

**SOLARIS  
RESOURCES**



# Warintza Project – Ecuador

*Showcasing the  
success of our  
Strategic Alliance  
with the Shuar  
communities of  
Warints & Yawi*

CSR Bulletin

**2018/20**

“Solaris is committed to upholding the highest environmental, safety and social standards while focusing on delivering the sustainable growth our shareholders expect.”

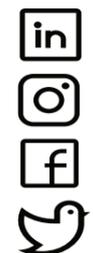
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## About Solaris Resources

Solaris is responsibly and sustainably advancing a portfolio of copper and gold projects in the Americas:

- **Focused on Flagship Warintza, Ecuador** – High grade open pit resource within 5 km trend of outcropping copper porphyry; untested gold potential
- **Exploration Programs Designed by David Lowell**, World’s Greatest Explorer – Assembled portfolio and designed programs led by his protégé, Jorge Fierro, VP, Exploration
- **Managed by the Augusta Group** – Highly-specialized in exploration and development, unrivaled track record of over C\$4.5B exits / 10 yrs


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## Warintza Project

- Warintza is located within the canton Limon Indanza, province of Morona Santiago in south-eastern Ecuador.
- 26, 777 hectare property, 40 km north of Mirador Cu-Au mine and adjacent to San Carlos & Pananza Cu deposits.
- Warintza is home to the Shuar communities of Warints and Yawi with a population of ~200 people.

**2020**  
 Commencement of drilling at Warintza, with ongoing results  
 Testing km-scale gold targets at Warintza





## Message from the President & CEO

**At Solaris, we are committed to a sustainable approach to exploration and mining by acting ethically and with integrity in all of our areas of operation. This is ingrained in our corporate culture as we feel transparent and responsible practices are critical to our long-term success.**

The success of our Warintza project has been built on strong, inclusive community relations which have been fundamental to creating a safe, sustainable and successful operation built on trust and informed decision making.

A **Strategic Alliance** was formed between Solaris and the Shuar communities of Warints

and Yawi to overlook and engage in all Warintza project related activities and to foster greater community participation. The Strategic Alliance ultimately led to the development of Solaris' informed and innovative CSR program, the "**Warintza Model**", which promotes trust, reciprocal support, cooperation and strengthens the decision-making capacity of the community.

Through this partnership and foundation, we see an opportunity to deliver transformational benefits in our project area and the broader region and we are working hard to build local capacity to ensure a sustainable impact which can be achieved as our activities and associated economic opportunities ramp-up.



We remain committed to show that it is possible to explore mining projects in a responsible and inclusive manner that promotes transparent dialogue.

We are hopeful that the "**Warintza Model**" can be a template for similar success to be duplicated throughout the country and the mining industry. The idea that our efforts may have a social-multiplier effect elsewhere only encourages us to work that much harder.

Sincerely,

## About this CSR Bulletin

**This is Solaris' Corporate Social Responsibility Bulletin. It has been prepared to present Solaris' CSR principles and showcase the success of its Strategic Alliance with the Shuar communities of Warints & Yawi.**

This bulletin reports a summarized timeline of the 2018/2020 period of dialogue. The focus is to display the foundation of trust and transparency that has led to the development of the "Warintza Model": a partnership model built on the principles of free will, certainty, transparency and education.

Finally this bulletin seeks to demonstrate, through a synopsis of activities, that responsible mining is possible; and together with the Shuar communities of Warints and Yawi, Solaris is doing just that.

## Solaris' Innovative CSR Approach



**Solaris believes that strong community relations are fundamental to creating safe, sustainable and successful operations. Solaris always places the highest importance in creating and maintaining open, respectful, proactive and productive relations with all the communities within which the Company operates.**

Solaris recognizes the importance of leading and promoting principles and practices to ensure safety and good health of all employees, contractors, community members and visitors.

Extensive dialogue has led to understanding the root causes of conflict and a resolution of all underlying issues was established in mid-2019. This led to developing an informed and innovative CSR program.



### Transparency

Hosting introductory meetings with communities within license areas prior to the commencement of any exploration activities.



### Health & Safety

Education of health and safety risks & implementation of health and safety procedures.



