Solaris Resources Inc.

Management's Discussion and Analysis

For the Years Ended December 31, 2021 and 2020

INTRODUCTION

This management's discussion and analysis ("MD&A") of Solaris Resources Inc. (the "Company", "Solaris", "we", "us", or "our") covers the year ended December 31, 2021, with comparative information for the year ended December 31, 2020. This MD&A is dated March 24, 2022 and takes into account information available up to and including that date. This MD&A should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2021, and the related notes contained therein, 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"). Equinox subsequently distributed 60% of the outstanding shares of the Company to its shareholders pursuant to a plan of arrangement (the "Arrangement"). 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".

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; that an updated mineral resource estimate at Warintza Central is expected to be completed in early Q2; that Solaris is completing an aggressive growth strategy via step-out and extensional drilling to test the next targets for future discoveries; that the Company plans to complete follow-up drilling on recent discoveries made at West, East and South targeting the interpreted cores, as well as test additional targets for future discoveries at Yawi and Caya and other recently generated targets within the broader land package to be revealed in a forthcoming update; that the Company intends to effect the Re-Organization; that the Company intends to spin out Solaris Exploration to shareholders relative to their shareholdings in Solaris; that Solaris will continue to focus on rapidly growing and advancing its Warintza Project in southeastern Ecuador, while Solaris Exploration will allow shareholders to capture additional long-term value from the growth potential of the non-core assets in the Solaris Exploration shares distributed pursuant to the Spin-Out; 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. 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; the results of such exploration and development efforts; copper, gold and other base and precious metal prices; cut-off grades; accuracy of mineral resource estimates and resource modeling; timing and reliability of sampling and assay data; representativeness of mineralization; timing and accuracy of metallurgical test work; anticipated political and social conditions; expected government policy, including reforms; ability to successfully raise additional capital; and other assumptions used as a basis for preparation of the Company's current technical reports. 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.

HIGHLIGHTS AND ACTIVITIES

The Company made significant progress during 2021, with the following milestones achieved:

Corporate:

- In February, the Company's common shares commenced trading on the Toronto Stock Exchange.
- 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.
- During the first quarter of 2021, the Company received gross proceeds of $4,333 (C$5,411) on the issuance of 2,443,003 shares of the Company on exercise of options and warrants of the Company and Equinox Warrants.
- Solaris was added to the MSCI Canada Small Cap Index on May 27, 2021.
- Solaris announced the appointment of Ms. Sunny Lowe as Chief Financial Officer, effective October 1, 2021.
- In December, the Company announced its intention of transferring its non-core assets held in Ecuador, Peru, Chile and Mexico into a newly incorporated wholly owned subsidiary of Solaris named Solaris Exploration Inc. ("Solaris Exploration") pursuant to an internal re-organization (the "Re-Organization"). Following the Re-Organization, it is expected that 100% of the common shares of Solaris Exploration will be spun out to shareholders relative to their shareholdings in Solaris (the "Spin-Out").

Warintza Project Advancement:

- During the first quarter of 2021, Solaris reported assay results for the following drill holes at Warintza Central:
    - two drill holes returning long high-grade intervals of 1,067m of 0.60% CuEq[1] and 454m of 0.62% CuEq, extending

[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. The definition of CuEq applies to all copper-equivalence reported herein.

mineralization to the north and northeast[2];

- four drill holes returning long high-grade intervals of 600m of 1.00% CuEq, 688m of 0.57% CuEq, 736m of 0.74% CuEq (0.59% Cu, 0.03% Mo, and 0.07 g/t Au) and 462m of 1.00% CuEq, extending the limits of mineralization to the west and northwest[3]; and

- three drill holes returning further high-grade intervals of 922m of 0.94% CuEq, 1,229m of 0.56% CuEq, and 958m of 0.77% CuEq, extending the limits of mineralization to the southeast, to depth, and between the eastern and western drilling at Warintza Central[4].

- In February, the Company announced a significant new discovery at Warintza West, with results from the first hole returning 798m of 0.31% CuEq, 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. A new target, named Yawi, was also identified to the east of Warintza East[5].

- During the second quarter of 2021, Solaris reported assay results for the following drill holes at Warintza Central:

  - three drill holes returning long high-grade intervals of 494m of 0.50% CuEq, 797m of 0.83% CuEq and 688m of 0.51% CuEq, extending mineralization between the western and eastern drilling and stepping out to the north and south[6]; and

  - three drill holes returning 1,029m of 0.73% CuEq, 238m of 0.68% CuEq, and 548m of 0.42% CuEq, extending the drill defined envelope of high-grade mineralization to the east and west and increasing the strike length to 1,100m[7].

