SOLARIS
RESOURCES

Solaris Resources Inc.

Management's Discussion and Analysis

For the Three Months Ended March 31, 2021 and 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") of Solaris Resources Inc. (the "Company", "Solaris", "we", "us", or "our") covers the three months ended March 31, 2021. This MD&A is dated May 13, 2021 and takes into account information available up to and including that date. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes for the three months ended March 31, 2021, and the annual consolidated financial statements for the year ended December 31, 2020, which are available on the Company's website www.solarisresources.com and on SEDAR at www.sedar.com.

The Company has prepared the condensed consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*.

All dollar amounts reported herein are expressed in thousands of US dollars unless indicated otherwise.

Solaris was incorporated under the Business Corporations Act of British Columbia on June 18, 2018 as a wholly owned subsidiary of Equinox Gold Corp. ("Equinox"). On August 3, 2018, Equinox re-organized certain subsidiaries holding all of its copper assets (the "Equinox Subsidiaries"), under its wholly owned subsidiary, Lowell Copper Holdings Inc. ("Lowell Copper"), transferred all of the issued and outstanding shares of Lowell Copper and $500 in cash to Solaris, and distributed 60% of the shares of Solaris to the shareholders of Equinox, as a return of capital by way of a plan of arrangement ("the Arrangement"). References to the "Company" in this MD&A are to Solaris as a continuity of interests of Lowell Copper and its subsidiaries, and reflect the combined financial position and results of operations of the Equinox Subsidiaries from the date, as applicable, that were under the common control of Equinox.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including but not limited to statements with respect to future plans and objectives of Solaris (e.g. that the Company's current drill program at Warintza aims to expand the lateral footprint and depth extent of the high-grade Warintza Central zone; that an updated mineral resource estimate at Warintza Central is expected to be completed in the second half of 2021; that maiden drilling is planned for the first half of 2021; that auger drilling at the multi-km scale Caya gold anomaly is expected to further develop the target to expand on soil sampling with rock chip samples collected at depth in late 2020), potential mineralization, exploration results, the availability of financial resources, capital, operating and cash flow estimates, intentions for its Warintza Project in Ecuador and statements under 'Outlook' later in this MD&A (including, but not limited to anticipated amounts, locations, objectives and timing of results of drill programs; and timing and nature of future technical reports). Forward-looking statements are often, but not always, identified by the use of words such as may, will, seek, anticipate, believe, plan, estimate, budget, schedule, forecast, project, expect, intend, or similar expressions.

The forward-looking statements are based on a number of assumptions which, while considered reasonable by the Company, are subject to risks and uncertainties, including assumptions made about the Company's ability to advance exploration and development efforts at its projects, and the results of such exploration and development efforts. The Company cautions readers that forward-looking statements involve and are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed in or implied by such forward-looking statements and forward-looking statements are not guarantees of future results, performance or achievement. These risks, uncertainties and factors include the ability to raise funding to continue exploration, development and mining activities; share price fluctuation; global economic conditions; negative operating cash flow; uncertainty of future revenues or of a return on investment; no defined mineral reserves with no mineral properties in production or under development; speculative nature of mineral exploration and development; risk of global outbreaks and contagious diseases; risks from international operations; risk associated with an emerging and developing market; relationships with, and claims by, local communities and indigenous groups; geopolitical risk; permitting risk; failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business; the Company's concessions are subject to pressure from artisanal and illegal miners; the inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control; land title risk; fraud and corruption; ethics and business practices; Solaris may in the future become subject to legal proceedings; Solaris' mineral assets are located outside Canada and are held indirectly through foreign affiliates; commodity price risk; exchange rate fluctuations; joint ventures; property commitments; infrastructure; properties located in remote areas; lack of availability of resources; key management; dependence on highly skilled personnel; competition, significant shareholders; conflicts of interests; uninsurable risks; information systems; public company obligations; internal controls provide no absolute assurances as to reliability of financial reporting and financial statement preparation, and ongoing evaluation may identify areas in need of improvement; the Company's foreign subsidiary operations may impact its ability to fund operations efficiently, as well as the Company's valuation and stock price; the value of the Company's Common Shares, as well as its ability to raise equity capital, may be impacted by future issuances of shares; and measures to protect endangered species may adversely affect the Company's operations.

