SOLARIS
RESOURCES

Solaris Resources Inc.

(Formerly Solaris Copper Inc.)

Management's Discussion and Analysis

For the Years Ended December 31, 2019 and 2018

INTRODUCTION

This management's discussion and analysis ("MD&A") of Solaris Resources Inc. (formerly Solaris Copper Inc., the "*Company*", "*Solaris*", "*we*", "*us*", or "*our*") covers the year ended December 31, 2019, with comparative information for the year ended December 31, 2018. This MD&A takes into account information available up to and including April 24, 2020. This MD&A should be read in conjunction with the accompanying consolidated financial statements and notes for the year ended December 31, 2019, which are available on the Company's website at www.solarisresources.com and on the SEDAR website at www.sedar.com.

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

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this document constitutes forward-looking statements. All statements, other than statements of historical facts, are forward looking statements, including but not limited to statements with respect to future plans and objectives of Solaris, potential mineralization, exploration results, the availability of financial resources, capital, operating and cash flow estimates, intentions for its Warintza Project in Ecuador and statements under 'Outlook' later in this MD&A. 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. 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; global economic conditions; negative operating cash flow; uncertainty of future revenues or of a return on investment; no defined 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; permitting risk; 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; and information systems. Readers are cautioned as to the risks related to the forward-looking statements and are directed to the "Risks and uncertainties" section of the MD&A.

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

Information on risks associated with investing in the Company's securities and technical and scientific information under National Instrument 43-101 concerning the Company's material properties, including information about mineral resources, are contained in the Company's most recently filed technical reports.

DESCRIPTION OF BUSINESS

Solaris is a multi-asset exploration company, advancing a portfolio of copper and gold assets in the Americas, which includes: its primary focus, a high-grade resource with expansion and discovery potential at its Warintza Project ("Warintza") in Ecuador; discovery potential on its grass-roots Tamarugo project ("Tamarugo") in Chile and Capricho and Paco Orco projects in Peru; exposure to $130M spending / 5-yrs through a farm-out agreement with Freeport-McMoRan on its Ricardo Project ("Ricardo") in Chile; and significant leverage to increasing copper prices through its 60%-interest in the development-stage La Verde joint-venture project ("La Verde") with Teck Resources in Mexico. Solaris operates as a reporting issuer but is not currently listed on a designated stock exchange.

HIGHLIGHTS AND ACTIVITIES

The Company made significant progress in advancing its Warintza Project during 2019, with the following milestones achieved and reported:

- In March 2019, the Company closed a non-brokered private placement of 15,736,000 common shares of the Company at a price of C$0.25 per common share for gross proceeds of C$3.9 million.

- In July 2019, the Company entered into a definitive earn-in option agreement ("Option Agreement") with Minera Freeport-McMoRan South America Limitada ("Freeport") with respect to Freeport's Tamarugo property in Chile.

- In connection with the Option Agreement, the Company closed a non-brokered private placement of 2,452,000 common shares of the Company at a price of C$0.25 per common share for gross proceeds of C$0.6 million.

- The Company announced changes to its management team and Board of Directors, including the appointment of Mr. Daniel Earle as President and Chief Executive Officer and a member of the Board, Ms. Linda Chang as Chief Financial Officer, Ms. Purni Parikh as Senior Vice President, Corporate Affairs and Corporate Secretary, Ms. Jacqueline Wagenaar as Vice President, Investor Relations and Mr. James Steels as a member of the Board. Mr. Alex Holmes resigned from the Board in order to accommodate the addition of the new directors.

- In November 2019, the Company closed a non-brokered private placement of 14,121,000 units at C$0.40 per share for gross proceeds of C$5.6 million. Each unit is comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share for a period of three years. Concurrent with the private placement, Equinox subscribed for 6,875,000 units in exchange for the cancellation of debt payable by the Company to Equinox totaling C$2.8 million.

- In December 2019, the Company closed a non-brokered private placement of 6,904,000 units at C$0.40 per unit for gross proceeds of C$2.8 million. Each unit is comprised of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of C$0.60 per common share for a period of three years.

- As part of the new leadership focus, the Company underwent a name change from Solaris Copper Inc. to Solaris Resources Inc. to reflect the corporate strategy to broaden exploration efforts and highlight the strong gold potential that exists within the Company's portfolio of assets.