- In June, Solaris announced the commencement of maiden drilling at Warintza East, targeting the third major discovery at Warintza, and defined a major copper porphyry target at Yawi from the further processing of geophysical and geochemical data at Warintza, extending the strike length of the Warintza cluster of porphyry targets to 7km from 5km[8].

- During the third quarter of 2021, Solaris reported assay results for the following drill holes at Warintza Central:

  - three drill holes returning 952m of 0.62% CuEq, 382m of 0.77% CuEq and 1,000m of 0.60% CuEq, extending the strike length to 1,250m[9]; and

  - three drill holes, 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, 632m of 0.68% CuEq, and 1,184m of 0.68% CuEq[10].

- In July, 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[11]. Later in September, the Company reported further assay results from Warintza East, with the first hole collared approximately

[2] 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.
[3] Additional detail is set out in the Company's news release titled, "Solaris Reports 600m of 1.0% CuEq and 462m of 1.0% CuEq From Surface, Continued Expansion of Warintza Central", dated February 22, 2021.
[4] Additional detail is set out in the Company's news release titled, "Solaris Reports 922m of 0.94% CuEq From Surface in Continued Expansion of Warintza Central" dated March 22, 2021.
[5] Additional detail is set out in the Company's news release titled, "Solaris Announces New Discovery at Warintza West, Geophysics Reveal More Extensive Porphyry System; Doubling Drill Program to 12 Rigs", dated February 16, 2021.
[6] 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.
[7] Additional detail is set out in the Company's news release titled, "Solaris Reports 1,029m of 0.73% CuEq From Surface, Expands Warintza Central to +1,100m Strike; Maiden Drilling Set to Commence at Warintza East", dated May 26, 2021.
[8] Additional detail is set out in the Company's news release titled, "Solaris Commences Maiden Drilling at Warintza East; Major Porphyry Target Defined at Yawi", dated June 14, 2021.
[9] 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.
[10] 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.
[11] Additional detail is set out in the Company's news release titled, "Solaris Announces Significant New Discovery at Warintza East", dated July 20, 2021.

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[12].

- During the fourth quarter of 2021, Solaris reported assay results for the following drill holes at Warintza:
  - three holes extending the drill defined envelope of high-grade mineralization at Warintza Central to the north, northeast and south, with the highest-grade mineralization encountered in all holes starting at or near surface. Results included 372m of 0.82% CuEq from surface, 1,000m of 0.81% CuEq from near surface, and 618m of 0.48% CuEq from surface, broadening the width of Warintza Central to the north in a 165m step out hole[13];
  - 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, and 660m of 0.47% CuEq. 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[14];
  - two additional holes have extended the dimensions of Warintza Central zone to the south and east, with the highest-grade intervals in each hole starting at or near surface, returning 920m of 0.62% CuEq extending mineralization to the east where it partially overlaps Warintza East, and 1,080m of 0.41% CuEq from surface extending mineralization by at least 200m to the south where it remains open[15]; and
  - five additional holes have expanded the dimensions of Warintza Central to the south and southeast where it remains open, with the highest-grade intervals within each hole starting at or near surface, returning 868m of 0.58% CuEq, 244m of 0.70% CuEq within a broader interval of 822m of 0.35% CuEq, 915m of 0.56% CuEq, 1,048m of 0.46% CuEq extending mineralization to the southeast where it remains open, and 592m of 0.52% CuEq extending mineralization to the south where it remains open[16].
- In November, 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 which have refined and expanded the dimensions of key targets at Warintza. In addition, the Company was redirecting its twelve-rig drilling fleet toward aggressive step-out growth and discovery-oriented drilling over the balance of the year and into 2022[17].