Although the Company has attempted to identify important risks, uncertainties and other factors that could cause actual performance, achievements, actions, events, results or conditions to differ materially from those expressed in or implied by the forward-looking information, there may be other risks, uncertainties and other factors that cause performance, achievements, actions, events, results or conditions to differ from those anticipated, estimated or intended. Unless otherwise indicated, forward-looking statements contained herein are as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable law.

DESCRIPTION OF BUSINESS

Solaris is a multi-asset exploration company, advancing a portfolio of copper and gold assets in the Americas, which includes: its primary focus, a high-grade resource with expansion and discovery potential at its Warintza Project ("Warintza") in Ecuador; discovery potential at its optioned and owned grass-roots Tamarugo project ("Tamarugo") in Chile and Capricho and Paco Orco projects in Peru; exposure of up to $130 million spending by Freeport-McMoRan through a farm-out agreement on its Ricardo Project ("Ricardo") in Chile; and significant leverage to increasing copper prices through its 60% interest in the La Verde joint-venture project ("La Verde") with a subsidiary of Teck Resources in Mexico.

Solaris's common shares are listed on the Toronto Stock Exchange and trade under the symbol "SLS" as well as on the OTCQB Venture Market under the symbol "SLSSF".

HIGHLIGHTS AND ACTIVITIES

The following activities and developments were achieved throughout the quarter:

- Solaris reported assay results for the seventh and eight drill holes at Warintza Central, which returned long high-grade intervals of 1,067m of 0.60% CuEq (0.49% Cu, 0.02% Mo, and 0.04 g/t Au) and 454m of 0.62% CuEq (0.51% Cu, 0.03% Mo, and 0.03 g/t Au), extending mineralization to the north and northeast.[1]

- The Company's common shares commenced trading on the Toronto Stock Exchange and were delisted from the TSX Venture Exchange.

- The Company announced a significant new discovery at Warintza West, with results from the first hole returning 798m of 0.31% CuEq (0.25% Cu, 0.02% Mo, and 0.02 g/t Au), as well as results of the inaugural geophysical survey revealing a much more extensive porphyry system at Warintza than previously understood. Solaris announced an expansion of its drill program from six to twelve rigs to accelerate resource and discovery drilling at Warintza Central, West, East and South planned for the first half of 2021. A new target, named Yawi, was identified to the east of Warintza East with maiden drilling planned for mid-2021.[2]

- Solaris reported assay results for four additional drill holes at Warintza Central, which again returned long high- grade intervals of 600m of 1.00% CuEq (0.83% Cu, 0.02% Mo, and 0.12 g/t Au), 688m of 0.57% CuEq (0.39% Cu, 0.04% Mo, and 0.05 g/t Au), 736m of 0.74% CuEq (0.59% Cu, 0.03% Mo, and 0.07 g/t Au) and 462m of 1.00% CuEq (0.80% Cu, 0.04% Mo, and 0.09 g/t Au), extending the limits of mineralization to the west and northwest.[3]

- The Company announced the appointment of Mr. Kevin Thomson to its Board of Directors who brings over 35 years of senior strategic mergers and acquisitions experience in the mining industry.

- Solaris reported assay results for three additional drill holes at Warintza Central, returning further high-grade intervals of

[1] Additional detail is set out in the Company's news release titled, "Solaris Reports 1,067m of 0.60% CuEq From Surface, Expands Limits of Warintza Central to the North, Northeast", dated January 14, 2021.

[2] Additional detail is set out in the Company's news release titled, "Solaris Announces New Discovery at Warintza West, Geophysics Reveal More Extensive Porphyry System; Doubling Drill Program to 12 Rigs", dated February 16, 2021.

[3] Additional detail is set out in the Company's news release titled, "Solaris Reports 600m of 1.0% CuEq and 462m of 1.0% CuEq From Surface, Continued Expansion of Warintza Central", dated February 22, 2021.