- In December 2019, the Company filed an updated Technical Report for Warintza entitled, "Resource Estimate of the Warintza Central Cu-Mo Porphyry Deposit". The updated Technical Report includes an Inferred Mineral Resource of 124 million tonnes grading 0.56% copper, 0.028% molybdenum and 0.06 g/t gold within an optimized pit shell having a strip ratio of 0.7:1. The Mineral Resource is reported using a cut-off grade of 0.2% copper.

Subsequent to the year-end:

- The Company enhanced the profile of its Board of Directors with the appointments of Mr. Richard Warke and Mr. Donald Taylor, respectively, as Executive Chairman and non-executive director of the Company and the appointment of Mr. Ron Walsh as independent director, following the resignations of Mr. Scott Heffernan, Mr. Marcel DeGroot and Mr. James Steels as directors. In addition, Solaris joined the Augusta Group of Companies ("Augusta Group") as described in "Related Party Transactions".

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

- On April 24, 2020, the Company's Board of Directors approved the consolidation (the "Consolidation") of the Company's issued and outstanding common shares on the basis of one post-Consolidation share for every two pre-Consolidation common shares. The exercise price and the number of common shares issuable under any of the Company's outstanding stock options, restricted share units and warrants, as applicable, will be proportionately adjusted upon completion of the Consolidation.

Warintza

Warintza is a porphyry copper-molybdenum-gold project located in south eastern Ecuador in the province of Morona Santiago, Canton Limon Indanza. The property includes eight metallic mineral concessions covering 268 km^2. Three concessions with an area of 10 km^2 are permitted for exploration activities including drilling and path construction. There are four new concessions contiguous with the original concession and one concession to the northwest. Billiton Ecuador B.V. holds a 2% net smelter royalty on the original three concessions. Concessions have a term of 25 years and can be renewed for additional periods of 25 years if applications for renewal are submitted before the expiration of the concessions.

Warintza is located within a Jurassic-aged volcanic belt that hosts numerous exploration and development projects and two operating mines, including the San Carlos-Panantza copper project adjoining Warintza to the east, the Mirador copper-gold mine (owned by CRCC-Tongguan) and the Fruta del Norte gold mine (owned by Lundin Gold) to the south.

Warintza was discovered in 2000 by David Lowell, but sat largely dormant since 2001 due to a breakdown in social relations with local communities. After 12 months of dialogue, Solaris was able to resolve all underlying issues in mid-2019 and instituted a robust and innovative CSR program solidifying its strong relationship with local communities and restoring social acceptance of the project after nearly a two-decade hiatus. This precipitated a series of strategic corporate developments to support advancement of Warintza.

On December 30, 2019, the Company filed an updated Technical Report entitled, "Resource Estimate of the Warintza Central Cu-Mo Porphyry Deposit". The report is available on the Company's website at www.solarisresources.com and on the SEDAR website at www.sedar.com.

The Company has commenced its initial exploration program and is working with the applicable regulatory officials in Ecuador and the Shuar Indigenous Community to proceed with further exploration and development of the project.

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

Warintza Resource Estimate

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

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

The Warintza Mineral Resource estimate was reported in the Technical Report entitled, "Resource Estimate of the Warintza Central Cu-Mo Porphyry Deposit" completed by Equity Exploration Consultants Ltd. with an effective date of December 13, 2019. The resource estimate work was completed by Trevor Rabb, PGeo (EGBC #39599), who meets the definition of "independent qualified person" as defined in National Instrument 43-101.

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

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 Teck Resources Ltd. The joint venture agreement governing the operation and funding of La Verde was formalized effective February 28, 2015. The Agreement provides that Solaris will be the operator of the project. The Agreement further provides for dilution of either parties' ownership should funding not be provided in accordance with their respective participating interests. La Verde is subject to a 0.5% net smelter royalty held by Minera CIMA, S.A. de C.V.

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

La Verde Resource Estimate

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

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

Ricardo

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

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

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

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

- Stage 1: Upon receipt of the relevant exploration permits (the "Effective Date"), Freeport is required to spend $4.2 million in exploration expenditures over the two years following the Effective Date.

- Stage 2: Upon completion of Stage 1, Freeport can elect to spend $4.8 million in the third year following the Effective Date, $8.0 million in the fourth year following the Effective Date and $13.0 million in the fifth year following the Effective Date.

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

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

Tamarugo

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

Pursuant to the Option Agreement, the Company can earn up to a 75% interest in Tamarugo for gross expenditures of $5.5 million plus the delivery of a pre-feasibility study for a mine at Tamarugo, subject to a back-in right in favour of Freeport.