### Dialogue

Hosting regular consultation meetings to listen to and respond to concerns and to generate community-led ideas on how Solaris can actively help to overcome specific local issues.



### Prompt Reporting

Provision of health and safety equipment to personnel & prompt reporting of any injuries and incidents to ensure lessons are learnt and equipment and procedures are adapted, if required.



### Trust

Providing educational sessions on exploration and mining to help communities understand the processes and benefits.



### Compliance

Regular review of compliance to health and safety policies to avoid complacency.



# Timeline

## 2017

### Solaris initiates dialogue

Dialogue process begins between Solaris and the Shuar communities of Warints & Yawi.

## 2018 June

### Approval to conduct first survey

Documentation of population, livelihood and resources in the Shuar communities Warints & Yawi.

## 2019 June

### MOU is signed between Solaris and Shuar communities Warints & Yawi

Mining prospection & exploration is granted.

## 2020 May

### Solaris obtains environmental licenses

Licenses that are necessary to carry out scout drilling in Ecuador

## 2020 July/August

### Impacts and Benefits Agreement

Agreement signed between Solaris and Shuar communities of Warints & Yawi, establishing the terms and conditions of profit, cooperation and safe access to the Warintza project.

## 2018 November

### Land donation ceremony

Land returned to the Shuar communities of Warints & Yawi.



“Respecting human rights and UNDRIP, ensuring effective governance, and building long term capacity”.

## How We Work

Constructive relationships and social support are the KEY to sustaining exploration activities at Warintza.

### The Warintza Model

Our Warintza Model emerges from the ashes of social conflict and transforms into a Strategic Alliance that is made up of our Shuar partners from the communities of Warints and Yawi.

Our model is based on consensus to ensure mutually beneficial outcomes for all of our stakeholders.

Solaris believes in making pro-active contributions to local communities, cooperating with governments and supporting technical cooperation agreements with local governments.



#### Goal Oriented

Solaris is poised for rapid growth through multiple times expansion and discovery potential.



#### Ethics

Solaris takes great care in every step of the employment process, with emphasis on equality, diversity, workplace safety and employee welfare. We treat our people fairly and without discrimination, with full regard for their human rights.



#### Sustainability

Our goal is to undertake our operations in an environmentally and socially responsible manner by integrating the protection of the environment and the wellbeing of our communities into our everyday working practices.



#### Resource Circulation

We prioritize using locally sourced products and services to benefit the regional economy.



#### Long Term

We wish to ensure that our presence in the local and regional economy provides the maximum in direct, economic, and social benefits to individuals, their families and other community members.



#### Profitability

We are backed by a management team and strategic partners with an unparalleled track-record of creating value.



## Sustainable Development

Solaris is committed to a sustainable approach to exploration and mining by acting ethically and with integrity in all its areas of operation. Transparent and responsible practices are critical to our long-term success.



Through the *Warintza Model*, together, we can envision a joint future that benefits all stakeholders involved.

**The Victory of Dialogue**

Dialogue permitted Warints, Yawi & Solaris to trust one another and allowed the opportunity to recognize their inextricable link: So long as there is respect, together the parties can build genuine relationships and grow together.

**A Strategic Alliance**

Through dialogue, the communities- Warints and Yawi & the company can exercise their right to self determination regarding their priorities for growth. This strategic alliance will enable sustainable development through based on trust, transparency and informed decision making.

**Responsible Mining**

The greatest challenges provide potential opportunities to make significant impacts; efforts to move parties from competitive orientations to cooperative stances, which carries the potential to generate opportunities for Warints, Yawi & Solaris, and by means of joint efforts, generate alternatives for mutual gains.

### Our priorities

- Our people
- Our communities
- Health & safety
- The environment

# Sustainable Development Goals

**Education & Capacity Building**

- Building capacity and resilience amongst community members through technical skills training
- Reducing vulnerability to economic, social and environmental shocks and disasters through improved financial security



**Economic Empowerment**

- Ensuring access to equal rights particularly through economic resources
- Empowering negotiation and control over land and natural resources
- Providing employment opportunities, access to technology



**Investment in physical infrastructure**

Collaborating with community members through projects that build infrastructure and ensure access to clean water and sanitation

**Investment in community welfare**

Promoting health and well being for all ages in our communities of influence through *company-state-community* partnership initiatives

**Strengthening the capacity of *community-company* partnerships for mutually beneficial sustainable development**

Promoting inclusive and sustainable industrialization, as well as monitoring and accountability.