922m of 0.94% CuEq (0.79% Cu, 0.03% Mo, and 0.08 g/t Au), 1,229m of 0.56% CuEq (0.48% Cu, 0.01% Mo, and 0.04 g/t Au), and 958m of 0.77% CuEq (0.63% Cu, 0.03% Mo, and 0.06 g/t Au), extending the limits of mineralization to the southeast, to depth, and between the eastern and western drilling at Warintza Central.[4]

- The Company received gross proceeds of $4,333 (C$5,411) on the issuance of 2,443,003 shares of the Company on exercise of options and warrants of the Company and Equinox Warrants.

Subsequent to quarter-end:

- Solaris reported assay results for three additional drill holes at Warintza Central, returning further high-grade intervals from surface of 494m of 0.50% CuEq, 797m of 0.83% CuEq including 370m of 0.94% CuEq, and 688m of 0.51% CuEq including 366m of 0.60% CuEq, extending mineralization between the western and eastern drilling and stepping out to the north and south at Warintza Central.[5]

Solaris defines copper equivalent calculation for reporting purposes only. Copper-equivalence is calculated as: CuEq (%) = Cu (%) + 3.33 × Mo (%) + 0.73 × Au (g/t), utilizing metal prices of Cu - US$3.00/lb, Mo - US$10.00/lb and Au - US$1,500/oz. No adjustments were made for recovery as the project is an early stage exploration project and metallurgical data to allow for estimation of recoveries is not yet available.

OUTLOOK

An increase in drill capacity to twelve rigs will enable Solaris to accelerate resource and discovery drilling at Warintza Central, West, East, South by mid-year, as well as district targets in the second half of the year. The objective of the 40,000m drill program at Warintza is to expand the lateral footprint and depth extent of the high-grade inferred mineral resource at Warintza Central. Results from the drill program will form the basis of an updated mineral resource estimate at Warintza Central estimated to be completed in the second half of 2021.

Warintza

Warintza is a high-grade porphyry copper-molybdenum-gold project located in south eastern Ecuador in the province of Morona Santiago, Canton Limon Indanza north of the Mirador copper-gold mine (owned by CRCC-Tongguan) and the Fruta del Norte gold mine (owned by Lundin Gold) and adjacent to the San Carlos-Panantza copper project. The property includes eight metallic mineral concessions covering 268 km^2. Three concessions with an area of 10 km^2 are permitted for exploration activities including drilling and path construction. South32 Royalty Investments Pty holds a 2% net smelter royalty on the original three concessions. Concessions have a term of 25 years and can be renewed for additional periods of 25 years if applications for renewal are submitted before the expiration of the concessions.

Warintza enjoys the support of its local Shuar Nations of Warints and Yawi with whom the Company shares an Impacts and Benefits Agreement. The IBA provides certainty of community support for the responsible advancement of the project from exploration and development through to production and is a major milestone in the Company's innovative CSR program. This was the first IBA established in Ecuador and set the precedent for industry best practice for inclusive and mutually-beneficial resource development in partnership with Indigenous People. The IBA formalizes commitments toward supporting partner communities in their social and cultural practices. It also provides for eliminating or mitigating adverse impacts, employment, contracting and business opportunities supported by a robust program of education, skills and training together with community infrastructure development and financial benefits to maximize community participation and positive outcomes for Indigenous Peoples.

The current mineral resource estimate of 124 Million tonnes of Inferred Resources grading 0.56% Cu, 0.03% Mo and 0.1 g/t Au is open at depth and laterally in every direction, based on historic drilling totaling less than 7,000m and averaging less than 200m in depth. Warintza is set within a 5km x 5km cluster of copper porphyries, featuring outcropping +1% copper in numerous locations. The Company is undertaking a 40,000m diamond drill program at Warintza Central which aims to expand the lateral footprint and depth extent of the mineral resource estimate. In addition, Solaris recently announced a significant new discovery at Warintza West, located 1km west of Warintza Central, and completed an advanced airborne geophysical survey covering the

[4] Additional detail is set out in the Company's news release titled, "Solaris Reports 922m of 0.94% CuEq From Surface in Continued Expansion of Warintza Central" dated March 22, 2021.

