SOLARIS
RESOURCES

Solaris Resources Inc.

Management's Discussion and Analysis

For the Years Ended December 31, 2020 and 2019

INTRODUCTION

This management's discussion and analysis ("MD&A") of Solaris Resources Inc. (the "Company", "Solaris", "we", "us", or "our") covers the year ended December 31, 2020, with comparative information for the year ended December 31, 2019. This MD&A is dated April 19, 2021, and takes into account information available up to and including that date. This MD&A should be read in conjunction with the accompanying consolidated financial statements and notes for the year ended December 31, 2020, which are available on the Company's website at www.solarisresources.com and on the SEDAR website at www.sedar.com.

The Company has prepared the consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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 (including, but not limited to, that Mr. Wolahan will lead the technical studies required to deliver an engineering and economic assessment for Warintza; 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 maiden drilling is planned for the first half of 2021; that the Company expects to continue to raise funds through the issuance of common shares), 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. Readers are cautioned as to the risks related to the forward-looking statements and are directed to the "Risks and uncertainties" section of the MD&A.

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 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 Company made significant progress during 2020, with the following milestones achieved:

Corporate:

- In January, the Company enhanced the profile of its Board of Directors with the appointments of Mr. Richard Warke and Mr. Donald Taylor, respectively, as Executive Chairman and non-executive director of the Company and the appointment of Mr. Ron Walsh as independent director, following the resignations of Mr. Scott Heffernan, Mr. Marcel DeGroot and Mr. James Steels as directors. In addition, Solaris joined the Augusta Group of Companies ("Augusta Group") as described in "Related Party Transactions", which has a track record of value creation totaling over C$4.5 billion in exit transactions since 2011, and has strategic partnerships with leading entrepreneurs and investors in the mining sector.

- In May, the Company completed a consolidation of its common shares at a ratio of two pre-consolidation common shares for one post-consolidation common share. As a result of the consolidation, shares issuable pursuant to the Company's outstanding options, warrants, restricted share units and other convertible securities were proportionally adjusted on the same basis.

- In May and June, the Company closed non-brokered private placements totaling 26,500,000 units at C$0.80 per unit for gross proceeds of C$21.2 million. Each unit was comprised of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$1.20 per common share for a period of three years.

- In July, the Company's common shares commenced trading on the TSX Venture Exchange under the symbol "TSXV: SLS".

- In September, the Company completed a U.S. listing and its common shares commenced trading on the QTCQB Venture Market under the symbol "SLSSF".

- In November, Solaris announced the appointment of Mr. Chad Wolahan as Vice President, Projects. Mr. Wolahan will lead the technical studies required to deliver an engineering and economic assessment for Warintza.

- In December, the Company closed a non-brokered private placement of 15,500,000 units at C$5.20 per unit for gross proceeds of C$80.6 million. Each unit was comprised of one common share and one half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$6.75 per common share for a period of two years. The private placement was fully subscribed by the Company's insiders and strategic partners, including Richard Warke, Equinox and other strategic investors.

Warintza Project Advancement:

- In March 2020, the Company announced the completion of a pilot project on Warintza, which was facilitated by the government of Ecuador in advance of the establishment of a Prior Consultation norm for the country. The purpose of Prior Consultation is to create opportunities for transparent dialogue in order for Indigenous Peoples to reach agreement and consensus regarding development in their communities and, more broadly, national and regional development. The success of the pilot project highlighted the Company's innovative community social relations ("CSR") program and may inform the design of a model Prior Consultation process for the rest of the country.

- The Company initiated a 40,000-metre (m) diamond drill program at Warintza in the first quarter of 2020, which is the first drill program in nearly 20 years on the project and aims to expand the lateral footprint and depth extent of the high-grade Warintza Central zone, discovered by the late David Lowell in 2000. The novel coronavirus outbreak ("COVID-19") and related precautions caused the Company to suspend operations in mid-March.

- In the second quarter of 2020, Solaris resumed drilling at Warintza Central and reported assay results in August for the first hole which returned a consistent, high-grade interval starting from surface of 567m of 1.00% CuEq[1] (0.80% Cu, 0.04% Mo, and 0.1 g/t Au), which greatly extended mineralization to depth and improves upon the grade of Warintza Central. Additional detail is set out in the Company's news release titled, "Solaris Reports First Drill Hole Intersection: 567m of 1.0% CuEq From Surface, Expands Warintza Central", dated August 10, 2020.

- In August, Solaris announced a ramp-up in exploration activities including the arrival of additional drill rigs at Warintza and the commencement of an advanced airborne geophysical survey covering the Company's entire Warintza and area land package totaling 268 square kilometres (km²).

- In September, Solaris and the local Shuar Nations of Warints and Yawi announced the signing of an Impacts and Benefits Agreement ("IBA") for Warintza, which provides certainty of community support for the responsible advancement of the project from exploration and development through production.

- Also in September, Solaris reported assay results for the second and third drill holes at Warintza Central which both returned high-grade intervals starting from surface of 1,010m of 0.71% CuEq[1] (0.59% Cu, 0.02% Mo, and 0.1 g/t Au) and 660m of 0.97% CuEq[1] (0.79% Cu, 0.03% Mo, and 0.1 g/t Au), further confirming the significant extension of mineralization relative to historical drilling. Additional detail is set out in the Company's news release titled, "Solaris Reports: 1,010m of 0.71% CuEq and 660m of 0.97% CuEq From Surface, Major Expansion of Warintza Central", dated September 28, 2020.

- In November, Solaris reported assay results for the fourth, fifth and sixth drill holes at Warintza Central which also returned high-grade intervals starting from surface of 1,004m of 0.71% CuEq[1] (0.59% Cu, 0.03% Mo, and 0.05 g/t Au), 918m of 0.50% CuEq[1] (0.43% Cu, 0.01% Mo, and 0.04 g/t Au) and 884m of 0.62% CuEq[1] (0.50% Cu, 0.03% Mo, and 0.04 g/t Au), further confirming the significant extension of mineralization relative to historical drilling. Additional detail is set out in the Company's news release titled, "Solaris Reports 1,004m of 0.71% CuEq From Surface, Expands Limits of Warintza Central", dated November 23, 2020.

- In December, Solaris commenced the first-ever drilling campaign at Warintza West, located approximately 1km west of Warintza Central. Solaris significantly expanded the drill program from three drill rigs to six drill rigs in order to continue drilling at Warintza West and Central, as well as, maiden drilling at Warintza East, El Trinche, and Warintza South in the first half of 2021.

[1] 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.

Subsequent to 2020 year-end:

- In January, 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[2] (0.49% Cu, 0.02% Mo, and 0.04 g/t Au) and 454m of 0.62% CuEq[2] (0.51% Cu, 0.03% Mo, and 0.03 g/t Au), extending mineralization to the north and northeast. 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.

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

- In February, the Company announced a significant new discovery at Warintza West, with results from the first hole returning 798m of 0.31% CuEq[2] (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. 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.

- In February, 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[2] (0.83% Cu, 0.02% Mo, and 0.12 g/t Au), 688m of 0.57% CuEq[2] (0.39% Cu, 0.04% Mo, and 0.05 g/t Au), 736m of 0.74% CuEq[2] (0.59% Cu, 0.03% Mo, and 0.07 g/t Au) and 462m of 1.00% CuEq[2] (0.80% Cu, 0.04% Mo, and 0.09 g/t Au), extending the limits of mineralization to the west and northwest. 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.

- In March, 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.

- In March, Solaris reported assay results for three additional drill holes at Warintza Central, returning further high-grade intervals of 922m of 0.94% CuEq[2] (0.79% Cu, 0.03% Mo, and 0.08 g/t Au), 1,229m of 0.56% CuEq[2] (0.48% Cu, 0.01% Mo, and 0.04 g/t Au), and 958m of 0.77% CuEq[2] (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. 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.

