SOLARIS RESOURCES

Solaris Resources Inc.

Management's Discussion and Analysis

For the Three and Nine Months Ended September 30, 2021 and 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") of Solaris Resources Inc. (the "Company", "Solaris", "we", "us", or "our") covers the three and nine months ended September 30, 2021. This MD&A is dated November 10, 2021 and takes into account information available up to and including that date. This MD&A should be read in conjunction with the accompanying condensed consolidated interim financial statements and notes for the three and nine months ended September 30, 2021, and the annual consolidated financial statements for the year ended December 31, 2020, which are available on the Company's website www.solarisresources.com and on SEDAR at www.sedar.com.

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

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

Solaris was incorporated under the Business Corporations Act of British Columbia on June 18, 2018 as a wholly owned subsidiary of Equinox Gold Corp. ("Equinox"). On August 3, 2018, Equinox re-organized certain subsidiaries holding all of its copper assets (the "Equinox Subsidiaries"), under its wholly owned subsidiary, Lowell Copper Holdings Inc. ("Lowell Copper"), transferred all of the issued and outstanding shares of Lowell Copper and $500 in cash to Solaris, and distributed 60% of the shares of Solaris to the shareholders of Equinox, as a return of capital by way of a plan of arrangement ("the Arrangement").

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including but not limited to statements with respect to future plans and objectives of Solaris (e.g. that the objective of the drill program at Warintza Central is to expand the size and confidence of the Inferred Mineral Resource; that an updated mineral resource estimate at Warintza Central is expected to be completed in the coming months; that Solaris is completing an aggressive growth strategy via step-out and extensional drilling to test the next targets for future discoveries within the 7km x 5km cluster of copper porphyries defined on the property), that further funds may be required to fund future obligations and exploration plans, potential mineralization, exploration results, the availability of financial resources, capital, operating and cash flow estimates, intentions for its Warintza Project in Ecuador, and statements under 'Outlook' later in this MD&A (including, but not limited to anticipated amounts, locations, objectives and timing of results of drill programs, and timing and nature of future technical reports). Forward-looking statements are often, but not always, identified by the use of words such as may, will, seek, anticipate, believe, plan, estimate, budget, schedule, forecast, project, expect, intend, or similar expressions.

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

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

DESCRIPTION OF BUSINESS

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

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

HIGHLIGHTS AND ACTIVITIES

The following activities and developments were achieved throughout the quarter:

- Solaris reported assay results from ongoing resource expansion drilling at Warintza Central, returning 1,000m of 0.60% CuEq[1] including 786m 0.67% CuEq from surface, 952m of 0.62% CuEq including 502m of 0.67% CuEq, and 382m of 0.77% CuEq, extending the strike length to 1,250m and exceeding the original scope of planned resource drilling across 1,000m of strike length.[2]

- The Company announced a significant new discovery in maiden drilling of the Warintza East target, with the first hole drilled to a total depth of 1,213m and results for the first 320m of core returning 0.46% CuEq from surface.[3]

- Solaris announced the appointment of Ms. Sunny Lowe as Chief Financial Officer, effective October 1, 2021.

- Solaris reported assay results from three additional holes at Warintza Central, infilling and extending the drill defined envelope of mineralization to the east, with high-grade mineralization encountered in all holes starting at or near surface. Results include: 462m of 0.91% CuEq from near surface including 372m of 1.02% CuEq from 36m depth, 632m of 0.68% CuEq from surface including 316m of 1.00% CuEq from 42m depth, and 1,184m of 0.68% CuEq from surface including 480m of 0.80% CuEq from 48m depth.[4]

- Solaris reported further assay results from its recent Warintza East discovery, with the first hole collared approximately 1,300m east of Warintza Central and drilled to the southwest, returning 396m of 0.42% CuEq from surface within a broader interval of 1,213m assaying 0.28% CuEq, and the second hole collared from the same platform but drilled to the northwest, returning 320m of 0.48% CuEq, including 62m of 0.68% CuEq from surface, from the first 320m of core.[5]

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

[2] Additional detail is set out in the Company's news release titled, "Solaris Reports 1,000m of 0.60% CuEq from Surface, Extending Warintza Central to 1,250m Strike Length", dated July 7, 2021.