[5] Additional detail is set out in the Company's news release titled, "Solaris Reports 800m of 0.83% CuEq From Surface including 370m of 0.94% CuEq; Continued Expansion of Warintza Central" dated April 19, 2021.

entire Warintza and area land package which revealed a much more extensive porphyry system than previously understood requiring further follow up discovery drilling.

The Warintza mineral resource estimate was reported in the Technical Report entitled, "Resource Estimate of the Warintza Central Cu-Mo Porphyry Deposit" completed by Equity Exploration Consultants Ltd. with an effective date of December 13, 2019. The mineral resource estimate work was completed by Trevor Rabb, PGeo (EGBC #39599), who meets the definition of "independent qualified person" as defined in National Instrument 43-101. The report is available on the Company's website at www.solarisresources.com and on the SEDAR website at www.sedar.com.

The Warintza mineral resource estimate excludes all drilling results subsequent to December 2019.

The Company cautions the reader that mineral resources are not minerals reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserves.

Warintza Drill Program

Drill results have returned long intervals of high-grade copper mineralization starting from surface and extending to at least 1km depths with grades up to 1% CuEq, significantly extending mineralization multiple times beyond historical drilling. The Warintza Central resource is open laterally and at depth, and is set within a 5km x 5km cluster of copper porphyries where additional discovery drilling is running concurrently with the diamond drill program.

Results from the 40,000m diamond drill program at Warintza Central will form the basis of an updated mineral resource estimate anticipated to be completed in the second half of 2021.

At Warintza West, the first drill hole resulted in a significant new discovery returning 798m of 0.31% CuEq[6] (0.25% Cu, 0.02% Mo, and 0.02 g/t Au), with geophysics later revealing this interval lies adjacent to a high-conductivity anomaly encompassing Warintza Central, East and West.

The Company doubled its drill capacity from six to twelve rigs to accelerate resource and discovery drilling at Warintza Central, West, East, South and El Trinche in the first half of 2021. Maiden drilling at Yawi is planned for mid-2021.

Summarized drilling results from Warintza Central and Warintza West are listed on the Company's website along with an interactive 3D Model.

Auger drilling at the multi-km scale Caya gold anomaly, one of three large-scale gold anomalies identified northeast of Warintza Central, is expected to further develop the target to expand on soil sampling with rock chip samples collected at depth in late 2020.

La Verde

La Verde is situated in the Sierra Madre del Sur west of Mexico City in Michoacán State, Mexico and consists of the Unificación Santa Maria claim. The project is accessible year-round by paved roads and is strategically located next to key infrastructure with easy access to water, power and rail. The project is held 60% by the Company and 40% by a subsidiary of Teck Resources Ltd. The joint venture agreement governing the operation and funding of La Verde was formalized effective February 28, 2015. The Agreement provides that Solaris be the operator of the project. The Agreement further provides for dilution of either parties' ownership should funding not be provided in accordance with their respective participating interests. La Verde is subject to a 0.5% net smelter royalty held by Minera CIMA, S.A. de C.V.

[6] No adjustments were made for recovery as the project is an early stage exploration project and metallurgical data to allow for estimation of recoveries is not yet available. Solaris defines copper equivalent calculation for reporting purposes only. Copper-equivalence calculated as: CuEq (%) = Cu (%) + 3.33 × Mo (%) + 0.73 × Au (g/t), utilizing metal prices of Cu - US\$3.00/lb, Mo - US\$10.00/lb and Au - US\$1,500/oz.

Ricardo

Ricardo consists of approximately 16,000 hectares strategically located along the West Fissure fault in Chile approximately 25km south of Codelco's Chuquicamata Mine, one of the largest copper mines in the world. The West Fissure is highly prospective and hosts numerous other large porphyry copper deposits.

In October 2018, the Company entered into a definitive earn-in option agreement (the "Ricardo Option Agreement"), amended in October 2019, with Freeport with respect to the Ricardo Property whereby Freeport can earn up to an 80% interest in the Ricardo Property for gross expenditures of $130 million or $30 million plus the delivery of a feasibility study for a mine at Ricardo.