**Domestic & international educational travel.**



**Environmental awareness training**

# CASE STUDY



## *Nankamai Tsuink Irar Cristian*

Cristian is from Central Shuar Warints. On Friday, December 20th, 2019, he obtained the title of Lead Technician in Systems Programming.

After 3 years of arduous studies and sacrifices, Cristian has become the first scholarship recipient

supported by Solaris Resources to receive the title of Lead Technician.

Cristian is excited and grateful to the company, as without its support, he would not have been able to achieve the goal he set himself many years ago.

### Post secondary scholarship fund



**4 full scholarship recipients**



**6 half scholarship recipients**



**Off-site mentorships/ apprenticeships & mine visits**



**Partnerships with local educational institutions and student sponsorship programs**

# Sustainable Development Goals

## Environmental responsibility & stewardship

- Potable water initiative
- 100% compliance with environmental permitting and water usage
- Technical cooperation agreements between Solaris and local governments
- Community workshops about environmental responsibility (i.e. Classification of waste and management, water sedimentation, etc.)
- Construction of an ecological road



## Health & Safety

- Regular medical exams
- Family planning workshops
- Humanitarian aid initiatives during events of Force Majeure (i.e. Covid-19 pandemic)
- Comprehensive occupational health & safety protocol for employees and community members.
- Covid-19 Baseline Identification campaign for employees and community members





## Promoting Stakeholder Engagement & Accountability

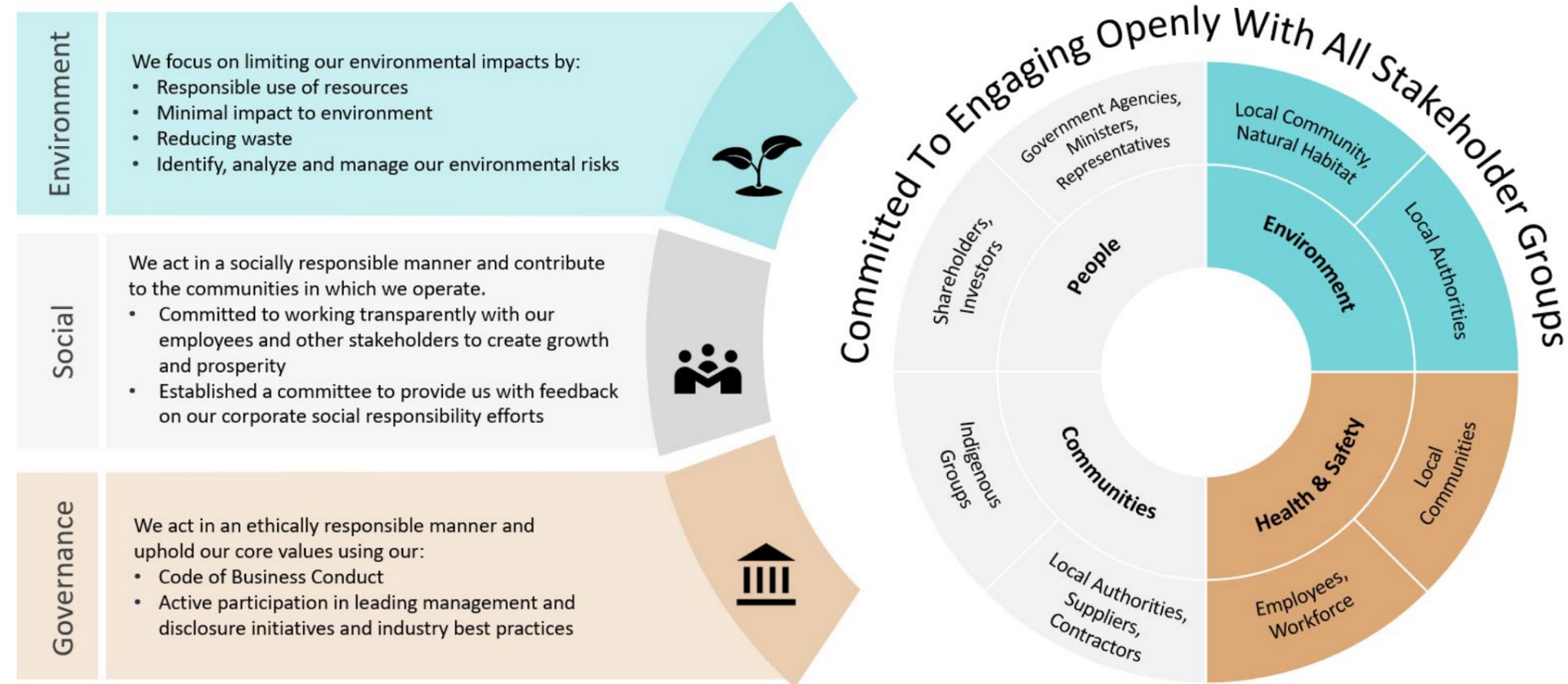
### Strategic Alliance between Solaris Resources & Shuar communities of Warints & Yawi.