A summary of the key terms is as follows:

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

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

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

The Company paid a fee in connection with the Option Agreement consisting of an initial 1,000,000 warrants exercisable for three years into common share of Solaris at an exercise price of C$0.35. The share-based compensation of $71 associated with these warrants has been recorded as exploration expenditures. Upon discovery of potentially economic mineralization at Tamarugo the Company will pay an additional 1,000,000 common shares. No amount has been recognized for these common shares as there is currently insufficient evidence that this non-market performance condition will be met.

Other projects

Solaris has earn-in agreements on certain other projects including the Capricho and Paco Orco projects in Peru. The Capricho project is a 4,600-hectare property in Peru prospective for near-surface copper-molybdenum-gold mineralization. The Paco Orco project is a 4,400-hectare property in Peru prospective for lead, zinc and silver. Solaris is focused on obtaining surface access agreements with local landholders and communities for the purposes of permitting exploration programs at both Capricho and Paco Orco.

FINANCING AND CORPORATE ACTIVITIES

Private placements

The Company continues to be financially supported by its leadership team and strategic partners. Throughout the year, the Company was able to successfully complete various private placements raising gross proceeds of approximately C$13 Million in order to support advancement of Warintza and ramp up exploration and drilling activities. See "Highlights and Activities" section in this MD&A for details of private placements.

Management Appointments

On November 7, 2019, the Company announced the appointment of Mr. Daniel Earle as President and Chief Executive Officer and a member of the Board of Directors, Ms. Linda Chang as Chief Financial Officer, and Ms. Purni Parikh as Senior Vice President, Corporate Affairs and Corporate Secretary.

Mr. Earle most recently served as a Vice President and Director at TD Securities Inc. where he covered companies in the precious and base metals sectors as an equity research analyst for over 12 years. During that time, he established himself as one of the leading authorities on exploration and development stage mining projects. Prior to joining TD Securities, Mr. Earle was a senior executive with a number of Canadian and U.S. public mineral exploration and mining companies. He is a graduate and scholar of the Lassonde Mineral Engineering Program at the University of Toronto.

Ms. Chang has worked with the Augusta Group since June 2010. She previously served as Corporate Controller for Arizona Mining Inc. ("Arizona Mining") and Director of Finance for Titan Mining Corporation ("Titan Mining"). Ms. Chang is a CPA, CA and began her career with Ernst & Young LLP after obtaining her Bachelor of Commerce in Accounting and Finance from the University of Manitoba.

Ms. Parikh, ICD.D, has more than 25 years of public company experience in the mining sector including corporate affairs and finance, legal and regulatory administration, and governance. She is President of the Augusta Group of Companies and Titan Mining, and was previously Senior Vice President, Corporate Affairs and Corporate Secretary of Arizona Mining and Vice President, Corporate Secretary of Newcastle Gold Ltd., Augusta Resource Corporation and Ventana Gold Corp. prior to their acquisition. Ms. Parikh obtained a Certificate in Business from the University of Toronto and a Gemology degree.

On November 18, 2019, the Company announced the appointment of Ms. Jacqueline Wagenaar as Vice President, Investor Relations. Ms. Wagenaar is an award-winning investor relations executive and brings extensive capital markets experience with publicly traded companies. Ms. Wagenaar most recently led the investor relations effort at Guyana Goldfields Inc. for over 10 years as a Director and then Vice President of Investor Relations & Corporate Communications. Ms. Wagenaar is a certified professional in investor relations from the Richard Ivey School of Business at the University of Western Ontario and is a Board member with the Canadian Investor Relations Institute.

These additions to the leadership team represent a ramp-up in the Company's mandate to execute on its strategy and implement initiatives that will allow greater visibility and valuation for the Company's projects.