Tamarugo

Tamarugo is a grass-roots copper porphyry target strategically located in northern Chile approximately 85 kilometres northeast of Copiapo and approximately 65 kilometres southwest of Codelco's El Salvador Copper Mine. The Company entered into a definitive earn-in option agreement with Freeport with respect to 5,100 hectares owned by Freeport and approximately 5,000 hectares 100% owned by the Company in June 2019, amended in November 2020.

Pursuant to the amended option agreement, the Company can earn up to a 75% interest in Tamarugo upon making staged exploration expenditures totaling $5.5 million and delivering a pre-feasibility study for a mine at Tamarugo by the end of year seven, subject to Freeport's back-in right to maintain Freeport's ownership at 60% upon satisfying certain conditions.

The Company is obligated to issue an additional 500,000 common shares to a former consultant of the Company upon discovery of potentially economic mineralization at Tamarugo. No amount has been recognized for these common shares in the Company's financial statements as there is currently insufficient evidence that this non-market performance condition will be met.

Tamarugo also includes a 100% owned claim block which covers approximately 7,300 hectares.

Other projects

Solaris has earn-in agreements on certain other projects including the Capricho and Paco Orco projects in Peru. The Capricho project is a 4,200-hectare copper-molybdenum-gold property. The Paco Orco project is a 4,400-hectare lead, zinc and silver property. Solaris is focused on obtaining surface access agreements with local landholders and communities for the purposes of permitting exploration programs at both Capricho and Paco Orco.

FINANCING AND CORPORATE ACTIVITIES

Board Appointments

On March 16, 2021, Solaris announced the appointment of Mr. Kevin Thomson to its Board of Directors. Mr. Thomson brings over 35 years of senior strategic mergers and acquisitions experience in the mining industry. Mr. Thomson currently serves as Senior Executive Vice President, Strategic Matters for Barrick Gold Corporation ("Barrick") where he is involved in all matters of strategic significance, including the management of complex negotiations, development of corporate strategy, involvement in complex legal issues, and governance related matters. Prior to joining Barrick in 2014, Mr. Thomson was a senior partner at Davies Ward Phillips & Vineberg LLP ("Davies Ward"), and was one of Canada's leading mergers and acquisitions lawyers where he advised many of Canada's largest and most successful public companies, including Barrick, on a number of industry leading transactions and also was a key strategic and legal advisor to a number of the country's leading private enterprises. Mr. Thomson was the longest standing member of the committee responsible for managing the Davies Ward firm.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

The Company's quarterly financial statements are reported under IFRS issued by the IASB, as applicable to interim financial reporting. The following table provides highlights from the Company's financial statements of quarterly results for the past eight quarters.

(Expressed in thousands of United States dollars, unless otherwise noted)

	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Exploration expenses	$ 8,351	$ 7,602	$ 4,519	$ 1,002
General and administration	1,986	1,711	764	718
Change in fair value of derivatives – loss (gain)	2,845	3,298	6,453	(3,506)
Net loss (income)	13,075	12,599	11,706	(1,808)
Comprehensive loss (income)	12,328	11,861	11,163	(2,232)
Net loss (income) attributable to Solaris shareholders	13,058	12,567	11,683	(1,820)
Net loss (income) per share – basic and diluted	$ 0.12	$ 0.07	$ 0.13	$ (0.03)

	2020 Q1	2019 Q4[1]	2019 Q3	2019 Q2
Exploration expenses	$ 2,397	$ 1,188	$ 914	$ 866
General and administration	626	612	324	394
Change in fair value of derivatives – loss (gain)	468	(720)	(757)	(39)
Net loss	3,494	731	535	1,131
Comprehensive loss	4,180	731	535	1,131
Net loss attributable to Solaris shareholders	3,489	727	511	1,126
Net loss per share – basic and diluted	$ 0.06	$ 0.02	$ 0.01	$ 0.02

The Company has not generated any income to date other than interest income and the gain on change in fair value of derivatives. The increase in exploration expenditures in the first quarter of 2021 and first, third and fourth quarters of 2020 was primarily due to drilling and drilling related costs, as well as an increase in the other site activities and personnel in support of drilling at Warintza. The Q3 2020 increase in exploration expenses was also attributable to the commencement of an advanced airborne geophysical survey at Warintza. The increase in exploration expenditures in the last quarter of 2019 was primarily due to an increase in costs associated with the advancement of Warintza in preparation for drilling, as well as an increased focus on community social relations initiatives. Tje The increase in the general administrative costs in the last quarter of 2019 was due to the increased cost of operating Solaris as a standalone entity, and additions to the leadership team to support the Company's strategy to broaden exploration efforts. The Q1 2021, Q4 2020, Q3 2020, and Q1 2020 change in fair value of derivatives, a non-cash cost, was the mark-to-market loss on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. In Q2 2020, Q4 2019, Q3 2019 and Q2 2019, the Company recognized a mark-to-market gain on the derivative asset.