Subsequent to year-end:

- In January 2022, Solaris announced a significant new discovery in maiden drilling of the Warintza South target, which is an entirely separate porphyry deposit, located approximately 3kms south of the Warintza Central zone, with the first hole ever drilled returning 606m of 0.41% CuEq of continuous porphyry copper mineralization from near surface, within a broader interval of 755m of 0.36% CuEq. Warintza South marks the fourth major copper discovery within the 7km x 5km Warintza porphyry cluster[18].
- In February 2022, the Company reported assay results from a series of additional holes from mineral resource growth drilling at Warintza Central with the highest-grade intersection reported to date building on an emerging near surface, high-grade extension to the northeast that remains open, as well as to the south and southeast. Results included 740m of 0.60% CuEq within a broader interval of 906m of 0.53% CuEq, 396m of 0.70% CuEq within a broader interval of 817m of 0.60% CuEq, 100m of 1.64% CuEq from 50m depth, the highest-grade mineralization reported to date within a broader interval of 852m of 0.56% CuEq, 236m of 0.56% CuEq within a broader interval of 564m of 0.41% CuEq, 168m of 0.69% CuEq within a broader interval of 632m of 0.31% CuEq, and 446m of 0.70% CuEq within a broader interval of 811m of 0.51% CuEq[19].

[12] 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.
[13] 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.
[14] 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.
[15] Additional detail is set out in the Company's news release titled "Solaris Reports 920m of 0.62% CuEq and 1,080m of 0.41% CuEq; Warintza Central Extended up to 600m Width and Open", dated November 15, 2021.
[16] Additional detail is set out in the Company's news release titled "Solaris Extends Warintza Central to South, Southeast and Still Open; Maiden Drilling Results from Warintza South Expected in January", dated December 14, 2021.
[17] 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.
[18] Additional detail is set out in the Company's news release titled "Solaris Announces Significant New Discovery at Warintza South", dated January 18, 2022.
[19] Additional detail is set out in the Company's news release titled "Solaris Reports Highest Grades to Date, 100m of 1.64% CuEq Near Surface in Emerging NE Extension" dated February 28, 2022.

OUTLOOK

Solaris plans to operate ten to twelve drill rigs focused on resource growth and discovery drilling programs at Warintza. The initial resource growth drilling program for Warintza Central has been completed which will inform the updated mineral resource estimate expected to be completed in early Q2 2022. With this intensive program behind us, the focus of ongoing drilling has turned to pursuing the further extensions of near-surface, high-grade mineralization at Warintza Central which remain open, with additional platforms allowing for more aggressive step-outs under construction. In addition, the Company plans to complete follow-up drilling on recent discoveries made at West, East and South targeting the interpreted cores, as well as test additional targets for future discoveries at Yawi and Caya and other recently generated targets within the broader land package to be revealed in a forthcoming update.

The Company is also progressing with the Re-Organization activities as well as its intention to spin out Solaris Exploration to shareholders relative to their shareholdings in Solaris. Solaris will continue to focus on rapidly growing and advancing its Warintza Project in southeastern Ecuador, while Solaris Exploration will allow shareholders to capture additional long-term value from the growth potential of the non-core assets in the Solaris Exploration shares distributed pursuant to the Spin-Out.

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 Ltd 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. Warintza Central is set within a 7km x 5km cluster of copper porphyries where additional adjacent discoveries have been made at Warintza West, East and South over the last year.

The initial resource growth drilling program for Warintza Central has been completed which will inform the updated mineral resource estimate expected to be completed in early Q2 2022.

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 is an 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 current Warintza Mineral Resource estimate excludes all drilling results subsequent to December 2019.

Warintza Drill Program

Warintza Central drilling has returned long intervals of high-grade copper mineralization, with the highest-grade intervals within each hole starting at or near surface, extending to 1km+ depths with grades up to 1.64% CuEq, significantly extending mineralization beyond the limits of historical drilling that informs the current Inferred Mineral Resource.

Results from the mineral resource expansion program at Warintza Central will form the basis of an updated mineral resource estimate, expected for completion in early Q2 2022.

The Warintza Central resource is set within a 7km x 5km cluster of copper porphyries where additional discoveries have been made at Warintza West (February 2021), Warintza East (July 2021) and Warintza South (January 2022), each with a similar or larger footprint to Warintza Central.

At Warintza West, the first drill hole resulted in a significant new discovery 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.

Recently in January 2022, first-ever drilling at Warintza South resulted in the fourth major copper discovery within the 7km x 5km Warintza porphyry cluster, which is an entirely separate porphyry deposit, located approximately 3kms south of the Warintza Central zone, returning 606m of 0.41% CuEq of continuous porphyry copper mineralization from near surface.

Summarized drilling results from Warintza Central, Warintza West, Warintza East and Warintza South are listed on the Company's website along with an interactive 3D Model. The Company continues to reorient its drilling fleet to pursue an aggressive growth strategy via step-out and extensional drilling targeting the interpreted and to test the next targets for further discoveries in 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 and in February 2022, 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 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 the estate of 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.