Board Appointments

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

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

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

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

SELECTED ANNUAL FINANCIAL INFORMATION

Information for the three years ended December 31, 2019, 2018 and 2017, as extracted from the Company's audited financial statements, is presented as follows:

$ in thousands, except per share amounts		2019		2018		2017
Exploration expenses	$	3,930	$	2,448	$	1,729
General and administrative expenses		1,502		550		132
Change in fair value of derivatives		(4,003)		(924)		–
Net loss and comprehensive loss		1,003		2,063		1,854
Net loss and comprehensive loss attributable to Solaris shareholders		949		2,020		1,854
Net loss per share attributable to Solaris shareholders	$	0.01	$	0.03	$	0.02
Total non-current liabilities	$	1,575	$	1,274	$	–
Total assets	$	32,348	$	22,209	$	20,352

Exploration expenses increased in 2019 primarily due to advancement of Warintza with an increase in personnel, field work and infrastructure costs, as well as the increased spending on community social relations initiatives. General and administrative costs increased due to additional corporate costs as a result of operating Solaris as a standalone entity for an entire year as opposed to only 5 months in 2018. Exploration expenses increased in 2018 from 2017 due to increased spending on permitting and community social relations initiatives at Warintza. General and administrative expenses increased in 2018 from 2017 due to additional corporate costs related to the incorporation of Solaris and the Arrangement with Equinox, as well as increased legal costs related to completing the Ricardo Option Agreement. The increase in expenses was offset by the change in fair value of derivatives, primarily due to the mark-to-market gain on the derivative asset related to the Company's obligation to issue shares on exercise of Equinox Warrants (see "Share Capital Information" section of this MD&A for details of the Equinox Warrants).

Total assets increased to $32,348 at December 31, 2019 compared to $22,209 at December 31, 2018, primarily due to cash received from private placement financings during 2019, and the increase in the fair value of the derivative asset to $5,765 (December 31, 2018 – $1,673). Total assets increased to $22,209 at December 31, 2018 compared to $20,352 at December 31, 2017, primarily due to the fair value to the derivative asset of $1,673 (December 31, 2017 – $nil).

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

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.

		2019 Q4		2019 Q3		2019 Q2		2019 Q1[1]
Exploration expenses	$	1,188	$	914	$	866	$	962
General and administration		612		324		394		172
Change in fair value of derivatives		(2,457)		(757)		(39)		(750)
Net loss and comprehensive loss		(1,035)		535		1,131		372
Net loss attributable to Solaris shareholders		(1,039)		511		1,126		351
Net loss per share	$	0.00	$	0.00	$	0.01	$	0.00

[1] The quarterly results for March 31, 2019 have been adjusted to reflect a change in the value of the derivative asset.

		2018 Q4		2018 Q3		2018 Q2		2018 Q1
Exploration expenses	$	516	$	502	$	538	$	892
General and administration		326		97		59		68
Change in fair value of derivatives		(847)		(77)		–		–
Net loss and comprehensive loss		25		488		595		955
Net loss attributable to Solaris shareholders		26		460		590		944
Net loss per share	$	0.00	$	0.01	$	0.01	$	0.01

The Company has not generated any income to date other than interest income. The increase in exploration expenditures in the last quarter of 2019 was primarily due to an increase in costs associated with the advancement of Warintza, as well as an increased focus on community social relations initiatives, notably the government pilot project. The increase in the general administrative costs in the last quarter of 2019 was due to the increased cost of operating Solaris as a standalone entity, and additions to the leadership team to support the Company's strategy to broaden exploration efforts.

LOSS FROM OPERATIONS

Quarter Ended December 31, 2019 Compared to the Quarter Ended December 31, 2018

The Company incurred exploration expense of $1,188 for the three months ended December 31, 2019 (December 31, 2018 – $516). The increase is mainly attributable to the growth in personnel, field work and infrastructure preparation for the 2020 drill program at Warintza, as well as a focus on community outreach and social responsibility activities.

The Company incurred general and administration expenses of $612 for the three months ended December 31, 2019 (December 31, 2018 – $326). The increase is commensurate to the increase in overall activity of the Company during 2019, as well as the additional costs in operating Solaris as a standalone entity. Included in the general and administrative expenses is share-based compensation, a non-cash cost, of $100 for the three months ended December 31, 2019 (December 31, 2018 – $17). The increase reflects the additional stock option grants to new employees and a director that joined the Company during the quarter as the Company expanded the corporate team to support advancement of Warintza.

The change in fair value of derivatives of $2,457 for the three months ended December 31, 2019 compares to $847 for the three months ended December 31, 2018, a non-cash cost, 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.