Exploration expenses

The following tables summarize exploration expenses by activity and jurisdiction.

For three months ended March 31, 2021:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 1,763	$ –	$ 39	$ 93	$ 1,895
Site preparation and maintenance, field and general	1,458	18	78	16	1,570
Drilling and drilling related costs	2,749	–	212	–	2,961
Assay and analysis	586	–	–	–	586
Community relations, environmental and permitting	693	–	–	7	700
Concession fees	268	22	17	–	307
Studies	39	–	–	67	106
Reclamation provision	188	–	–	–	188
Amortization	36	1	–	1	38
	$ 7,780	$ 41	$ 346	$ 184	$ 8,351

(Expressed in thousands of United States dollars, unless otherwise noted)

For three months ended March 31, 2020:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 486	$ –	$ 33	$ 59	$ 578
Site preparation and maintenance, field and general	390	–	40	44	474
Drilling and drilling related costs	764	–	–	–	764
Community relations, environmental and permitting	267	–	–	11	278
Concession fees	268	11	13	–	292
Amortization	10	1	–	–	11
	$ 2,185	$ 12	$ 86	$ 114	$ 2,397

The increase in exploration expenses to $8,351 for the three months ended March 31, 2021 from $2,397 for the three months ended March 31, 2020 was primarily related to the increase in drilling in Ecuador at Warintza. The most significant increase was for the drilling and drilling related costs for 11 holes drilled at Warintza in the three months ended March 31, 2021. Salaries, geological consulting and support, and travel costs also increased in support of drilling, mostly due to an increase in payroll costs of additional local community members hired to support Warintza site activities as well an increase in geological and other consultants and travel to the site. The increase in site preparation and maintenance, field and general costs is commensurate with the increase in drilling activity with additional drilling platforms, civil works and site infrastructure, as well as an increase in supplies and materials. Community relations, environmental and permitting costs increased primarily due to an increase in environmental and regulatory costs related to drilling. Community relations costs increased with the signing of the IBA for Warintza between Solaris and the Shuar Nations of Warints and Yawi, reflecting increased community support for the responsible advancement of Warintza. The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza.

LOSS FROM OPERATIONS

Quarter Ended March 31, 2021 Compared to the Quarter Ended March 31, 2020

The Company incurred exploration expense of $8,351 for the three months ended March 31, 2021 (March 31, 2020 – $2,397). The increase is mainly attributable to increased drilling activity in the first quarter of 2021.

The Company incurred general and administration expenses of $1,986 for the three months ended March 31, 2021 (March 31, 2020 – $626). The increase is commensurate to the increase in overall activity of the Company in the three months ended March 31, 2021, as well as additions to the corporate team. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $1,131 for the three months ended March 31, 2021 (March 31, 2020 – $168). The increase reflects the stock option grants to employees and director in the fourth quarter of 2020 and the additional stock option grant to one director that joined the Company during the first quarter of 2021.

The change in fair value of derivatives resulted in a loss of $2,845 for the three months ended March 31, 2021 compared to a loss of $468 for the three months ended March 31, 2020, a non-cash cost, due to the mark-to-market adjustment on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. The increase in loss is primarily due to the increase in the Company's share price which exceeds the cash to be received on exercise of the Equinox Warrants.

LIQUIDITY AND CAPITAL RESOURCES

	March 31, 2021	December 31, 2020
Cash and cash equivalents	$ 69,368	$ 73,593
Prepaids and other	847	244
Accounts payable and accrued liabilities	3,872	3,230
Due to related parties	–	66
Lease liability – current	58	56
Total current assets	70,215	73,837
Total current liabilities	$ 10,684	$ 7,348

(Expressed in thousands of United States dollars, unless otherwise noted)

At March 31, 2021, the Company had cash and cash equivalents of $69,368 compared to $73,593 at December 31, 2020.

