

SOLARIS RESOURCES INC. (TSX: SLS)

Request to Investigate Failure to Disclose Material Information

February 29, 2024

Dear Mesdames/Sirs:

The undersigned organizations, **Shuar Arutam People (PSHA)**, MiningWatch Canada, and Amazon Watch—with the support of the Confederation of Indigenous Nationalities of Ecuador (CONAIE), Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENIAE), the Interfederational Committee of Shuar and Achuar Nations, the Alliance of Organizations for Human Rights in Ecuador, Latin American ICCA Network (or Red TICCA Latinoamérica), WITNESS, and Amazon Frontlines—write to the British Columbia Securities Commission (BCSC), and its Enforcement division, to request an investigation into **Solaris Resources Inc. (“Solaris”)**. We seek an investigation into Solaris, due to the company’s lack of corporate disclosures in relation to its primary copper-gold and molybdenum mining project, the **Warintza Project**, located in Morona Santiago, Cordillera del Cóndor region, in southeastern Ecuador. The area, in which the project is located, is considered to be among the most biodiverse areas of the Amazon basin. The project is in its advanced exploration phase.

The PSHA is part of the ancestral Shuar nationality, made up of 47 centres, comprising 6 associations, in which approximately 12,000 people live.¹ The PSHA was formally recognized by the Ecuadorian government as a collective organization which represents all 47 centres, including those in the Warintza project’s area of direct influence.² However, the presence of mining companies and projects on their titled territory, such as the Warintza project managed by Solaris and its subsidiary, **Lowell Minerals Exploration Ecuador S.A.**, lack explicit consultation from the PSHA. As such, the PSHA holds a firm stance against mining in their territories, opposing Solaris’ Warintza project.

A review of the company’s disclosures show that Solaris reveals partial or vague information about:

1. ***Ongoing Indigenous opposition against Solaris’ Warintza project;***
2. ***Legal and political risks that could impede the Warintza project’s development;***
3. ***Growing anti-extraction sentiment and adverse court decisions threaten project’s viability***

Solaris’ failure to formally disclose material risks may indicate lack of compliance with its *continuous disclosure obligations*, as specified under the *Securities Act*, NI 51-102 and NI 43-401, may mislead current and prospective investors, and thus, warrants further investigation.

I. Informants

Organizations involved in the submission of this complaint work in solidarity with the PSHA, in their pursuit of self-determination, and collective and social rights.

1. ***Shuar Arutam People (PSHA):*** The inhabitants of the PSHA, and their ancestors, have lived in the mountainous regions of the Cordillera del Cóndor at the intersection of the Andes mountain range and the Amazon basin, prior to the creation of the Ecuadorian state. In the 1960’s, colonial and agrarian policies sought control of their ancestral lands.³ The PSHA is made up of six Shuar associations, and each association groups together several Shuar communities, formally known as centres. In total, there are 47 Shuar centres or communities distributed among the six associations. Although each centre and each association has a board of directors, the highest authority of the PSHA is the "Asamblea del Pueblo Shuar Arutam," and is made up of all levels of government of the PSHA. The highest representative body of the PSHA is the "Consejo de Gobierno del Pueblo Shuar Arutam (CGPSHA)" or the Governing Council of the Shuar Arutam

¹ PSHA, Plan de vida y Estatuto del PSHA, Introducción, 2009.

² Resolución 255 del CODENPE del 7 de septiembre de 2006.

³ Gnerre and Vacas-Oleas, Reporte etnográfico de toponimia, memoria, poblamiento y migración de la zona Shuar de Panantza, Morona-Santiago, p. 4).

People in English. The legal representative of the PSHA is the president of the CGPSHA. The PSHA was legally registered on September 6, 2006.⁴