For the year ended December 31, 2019 compared to the year ended December 31, 2018

The Company recorded a net loss of $1,003 for the year ended December 31, 2019 compared to a net loss of $2,063 for the year ended December 31, 2018. The net loss in fiscal 2019 included a gain on change in fair value of derivatives of $4,003 (December 31, 2018 – $924). Excluding this gain, the net loss in fiscal 2019 is $5,006 compared to $2,987 in fiscal 2018. The increased net loss relates primarily to increased personnel, field work and infrastructure preparation at Warintza, increased spending on community outreach and social responsibility activities at Warintza, as well as increased general and administrative costs of operating Solaris as a standalone entity. The work completed in 2019 set the foundation and groundwork for a ramp-up in exploration and drilling activities that are expected to be implemented in 2020.

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

Exploration expenses

The following tables summarize exploration expenses by activity and jurisdiction.

For the year ended December 31, 2019:

		Ecuador		Mexico		Chile		Other		Total
Salaries, consulting and travel	$	1,536	$	–	$	98	$	282	$	1,916
Community and permitting		888		–		–		22		910
Concession fees		245		44		20		–		309
Field, general and other		341		71		179		192		783
Depreciation		8		3		1		–		12
	$	3,018	$	118	$	298	$	496	$	3,930

For the year ended December 31, 2018:

		Ecuador		Mexico		Chile		Other		Total
Salaries, consulting and travel	$	548	$	–	$	53	$	279	$	880
Community and permitting		713		–		–		47		760
Concession fees		258		43		141		–		442
Field, general and other		181		62		19		98		360
Depreciation		2		3		1		–		6
	$	1,702	$	108	$	214	$	424	$	2,448

The increase in exploration expenses to $3,930 for the year ended December 31, 2019 from $2,448 for the year ended December 31, 2018 was primarily due to an increase in the personnel, fieldwork, infrastructure and other costs associated with advancement of Warintza in Ecuador in preparation for the 2020 drilling program as well as increased community relations activities. The community relations activities in fiscal 2019 included costs incurred with respect to the government pilot project on Warintza to promote transparent dialogue with indigenous communities within Ecuador. The increase in exploration expenditures in Chile was due to Tamarugo which was optioned in fiscal 2019, including share-based compensation associated with warrants issued to a consultant in connection with Tamarugo. The increased spending on Tamarugo was partially offset by decreased spending on Ricardo since it was optioned to Freeport in the fourth quarter of 2018. Other exploration expenditures increased in fiscal 2019, primarily as a result of professional fees related to the preparation of the December 2019 updated Technical Report for Warintza.

LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at December 31,		2019		2018
Cash and cash equivalents	$	6,093	$	241
Prepaids and other		98		70
Accounts payable and accrued liabilities		379		155
Payable to Equinox		45		–
Lease liability		32		–
Payable to Equinox (long-term)		–		1,274
Total current assets		6,191		311
Total current liabilities	$	456	$	155

At December 31, 2019, the Company had cash and cash equivalents of $6,093 compared to $241 at December 31, 2018. The increase in cash reflects the cash inflow from private placements, net of the increase in the Company's operational costs during the year ended December 31, 2019.

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

Cash used in operating activities during the year ended December 31, 2019 was $4,550 (December 31, 2018 – $2,905). The increased use of cash during the year ended December 31, 2019 compared to the year ended December 31, 2018 is primarily attributable to the increase in exploration expenses and corporate activity, previously discussed.

Cash inflow from financing activities of $10,428 for the year ended December 31, 2019 (December 31, 2018 – $3,063) primarily relates to $9,780 on the closing of private placements (as described under "Highlights and Activities" earlier in this MD&A) and $720 funding from Equinox. During the year ended December 31, 2018, the Company received $3,063 in funding from Equinox.

Cash outflow from investing activities during the year ended December 31, 2019 was $77 (December 31, 2018 – $8). During the year ended December 31, 2019, the Company made a restricted cash contribution of $70, which consists of a bank guarantee issued to the Ministry of Environment of Ecuador for compliance in the event of an environmental impact from exploration activities on certain Warintza mining concessions.

The Company has incurred operating losses to date and has no current sources of revenue or cash inflows from operations. 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. In November and December 2019, the Company raised $4,272 (C$5,648) and $2,099 (C$2,762), respectively, in private placements. Based on anticipated cash flows, further funds will be required to fund future obligations and exploration plans in the next year. The Company expects to continue to raise the necessary funds primarily through the issuance of common shares. Subsequent to December 31, 2019, the novel coronavirus outbreak ("COVID-19") was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. These impacts could include an impact on the Company's ability to obtain equity financing to fund ongoing exploration activities as well as the Company's ability to explore and conduct business. There can be no guarantees that future equity financing will be available in which case the Company will need to reduce its planned exploration activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt on Company's ability to continue as a going concern.