Cash used in operating activities during the three months ended March 31, 2021 was $9,054 (March 31, 2020 – $2,421). The increased use of cash during the three months ended March 31, 2021 compared to the three months ended March 31, 2020 is primarily attributable to the increase in exploration expenses and corporate activity, previously discussed. Cash used in operating activities was also impacted by the timing of receipts and payments from non-cash working capital items, primarily accounts payable and accrued liabilities.

Cash inflow from financing activities of $4,445 for the three months ended March 31, 2021 (March 31, 2020 – $332) relates primarily to the proceeds from the exercise of Equinox Warrants, warrants and stock options.

Cash outflow from investing activities during the three months ended March 31, 2021 and 2020 relate to the purchase of plant and equipment at Warintza.

The Company has incurred operating losses to date and has no current sources of revenue or cash inflows from operations. The Company relies on share issuances in order to fund its exploration and other business objectives. As at March 31, 2021, the Company has cash and cash equivalents of $69,368 which, based on current forecasts is sufficient to fund the Company's exploration activities and general and administrative costs for the next twelve months. In the longer term, the Company's ability to continue as a going concern is dependent upon successful execution of its business plan, raising additional capital or evaluating strategic alternatives for its mineral property interests. The Company expects to continue to raise the necessary funds primarily through the issuance of common shares. There can be no guarantees that future equity financing will be available in which case the Company may need to reduce its longer-term exploration activities.

On March 11, 2020, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The impacts of the still spreading COVID-19 pandemic on the Company are unpredictable. The Company continues to operate with modifications to personnel's travel and work locations. While the Company has not been significantly impacted by COVID-19 to date, disruptions resulting from COVID-19 at any of the Company's projects or in the jurisdictions in which the Company operates could have a significant negative effect on the Company. In particular, disruptions may prevent Company personnel from working because of quarantine or other restrictions imposed by local health authorities, as well as cause the Company to push out forecasts for activity, including permitting and exploration activities, and increase fiscal losses. Responses to COVID-19, including government and local restrictions on the movement of people and goods, may cause visits, fieldwork and analysis performed by the Company and its contractors to slow or even cease. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial and metals markets, which could have a significant negative effect on the ability of the Company to obtain equity financing to fund additional exploration activities.

COMMITMENTS AND CONTINGENCIES

At March 31, 2021, the Company had contractual cash flow commitments as follows (see "Related Party Transactions" for the Company's obligation for future rental payments subsequent to year-end):

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 3,872	$ –	$ –	$ –	$ 3,872
Lease liabilities	58	64	–	–	122
Office rent obligations	232	77	–	–	309
Exploration expenses and other	314	160	–	–	474
	$ 4,476	$ 301	$ –	$ –	$ 4,777

SHARE CAPITAL INFORMATION

As at May 13, 2021, the Company had the following securities issued and outstanding:

- 107,986,855 common shares
- 7,958,824 shares issuable pursuant to exercise of stock options[1]
- 498,210 shares issuable pursuant to redemption of restricted share units[2]
- 4,285,754 shares issuable pursuant to exercise of Equinox Warrants
- 38,818,875 shares issuable pursuant to exercise of Solaris warrants

(Expressed in thousands of United States dollars, unless otherwise noted)

[1] There are 2,676,501 Arrangement options outstanding exercisable into 267,658 Solaris shares and 7,691,166 Solaris options outstanding exercisable into 7,691,166 Solaris shares
[2] These have vested and issuance of the related Solaris Shares has been deferred by the holder.

PROPOSED TRANSACTIONS

There are no undisclosed proposed transactions that will materially affect the performance of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any material off-balance sheet arrangements, other than the Company's obligation for future rental payments described in "Related Party Transactions".

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's Executive Chairman, President and Chief Executive Officer, Chief Financial Officer, Senior Vice President Corporate Affairs and Corporate Secretary and Directors.