- In April, 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[2], 797m of 0.83% CuEq[2] including 370m of 0.94% CuEq[2], and 688m of 0.51% CuEq[2] including 366m of 0.60% CuEq[2], extending mineralization between the western and eastern drilling and stepping out to the north and south at Warintza Central. 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.

- The Company received gross proceeds of $4.4 million (C$5.5 million) on the issuance of 2,468,115 shares of the Company on exercise of options and warrants of the Company and Equinox Warrants.

[2] 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.

OUTLOOK

An increase in drill capacity to twelve rigs will enable Solaris to accelerate resource and discovery drilling at Warintza Central, West, East, South and El Trinche in the first half of 2021, as well as Yawi in mid-2021. The objective of the 40,000m drill program at Warintza Central alone is to drill test approximately 1.35 billion tons of rock aimed at expanding the lateral footprint and depth extent of the high-grade inferred mineral resource discovered by the late David Lowell in 2000. 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.

Follow-up discovery drilling at Warintza West and maiden drilling at Warinzta East, El Trinche and Warintza South is planned for the second quarter of 2021 and run concurrently with resource drilling at Warintza Central. Maiden drilling at Yawi and the Caya gold anomaly is planned for the second half of the year.

Warintza

Warintza is a porphyry copper-molybdenum-gold project located in south eastern Ecuador in the province of Morona Santiago, Canton Limon Indanza. 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 is located within a Jurassic-aged volcanic belt that hosts numerous exploration and development projects and two operating mines, including the San Carlos-Panantza copper project adjoining Warintza to the east, the Mirador copper-gold mine (owned by CRCC-Tongguan) and the Fruta del Norte gold mine (owned by Lundin Gold) to the south.

Warintza was discovered in 2000 by David Lowell, but sat largely dormant since 2001 due to a breakdown in social relations with local communities as well as a lack of foreign mining investment in the country of Ecuador. Solaris was able to resolve all underlying issues in mid-2019 and instituted a robust and innovative CSR program solidifying its strong relationship with local communities and restoring social acceptance of the project after nearly a two-decade hiatus. This precipitated a series of strategic corporate developments to support advancement of Warintza.

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 entire Warintza and area land package which revealed a much more extensive porphyry system than previously understood requiring further follow up discovery drilling (see section entitled *Warintza Geophysical Survey*).

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

Warintza Resource Estimate

Classification	Zone	Cu Cut-off	Tonnage	Cu	Cu	Mo	Mo	Au	Au
		%	(T)	(%)	(Mlbs)	(%)	(Mlbs)	(g/t)	(oz)
Inferred	Leached - Open Pit	0.2	1,970,300	0.24	11	0.027	1.2	0.07	4,500
	Enriched - Open Pit	0.2	64,100,800	0.62	870	0.029	40.7	0.06	119,700
	Primary - Open pit	0.2	57,689,100	0.50	636	0.028	35.7	0.06	114,400
Inferred	Total - Open Pit	0.2	123,760,200	0.56	1,516	0.028	77.5	0.06	238,600

[1]Mineral resources are reported using a cut-off grade of 0.2% copper.
[2]The open pit mineral resource is constrained using an optimized pit that has been generated using Lerchs –Grossman pit optimisation algorithm with parameters. The resulting pit produces a strip ratio of 0.71 to 1.
[3]The Warintza Central mineral resource statement has been prepared by Trevor Rabb, PGeo who is a qualified person as defined by NI 43-101.
[4]Mineral resources are not mineral reserves and do not have demonstrated economic viability. The Warintza mineral resource statement has been prepared in accordance with NI 43-101 Standards of Disclosure for Mineral Projects (May 2016) and the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

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 Geophysical Survey

The advanced airborne ZTEM survey, carried out by Geotech Ltd., covered the entire Warintza and area land package totaling 268km². The survey employed the latest technology specifically designed to map large-scale porphyry targets to theoretical depths exceeding 2km. High-conductivity (low resistivity) anomalies, as referred to in the Company's February 16, 2021 press release, are presented at <100 ohm-m from three-dimensional ("3D") inversions of the measured electromagnetic data. A detailed 3D model of Warintza can be found on the homepage of the Company's website.

Warintza Central, East and West

A continuous high-conductivity volume encompassing Warintza Central, Warinzta East and Warintza West, was defined by the geophysical survey with approximate dimensions of 3.5km long x 1km wide x 1km deep – a volume that encompasses 10 billion tons of rock. At Warintza Central, the anomaly correlates closely with high-grade primary mineralization at depth, while the at/near-surface mineralization is not reflected well.

The zone previously described as El Trinche, which is reflected on surface as a 500m x 300m area of stockwork mineralization ranging from 0.2%-0.8% copper, appears to be a southern extension of Warintza Central. Warintza West appears to be down-dropped to the west of Warintza Central by faulting with moderate grade disseminated mineralization intersected in SLSW-01 preserved to surface above the high conductivity anomaly.

Warintza South

Warintza South is a separate large, northwest oriented high-conductivity anomaly located approximately 4km to the south of Warintza Central. The conductivity anomaly measures approximately 2.3km x 1.1km x 0.7km – a volume that encompasses five billion tons of rock, and begins approximately 200m below surface, with possible overlying disseminated and/or leached and supergene mineralization reflected in its corresponding geochemical anomaly.

Yawi

Yawi is a previously unknown target generated by the geophysical survey and located approximately 850m to the east of the Warintza East anomaly. Yawi is oriented north-south and the high conductivity anomaly measures approximately 2.8km x 0.7km x 0.5km - a volume that encompasses two and a half billion tons of rock. The geophysical survey indicates the anomaly commences at a depth of approximately 450m.

Warintza Drill Program

To date, 28 holes have been drilled at Warintza Central of which results have been reported for 19 holes. 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 (see targets in section entitled *Warintza Geophysical Survey*).

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[3] (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, as described above (see section entitled *Warintza Geophysical Survey*).

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.

AMC Mining Consultants (Canada) Ltd. completed a Preliminary Economic Assessment ("PEA") for the La Verde Project in June 2018. Using metal prices of US$2.70/lb copper, US$1,200/oz gold and US$25/oz silver, the PEA contemplates a conventional truck and shovel open pit mine with a 19-year mine life producing 7.2 million tonnes of concentrate grading 26.7% copper with pre-tax Internal Rate of Return of 21.2% and pre-tax Net Present Value of $617 million using an 8% discount rate.

[3] 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.

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

La Verde Mineral Resource Estimate

Resource	Tonnes	Cu%	Ag (g/t)	Au (g/t)	As (%)
Measured	57,527,000	0.45	2.94	0.05	0.03
Indicated	350,442,000	0.40	2.33	0.03	0.04
Total M&I	**407,969,000**	**0.41**	**2.42**	**0.03**	**0.04**
Inferred	337,838,000	0.37	1.94	0.02	0.03

[1]*The La Verde mineral resource estimate with an effective date of September 19, 2012, was reported in the amended "Technical Report, La Verde Copper Project, Michoacán State, Mexico" prepared by AMC Mining Consultants (Canada) Ltd. with an effective date of June 20, 2018 The mineral resource estimate is reported using a base-case cut-off grade of 0.2% copper. The cut-off grade of 0.2% copper is based on experience for similar open-pit projects and a mining conceptual study which used a metal price of $2.50/lb copper and copper metal recovery of 92%. This mineral resource estimate is not constrained by a pit shell. The report is available on the Company's website at www.solarisresources.com and on the SEDAR website at www.sedar.com.*

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") 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.

A summary of the key terms of the Ricardo Option Agreement is as follows:

To earn an initial 60% interest in the Ricardo Property, Freeport must complete both Stage 1 and Stage 2:

- Stage 1: Upon receipt of the relevant exploration permits in December 2018 (the "Effective Date"), Freeport is required to spend $4.2 million in exploration expenditures over the two years following the Effective Date.
- Stage 2: Upon completion of Stage 1, Freeport can elect to spend $4.8 million in the third year following the Effective Date, $8.0 million in the fourth year following the Effective Date and $13.0 million in the fifth year following the Effective Date.