The accompanying consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern assumption was not appropriate for the consolidated financial statements, adjustments would be necessary to the carrying amounts of the assets and liabilities and the statement of financial position classifications used. Such adjustments could be material.

COMMITMENTS AND CONTINGENCIES

At December 31, 2019, the Company had contractual cash flow commitments as follows (see "Related Party Transactions" for the Company's obligation for future rental payments subsequent to year-end):

	< 1 Year	1-3 Years	3-5 Years	> 5 Years	Total
Accounts payable and accrued liabilities	$ 379	$ –	$ –	$ –	$ 379
Payable to Equinox	45	–	–	–	45
Lease liabilities	35	67	–	–	102
	$ 459	$ 67	$ –	$ –	$ 526

SHARE CAPITAL INFORMATION

As at April 24, 2020, the Company had the following securities issued and outstanding:

- 121,274,942 common shares
- 7,006,366 shares issuable pursuant to exercise of stock options[1]
- 884,449 shares issuable pursuant to vesting of restricted share units[2,3]
- 11,626,459 shares issuable pursuant to exercise of Equinox Warrants
- 14,950,000 shares issuable pursuant to exercise of Solaris warrants

[1] There are 12,813,815 Arrangement options outstanding exercisable into 1,281,366 Solaris shares and 5,725,000 Solaris options outstanding exercisable into 5,725,000 Solaris shares

[2] The issuance of shares issuable on vesting of restricted share units ("RSUs") may increase by an additional 280,000 if certain performance criteria are met for the performance-based RSUs ("pRSUs").

[3] Of these, 660,772 have vested and issuance of the related Solaris Shares have been deferred by the holder.

Pursuant to the Arrangement with Equinox:

- Existing shareholders of Equinox received one-tenth of a Solaris common share for each Equinox common share held.
- Holders of Equinox options received options of Solaris ("Arrangement options"), which were proportionate to, and reflective of the terms of, their existing RSUs of Equinox. The Arrangement options are exercisable into one-tenth of a Solaris share.
- Holders of Equinox RSUs or pRSUs received RSUs or pRSUs of Solaris ("Arrangement RSUs"), which were proportionate to, and reflective of the terms of, their existing RSUs or pRSUs of Equinox. The holder of the Arrangement RSUs acquires one-tenth of a Solaris share upon vesting.
- Warrant holders will receive, upon exercise of any Equinox Warrant, one common share of Equinox and one-half of a Solaris share. Equinox will pay to Solaris an amount equal to one-tenth of the proceeds received by Equinox on exercise of the warrants. As at April 24, 2020, there are 11,626,459 shares issuable on the exercise of Equinox Warrants, which, if all exercise, would generate proceeds to the Company of C$28,449.

OUTLOOK

Backed by a management team and strategic partners with an unrivalled track-record of value creation, the Company is poised for growth in 2020 through its planned exploration and drilling campaigns.

Exploration activities at Warintza, which have been suspended due to COVID-19, are expected to ramp-up over the course of the year once activities resume at site. To date, only the Warintza Central discovery outcrop has been tested by drilling, with less than 7,000 metres of shallow drilling averaging less than 200m per hole. In February and early March 2020, the Company drilled two holes totalling 1,546 metres at Warintza in Ecuador before COVID-19-related precautions caused the Company to suspend operations in mid-March 2020. The core has not yet been cut, logged or assayed and the Company has no results to report at this time.

The current Mineral Resource estimate of 124 Million tonnes of Inferred Resources grading 0.56% Cu, 0.028% Mo and 0.06 g/t Au is entirely open at depth and laterally in every direction. This resource is set within a 5 km-long trend of mineralization, featuring outcropping +1% copper in numerous locations.

Step-out and deeper drilling at Warintza Central have the potential to rapidly expand the existing resource. In addition, the Company intends to test its priority targets along the Warintza trend that similarly feature outcropping, high-grade copper porphyry mineralization, as well as nearby large-scale gold targets.

In addition to Warintza, the Company has plans to commence drilling at Tamarugo with an option to earn up to a 75% interest from Freeport-McMoran. Tamarugo is a 5,100-hectare porphyry copper prospect in northern Chile, strategically located in the same geological area that hosts Chile's largest porphyry copper deposits, including the Chuquicamata and La Escondida mines. Tamarugo is located approximately 85 km northeast of Copiapo and within the same geological and structural setting as Codelco's El Salvador Copper Mine.