[3] Additional detail is set out in the Company's news release titled, "Solaris Announces Significant New Discovery at Warintza East", dated July 20, 2021.

[4] Additional detail is set out in the Company's news release titled, "Solaris Reports 1,184m of 0.68% CuEq from Surface in Expansion of Warintza Central; Maiden Drilling Commences at El Trinche", dated September 7, 2021.

[5] Additional detail is set out in the Company's news release titled, "Solaris Expands Warintza East Discovery; Ongoing Drilling Targeting High Grade Link to Warintza Central", dated September 27, 2021.

Subsequent to quarter-end:

- Solaris reported assay results from three additional holes at Warintza Central, extending the drill defined envelope of high-grade mineralization to the north, northeast and south, with the highest-grade mineralization encountered in all holes starting at or near surface. Results include: 372m of 0.82% CuEq from surface, including 264m of 0.97% CuEq[1] from 42m depth; 1,000m of 0.81% CuEq from near surface, including 768m of 0.90% CuEq from 44m depth; and 618m of 0.48% CuEq from surface, including 372m of 0.64% CuEq from 46m depth, broadening the width of Warintza Central to the north in 165m step out hole.[6]

- Solaris reported additional assay results from Warintza Central and Warintza East, extending the strike length of Warintza Central to 1,350m where it now overlaps the western limits of Warintza East. Warintza Central results include: 722m of 0.69% CuEq, including 426m of 0.85% CuEq from 46m depth, and 660m of 0.47% CuEq, including 242m of 0.67% CuEq from 52m depth. The second hole at Warintza East returned 320m of 0.48% CuEq from surface within a broader interval of 1,160m assaying 0.25% CuEq[7].

- Solaris reported the commencement of maiden drilling at Warintza South, targeting the fourth major discovery at Warintza, as well as, updated geophysical interpretation and geochemical sampling have refined and expanded the dimensions of key targets at Warintza. In addition, the Company is redirecting its twelve-rig drilling fleet toward aggressive step-out growth and discovery-oriented drilling over the balance of the year and into 2022[8].

OUTLOOK

Solaris continues to operate twelve drill rigs focused on resource growth and discovery drilling programs at Warintza. The objective of the drill program at Warintza Central is to expand the size and confidence of the Inferred Mineral Resource. Results from the drill program will form the basis of an updated mineral resource estimate at Warintza Central, expected to be completed in the coming months. In addition to the resource expansion drilling, Solaris is pursuing an aggressive growth strategy via step-out and extensional drilling testing additional targets for future discoveries within the 7km x 5km cluster of copper porphyries defined on the property.

Warintza

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

Warintza enjoys the support of its local Shuar Centres of Warints and Yawi with whom the Company shares an Impacts and Benefits Agreement ("IBA"). 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 corporate social responsibility ("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 Peoples. 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 Inferred Mineral Resource estimate of 124 million tonnes 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.

[6] Additional detail is set out in the Company's news release titled, "Solaris Reports 1,000m of 0.81% CuEq from Surface; Broadens Width of Warintza Central to North in 165m Step Out Hole", dated October 12, 2021.
[7] Additional detail is set out in the Company's news release titled, "Solaris Extends Warintza Central to 1,350m Strike Length to Overlap Warintza East Discovery", dated October 25, 2021.
[8] Additional detail is set out in the Company's news release titled, "Solaris Commences Maiden Drilling at Warintza South; Updated Geophysics and Geochemistry Expand Warintza Porphyry Cluster", dated November 1, 2021.

Warintza Central is set within a 7km x 5km cluster of copper porphyries.