Upon completion of both Stage 1 and Stage 2, Freeport can elect to complete Stage 3 to earn an additional 20% interest in the Ricardo Property whereby Freeport is required to complete the first of (i) funding a feasibility study for a mine at Ricardo and (ii) spending an additional $100 million in exploration expenditures. Should Stage 3 not be completed within ten years, Freeport can maintain the option by paying to the Company $1 million annually until Stage 3 is complete.

In October 2019, the Ricardo Option Agreement was amended to extend the Stage 1 exploration expenditure period up to fifteen additional months in the case that Freeport determines the need for additional exploration permits. The Stage 2 third, fourth and fifth year exploration periods were extended by an additional fifteen months to follow the end of Stage 1.

Tamarugo

Tamarugo is a grass-roots copper porphyry target consisting of approximately 5,100 hectares 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 Tamarugo during the second quarter of 2019.

Pursuant to the amended option agreement, the Company can earn up to a 75% interest in Tamarugo as follows:

- To earn an initial 51% interest in Tamarugo, the Company is required to spend $4.0 million in exploration expenditures over five years commencing in December 2019 with $0.25 million to be spent in years one and two, $0.35 million in year three, $1.9 million in year four and $1.5 million in year five.

- Within 60 days of the Company earning the initial 51% interest in Tamarugo, Freeport may exercise a back-in right to reacquire 11% of Tamarugo by paying to the Company $12 million (the "Back-in Right"). Freeport will then be required to fund all exploration expenditures until either completing a pre-feasibility study for a mine at Tamarugo or spending a total of $50 million within 10 years of exercise of the Back-in Right. Should Freeport not complete either the pre-feasibility study or spend a total of $50 million within 10 years of exercise of the Back-in Right, Freeport can maintain its 11% interest by paying to the Company $1 million annually until it completes either one of these obligations.

- Should Freeport elect not to exercise the Back-in Right, the Company can elect to earn an additional 24% interest in Tamarugo by spending an additional $1.5 million in exploration expenditures in year five and delivering a pre-feasibility study for a mine at Tamarugo by the end of year seven.

The Company paid a fee in connection with the option agreement consisting of an initial 500,000 warrants exercisable for three years into common share of Solaris at an exercise price of C$0.70. 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 as there is currently insufficient evidence that this non-market performance condition will be met.

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 January 6, 2020, the Company announced the appointments of Mr. Richard Warke and Mr. Donald Taylor, respectively, as Executive Chairman and non-executive director of the Company.

Mr. Warke is a Canadian business executive with more than 35 years of experience in the mining sector. Mr. Warke has founded and led a number of successful precious and base metal exploration and development companies from the initial discovery through the exploration, permitting and feasibility stages to their ultimate acquisitions, totaling over C$4.5 billion in the last ten years.

Mr. Taylor is an American mining executive with more than 30 years of precious and base metal exploration and development experience on five continents. Among other accolades, he was most recently the recipient of the Prospectors and Developers Association of Canada's 2018 Thayer Lindsley Award for the 2014 discovery of the Taylor lead-zinc-silver deposit in Arizona.

On March 20, 2020, the Company announced the appointment of Mr. Ron Walsh FCPA, CPA as independent Director of the Company following the resignation of Mr. James Steels. Mr. Walsh, a Chartered Professional Accountant, is the founding partner of Walsh King LLP. He has many years' experience advising on corporate tax and business issues. Mr. Walsh has held a number of prestigious professional appointments throughout his career, including amongst others, Governor of the Canadian Tax Foundation, President of the Estate Planning Council of Vancouver, and Public Governor of the Vancouver Stock Exchange. In addition, he has frequently lectured on tax and related matters for professional organizations, and spoken at national and international conferences on tax and business advisory issues.

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.

Management Appointments

On November 20, 2020, the Company announced the appointment of Mr. Chad Wolahan as Vice President, Projects. Mr. Wolahan is a Mining Engineer with nearly 20 years of experience leading the planning, design and execution of engineering and economic studies for mining projects globally. Prior to joining Solaris, Mr. Wolahan worked with Ivanhoe Mines for the past seven years in various senior capacities and was responsible for project planning and management of technical programs supporting the advancement of the Tier 1 Kakula project in the Democratic Republic of the Congo from Preliminary Economic Assessment through Feasibility. Prior to Ivanhoe Mines, Mr. Wolahan worked at Stantec Consulting leading a team to produce the mining design, schedule and cost estimations for various projects. Mr. Wolahan holds a Bachelor's degree in Mine Engineering from Montana Tech University.

Mr. Tom Ladner joined Solaris Resources in November 2020 as Vice President Legal. Prior to joining the Augusta Group, Mr. Ladner practiced law in the Securities and Capital Markets group of a major Canadian law firm. Mr. Ladner has advised on multiple mergers and acquisitions transactions valued in excess of C$1 billion and more than 25 public market financings raising in aggregate more than C$750 million. Mr. Ladner has his Honors in Business Administration (with distinction) from the Richard Ivey School of Business and his Juris Doctor from Western University.

Private placements

The Company continues to be financially supported by its leadership team and strategic partners. In the year ended December 31, 2020, the Company was able to successfully complete private placements raising gross proceeds of $78.5 million (C$101.8 million) in order to fund exploration efforts at the Company's properties, including a comprehensive geophysical survey and expanded drill program at Warintza, technical studies, community social relations programs and permitting at the Company's projects and for general and working capital purposes. All private placement proceeds spent to date have been spent in furtherance of the foregoing previously disclosed purposes for such private placements. See "Highlights and Activities" section in this MD&A for details of private placements.

SELECTED ANNUAL FINANCIAL INFORMATION

Information for the three years ended December 31, 2020, 2019 and 2018, as extracted from the Company's audited financial statements, is presented as follows:

$ in thousands, except per share amounts		2020		2019[1]		2018
Exploration expenses	$	15,520	$	3,930	$	2,448
General and administrative expenses		3,819		1,502		550
Change in fair value of derivatives		6,713		(2,266)		(924)
Net loss		25,991		2,769		2,063
Comprehensive loss		24,972		2,769		2,063
Net loss attributable to Solaris shareholders		25,919		2,715		2,020
Net loss per share attributable to Solaris shareholders						
– basic and diluted	$	0.33	$	0.06	$	0.05
Total non-current liabilities	$	1,015	$	1,575	$	1,274
Total assets	$	94,922	$	30,582	$	22,209

[1] The Q4 2019 results have been adjusted to reflect a restatement of the derivative asset as at December 31, 2019 and the resulting impact on the change in the value of the derivative asset, net loss and comprehensive loss are disclosed in Note 3 of the consolidated financial statements for the year ended December 31, 2020.

Exploration expense increased in 2020 primarily due to the increase in exploration activity in Ecuador at Warintza, with drilling and drilling related costs being the most significant increase. The increase in general and administrative costs in 2020 are commensurate to the advancement of exploration efforts at Warintza. Exploration expenses increased in 2019 from previous years primarily due to advancement of Warintza with an increase in personnel, field work and infrastructure costs, as well as the increased spending on community social relations initiatives. General and administrative costs increased due to additional corporate costs as a result of operating Solaris as a standalone entity for an entire year as opposed to only 5 months in 2018. The increase in expenses in 2019 was offset by the change in fair value of derivatives, primarily due to the mark-to-market gain on the derivative asset related to the Company's obligation to issue shares on exercise of Equinox Warrants.