Solaris' shares are not currently listed on a designated exchange but the Company is a "reporting issuer" under Canadian securities legislation and, as such, will comply with its continuous disclosure obligations including press releases and financial reporting. As of the date of this MD&A, the Company has begun the initial steps to completing a public listing on a designated Canadian stock exchange and has received conditional approval, however, the timing of when this process will be completed is unknown.

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 that the Company's obligation for future rental payments described in "Related Party Transactions".

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

RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company, and comprises the Company's 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, 2019 and 2018 comprised:

For the year ended December 31,		2019		2018
Salaries and benefits included in management fees charged by Equinox Gold Corp.	$	104	$	–
Salaries and benefits		96		–
Share-based compensation		59		49
	$	259	$	49

Related party transactions

As at December 31, 2019, Equinox holds 30% (December 31, 2018 – 40%) of the outstanding shares of the Company. During the year ended December 31, 2019, the Company received $720 (December 31, 2018 – $3,063) in funding from Equinox.

On November 15, 2019 Equinox subscribed for 6,875,000 units of the Company in exchange for the cancellation of the debt payable as of that date. The Company recorded a gain on settlement of debt of $191 in net loss as the fair value of the units issued was less than the advances settled.

Equinox services agreement

Upon closing of the Arrangement, the Company entered into a management services agreement with Equinox to provide office and other services to the Company. Under this agreement, the Company incurred expenses of $392 for the year ended December 31, 2019 (December 31, 2018 – $48).

As of November 15, 2019, the management services agreement with Equinox was terminated.

At December 31, 2019, $45 (December 31, 2018 – $1,274) remains payable to Equinox, representing remaining amounts payable under the management services agreement. These amounts are non-interest bearing and unsecured.

Subsequent to year-end

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. In connection with the arrangement, the Company became obligated to make payments for the rent of the shared office space. 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 January 2, 2020 was approximately $257.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's accounting policies are described in its consolidated financial statements for the year ended December 31, 2019. The preparation of the Company's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. 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.

Judgement 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 each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency of each 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.

b) Going concern assessment

The Company's assessment of its ability to continue as a going concern requires judgements about whether sufficient financing will be obtained in the near term. See "Liquidity, Capital Resources and Going Concern".

Key sources of estimation uncertainty

a) Valuation of mineral properties

The Company carries the acquisition costs of its mineral properties at cost less any provisions for impairment. The Company undertakes periodic reviews of the carrying values of mineral properties and whenever events or changes in the circumstances indicate that their varying values may exceed their fair value. 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 mineral properties and related expenditures. These include risks and uncertainties related to reserves and 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.

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 and classified as derivative liabilities 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. Significant assumptions related to derivatives are disclosed in Note 10 of the consolidated financial statements.

c) 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. 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 10 of the consolidated financial statements.

CHANGE IN ACCOUNTING STANDARDS INCLUDING INITIAL ADOPTION

IFRS 16, *Leases*

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16") which sets out principles of recognition, measurement, presentation and disclosure of leases for both parties to a contract, the lessee and the lessor. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead there is a single, on-balance sheet, accounting model that requires the recognition of a right of use asset and corresponding lease liability for all arrangements that meet the definition of a lease. IFRS 16 was adopted on January 1, 2019 using the modified retrospective approach under which the cumulative effect of initial application is recognized in deficit with no restatement of comparative figures. However, as the Company did not have any arrangement that met the definition of a lease on the adoption date, adoption of IFRS 16 did not have any impact on the consolidated financial statements on adoption.

As a result of the application of IFRS 16, the Company has amended he relevant accounting policies. Refer to Note 4 of the consolidated financial statements for the year ended December 31, 2019 for additional details.

IFRIC 23, *Uncertainty over Income Tax Treatments*

On June 7, 2017, the IASB issued IFRIC Interpretation 23 ("IFRIC 23") – *Uncertainty over Income Tax Treatments*. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. IFRIC 23 was adopted on January 1, 2019. The adoption of this standard had no impact on the financial statements.

New accounting standards and pronouncements

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after December 31, 2019. There are no IFRSs or IFRS Interpretations Committee interpretations that are not yet effective that would be expected to have a significant impact on the consolidated financial statements of the Company.