The Company is completing ongoing drilling to expand the size and confidence of the high-grade Inferred Mineral Resource, alongside an aggressive step-out and extensional drilling program to test the next targets for potential future discoveries within the 7km x 5km cluster of copper porphyries defined on the property.

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

The Warintza Mineral Resource estimate excludes all drilling results subsequent to December 2019.

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

Warintza Drill Program

Warintza Central drilling has returned long intervals of high-grade copper mineralization starting from surface and extending to 1km+ depths with grades up to 1% CuEq, significantly extending mineralization beyond the limits of historical drilling that informs the current Inferred Mineral Resource.

Results from the resource expansion program at Warintza Central will form the basis of an updated mineral resource estimate, expected for completion in the coming months.

The Warintza Central resource is set within a 7km x 5km cluster of copper porphyries where additional discoveries have been made at Warintza West and Warintza East.

At Warintza West, the first drill hole resulted in a significant new discovery earlier this year returning 798m of 0.31% CuEq, with geophysics revealing this interval lies within a high-conductivity anomaly encompassing Warintza Central, East and West. More recently, the company announced its third major copper discovery at Warintza East where the first two holes have returned long intervals of mineralization with the highest grades starting at or near surface reflecting the vertical zonation in the system. The first hole was drilled to the southwest, returning 396m of 0.42% CuEq from surface, with the full length of the hole of 1,213m assaying 0.28% CuEq. The second hole was collared from the same platform but drilled to the northwest, returning 320m of 0.48% CuEq from surface within a broader interval of 1,160m assaying 0.25% CuEq. Importantly, the footprint of Warintza East overlaps conceptual pit designs for Warintza Central, which itself continues to grow eastward.

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

The Company has also defined major copper porphyry targets at Warintza South and Yawi from geophysical and geochemical data. Solaris has commenced maiden drilling at Warintza South with results expected by year-end. The Company has reoriented its drilling fleet to pursue an aggressive growth strategy via step-out and extensional drilling and to test the next targets for further discoveries over the balance of the year and into 2022.

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 "La Verde Agreement"). The La Verde Agreement provides that Solaris be the operator of the project. The La Verde 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.

Ricardo

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

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

Tamarugo

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

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

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

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

Other projects

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

CORPORATE ACTIVITIES

Management appointments

On August 30, 2021, the Company announced the appointment of Ms. Sunny Lowe as Chief Financial Officer, effective October 1, 2021. Ms. Lowe brings over 20 years of capital markets, finance, and international accounting, tax and risk management experience. In her most recent role with an Ecuador-focused exploration and development company, Ms. Lowe went beyond the traditional duties of her role as Chief Financial Officer to become a driving force in the completion of a feasibility study, engagement with Ecuadorian government to advance project permitting, and negotiation of an Investor Protection Agreement and Exploitation Agreement, that contributed to the company's successful acquisition by an intermediate producer.

Prior to this, Ms. Lowe was Vice President, Finance for a senior precious metal producer for two years and Vice President, Internal Audit & Enterprise Risk Management for almost four years. Ms. Lowe also spent eight years at a senior base metals producer where she held leadership roles of increasing responsibility across functions including Enterprise Risk Management, Global Taxation and Compliance, and Business Systems and Controls.

SUMMARY OF QUARTERLY FINANCIAL INFORMATION

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

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

		2021 Q3		2021 Q2		2021 Q1		2020 Q4
Exploration expenses	$	14,120	$	11,237	$	8,351	$	7,602
General and administration		2,125		2,331		1,986		1,711
Change in fair value of derivatives – loss (gain)		(3,381)		(1,724)		2,845		3,298
Net loss		12,789		11,718		13,075		12,599
Comprehensive loss		14,131		10,731		12,328		11,861
Net loss attributable to Solaris shareholders		12,768		11,709		13,058		12,567
Net loss per share – basic and diluted	$	0.12	$	0.11	$	0.12	$	0.07