Solaris demonstrates that it is possible to explore mining projects in a responsible and inclusive manner that promotes transparent dialogue in the communities in which it operates. Strong, inclusive community relations are fundamental to creating a safe, sustainable and successful operation built on trust and informed decision making.

A Strategic Alliance was formed at the Company's Warintza Project in August 2019 between Solaris and the Shuar communities of Warints and Yawi to overlook and engage in direct and transparent dialogue regarding all Warintza Project related activities. The Strategic Alliance ultimately led to the development of Solaris' informed and innovative CSR program promoting trust, reciprocal support, cooperation and strengthening the decision-making capacity of the community.

**25%**  
Of Financial investment in 2019/2020 for community agreements is allocated to the Strategic Alliance:

Board member salaries and allowances





## Strategic Alliance Mandate

### Collaboration

Collaborates regional approaches involving representatives from governments, communities and industry which help bring together stakeholders at all working levels to meet the common goals of the future development of Warintza and the sustainability of the region.

### Participation

Fosters greater participation from the Indigenous Shuar communities of Warints and Yawi in the development of Warintza,

creating a framework for addressing issues of mutual concern regarding the development of the project, as well as community life in general.

### Results

Creates positive results for local communities, including but not limited to employment, business development opportunities, appropriate health and emergency care services, development of community infrastructure, education and skills training.