RISKS AND UNCERTAINTIES

Financial statement risk exposure

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

a) Credit risk

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

The Company is primarily exposed to credit risk on its cash and cash equivalents and amounts receivable. Credit risk exposure is limited through maintaining its cash with high-credit quality financial institutions. The carrying value of these financial assets of $6,110 represents the maximum exposure to credit risk.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient capital in order to meet short term business requirements after taking into account the Company's holdings of cash. The accounts payable and accrued liabilities of $379 and amounts payable to Equinox of $45 are due within the next year. The Company's obligation to make lease payments is disclosed in Note 9 of the consolidated financial statements.

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

c) Foreign currency risk

The Company's functional currency is the US dollar. The Company is exposed to currency risk on transactions and balances in currencies other than the functional currency, primarily the Canadian dollar. At December 31, 2019 and 2018, the Company had not entered into any contracts to manage foreign exchange risk.

At December 31, 2019, the Company is exposed to currency risk through the following financial assets and liabilities denominated in Canadian dollars:

As at December 31,		2019		2018
Cash and cash equivalents	$	5,777	$	6
Amounts receivable		22		–
Accounts payable and accrued liabilities		(116)		(1)
	$	5,683	$	5

At December 31, 2019, with other variables unchanged, based on the above net exposure a 10% change in the US-Canadian dollar exchange rate would impact the Company's earnings by approximately $517. The Company is also exposed to currency risk on financial assets and liabilities denominated in Peruvian Sols, 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 and long-term payable to Equinox net of cash and cash equivalents. Capital is summarized in the following table:

As at December 31,		2019		2018
Equity	$	22,495	$	12,904
Payable to Equinox		–		1,274
		22,495		14,178
Cash and cash equivalents		(6,093)		(241)
	$	16,402	$	13,937

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.

Other risk factors

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

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

Solaris has no revenues from operations and has recorded losses since inception. Solaris expects to incur operating losses in future periods due to continuing expenses associated with advancing its mineral projects, seeking new business opportunities, and general and administrative costs. Solaris has finite financial resources and its ability to advance its mineral projects will depend significantly upon its ability to secure near and long-term financing. There are no assurances or guarantees that any financing alternative will be successful or that financing will be available at all or on acceptable terms. These financing requirements will result in dilution of existing Solaris shareholders. Failure to obtain such financing may result in delay or indefinite postponement of Solaris' activities.

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.

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' will provide a return on investment in the future. Solaris has no plans to pay dividends for some time in the future.

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

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

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

Speculative nature of mineral exploration and development

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

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

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

Risk of global outbreaks and contagious diseases

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

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

Risks from international operations

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

Risk associated with an emerging and developing market

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

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

Warintza was in a period of inactivity from late 2006 as a result of social unrest within the surrounding communities and lack of support for mineral exploration within Ecuador. In 2018, Solaris restored the relationship with local communities and commenced consultation. Solaris has committed to on-going community engagement and returned 2,349.67 ha surface rights to local Shuar communities as an integral step to restoring the community's acceptance of activity on Warintza. Solaris is continuing to work with the local community and the Ecuadorian government agencies, and currently holds a Memorandum of Understanding (MOU) with the pertaining local communities for land access and use in three original mineral concessions (Curigem 9, Caya 21 and Caya 22), and holds permits to carry out exploration drilling on the three concessions including water use permit and environmental licence permits. Opposition to mining activities in Ecuador by a number of NGOs and their influence on indigenous groups may ultimately affect permitting, operations, and Solaris' reputation. Solaris undertakes various initiatives, involving or for the benefits of local communities, in accordance with its responsible and transparent mining strategies. While Solaris is committed to operating in a socially responsible manner, there can be no assurance that its efforts, in this respect, will mitigate any country risk.

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.

Land title risk

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

Fraud and corruption

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

Ethics and business practices

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

Solaris may in the future become subject to legal proceedings

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

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

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

Commodity price risk

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

Exchange rate fluctuations

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

Joint ventures

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

Property commitments

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

Infrastructure

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

Properties located in remote areas

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

Lack of availability of resources

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

Key management

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

Dependence on highly skilled personnel

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

Competition

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

Significant shareholders

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

Conflicts of interest

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

Uninsurable risks

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

LIMITATIONS OF CONTROLS AND PROCEDURES

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

QUALIFIED PERSON

The technical information contained in this document has been reviewed and approved by Jorge Fierro, M.Sc., DIC, PG, Vice President Exploration of Solaris who is a "Qualified Person" under NI 43-101.