		2020 Q3		2020 Q2		2020 Q1		2019 Q4
Exploration expenses	$	4,519	$	1,002	$	2,397	$	1,188
General and administration		764		718		626		612
Change in fair value of derivatives – loss (gain)		6,453		(3,506)		468		(720)
Net loss (income)		11,706		(1,808)		3,494		731
Comprehensive loss (income)		11,163		(2,232)		4,180		731
Net loss (income) attributable to Solaris shareholders		11,683		(1,820)		3,489		727
Net loss (income) per share – basic and diluted	$	0.13	$	(0.03)	$	0.06	$	0.02

The Company has not generated any income to date other than interest income and the gain on change in fair value of derivatives. Exploration expenditures have increased from the fourth quarter of 2019 to the third quarter of 2021 with the ongoing advancement of the Warintza Project, except for the second quarter of 2020 when COVID-19 related precautions caused the Company to suspend operations in mid-March 2020. With the resumption of exploration activities by the end of the second quarter of 2020, drilling and drilling related costs have increased quarter over quarter primarily due to the recommencement and continued ramp up of drilling at Warintza Central, as well as an increase in other site activities and personnel in support of drilling at the other Warintza targets, coupled with increased CSR initiatives. Solaris also commenced an advanced airborne geophysical survey during the third quarter of 2020 resulting in an increase in exploration expense. The increase in the general and administrative costs in the fourth quarter of 2020 primarily reflects an increase in share-based compensation, a non-cash cost for stock options granted to employees and directors as well as an increase in salaries and benefits expense as the Company added to the leadership to support the Company's strategy to broaden exploration efforts. The increase in general and administrative costs in subsequent quarters primarily reflects an increase in share-based compensation. The Q1 2021, Q4 2020, Q3 2020, and Q1 2020 change in fair value of derivatives, a non-cash cost, was the mark-to-market loss on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. In Q3 2021, Q2 2021, Q2 2020, and Q4 2019, the Company recognized a mark-to-market gain on the derivative instrument.

Exploration expenses

The following tables summarize exploration expenses by activity and jurisdiction.

For three months ended September 30, 2021:

		Ecuador		Mexico		Chile		Other		Total
Salaries, geological consultants and support, and travel	$	3,412	$	–	$	53	$	170	$	3,635
Site preparation, supplies, field and general		1,826		21		104		43		1,994
Drilling and drilling related costs		5,662		–		22		–		5,684
Assay and analysis		1,023		–		13		–		1,036
Community relations, environmental and permitting		1,469		–		–		76		1,545
Concession fees		–		22		–		–		22
Studies		20		–		–		3		23
Reclamation provision		53		–		–		–		53
Amortization		126		–		1		1		128
	$	13,591	$	43	$	193	$	293	$	14,120

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

For three months ended September 30, 2020:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 745	$ –	$ 44	$ 66	$ 855
Site preparation, supplies, field and general	851	38	58	16	963
Drilling and drilling related costs	1,491	–	–	–	1,491
Assay and analysis	82	–	–	–	82
Community relations, environmental and permitting	229	–	–	6	235
Concession fees	–	20	–	21	41
Geotechnical analysis	674	–	–	–	674
Reclamation provision	160	–	–	–	160
Amortization	17	–	1	–	18
	$ 4,249	$ 58	$ 103	$ 109	$ 4,519