Key management compensation for the three months ended March 31, 2021 and 2020 comprised:

For the three months ended March 31,		2021		2020
Share-based compensation	$	923	$	107
Salaries and benefits		204		95
	$	1,127	$	202

Related party transactions

As at March 31, 2021, Equinox held 26% (December 31, 2020 – 26%) of the outstanding shares of the Company.

Equinox charged the Company $47 in salaries and benefits and $43 in expense reimbursements for the three months ended March 31, 2020.

On January 2, 2020, the Company entered into an arrangement to share office space, equipment, personnel, consultants and various administrative services with other companies related by virtue of certain directors and management in common. These services have been provided through a management company equally owned by each company party to the arrangement. Costs incurred by the management company are allocated and funded by the shareholders of the management company based on time incurred and use of services. If the Company's participation in the arrangement is terminated, the Company will be obligated to pay its share of the rent payments for the remaining term of the office space rental agreement. The Company's obligation for future rental payments on March 31, 2021 was approximately $261 (December 31, 2020 – $317), determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to this arrangement:

For the three months ended March 31,		2021		2020
Salaries and benefits	$	348	$	147
Office and other		70		57
Marketing and travel		2		6
	$	420	$	210

At March 31, 2021, amounts prepaids and other includes $4 (December 31, 2020 – $15 due to related parties) with respect to this arrangement.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

In preparing the accompanied condensed consolidated interim financial statements in conformity with IFRS, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. All estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Information about critical judgements and estimates in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are the same as those described in the consolidated annual financial statements for the year ended December 31, 2020.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC. Some updates that are not applicable or are not consequential to the Company may have been excluded.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management process.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial assets.

The Company is primarily exposed to credit risk on its cash and cash equivalents and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of $69,564 represents the maximum exposure to credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash.

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At March 31, 2021, the Company had not entered into any contracts to manage foreign exchange risk.

The functional currency of the parent company is Canadian dollars. Therefore, the Company is exposed to currency risk from the assets and liabilities denominated in US dollars. However, the impact on such exposure is not currently material.

The Company is also exposed to currency risk on financial assets and liabilities denominated in Peruvian Soles, Chilean pesos, Mexican pesos and Guatemalan quetzals. However, the impact on such exposure is not currently material.

Capital management

The Company's primary objective when managing capital is to ensure that it will be able to continue as a going concern and that it has the ability to satisfy its capital obligations and ongoing operational expenses, as well as having sufficient liquidity to fund suitable business opportunities as they arise.

The capital of the Company includes the components of equity attributable to shareholders of the Company, net of cash and cash equivalents. Capital is summarized in the following table:

(Expressed in thousands of United States dollars, unless otherwise noted)

	March 31, 2021	December 31, 2020
Equity	$ 71,927	$ 78,645
Cash and cash equivalents	(69,368)	(73,593)
	$ 2,559	$ 5,052

The Company manages its capital structure and makes adjustments to it as necessary in light of economic conditions. In order to maintain the capital structure, the Company may, from time to time, issue or buy back equity, repay debt, or sell assets. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

RISKS AND UNCERTAINTIES

The risks related to Solaris' business and those that are reasonable likely to affect the Company's financial statements in the future, are described in the Company's December 31, 2020 annual MD&A dated April 19, 2021, which is filed on SEDAR.

LIMITATIONS OF CONTROLS AND PROCEDURES

Management has implemented disclosure control and procedures and internal controls over financial reporting intended to allow for the appropriate fair presentation of financial and other information that the Company is required to disclose. Any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, the Company's management cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgements in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. The Company's officers have not yet been required to certify the effectiveness of the design and evaluation of the Company's disclosure controls and procedures and internal controls over financial reporting and have not completed such an evaluation. Inherent limitations on the ability of the certifying officers to design and implement on a cost-effective basis disclosure controls and procedures and internal controls over financial reporting for the Company may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

QUALIFIED PERSON

The technical information contained in this document has been reviewed and approved by Donald R. Taylor, MSc., PG, Director of the Company who is a "Qualified Person" as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*. Mr. Taylor has more than 25 years of mineral exploration and mining experience, and is a Registered Professional Geologist through the SME (registered member #4029597).