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

Total assets increased to $94,922 at December 31, 2020 compared to $30,582 at December 31, 2019, primarily due to the cash received from private placements for gross proceeds of $78.5 million (C$101.8 million) during 2020. Total assets increased to $30,582 at December 31, 2019 compared to $22,209 at December 31, 2018, primarily due to cash received from private placement financings during 2019, and the increase in the fair value of the derivative asset to $3,999 (December 31, 2018 – $1,673).

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.

	2020 Q4	2020 Q3	2020 Q2	2020 Q1
Exploration expenses	$ 7,602	$ 4,519	$ 1,002	$ 2,397
General and administration	1,711	764	718	626
Change in fair value of derivatives	3,298	6,453	(3,506)	468
Net loss (income)	12,599	11,706	(1,808)	3,494
Comprehensive loss (income)	11,861	11,163	(2,232)	4,180
Net loss (income) attributable to Solaris shareholders	12,567	11,683	(1,820)	3,489
Net loss (income) per share – basic and diluted	$ 0.07	$ 0.13	$ (0.03)	$ 0.06

	2019 Q4[1]	2019 Q3	2019 Q2	2019 Q1
Exploration expenses	$ 1,188	$ 914	$ 866	$ 962
General and administration	612	324	394	172
Change in fair value of derivatives	(720)	(757)	(39)	(750)
Net loss	731	535	1,131	372
Comprehensive loss	731	535	1,131	372
Net loss attributable to Solaris shareholders	727	511	1,126	351
Net loss per share – basic and diluted	$ 0.02	$ 0.01	$ 0.02	$ 0.01

[1] The Q4 2019 results have been adjusted to reflect a restatement of the derivative asset as at December 31, 2019 and the resulting impact on the change in the value of the derivative asset, net loss and comprehensive loss are disclosed in Note 3 of the consolidated financial statements for the year ended December 31, 2020.

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, 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. 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 2020, Q3 2020 and Q4 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 and Q4 2019, as well as the preceding five quarters, the Company recognized a mark-to-market gain on the derivative asset.

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

LOSS FROM OPERATIONS

Quarter Ended December 31, 2020 Compared to the Quarter Ended December 31, 2019

The Company incurred exploration expense of $7,602 for the three months ended December 31, 2020 (December 31, 2019 – $1,188). The increase is mainly attributable to drilling in the fourth quarter of 2020.

The Company incurred general and administration expenses of $1,711 for the three months ended December 31, 2020 (December 31, 2019 – $612). The increase in salaries and benefits expense is commensurate to the increase in operating and corporate activities of the Company in the three months ended December 31, 2020. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $827 for the three months ended December 31, 2020 (December 31, 2019 – $100). The increase reflects the stock option grants in Q4 2020.

The change in fair value of derivatives resulted in a loss of $3,298 for the three months ended December 31, 2020 compared to a gain of $720 for the three months ended December 31, 2019, 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.

For the year ended December 31, 2020 compared to the year ended December 31, 2019

The Company incurred exploration expense of $15,520 for the year ended December 31, 2020 (December 31, 2019 – $3,930). The most significant increase was for the drilling and drilling related costs at Warintza incurred in the first, third and fourth quarters of 2020.

The Company incurred general and administration expenses of $3,819 for the year ended December 31, 2020 (December 31, 2019 – $1,502). The increase in salaries and benefits is commensurate to the increase in operating and corporate activities of the Company in the year ended December 31, 2020. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $1,591 for the year ended December 31, 2020 (December 31, 2019 – $141). The increase reflects the stock options granted to employees and directors during the year ended December 31, 2020.

The change in fair value of derivatives resulted a loss of $6,713 for the year ended December 31, 2020 compared to a gain of $2,266 for the year ended December 31, 2019, 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.

Exploration expenses

The following tables summarize exploration expenses by activity and jurisdiction.

For the year ended December 31, 2020:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 2,822	$ –	$ 149	$ 317	$ 3,288
Site preparation and maintenance, field and general	2,767	154	200	63	3,184
Drilling and drilling related costs	4,850	–	–	–	4,850
Assay and analysis	341	–	–	–	341
Community relations, environmental and permitting	1,396	–	–	43	1,439
Concession fees	267	41	41	21	370
Geotechnical analysis	1,044	–	–	–	1,044
Reclamation provision	936	–	–	–	936
Amortization	64	3	1	–	68
	$ 14,487	$ 198	$ 391	$ 444	$ 15,520

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

For the year ended December 31, 2019:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 1,122	$ –	$ 98	$ 282	$ 1,502
Site preparation and maintenance, field and general	1,220	71	179	165	1,635
Community relations, environmental and permitting	423	–	–	22	445
Concession fees	245	44	20	27	336
Amortization	8	3	1	–	12
	$ 3,018	$ 118	$ 298	$ 496	$ 3,930

The increase in exploration expenses to $15,520 for the year ended December 31, 2020 from $3,930 for the year ended December 31, 2019 was primarily related to exploration activity in Ecuador at Warintza. The most significant increase was for the drilling and drilling related costs for 17 holes drilled at Warintza. 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. Site preparation and maintenance, field and general costs incurred during 2020 include the cost of civil engineering services and contractors in preparation of drilling platforms and 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. Geotechnical analysis represents the costs related to the advanced airborne geophysical survey in 2020 covering the Company's entire Warintza and area land package. The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31,	2020	2019
Cash and cash equivalents	$ 73,593	$ 6,093
Prepaids and other	244	98
Accounts payable and accrued liabilities	3,230	379
Due to related parties	66	45
Lease liability – current	56	32
Total current assets	73,837	6,191
Total current liabilities	$ 7,348	$ 456

At December 31, 2020, the Company had cash and cash equivalents of $73,593 compared to $6,093 at December 31, 2019.

Cash used in operating activities during the year ended December 31, 2020 was $14,112 (December 31, 2019 – $4,550). The increased use of cash during the year ended December 31, 2020 compared to the year ended December 31, 2019 is primarily attributable to the increase in exploration expenses incurred at Warintza and general and administrative expenses, 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 during the year ended December 31, 2020 was $81,170 (December 31, 2019 – $10,428). During the year ended December 31, 2020, the Company completed non-brokered private placement financings for gross proceeds of $78,548 (C$101,800). In addition, during the year ended December 31, 2020, the Company received $3,202 from the exercise of Equinox Warrants, warrants and stock options. During the year ended December 31, 2019, the Company completed non-brokered private placement financings for gross proceeds of $9,780 (C$12,957) and received $720 debt funding from Equinox.

Cash outflow from investing activities during the year ended December 31, 2020 relates to the purchase of property, plant and equipment at Warintza. During the year ended December 31, 2019, the Company made a restricted cash contribution of $70, which consists of a bank guarantee issued to regulatory authorities in the event of an environmental impact from exploration activities on certain Warintza mining concessions.

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

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. During 2020 the Company raised $78.5 million through the issuance of common share units and as at December 31, 2020 has cash and cash equivalents of $73.6 million 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, COVID-19 was declared a pandemic by the World Health Organization. While, other than travel restriction to the Company's exploration projects, the Company has not been significantly impacted by COVID 19, the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain equity financings to fund additional exploration activities as well as the Company's ability to explore and conduct business.

COMMITMENTS AND CONTINGENCIES

At December 31, 2020, 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	$ 3,230	$ –	$ –	$ –	$ 3,230
Due to related parties	66	–	–	–	66
Lease liabilities	56	79	–	–	135
Office lease obligations	169	46	–	–	215
Exploration expenses and other	168	190	–	–	358
	$ 3,689	$ 315	$ –	$ –	$ 4,004

SHARE CAPITAL INFORMATION

As at April 19, 2021, the Company had the following securities issued and outstanding:

- 107,529,509 common shares
- 8,158,680 shares issuable pursuant to exercise of stock options[1]
- 498,210 shares issuable pursuant to redemption of restricted share units[2]
- 4,365,119 shares issuable pursuant to exercise of Equinox Warrants
- 38,997,000 shares issuable pursuant to exercise of Solaris warrants

[1] There are 4,175,067 Arrangement options outstanding exercisable into 417,514 Solaris shares and 7,741,166 Solaris options outstanding exercisable into 7,741,166 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".