The increase in exploration expenses to $14,120 for the three months ended September 30, 2021 from $4,519 for the three months ended September 30, 2020 was primarily related to the increase in drilling in Ecuador at Warintza. The most significant increase was for the drilling and drilling related costs for 13 holes drilled at Warintza in the three months ended September 30, 2021 compared to 3 holes drilled at Warintza in the same period in 2020. Salaries, geological consulting and support, and travel costs also increased in support of drilling, mostly due to an increase in geological and other consultants and mobilization of supplies, materials and personnel to and within the site. There was also an increase in payroll costs, including the cost of additional local community members hired to support Warintza site activities. The increase in site preparation, supplies, field and general costs is commensurate with the increase in drilling activity with additional drilling platforms, civil works and site infrastructure, as well as an increase in supplies and materials. Community relations, environmental and permitting costs increased primarily due to advancements in permitting activities and an increase in environmental costs related to drilling, and an increase in community support, including infrastructure donations. Community relations costs increased with the signing of the IBA for Warintza between Solaris and the Shuar Centres of Warints and Yawi, reflecting increased community support for the responsible advancement of Warintza. The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza. Geotechnical analysis represents the costs related to the commencement of an advanced airborne geophysical survey in third quarter of 2020 covering the Company's entire Warintza and surrounding area land package.

For nine months ended September 30, 2021:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 7,633	$ –	$ 133	$ 408	$ 8,174
Site preparation, supplies, field and general	4,450	59	282	101	4,892
Drilling and drilling related costs	13,128	–	611	–	13,739
Assay and analysis	1,957	–	21	–	1,978
Community relations, environmental and permitting	3,315	–	–	144	3,459
Concession fees	268	44	69	37	418
Studies	193	–	–	117	310
Reclamation provision	472	–	–	–	472
Amortization	259	2	1	4	266
	$ 31,675	$ 105	$ 1,117	$ 811	$ 33,708

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

For nine months ended September 30, 2020:

	Ecuador	Mexico	Chile	Other	Total
Salaries, geological consultants and support, and travel	$ 1,629	$ –	$ 112	$ 212	$ 1,953
Site preparation, supplies, field and general	1,567	58	129	40	1,794
Drilling and drilling related costs	2,191	–	–	–	2,191
Assay and analysis	82	–	–	–	82
Community relations, environmental and permitting	640	–	–	24	664
Concession fees	268	40	31	21	360
Geotechnical analysis	674	–	–	–	674
Reclamation provision	160	–	–	–	160
Amortization	37	2	1	–	40
	$ 7,248	$ 100	$ 273	$ 297	$ 7,918

The increase in exploration expenses to $33,708 for the nine months ended September 30, 2021 from $7,918 for the nine months ended September 30, 2020 was primarily related to the increase in drilling in Ecuador at Warintza. The most significant increase was for the drilling and drilling related costs for 44 holes drilled at Warintza in the nine months ended September 30, 2021 compared to 5 holes drilled at Warintza in the same period in 2020. Salaries, geological consulting and support, and travel costs also increased in support of drilling, mostly due to an increase in geological and other consultants and mobilization of supplies, materials and personnel to and within the site. There was also an increase in payroll costs, including the cost of additional local community members hired to support Warintza site activities. The increase in site preparation, supplies, field and general costs is commensurate with the increase in drilling activity with additional drilling platforms, civil works and site infrastructure, as well as an increase in supplies and materials. Community relations, environmental and permitting costs increased primarily due to advancements in permitting activities and an increase in environmental costs related to drilling, and an increase in community support, including infrastructure donations. Community relations costs increased with the signing of the IBA for Warintza between Solaris and the Shuar Centres of Warints and Yawi, reflecting increased community support for the responsible advancement of Warintza. The reclamation provision represents the estimated costs for restoration and rehabilitation for environmental disturbances at Warintza. Geotechnical analysis represents the costs related to the commencement of an advanced airborne geophysical survey in third quarter of 2020 covering the Company's entire Warintza and surrounding area land package.

LOSS FROM OPERATIONS

Three Months Ended September 30, 2021 Compared to the Three Months Ended September 30, 2020

The Company incurred exploration expenses of $14,120 for the three months ended September 30, 2021 (September 30, 2020 – $4,519). The increase is mainly attributable to increased drilling activity at Warintza in the third quarter of 2021.