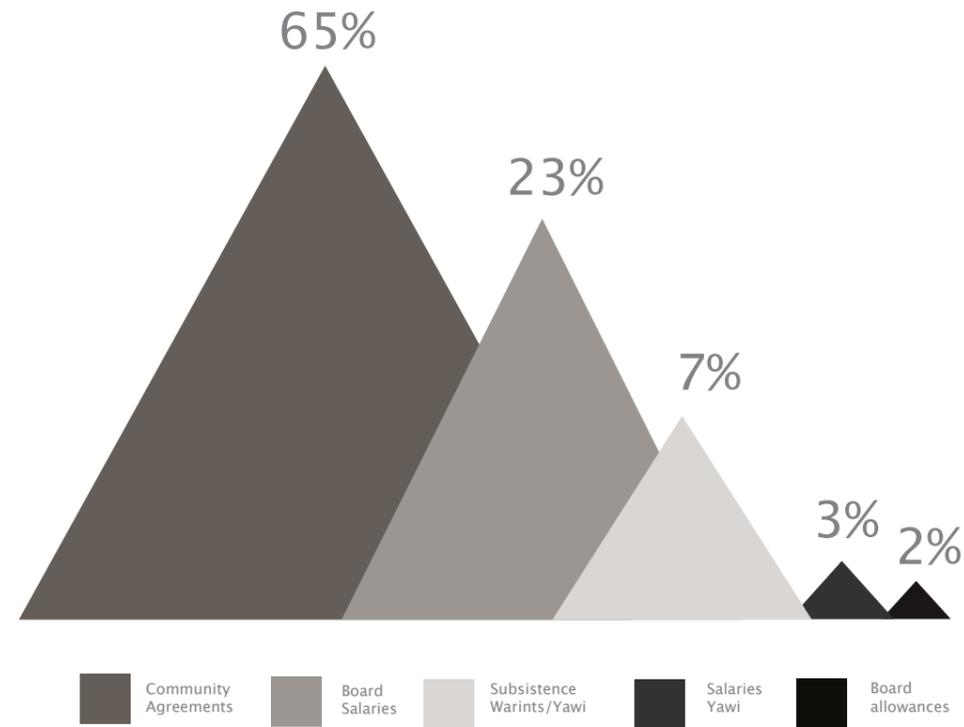


### Board of Directors

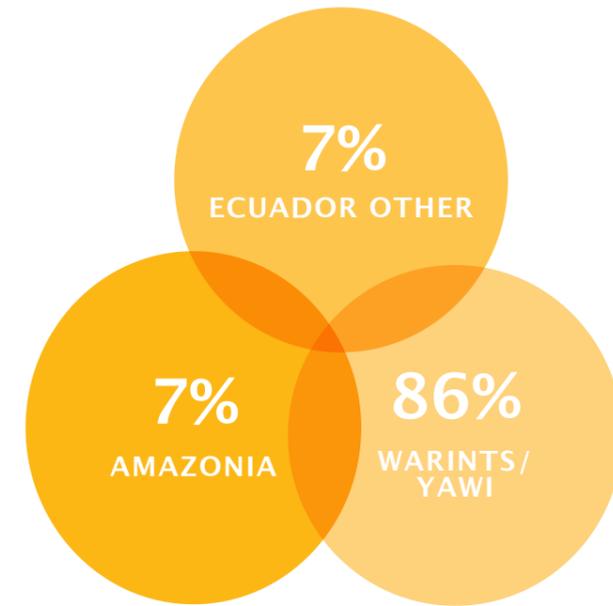
Governed by an elected Board of Directors that operates as a regional task force that monitors project activities and communicates with employees while helping ensure accountability of the commitments made between all parties:

**State – Community – Company**

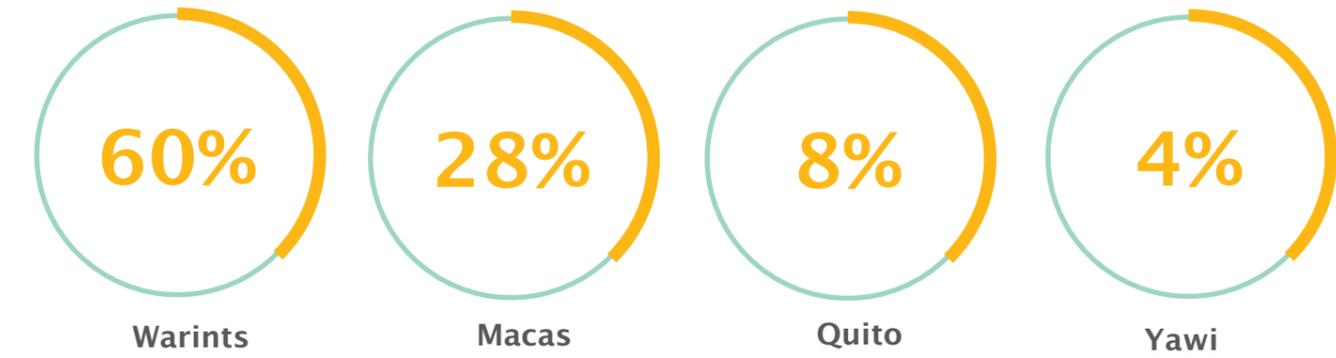
# Target Performance Summary



Community Agreements



Direct Community Employment



Direct & Indirect Service Providers

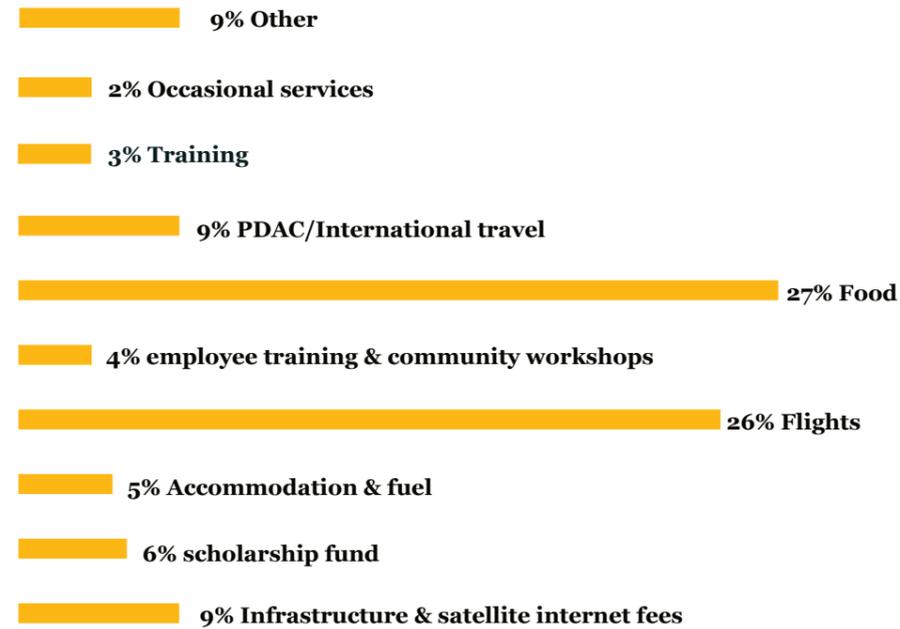


### Direct Community Investment

No.	Description	2019	2020	Total
1	Community Agreements	152,000	96,000	248,200
2	Salaries & Benefits	317,066	197,610	514,676
3	Community Aid	299,544	202,770	502,314
4	Other	222,400	8,721	231,121
	<b>Total</b>	<b>991,209</b>	<b>505,101</b>	<b>1,496,310</b>

(January-December 2019 & January- May 2020) in USD\$

# Target Performance Summary



## Community Aid

2019, January- December & 2020, January- May.

# Other community Investments

 Medical aid & supplies

 Legal fees

 Planning & topographical studies

 Cooperation

 Logistics

 Community celebrations

 Covid- 19 relief

 Taxes & Fees

 Assembly expenses



## Humanitarian Aid Initiatives

Daniel Earle, President & CEO, Solaris Resources

“ We’d like to express deep gratitude to the Ecuadorian Armed Forces as well as the coordinated efforts of the Ministry of Energy and Non Renewable Natural Resources, which facilitated the delivery of humanitarian aid from our strategic Alliance with the Shuar Centres-Warints & Yawi to the isolated communities on the Condor Mountain Range.



## Tripartite Civic Alliance: State-Company-Communities

*In coordination with the Ministry of Energy and Non-Renewable Natural Resources and Ecuadorian*

### May 30, 2020

Through the strategic alliance between Solaris Resources and the Shuar Centres- Warints & Yawi, a humanitarian aid initiative was delivered to neighbouring communities.

On this occasion, 250 food kits were delivered via military helicopter to the following communities: Tinkimints, Banderas, Numpatkaim and Maikiuants (via Warints), located in the Limón Indanza Canton, in the province of Morona Santiago.



## Humanitarian Aid Initiatives

Capitan Trujillo, Ecuadorian Air Force

“ We are committed to the communities located in remote areas of Ecuador. We are aware of the difficulty in access and understand their needs. The strategic alliance between the Ecuadorian Air Force and Solaris Resources is fundamental to enabling basic resource”.



## Tripartite Civic Alliance: State-Company-Communities

*In coordination with the Ministry of Energy and Non-Renewable Natural Resources and the Jungle Brigade 21 Condor.*

### June 11, 2020

Through the strategic alliance between Solaris Resources and the Shuar Centres- Warints & Yawi, a second humanitarian aid initiative was delivered to neighbouring communities.

On this occasion, 190 food kits were delivered via military helicopter (Super Puma) to the following communities: Kunkuk, Unkuch, Uwints, Barrio San Juan y Barrio Tseremp.



“Solaris is thrilled to show the mining industry that the *‘Warintza Model’* can be a template for similar success that can be replicated globally”



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