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

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 years ended December 31, 2020 and 2019 comprised:

For the year ended December 31,		2020		2019
Share-based compensation	$	1,201	$	59
Salaries and benefits		720		96
Salaries and benefits included in management fees charged by Equinox Gold Corp.		–		104
	$	1,921	$	259

Related party transactions

As at December 31, 2020, Equinox held 26% (December 31, 2019 – 30%) of the outstanding shares of the Company. During the year ended December 31, 2019, the Company received $720 debt funding from Equinox.

On November 15, 2019, Equinox subscribed for 6,875,000 units of the Company in exchange for the cancellation of the debt payable as of that date.

Upon closing of the Arrangement, the Company entered into a management services agreement with Equinox to provide office and other services to the Company. As of November 15, 2019, the management services agreement with Equinox was terminated.

Equinox charged the Company $99 for the year ended December 31, 2020 (December 31, 2019 – $392) for salaries and management fees.

As at December 31, 2020, $51(December 31, 2019 – $45) of the balance due to related parties is payable to Equinox for salaries and benefits expenses. These amounts are non-interest bearing and unsecured.

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 September 30, 2020 was approximately $239, 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 in the year ended December 31, 2020.

For the year ended December 31,		2020
Salaries and benefits	$	721
Office and other		261
Marketing and travel		20
Other income		(33)
	$	969

At December 31, 2020, amounts due to related parties includes $15 (December 31, 2019 – $nil) with respect to this arrangement.

Directors and officers and Equinox also participated in various private placement during the year (see Note 11(a) of the consolidated financial statements).

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Changes in accounting policies including initial adoption

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.

Functional and presentation currency

Prior to January 1, 2020, the functional currency of Solaris, the parent company, was the United States dollar ("USD"). Management considers primary and secondary indicators in determining functional currency including the currency that influences labor, purchases and other costs, and other indicators including the currency in which funds from financings are generated.

Based on these factors, management concluded that effective January 1, 2020, the parent company's functional currency should be the Canadian dollar ("CAD"). The primary factors affecting the decision was the Company entering into an arrangement with a management company, resulting in Solaris' expenditures being denominated primarily in CAD and the Company being funded primarily from issuance of equity instruments which proceeds are in CAD. The functional currency of the Company's subsidiaries and the Company's reporting currency remains the USD.

The Company has accounted for the change in functional currency prospectively with no impact of this change on prior period comparative information. The Company has made an accounting policy choice to reassess the classification of financial instruments as liabilities or equity or vice versa as applicable when the functional currency of the Company or its subsidiaries changes. The policy will be applied consistently in the future. As a result, certain of the Company's CAD denominated warrants with a carrying value of $1,510, which previously were classified as a derivative liability as their exercise prices were denominated in a currency other the Company's functional currency, were reclassified to equity effective January 1, 2020.

For the purpose of preparing the consolidated financial statements, the assets and liabilities are first expressed in the entity's respective functional currency and translated into the USD presentation currency using exchange rates prevailing at the reporting date, while the income and expense items are translated at the average exchange rates for the period. Translation differences are recognized in other comprehensive income (loss) and recorded in the "foreign currency translation reserve" included in equity.

Reclamation provision

A reclamation provision is recognized at the time the legal or constructive obligation first arises which is generally the time that the environmental disturbance occurs. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the liability. Upon initial recognition reclamation costs related to exploration and evaluation activities are included in exploration expenses in net loss. Following the initial recognition of the provision, the carrying amount of the provision is increased for unwinding of the discount and for changes to the discount rate and the amount or timing of cash flows needed to settle the obligation. The unwinding of the discount is recognized as finance expense in net loss while the effect of the changes to the discount rate and the amount or timing of cash flows are recognized in exploration expenses.

Critical accounting estimates

The Company's accounting policies are described in its consolidated financial statements for the year ended December 31, 2020. The preparation of the Company's consolidated financial statements requires management to make judgments, 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. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements and estimates that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

Judgements

a) Determination of functional currencies

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of Solaris is the Canadian dollar, and the functional currency of each subsidiary entity is the US dollar. Assessment of functional currency involves certain judgements to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Key sources of estimation uncertainty

b) Valuation of derivative and other financial instruments

The valuation of the Company's derivative financial instruments requires the use of option pricing models or other valuation techniques. Measurement of the Company's obligation to issue shares upon exercise of Equinox Warrants classified as a derivative is based on a Monte Carlo pricing model which uses assumptions with respect to share price, expected life, share price volatility, correlation assumptions and discount rates. The fair value of warrants issued by the Company used to allocate proceeds of share unit offerings between common shares and warrants is determined using the Black-Scholes option pricing model. The use of the Black-Scholes option pricing model requires management to make various estimates and assumptions that impact the value assigned to the warrants including the expected volatility of the stock price, the risk-free interest rate, dividend yield and the expected life of the warrant. Changes in these assumptions and estimates result in changes in the fair value of these instruments and a corresponding change in the amount recognized in profit or loss or allocated amounts to common shares and warrants which are included in reserves. Significant assumptions related to derivatives are disclosed in Note 10 of the consolidated financial statements related to warrants and in Note 11 of the consolidated financial statements related to warrants issued in connection with share units.

c) Reclamation provision

The ultimate costs for reclamation and rehabilitation are uncertain, and cost estimates can vary in response to many factors, including estimates of the nature, extent and timing of rehabilitation activities, technological changes, regulatory changes, changes in inflation rates, the risk-free interest rate used for discounting future cash flows, foreign exchange rates, and estimates of the underlying currencies in which the provisions will ultimately be settled. The Company estimates its costs based on studies using current restoration standards and techniques, and the provision at the reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

d) Valuation of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires estimates in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. The Company undertakes periodic reviews of the carrying values of exploration and evaluation assets and whenever events or changes in circumstances indicate that their carrying values may exceed their recoverable amount. In undertaking these reviews, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the exploration and evaluation assets. These include risks and uncertainties related to mineral reserve and mineral resource estimation, title to mineral properties, future commodity prices, estimated costs of construction of a mine and production costs, changes to government regulation and regulations and other factors.

e) Share-based compensation

The Company utilizes the Black-Scholes option pricing model to estimate the fair value of stock options granted to directors, officers, employees and consultants of the Company. The use of the Black-Scholes option pricing model requires management to make various estimates and assumptions that impact the value assigned to the stock options including the expected volatility of the stock price, the risk-free interest rate, dividend yield, the expected life of the stock options and the number of options expected to vest. The expected term of the options granted is determined based on historical data of the average hold period before exercise, cancellation or expiry. Expected volatility is estimated with reference to the historical volatility of the share price of a peer group of companies as applicable given the short period for which the Company's shares have been publicly listed. Any changes in these assumptions could change the amount of share-based compensation recognized. Significant assumptions related to share-based payments are disclosed in Note 11 of the consolidated financial statements.

RISKS AND UNCERTAINTIES

Financial statement risk exposure

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 $73,746 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. The accounts payable and accrued liabilities of $3,230 and due to related parties of $66 are due within the next year. The Company's obligation to make lease payments is disclosed in Note 8 of the consolidated financial statements.

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At December 31, 2020 and December 31, 2019, the Company had not entered into any contracts to manage foreign exchange risk.

Prior to January 1, 2020, the functional currency of the parent company was the US dollar. Therefore, the Company was exposed to currency risk from financial assets and liabilities denominated in Canadian dollars. Effective January 1, 2020, management has determined that 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. 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.