The Company incurred general and administrative expenses of $2,125 for the three months ended September 30, 2021 (September 30, 2020 – $764). The increase is commensurate to the increase in overall activity of the Company in the three months ended September 30, 2021, as well as additions to the corporate team. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $1,235 for the three months ended September 30, 2021 (September 30, 2020 – $323). The increase reflects the stock option grants to employees and directors in the fourth quarter of 2020 and the additional stock option grant to one director who was appointed to the Board of Directors of the Company during the first quarter of 2021.

The change in fair value of derivatives resulted in a gain of $3,381 for the three months ended September 30, 2021 compared to a loss of $6,453 for the three months ended September 30, 2020, a non-cash cost, due to the mark-to-market adjustment on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. Subsequent to September 30, 2021, 4,003,940 of the 4,004,165 of Equinox Warrants, representing the largest tranche of the outstanding Equinox Warrants, expired unexercised on October 6, 2021.

Nine Months Ended September 30, 2021 Compared to the Nine Months Ended September 30, 2020

The Company incurred exploration expenses of $33,708 for the nine months ended September 30, 2021 (September 30, 2020

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

– $7,918). The increase is mainly attributable to increased drilling activity at Warintza in the nine months ended September 30, 2021.

The Company incurred general and administrative expenses of $6,442 for the nine months ended September 30, 2021 (September 30, 2020 – $2,108). The increase is commensurate to the increase in overall activity of the Company in the nine months ended September 30, 2021, as well as additions to the corporate team. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $3,660 for the nine months ended September 30, 2021 (September 30, 2020 – $764). The increase reflects the stock option grants to employees and director in the fourth quarter of 2020 and the additional stock option grant to one director who was appointed to the Board of Directors of the Company during the first quarter of 2021.

The change in fair value of derivatives resulted in a gain of $2,260 for the nine months ended September 30, 2021 compared to a loss of $3,415 for the nine months ended September 30, 2020, a non-cash cost, due to the mark-to-market adjustment on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. Subsequent to September 30, 2021, 4,003,940 of the 4,004,165 Equinox Warrants, representing the largest tranche of the outstanding Equinox Warrants, expired unexercised on October 6, 2021.

LIQUIDITY AND CAPITAL RESOURCES

		September 30, 2021		December 31, 2020
Cash and cash equivalents	$	46,721	$	73,593
Prepaids and other		1,293		244
Accounts payable and accrued liabilities		7,774		3,230
Due to related parties		–		66
Lease liability – current		219		56
Total current assets	$	48,014	$	73,837
Total current liabilities		9,045		7,348

Cash used in operating activities during the three and nine months ended September 30, 2021 was $12,384 and $32,302, respectively (September 30, 2020 – $2,593 and $6,883, respectively). The increased use of cash during the three and nine months ended September 30, 2021 compared to same periods in 2020 is primarily attributable to the increase in exploration expenses and corporate activity, as 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 three and nine months ended September 30, 2021 was $811 and $6,076 respectively (September 30, 2020 – $672 and $18,190, respectively). Cash inflow from financing activities for the three and nine months ended September 30, 2021 relates primarily to the proceeds from the exercise of Equinox Warrants, warrants and stock options of $761 and $5,802, respectively, compared to proceeds of $652 and $2,720, respectively from the exercise of Equinox Warrants and stock options during the three and nine months ended September 30, 2020. In addition, cash inflow from financing activities during the nine months ended September 30, 2020 includes $15,427 (C$21,200) in proceeds from the non-brokered private placements.

Cash outflow from investing activities during the three and nine months ended September 30, 2021 was $424 and $1,125, respectively (September 30, 2020 – $223 and $286, respectively) and relates primarily to the purchase of property, plant and equipment at Warintza.

The Company relies on share issuances in order to fund its exploration and other business objectives. As at September 30, 2021, the Company has cash and cash equivalents of $46,721. Based on the forecasted expenditures, this balance would be sufficient to fund the Company's planned exploration activities; however, if the Company continues to maintain the existing exploration activities throughout the next twelve months, the current cash balances may not be sufficient to fund these expenditures. The Company has the ability to scale back such activities as necessary to ensure that it has sufficient cash to fund committed exploration expenses 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 plans.