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

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.

Exploration expenses

The following tables summarize exploration expenses by activity and jurisdiction.

For the year ended December 31, 2021:

	Ecuador	Mexico	Chile	Peru and other	Total
Salaries, geological consultants and support, and travel	$ 12,188	$ –	$ 152	$ 666	$ 13,006
Site preparation, supplies, field and general	7,060	93	398	175	7,726
Drilling and drilling related costs	18,458	–	612	–	19,070
Assay and analysis	3,216	–	18	–	3,234
Community relations, environmental and permitting	4,769	–	–	227	4,996
Concession fees	268	45	84	37	434
Studies	292	–	–	117	409
Reclamation provision	567	–	–	–	567
Amortization	396	3	1	8	408
	$ 47,214	$ 141	$ 1,265	$ 1,230	$ 49,850

For the year ended December 31, 2020:

	Ecuador	Mexico	Chile	Peru and 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

The increase in exploration expenses to $49,850 for the year ended December 31, 2021 from $15,520 for the year ended December 31, 2020 was primarily related to the extensive exploration program as evidenced from the increase in drilling in Ecuador at Warintza. The most significant increase was for the drilling and drilling related costs for 69 holes drilled at Warintza in the year ended December 31, 2021 compared to 17 holes drilled 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 Warintza and surrounding area land package.

CORPORATE ACTIVITIES

Board and Management appointments

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

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.

LOSS FROM OPERATIONS

Three Months Ended December 31, 2021 Compared to the Three Months Ended December 31, 2020

The Company incurred exploration expenses of $16,142 for the three months ended December 31, 2021 (December 31, 2020 – $7,602). The increase is mainly attributable to increased drilling activity at Warintza in the fourth quarter of 2021.

The Company incurred general and administrative expenses of $3,058 for the three months ended December 31, 2021 (December 31, 2020 – $1,711). The increase is commensurate to the increase in overall corporate and operating activity of the Company in the three months ended December 31, 2021, as well as additions to the corporate team. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $1,239 for the three months ended December 31, 2021 (December 31, 2020 – $827). The increase reflects the stock option grants to employees and consultants in September and November of 2021 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 loss of $730 for the three months ended December 31, 2021 compared to a loss of $3,298 for the three months ended December 31, 2020, a non-cash cost, due to the mark-to-market adjustment on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. The decrease in loss was primarily due to the expiry of certain unexercised warrants in the three months ended December 31, 2021.

Year Ended December 31, 2021 Compared to the Year Ended December 31, 2020

The Company incurred exploration expenses of $49,850 for the year ended December 31, 2021 (December 31, 2020 – $15,520). The increase is mainly attributable to increased drilling activity at Warintza in the year ended December 31, 2021.

The Company incurred general and administrative expenses of $9,500 for the year ended December 31, 2021 (December 31, 2020 – $3,819). The increase is commensurate to the increase in overall corporate and operating activity of the Company in the year ended December 31, 2021, as well as additions to the corporate team. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $4,899 for the year ended December 31, 2021 (December 31, 2020 – $1,591). The increase reflects the stock option grants to employees and consultants in the fourth quarter of 2020 and in late 2021, as well as 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 $1,530 for the year ended December 31, 2021 compared to a loss of $6,713 for the year ended December 31, 2020, a non-cash cost, due to the mark-to-market adjustment on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants. The gain in the current year was primarily due to the expiry of certain unexercised warrants and the loss in the prior year was due to the significant appreciation of the Company's share price.

SELECTED ANNUAL FINANCIAL INFORMATION

Information for the three years ended December 31, 2021, 2020 and 2019, as extracted from the Company's audited financial statements, is presented as follows:

$ in thousands, except per share amounts	2021	2020	2019
Exploration expenses	$ 49,850	$ 15,520	$ 3,930
General and administrative expenses	9,500	3,819	1,502
Change in fair value of derivatives	(1,530)	6,713	(2,266)
Net loss	56,857	25,991	2,769
Comprehensive loss	56,156	24,972	2,769
Net loss attributable to Solaris shareholders	56,796	25,919	2,715
Net loss per share attributable to Solaris shareholders – basic and diluted	0.53	0.33	0.06
Total non-current liabilities	1,862	1,015	1,575
Total assets	57,650	94,922	30,582

Exploration expense increased from 2019 to 2020 and 2021 primarily due to the increase in exploration activities in Ecuador at Warintza, with drilling and drilling related costs being the most significant component of the increase, including the spending in personnel, field work and infrastructure costs, as well as the augmented spending on community social relations initiatives. The increase in general and administrative costs in 2021 is commensurate to the advancement of exploration efforts at Warintza. The increase in expenses in 2021 is 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.