Other risk factors

An investment in the Company's common shares is highly speculative and subject to a number of risks and uncertainties. Only those persons who can bear the risk of the entire loss of their investment should invest in the Company's common shares. An investor should carefully consider the risks and the other information filed with the Canadian securities regulators before investing in the Company's common shares. Any of the risks and uncertainties described below could have a material adverse effect on the Company's business and financial condition and accordingly, should be carefully considered in evaluating the Company's business. The following risk factors are not a definitive list or description of all the risks associated with Solaris' business but are intended to indicate what management considers to be significant considerations for anyone who reads this MD&A:

Ability to raise funding to continue exploration, development and mining activities

Solaris has no revenues from operations and has recorded losses since inception. Solaris expects to incur operating losses in future periods due to continuing expenses associated with advancing its mineral projects, seeking new business opportunities, and general and administrative costs. Solaris has finite financial resources and its ability to advance its mineral projects will depend significantly upon its ability to secure near and long-term financing. There are no assurances or guarantees that any financing alternative will be successful or that financing will be available at all or on acceptable terms. These financing requirements will result in dilution of existing Solaris shareholders. Failure to obtain such financing may result in delay or indefinite postponement of Solaris' activities. In addition, the outbreak of the novel coronavirus COVID-19, declared as a pandemic by the World Health Organization, is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's ability to obtain financing to fund its activities and conduct business are not known at this time.

Share price fluctuation

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations which have not necessarily been related to their operating performance, underlying asset values or prospects. Additionally, companies like Solaris often experience periods where their shares are thinly traded. There can be no assurance that these kinds of share price fluctuations or lack of liquidity will not occur in the future, and if they do occur, Solaris does not know how severe the impact may be on its ability to raise additional funds through equity issues. If Solaris is unable to obtain such additional financing, any investment in Solaris may be materially diminished in value or lost.

Global economic conditions

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the mining industry, are impacted by these market conditions. Market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede Solaris' access to capital or increase the cost of capital and may adversely affect Solaris' operations.

Solaris is also exposed to liquidity risks in meeting its operating and capital expenditure requirements in instances where its cash position is unable to be maintained or appropriate financing is unavailable. These factors may impact Solaris' ability to obtain capital on terms favourable to it or at all. Increased market volatility may impact Solaris' operations which could adversely affect the trading price of Solaris' Shares.

Negative operating cash flow

Solaris has negative operating cash flow and may continue to have negative operating cash flow in future periods. To the extent that Solaris has negative operating cash flow, Solaris will need to continue to deploy a portion of its cash reserves to fund such negative operating cash flow. Solaris expects to continue to sustain losses in the future until it begins to generate revenue from the commercial production of its properties. There is no guarantee that Solaris will ever have commercial production or be profitable.

Uncertainty of future revenues or of a return on investment

It is difficult to evaluate Solaris' business and future prospects. Solaris has no history of earnings, and operating losses are expected to continue for the foreseeable future. While Solaris' Board is optimistic about Solaris' prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved. There is no assurance that Solaris' common shares will provide a return on investment in the future. Solaris has no current plans to pay dividends in the future.

No defined reserves with no mineral properties in production or under development

Solaris is an early exploration and development company and all properties are in the exploration stage. Management has not defined or delineated any proven or probable reserves on any of Solaris' properties. Mineral exploration involves significant risk and few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. Management cannot confirm the presence of any proven or probable reserves at Warintza or any other properties. The failure to establish proven or probable reserves could severely restrict Solaris' ability to implement its strategies for long-term growth. In addition, mineral resource figures are estimates only. The estimates are expressions of judgment based on knowledge, mining industry experience, the analysis of drill and other results, as well as industry practices.

Further, mineral resources are not mineral reserves and there is no assurance that any mineral resource estimate will ultimately be classified as proven or probable mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Speculative nature of mineral exploration and development

The exploration for and development of mineral deposits involves significant risk. Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the mineral resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Development of Solaris' mineral projects will only follow upon obtaining satisfactory results. There is no assurance that Solaris' exploration and development activities will result in any discoveries of commercial bodies of ore, or that any of Solaris' mineral projects will be brought into commercial production. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, accuracy of estimated size, continuity of mineralization, average grade, proximity to infrastructure, availability and cost of water and power, anticipated climatic conditions, commodity prices and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but the combination of these factors may result in Solaris being unable to receive an adequate return on invested capital.

The process of mining, exploration and development also involves risks and hazards, including environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological conditions or acts of nature. These risks and hazards could lead to events or circumstances, which could result in the complete loss of a project or could otherwise result in damage or impairment to, or destruction of, mineral properties and future production facilities, environmental damage, delays in exploration and development interruption, and could result in personal injury or death.

Although Solaris evaluates the risks and carries insurance policies to mitigate the risk of loss where economically feasible, not all of these risks are reasonably insurable and insurance coverages may contain limits, deductibles, exclusions and endorsements. Solaris cannot assure that its coverage will be sufficient to meet its needs. Such a loss may have a material adverse effect on Solaris. See "Uninsured Risks" below for more details.

Risk of global outbreaks and contagious diseases

The risk of global outbreaks, including COVID-19, have the potential to significantly and adversely impact Solaris' operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Solaris is continuously evaluating the uncertainty and impact of the outbreak on the Company and its ability to operate due to employee absences, the length of travel and quarantine restrictions imposed by governments of affected countries, disruption in the Company's supply chains, information technology constraints, government interventions, market volatility, overall economic uncertainty and other factors currently unknown and not anticipated.

There can be no certainty that COVID-19, or other infectious illness, and the restrictive measures implemented to slow the spread of the virus will not materially impact Solaris' operations or personnel in the coming weeks and months. It is not possible for Solaris to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business, results of operations or ability to raise funds at this time.

Risks from international operations

Changes in political situations may affect the manner in which Solaris operates. The operations of Solaris are conducted in Ecuador, Mexico, Chile and Peru which are exposed to various levels of economic, political, currency and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism, hostage taking, military repression, crime, violence, more prevalent or stronger organized crime groups, political instability, corruption, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, uncertainty of the rule of law and legal system, corruption of public officials and/or courts of law, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business. These countries have experienced political, social and economic unrest in the past and protestors have from time to time targeted foreign mining companies and their mining operations. The occurrence of mining regime changes adds uncertainties that cannot be accurately predicted and any future material adverse changes in government policies or legislation in the jurisdictions in which Solaris operates that affect foreign ownership, mineral exploration, development of mining activities and may affect Solaris' viability.

Risk associated with an emerging and developing market

The disruptions recently experienced in the international and domestic capital markets have led to reduced liquidity and increased credit risk premiums for certain market participants and have resulted in a reduction of available financing. Companies located in countries in the emerging markets may be particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs, which could result in them experiencing financial difficulty. In addition, the availability of credit to entities operating within the emerging and developing markets is significantly influenced by levels of investor confidence in such markets as a whole and as such any factors that impact market confidence (for example, a decrease in credit ratings, state or central bank intervention in one market or terrorist activity and conflict) could affect the price or availability of funding for entities within any of these markets.

Relationships with, and claims by, local communities and indigenous groups

Warintza was in a period of inactivity from late 2006 as a result of social unrest within the surrounding communities and lack of support for mineral exploration within Ecuador. In 2018, Solaris restored the relationship with local communities and commenced consultation. With the community's support Solaris initiated exploration activities in 2019. Solaris has committed to on-going community engagement and returned 2,349.67 ha surface rights to local Shuar Nations of Warints and Yawi as an integral step to restoring the community's acceptance of activity on Warintza. During the third quarter of 2020, Solaris and the local Shuar communities of Warints and Yawi announced the signing of the IBA. While the IBA represents significant progress for the development of Warintza, continued development at Warintza is largely contingent on the continued support of these local communities. Any deterioration in Solaris' relationship with these communities would significantly negatively impact the development of Warintza.

