three months ended			
		March 31, 2014		March 31, 2013
Short-term employee benefits - management	$	63,000	$	63,000
Short-term employee benefits - directors		21,000		14,000
Share-based payments - officers		171,764		131,720
Share-based payments - directors		85,266		94,086
Total	$	341,030	$	302,806

These transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Included in accounts payable as at March 31, 2014 is $2,626 (December 31, 2013 - $380) in amounts due to officers and directors.

11. Management of capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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 exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its cash balances and components of shareholders' equity. 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, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize ongoing development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended March 31, 2014. The Company is not subject to externally imposed capital requirements.

12. Financial risk management

International Financial Reporting Standards 7, Financial Instruments: Disclosures, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. 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).

Cash is classified as Level 1.

At March 31, 2014, the carrying values of cash, receivables and accounts payable and accrued liabilities approximate their fair values due to their short terms to maturity.

Financial risks

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

12. Financial risk management (cont'd)

Credit risk

The Company's credit risk is primarily attributable to cash and receivables. The Company has no significant concentration of credit risk arising from operations. Cash consists of chequing account at reputable financial institution, from which management believes the risk of loss to be remote. Federal deposit insurance covers balances up to $100,000 in Canada. Financial instruments included in receivables consist of amounts due from government agencies. The Company limits its exposure to credit loss for cash by placing its cash with high quality financial institution and for receivables by standard credit checks. At March 31, 2014, the Company's exposure to credit risk is minimal.

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.

At March 31, 2014, the Company had a cash balance of $501,206 (December 31, 2013 - $643,603) to settle current liabilities of $235,803 (December 31, 2013 - $170,956).

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest and foreign exchange risk

The Company is subject to normal risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, it has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure. At March 31, 2014, the Company was not exposed to significant interest rate risk.

The Company has significant operating expenditures which are denominated in Euro ("EUR"). The Company's exposure to exchange rate fluctuations arises mainly on foreign currencies against the Canadian dollar functional currency of the relevant business entities. The Company is principally engaged in the acquisition, exploration and development of mineral properties in Spain and Peru.

12. Financial risk management (cont'd)

Financial assets

The Canadian dollar equivalent of the amounts denominated in foreign currencies as at March 31, 2014 and December 31, 2013 are as follows:

March 31, 2014		**EUR**
Cash	$	31,672

December 31, 2013		**EUR**
Cash	$	13,983

Financial liabilities

The exposure of the Company's financial liabilities to currency risk are as follows:

March 31, 2014		**EUR**
Accounts payable and accrued liabilities	$	192,479

December 31, 2013		**EUR**
Accounts payable and accrued liabilities	$	103,307

Sensitivity analysis

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in Euro. At March 31, 2014, net financial liabilities totalling $160,807were held in Euro.

Based on the above net exposure as at March 31, 2014 and assuming all other variables remain constant, a 2% depreciation or appreciation of the Euro against the Canadian dollar would result in an increase or decrease of approximately $3,216 in the Company's loss and comprehensive loss.

b) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(Expressed in Canadian dollars)

13. Supplemental disclosure with respect to cash flows

The Company incurred the following non-cash transactions that are not reflected in the statement of cash flows:

	Three months ended	
	March 31, 2014	March 31, 2013
Cash paid for income taxes	$ -	$ -
Cash paid for interest	$ -	$ -

During the three months ended March 31, 2014, the significant non-cash transactions were as follows:

a) Exploration and evaluation assets of $192,479 included in accounts payable and accrued liabilities.

b) Issued 218,050 finder's warrants having a fair value of $10,992 in connection with the private placement of January 7, 2014 described in Note 7.

During the three months ended March 31, 2013, the significant non-cash transaction was as follows:

a) Exploration and evaluation assets of $168,343 included in accounts payable and accrued liabilities.

14. Subsequent events

Subsequent to the quarter-end:

a) On May 6, 2014, the Company announced that Glencore Xstrata plc has exercised its option to take 20% equity in the Cehegin Iron Ore Project, described in Note 5. Solid and Glencore will now proceed to finalize and sign the Joint Venture Agreement.

The JVA (Solid 80%, Glencore 20%) will now commence progression of exploration and phased development studies with the ultimate objective of developing a new iron ore mine.

b) The Company issued 2,510,000 common shares as a result of warrant exercises.