Total assets decreased to $57,650 at December 31, 2021 compared to December 31, 2020 primarily due to the use of cash primarily for exploration activities. The 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.

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.

$ in thousands, except per share amounts	**2021 Q4**	**2021 Q3**	**2021 Q2**	**2021 Q1**
Exploration expenses	$ 16,142	$ 14,120	$ 11,237	$ 8,351
General and administration	3,058	2,125	2,331	1,986
Change in fair value of derivatives – loss (gain)	730	(3,381)	(1,724)	2,845
Net loss	19,275	12,789	11,718	13,075
Comprehensive loss	18,966	14,131	10,731	12,328
Net loss attributable to Solaris shareholders	19,261	12,768	11,709	13,058
Net loss per share – basic and diluted	0.18	0.12	0.11	0.12

$ in thousands, except per share amounts	**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 – loss (gain)	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

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 steadily increased from the first quarter of 2020 to the fourth quarter of 2021 with the ongoing advancement of the Warintza Project, except for the second quarter of 2020 when the novel coronavirus outbreak ("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 2021 and 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 expanded leadership roles to support the Company's strategy to advance on its exploration strategy. The gain or loss recognized from the change in fair value of derivatives, a non-cash cost, was attributed to the mark-to-market adjustments on the derivative instrument related to the Company's obligation to issue shares on exercise of Equinox Warrants.

LIQUIDITY AND CAPITAL RESOURCES

	December 31, 2021	December 31, 2020
Cash and cash equivalents	$ 33,897	$ 73,593
Prepaids and other	957	244
Accounts payable and accrued liabilities	10,750	3,230
Due to related parties	–	66
Lease liability – current	136	56
Total current assets	34,854	73,837
Total current liabilities	12,669	7,348

Cash used in operating activities during the year ended December 31, 2021 was $46,662 (December 31, 2020 – $14,112). The increased use of cash during the year ended December 31, 2021 compared to same period 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 year ended December 31, 2021 was $7,213 (December 31, 2020 – $81,170). Cash inflow from financing activities for the year ended December 31, 2021 relates primarily to the proceeds from the exercise of Equinox Warrants, warrants and stock options of $6,995, compared to proceeds of $3,202 from the exercise of Equinox Warrants, warrants and stock options during the year ended December 31, 2020. In addition, cash inflow from financing activities during the year ended December 31, 2020 includes $78,549 (C$101,800) in proceeds from the non-brokered private placements.

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

Cash outflow from investing activities during the year ended December 31, 2021 was $1,086 (December 31, 2020 – $684) and relates primarily to the purchase of property, plant and equipment at Warintza, offset by the proceeds from the sale of the Company's land in Guatemala.

The Company relies on share issuances in order to fund its exploration and other business objectives. As at December 31, 2021, the Company has cash and cash equivalents of $33,897. Based on the forecasted expenditures, this balance would be sufficient to fund the Company's committed exploration expenses and general and administrative costs for the next twelve months; however, if the Company continues its current level of exploration activities throughout the next twelve months, the current cash balances may not be sufficient to fund these expenditures. 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 on acceptable terms or at all, in which case the Company may need to reduce its longer-term exploration plans.

On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization. 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, unwarranted 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 delay planned business activities, including permitting and exploration activities, and increase fiscal losses. Responses to COVID-19, including government and local restrictions on the mobilization 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 December 31, 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	$ 10,751	$ –	$ –	$ –	$ 10,751
Lease liabilities	136	188	–	–	324
Other long-term liability	–	165	–	–	165
Office rent obligations	340	414	–	–	754
Exploration expenses and other	239	70	–	–	309
	$ 11,465	$ 837	$ –	$ –	$ 12,303

SHARE CAPITAL INFORMATION

As at March 24, 2022 the Company had the following securities issued and outstanding:

- 108,850,567 common shares
- 7,980,004 shares issuable pursuant to exercise of stock options[20]
- 498,210 shares issuable pursuant to redemption of restricted share units[21]
- 153,529 shares issuable pursuant to exercise of Equinox Warrants
- 38,343,375 shares issuable pursuant to exercise of Solaris warrants