In addition, despite the positive steps taken to restore the local Shuar communities acceptance of activity at Warintza, opposition to mining activities in Ecuador by a number of NGOs and their influence on indigenous groups may ultimately affect permitting, operations, and Solaris' reputation. Solaris undertakes various initiatives, involving or for the benefits of local communities, in accordance with its responsible and transparent mining strategies. While Solaris is committed to operating in a socially responsible manner, there can be no assurance that its efforts, in this respect, will mitigate any country risk.

Geopolitical risk

Warintza is located in Ecuador, South America. As a result, the Project is subject to certain risks and possible political and economic instability specific to Ecuador, such as the outcome of political elections and the possible turnover of government, political unrest, labour disputes, invalidation of government orders, permits or property rights, risk of corruption including violations under applicable foreign corrupt practices laws, military repression, war, civil disturbances, criminal and terrorist acts, arbitrary changes in laws, expropriation, nationalization, renegotiation or nullification of existing agreements and changes to monetary or taxation policies. The occurrence of any of these risks may adversely affect the mining industry, mineral exploration and mining activities generally or the Company and, among impacts, could result in the impairment or loss of mineral concessions or other mineral rights.

Exploration, development or production may also be affected to varying degrees by government regulations with respect to, but not limited to, restrictions on future exploitation and production, price controls, export controls, income taxes, labour and immigration, and by delays in obtaining or the inability to obtain necessary permits, opposition to mining from environmental and other non-governmental organizations, limitations on foreign ownership, expropriation of property, ownership of assets, environmental legislation, labour relations, limitations on repatriation of income and return of capital, high rates of inflation, increased financing costs and site safety. These factors may affect both Solaris' ability to undertake exploration and development activities in respect of future properties in the manner contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

Ecuador's final round of presidential elections took place on April 11, 2021 securing a new government over the next four-year term. The Company believes the results are a positive outcome for the mining sector, signaling the return to power of a mining-friendly government, removing uncertainty associated with the election, and providing the basis for continued support of the industry and reforms aimed at improving the environment for the sector to grow. However, any shifts in political attitudes or changes in laws that may result in, among other things, significant changes to mining laws or any other national legal body of regulations or policies are beyond the control of Solaris and may adversely affect its business. The Company faces the risk that future governments may adopt substantially different policies, which might extend to the expropriation of assets or increased government participation in the mining sector. In addition, changes in resource development or investment policies, increases in taxation rates, higher mining fees and royalty payments, revocation or cancellation of mining concession rights or shifts in political attitudes in Ecuador may adversely affect Solaris' business.

Permitting risk

Solaris' mineral exploration and development activities are subject to receiving and maintaining licenses, permits and approvals (collectively, "permits") from appropriate governmental authorities in Ecuador, Mexico, Chile and Peru. Solaris may be unable to obtain on a timely basis or maintain in the future all necessary permits to explore and develop its properties. Delays may occur in connection with obtaining necessary renewals or permits for Solaris' existing operations and activities, additional permits for existing or future operations or activities, or additional permits associated with new legislation. It is possible that previously issued permits may become suspended or revoked for a variety of reasons, including through government or court action. Solaris can provide no assurance that it will continue to hold or obtain, if required to, all permits necessary to develop or continue operating at any particular site, which could adversely affect its operations.

Failure to comply strictly with applicable laws, regulations and local practices may have a material adverse impact on the Company's operations or business

While the Company seeks to fully comply with applicable laws, regulations and local practices, failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction, cancellation or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. Any such loss, reduction or imposition of partners could have a material adverse impact on the Company's operations or business. Furthermore, increasing complexity of mining laws and regulations may render the Company incapable of strict compliance.

The Company's concessions are subject to pressure from artisanal and illegal miners

Several of the Company's concessions are located close to communities with long-standing artisanal, often illegal, mining traditions. Limited economic opportunities in these areas contribute to making gold mining an attractive field of work for local individuals and small associations and companies, who at times view concessions belonging to the Company as particularly attractive targets for alluvial or hard rock mining. In some cases, the local operators (occasionally financed by outsiders), having exhausted development opportunities at their current location may seek to expand or relocate their activities into areas controlled by the Company. In other cases, illegal miners may relocate to one of the Company's concession areas in response to government pressure that has shut down their prior operations. Local and national political and regulatory authorities may come under pressure to support or not impede the ambitions of these local actors. The Company monitors local mining activities and is in regular contact with regulatory and political authorities to anticipate and manage issues as they arise, however not every incursion can be readily identified. Nonetheless, there is a risk that in the future, due to political or social factors, regulators may make decisions to grant access to artisanal miners that impact the viability of the Company's projects.

The inherent operational risks associated with mining, exploration and development, many of which are beyond the Company's control

The Company's activities are subject to a high degree of risk due to factors that, in some cases, cannot be foreseen or anticipated, or controlled. These risks include, but are not limited to, tectonic or weather activity that may provoke landslides or other impacts, labour disruptions, legislative and regulatory changes, crime, the inability to obtain adequate sources of power, water, labour, suitable or adequate machinery and equipment, and expert attorneys and consultants. In addition, the Company may be unable to acquire or obtain such requirements as water rights and surface rights, which may be critical for the continued advancement of exploration, development and operational activities on its mineral concessions. These processes could generate delays and adverse decisions, however unexpected, could negatively impact project development and the Company's prospects.

Land title risk

Although Solaris has investigated the right to explore and exploit its various properties and obtained records from government offices with respect to all the mineral claims, licenses, concessions and other rights in and to lands comprising its properties, there is no guarantee of title. Other parties may dispute the title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by aboriginal, native, or indigenous peoples. The title to Solaris' properties may be affected by undetected encumbrances or defects or governmental actions. Solaris has not conducted surveys of all of its properties and the precise area and location of claims or the properties may be challenged. Title insurance is generally not available for mineral properties. Failure by Solaris to meet its payment and other obligations pursuant to laws governing its mineral claims, licenses, concessions and other forms of land and mineral tenure could result in the loss of its material property interests which could have a material adverse effect on Solaris, which could cause a significant decline in Solaris' stock price.

Fraud and corruption

Solaris' operations are governed by, and involve interactions with, many levels of government in numerous countries. Solaris is required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act, as well as similar laws in the countries in which Solaris conducts business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. Solaris' internal procedures and programs may not always be effective in ensuring that Solaris, its employees, contractors or third-party agents will comply strictly with such laws. If Solaris becomes subject to an enforcement action or in violation of such laws, this may have a material adverse effect on its reputation, result in significant penalties, fines, monitoring and investigation costs and/or sanctions imposed on it, and/or have a material adverse effect on Solaris' operations.

Ethics and business practices

Solaris maintains and requires adherence to policies governing ethical business conduct and practices, including prohibition of illegal payments, and respect for human rights and the individual. All personnel are expected to promote a respectful and inclusive workplace environment irrespective of ethnic background, gender, age or experience. Nevertheless, there is no assurance of compliance and the Company may be subject to allegations of discriminatory practices, harassment, unethical behavior, or breach of human rights.

Solaris may in the future become subject to legal proceedings

Solaris may, from time to time, become involved in various claims, legal proceedings, regulatory investigations and complaints. Solaris cannot reasonably predict the likelihood or outcome of any actions should they arise. If Solaris is unable to resolve any such disputes favorably, it may have a material adverse effect on Solaris' financial performance, cash flows, and results of operations. Solaris' assets and properties may become subject to further liens, agreements, claims, or other charges as a result of such disputes. Any claim by a third party on or related to any of Solaris' properties, especially where mineral reserves have been located, could result in Solaris losing a commercially viable property. Even if a claim is unsuccessful, it may potentially affect Solaris' operations due to the high costs of defending against the claim. If Solaris loses a commercially viable property, such a loss could lower its future revenues, or cause Solaris to cease operations if the property represents all or a significant portion of Solaris' mineral reserves.

Solaris' mineral assets are located outside Canada and are held indirectly through foreign affiliates

It may be difficult if not impossible to enforce judgements obtained in Canadian courts predicted upon the civil liability provisions of the securities laws of certain provinces against substantially all of Solaris' assets which are located outside Canada.