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

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

COMMITMENTS AND CONTINGENCIES

At September 30, 2021, the Company had the following contractual cash flow commitments. See "Related Party Transactions" for disclosure of the Company's contingent obligation for future rental payments subsequent to period end.

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 7,774	$ –	$ –	$ –	$ 7,774
Lease liabilities	219	213	–	–	432
Office rent obligations	397	525	43	–	965
Exploration expenses and other	245	100	–	–	345
	$ 8,635	$ 838	$ 43	$ –	$ 9,516

SHARE CAPITAL INFORMATION

As at November 10, 2021, the Company had the following securities issued and outstanding:

- 108,520,757 common shares
- 8,092,879 shares issuable pursuant to exercise of stock options[9]
- 498,210 shares issuable pursuant to redemption of restricted share units[10]
- 153,529 shares issuable pursuant to exercise of Equinox Warrants
- 38,414,675 shares issuable pursuant to exercise of Solaris warrants

PROPOSED TRANSACTIONS

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

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

[9] There are 1,545,438 Arrangement options outstanding exercisable into 154,547 Solaris shares and 7,938,332 Solaris options outstanding exercisable into 7,938,332 Solaris shares.
[10] These restricted share units have vested and issuance of the related Solaris shares has been deferred by the holder.

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

Key management compensation for the three and nine months ended September 30, 2021 and 2020 is comprised of:

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Share-based compensation	$ 1,002	$ 258	$ 3,023	$ 527
Salaries and benefits	154	94	429	281
Professional fees	70	–	211	–
	$ 1,226	$ 352	$ 3,663	$ 808

Related party transactions

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, 2021 was approximately $624 (December 31, 2020 – $317), determined based on the Company's average share of rent paid in the immediately preceding 12 months.

The Company was charged for the following with respect to these arrangements in the three and nine months ended September 30, 2021 and 2020.

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Salaries and benefits	$ 318	$ 185	$ 898	$ 492
Professional fees	46	–	186	–
Office and other	104	67	309	187
Marketing and travel	5	6	15	16
	$ 473	$ 258	$ 1,408	$ 695

At September 30, 2021, amounts in prepaids and other include $72 due from related party (December 31, 2020 – $15 due to related parties included in current liabilities) with respect to this arrangement.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC (International Financial Reporting Interpretations Committee). However, these updates either are not applicable to the Company or are not material to the consolidated financial statements.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

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

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

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 $46,993 represents the maximum exposure to credit risk.

b) Liquidity risk

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

c) Foreign currency risk

The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency. At September 30, 2021, the Company had not entered into any contracts to manage foreign exchange risk.

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

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

Capital management

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

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

		September 30, 2021		December 31, 2020
Equity	$	51,728	$	78,645
Cash and cash equivalents		(46,721)		(73,593)
	$	5,007	$	5,052

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

RISKS AND UNCERTAINTIES

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Solaris' management, under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), evaluates the effectiveness of the design and operation of the Company's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109 - *Certification of Disclosure in Issuers'*

Annual and Interim Filings ("NI 52-109"), based on the 2013 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

For the three months ended September 30, 2021, the DC&P have been designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, particularly during the period in which the interim filings are prepared and the information required to be disclosed by the Company in its filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified. The ICFR has been designed to provide reasonable assurance regarding the reliability of financial reporting for external purposes in accordance with IFRS.

Due to the inherent limitations associated with any such controls and procedures, management recognizes that, no matter how well designed, they may not prevent or detect misstatements on a timely basis. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

NI 52-109 also requires Canadian public companies to disclose any changes in ICFR during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, ICFR. No material changes were made to internal controls in the three months ended September 30, 2021.

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. Jorge Fierro is a Registered Professional Geologist through the SME (registered member #4279075).