[20] There are 1,451,689 Arrangement options outstanding exercisable into 145,172 Solaris shares and 7,834,832 Solaris options outstanding exercisable into 7,834,832 Solaris shares.
[21] 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)

PROPOSED TRANSACTIONS

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

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

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

Key management compensation for the years ended December 31, 2021 and 2020 is comprised of:

For the year ended December 31,		2021		2020
Share-based compensation	$	4,074	$	1,201
Salaries and benefits		884		720
Professional fees		475		–
	$	5,433	$	1,921

During 2021, the Company entered an agreement with Augusta Capital Corporation for consulting services. The owner of Augusta Capital Corporation is the Chairman and a major shareholder of the Company. Total amount charged in 2021 is $475.

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 December 31, 2021 was approximately $603 (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 years ended December 31, 2021 and 2020:

For the year ended December 31,		2021		2020
Salaries and benefits	$	1,253	$	721
Professional fees		7		–
Office and other		369		255
Marketing and travel		24		20
Filing and regulatory fees		53		6
Other income		–		(33)
	$	1,706	$	969

At December 31, 2021, amounts in prepaids and other include $67 due from a related party (December 31, 2020 – $15 due to related parties included in current liabilities) with respect to this arrangement.

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in its consolidated financial statements for the year ended December 31, 2021. 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.

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.

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 and Note 11 of the consolidated financial statements related to warrants and to warrants issued in connection with share units, respectively.

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.

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

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.

FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

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

a) Credit risk

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

The Company is primarily exposed to credit risk on its cash and cash equivalents and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of $34,118 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.

At December 31, 2021, the Company had contractual cash flow commitments as follows:

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 10,750	$ –	$ –	$ –	$ 10,750
Lease liabilities	136	188	–	–	324
Other long-term liability	–	165	–	–	165
Office rent obligations	340	414	–	–	754
Exploration expenses and other	239	70	–	–	309
	$ 11,465	$ 837	$ –	$ –	$ 12,302

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, 2021, the Company had not entered into any contracts to manage foreign exchange risk.

The functional currency of the parent company, Solaris, is the Canadian dollar. 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.

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

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:

For the year ended December 31,		2021		2020
Equity	$	35,208	$	78,645
Cash and cash equivalents		(33,897)		(73,593)
	$	1,311	$	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

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. A discussion of these risks and other factors that may affect the Company's actual results, performance, achievements or financial position is contained below and in the Company's AIF filed under the Company's profile on SEDAR website at www.sedar.com. 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. If the Company continues to maintain 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 on acceptable terms or at all, in which case the Company may need to reduce its longer-term exploration plans. 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 COVID-19 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.

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 common shares.

Limited supplies, supply chain disruptions, and inflation

Our exploration activities require skilled personnel and a supply of other resources, such as natural gas, diesel, oil and electricity. Supply may be interrupted due to a shortage or the scarce nature of inputs. Supply might also be interrupted due to transportation and logistics associated with the remote location of some of our operations, and government restrictions or regulations which delay importation of necessary items. COVID-19 has had a significant impact on global supply chains, which has impacted our ability to source supplies required for our exploration activities and has increased the costs of those supplies. Global supply chains have been further affected by the current conflict between Russia and the Ukraine and could be strained further by any exacerbation of this conflict. Any interruptions to the procurement and supply of resources, or the availability of skilled personnel, as well as increasing rates of inflation, could have an adverse impact on our future cash flows, earnings, results of operations, and financial condition.

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 of Directors 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 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 mineral 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.

Spin-out of non-core assets

On December 6, 2021, the Company announced a proposed spin-out of non-core assets to create Solaris Exploration Inc. Shareholders are cautioned that the spin-out is subject to various customary approvals including shareholder approval and approval of the Supreme Court of British Columbia. There is no guarantee that the required approvals are obtained and, even if the required approvals are obtained, there is no guarantee that the spin-out will occur in a timely fashion (if at all), or that it occurs on the terms announced by Solaris.

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 year. 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, which was subsequently updated in the first quarter of 2022. 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 non-governmental organizations ("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 most recent presidential elections took place on April 11, 2021, securing a new government over the next four-year term effective on May 24, 2021. The Company continues to believe the results were 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. In October 2021, Lowell Mineral Exploration Ecuador S.A., a subsidiary of the Company, announced its partnership with Pact, an international development organization with experience working with Indigenous peoples in the Amazon, to develop the Artisanal Mining Project that Solaris is carrying out in conjunction with the Shuar Centres of Warints and Yawi. 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.