Commodity price risk

The price of Solaris' common shares, financial results and exploration, and development and mining activities in the future may be materially adversely affected by declines in the price of copper, molybdenum and gold. Copper, molybdenum and gold prices fluctuate widely and are affected by numerous factors beyond Solaris' control, such as the sale or purchase of metals by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major metals-producing and metals-consuming countries throughout the world.

Exchange rate fluctuations

Solaris reports its results in U.S. dollars, while many of Solaris' investments, costs and revenues may be denominated in other currencies. This may result in additions to Solaris' reported costs or reductions in Solaris' reported revenues. Fluctuations in exchange rates between currencies in which Solaris invests, reports, or derives income may cause fluctuations in its financial results that are not necessarily related to Solaris' underlying operations.

Joint ventures

Solaris may enter into joint venture or similar arrangements with regard to future exploration, development and production properties (including potentially Solaris' concessions). There is a risk any future joint venture partner does not meet its obligations and Solaris may therefore suffer additional costs or other losses. It is also possible that the interests of Solaris or future joint venture partners are not aligned resulting in project delays or additional costs and losses. Solaris may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

Property commitments

The properties held by Solaris may be subject to various land payments and/or work commitments. Failure by Solaris to meet its payment obligations or otherwise fulfill its commitments under these agreements could result in the loss of related property interests.

Infrastructure

Mineral exploration and development activities depend, to one degree or another, on adequate infrastructure. The costs, timing and complexities of developing Solaris' projects may be greater than anticipated for certain property interest without access to reliable roads, bridges, power sources and water supply. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect Solaris' operations, financial condition and results of operations.

Properties located in remote areas

Solaris' exploration and development properties may be located in remote areas with challenging terrain, climate and access, resulting in technical challenges for conducting geological exploration. The remote location of Solaris' operations may also result in increased costs and transportation difficulties, which could have a material adverse effect on Solaris' business and results of operations.

Lack of availability of resources

Mining exploration requires ready access to mining equipment such as drills, and crews to operate that equipment. There can be no assurance that such resources will be available to Solaris on a timely basis or at a reasonable cost. Failure to obtain these resources when needed may result in delays in Solaris' exploration programs.

Key management

The success of Solaris will be largely dependent on the performance of its Board of Directors and its senior management. The loss of the services of these persons would have a materially adverse effect on Solaris' business and prospects. There is no assurance Solaris can maintain the services of its Board of Directors and management or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on Solaris and its prospects.

Dependence on highly skilled personnel

Solaris' prospects depend in part on the services of key executives and other highly skilled and experienced personnel focused on managing Solaris' interests and the advancement of its mineral projects, as well as its other interests, in addition to the identification of new opportunities for growth and funding. The loss of these persons or Solaris' inability to attract and retain additional highly skilled employees required for Solaris' activities may have a material adverse effect on its business or future operations. Solaris does not currently maintain "key person" life insurance on any of its key employees.

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. Solaris competes with other mining companies, many of which have greater financial resources than Solaris, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Significant shareholders

Each of the significant shareholders has or will have the ability to significantly influence the outcome of corporate actions requiring shareholder approval, including the election of directors of Solaris and the approval of certain corporate transactions. Although, each of these significant shareholders is or will be a strategic partner of Solaris, their respective interests may differ from the interests of Solaris or its other shareholders. The concentration of ownership of the common shares may also have the effect of dissuading third-party offers or delaying or preventing other possible strategic transactions of Solaris.

Conflicts of interest

Certain of the directors and/or officers of Solaris also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and/or officers to be in a position of conflict. Any decision made by any of such directors and/or officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Solaris and Solaris shareholders. In addition, each director is required to declare and refrain from voting on any matter in which such director may have a conflict of interest in accordance with the procedures set forth in the British Columbia Business Corporations Act and other applicable laws.

Uninsurable risks

As mentioned above, Solaris' business is subject to a number of risks and hazards including adverse environmental conditions, industrial accidents, labour disputes, and technical difficulties due to unusual or unexpected geologic formations. Such risks could result in personal injury or death, environmental damage, damage to and destruction of the facilities, delays in exploration and development, monetary losses and legal liability. For some of these risks, Solaris maintains insurance to protect against these losses at levels consistent with industry practice. However, Solaris may not be able to maintain current levels of insurance, particularly if there is a significant increase in the cost of premiums. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production may not be generally available to Solaris or to other companies in the mining industry on acceptable terms. Solaris might also become subject to environmental liability or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Solaris to incur significant costs that could have a material adverse effect upon its financial condition and results of operations.

Information systems

Targeted attacks on Solaris' systems (or on systems of third parties that Solaris relies on), failure or non-availability of key information technology ("IT") systems or a breach of security measures designed to protect Solaris' IT systems could result in disruptions to Solaris' operations, extensive personal injury, property damage or financial or reputational risks. As the threat landscape is ever-changing, Solaris must make continuous mitigation efforts, including risk prioritized controls to protect against known and emerging threats, tools to provide automate monitoring and alerting and backup and recovery systems to restore systems and return to normal operations.

Public company obligations

Solaris is subject to evolving corporate governance and public disclosure regulations that have increased both Solaris' compliance costs and the risk of non-compliance, which could adversely impact Solaris' share price.

Solaris is subject to changing rules and regulations promulgated by a number of governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX, and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity creating many new requirements. For example, the Canadian government proclaimed into force the Extractive Sector Transparency Measures Act on June 1, 2015, which mandates the public disclosure of payments made by mining companies to all levels of domestic and foreign governments starting in 2017 for the year ended December 31, 2016. Solaris' efforts to comply with such legislation could result in increased general and administration expenses and a diversion of management time and attention from operating activities to compliance activities.

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

Solaris may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and Solaris may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting. Solaris' failure to satisfy the requirements of Canadian legislation on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Solaris' business and negatively impact the trading price of the Solaris Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Solaris' operating results or cause it to fail to meet its reporting obligations.

Solaris may fail to maintain the adequacy of its disclosure controls. Disclosure controls and procedures are designed to ensure that the information required to be disclosed by Solaris in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to Solaris' management, as appropriate, to allow timely decisions regarding required disclosure.

No evaluation can provide complete assurance that Solaris' financial and disclosure controls will detect or uncover all failures of persons within Solaris to disclose material information otherwise required to be reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation. The effectiveness of Solaris' controls and procedures could also be limited by simple errors or faulty judgments.

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 Company conducts operations through foreign subsidiaries and substantially all of its assets are held in such entities. Accordingly, any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on 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

The Company is authorized to issue an unlimited number of Solaris Shares without par value. The Company may issue more Solaris Shares in the future. Sales of substantial amounts of Solaris Shares (including shares issuable upon the exercise of stock options), or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Common Shares and the ability of the Company to raise equity capital in the future.

Measures to protect endangered species may adversely affect the Company's operations.

The countries in which Company operates (including in particular, Ecuador) have diverse and fragile ecosystems and the federal government, regional governments, politicians, community leaders, and NGOs are vigilant in the protection of endangered species. The existence or discovery of an endangered species at or near the Company's projects may have a number of adverse consequences to the Company's plans and operations. For instance, the presence of an endangered species could require the Company to modify its design plans and construction, to take extraordinary measures to protect the species or to cease its activities temporarily or permanently, all of which would delay the Company's exploration activities and have an adverse economic impact on the Company, which could be material. The existence or discovery of an endangered species at Warintza could also ignite NGO and local community opposition to the Company's projects, which could present further challenges to exploration and development activities.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

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 are not 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 Jorge Fierro, M.Sc., DIC, PG, Vice President Exploration of Solaris who is a "Qualified Person" as defined in National Instrument 43-101 *Standards of Disclosure for Mineral Projects*.