Surface rights and access risks

Although the Company acquired the rights to some or all of the minerals in the ground pursuant to its mining concessions, it does not thereby acquire all rights to, or ownership of, the surface to the areas covered by its mining concessions. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights can be costly and time consuming. In areas where there are no existing surface rights holders, this does not usually cause a problem, as there are no impediments to surface access. However, in areas where there are local populations or landowners, it is necessary, as a practical matter, to negotiate surface access. There can be no guarantee that, despite having the legal right to access the surface and carry on mining activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners/occupiers for such access, and therefore it may be unable to carry out significant exploration work or mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in the local jurisdictions in which the Company operates.

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.

Tax regime in Ecuador

The tax regime in Ecuador may be subject to differing interpretations, is subject to change without notice and the Company's interpretations may not coincide with that of the Ecuadorian tax authorities. In order for there to be restrictions on the repatriation of earnings, the Government of Ecuador would need to reform through the National Assembly the Organic Code of Production, Commerce and Investment that grant rights to freely repatriate earnings. As a result, the taxation applicable to transactions and operations may be challenged or revised by the Ecuadorian tax authorities, which could result in significant additional taxes, penalties and/or interest. Given the complexity of the tax calculations and interpretations, there is a risk that the currently expected taxation regime will not be applied or that different tax authorities will not agree with the calculations which may negatively impact the Company and the economic feasibility of the Warintza Project. This can be diminished by the execution an investment protection agreement setting out the legal framework, tax and legal stability, contractual rights, tax incentives and guarantees between the mining concessionaire and the Government of Ecuador.

There is also a risk that restrictions on the repatriation of earnings from Ecuador to foreign entities will be imposed in the future and the Company has no control over withholding tax rates. In addition, there are certain laws and regulations enacted in Ecuador that impose a capital gains tax on profits derived from the sale of shares, ownership interests and other rights, such as grant of rights for exploration concessions, exploitation, or similar activities of companies with permanent establishments in the country. The impact of these laws and regulations on the Company or its shareholders has not yet been determined.

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 Solaris common shares may also have the effect of dissuading third-party offers or delaying or preventing other possible strategic transactions of Solaris.

Reputational risk

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

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 BCBCA 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 IASB. 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 common 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.

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.

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 common shares without par value. The Company may issue more Solaris common shares in the future. Sales of substantial amounts of Solaris common 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 Solaris common shares and the ability of the Company to raise equity capital in the future.

Future sales of common shares by existing shareholders

Sales of a large number of common shares in the public markets, or the potential for such sales, could decrease the trading price of the common shares and could impair the ability of the Company to raise capital through future sales of common shares.

Costs of land reclamation

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Company holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the consolidated financial condition and results of operations of the Company.

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.

Environmental risks and hazards

All phases of the Company's consolidated operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, including potential loss of title, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current environmental laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs, reductions in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Changes in climate conditions

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, the Company expects that this may result in increased costs at some of its operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include extreme weather events such as increased frequency or intensity of wildfire seasons or prolonged drought which could have the potential to disrupt the Company's operations. Effects of climate change or extreme weather events could cause prolonged disruption to the delivery of essential commodities, which may cause the Company's production efficiency to be reduced.

The Company can provide no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on the Company's operations and profitability.

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

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have designed or caused to be designed under their supervision the Company's disclosure controls and procedures ("DC&P") to provide reasonable assurance that material information regarding the Company is accumulated and communicated to the Company's management, including its CEO and CFO, in a timely manner. In addition, the CEO and CFO have designed or caused to be designed under their supervision internal controls over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, as well as an evaluation on whether or not there were changes to its ICFR during the year ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect the Company's ICFR. The control framework used to design the Company's ICFR is based on the 2013 control framework developed by the Committee of Sponsoring Organizations of the Treadway Commission.

For the year ended December 31, 2021, the DC&P have been designed and is operating effectively 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 relevant annual 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.

In addition, the ICFR has also been designed and is operating effectively to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that its objectives are met. Due to inherent limitations in all such systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company are detected on a timely basis. Accordingly, our DC&P and our ICFR are effective in providing reasonable, not absolute, assurance that the objectives of our control systems have been 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 December 31, 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).