2. ***Confederation of Indigenous Nationalities of Ecuador (CONAIE)***: An organization that brings together the Indigenous Nationalities, Peoples, communities, Centers, and Associations of Ecuador.⁵
3. ***Confederation of Indigenous Nationalities of Ecuador (CONFENIAE)***: Representative body of the 13 nationalities and some 1,500 communities of the Ecuadorian Amazon.
4. ***MininingWatch Canada***: MiningWatch Canada has worked for over 24 years in solidarity with Indigenous peoples and non-Indigenous communities who are dealing with potential or actual industrial mining operations that affect their lives and territories, or with the legacy of closed mines, as well as with mineworkers and former workers seeking safe working conditions and fair treatment.
5. ***Amazon Watch***: Amazon Watch was founded in 1996 with the mission to protect the rainforest and advance the rights of Indigenous peoples in the Amazon Basin. We partner with Indigenous and environmental organizations in campaigns for human rights, corporate accountability, and the preservation of the Amazon's ecological systems.
6. ***Comite Interfederacional Shuar-Achuar***: Inter-ethnic committee of Shuar and Achuar federations (Nacionalidad Achuar del Ecuador (NAE), Nacionalidad Shuar del Ecuador (NASHE) Pueblo Shuar Arutam (PSHA), Federación Independiente de Centros Shuar (FICSH).
7. ***WITNESS***: WITNESS is a global organization founded in 1992 that works with movements and activists to strengthen the strategic, ethical and safe use of video and digital technologies for human rights.
8. ***Red Territorios de Vida TICCA Latinoamérica - Latin American ICCA Network***: It is an association made up of Indigenous peoples and organizations, local communities, civil society organizations, academia and committed individuals who accompany the struggles of Indigenous peoples and local communities.
9. ***The Alliance for Human Rights of Ecuador (Ecuador)***: is a de facto coalition of organizations made up of 14 organizations who join efforts, experiences and knowledge, to develop collective work to promote respect and guarantee of human rights, of peoples and nature in Ecuador.⁶

II. Request for Investigation

A. What is disclosed in Solaris' MD&A and AIF?

In its formal disclosures and public facing materials, such as corporate presentations and reports, Solaris presents itself as a sustainable, responsible, and human rights oriented mining company, specifically with its portrayal of relations with local Indigenous groups and its supposed compliance with consultation

⁴ People with ancestral roots (pre-existing the Spanish Colony and the Ecuadorian State), belonging to the Shuar Nationality, created to protect their territory from extractive industries in the Constituent Assembly of March 31, 2003, recognized and legally constituted by Ministerial Agreement. N-255 of September 7, 2006, issued by the National Executive Secretariat of the Council for the Development of Nationalities and Peoples of Ecuador (CODENPE), based on article 57 of the National Constitution. It is made up of 6 Associations and 47 communities, with approximately 12,000 Shuar inhabitants and 232,000 hectares of global territory. PSHA published its Life Plan in 2009 and has been exercising organizational, political, administrative and territorial governance autonomy for 20 years, which aims to defend the territory and existing natural resources, self-government, self-determination and a community government based on ancestral principles and customary law.

⁵ <https://conaie.org/quienes-somos/>

⁶ Comité de Derechos Humanos de Guayaquil (CDH-GYE); el Centro de Apoyo y Protección de los Derechos Humanos, (SURKUNA); la Fundación Latinoamericana para el Desarrollo Alternativo (ALDEA); Acción Ecológica; la Fundación Alejandro Labaka; Amazon Watch; la Asociación de Propietarios de Tierras Rurales del Norte del Ecuador (APT-Norte); el Colectivo de Geografía Crítica del Ecuador; el Observatorio Minero Ambiental y Social del Norte del Ecuador (OMASNE) el Colectivo Yasunidos, BOLENA consultora de género y diversidades y la Colectiva de Antropólogas), Amazon Watch, Amazon Frontlines; Las Comadres. Ver en: <https://ddhhecuador.org/>

standards in Ecuador. Here are excerpts from Solaris quarterly Management’s Discussion and Analysis (MD&A) and other disclosures that express this sentiment:

1. In its Management’s Discussion and Analysis (MD&A) reports published quarterly from 2019 to 2022, the company repeatedly states that:

“In 2018, Solaris restored the relationship with local communities and commenced consultation. With the community’s support, Solaris initiated exploration activities in 2019.”⁷

2. Solaris, in a disclosure letter, claims that:

“The local Shuar Centres of Warints and Yawi are the two local communities within the direct area of influence of the Warintza Project. Article 3 of the Shuar Centre Warints’ Charter states that “the Centre is constituted as a legal person under private law.” As Warints and Yawi are the Centres within the direct area of influence of the Warintza Project, **these two communities are the only communities legally authorized to sign agreements, treaties, and other instruments related to the Warintza Project.**”⁸

3. In its MD&As published quarterly from 2019 to 2023, the company elaborates on its supposed relationship with the Warints and Yawi, stating that:

“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 CSR program.”⁹

With respect to significant trends and legal risks to the Ecuadorian mining industry, Solaris provides no explicit information in forward-looking statements in its MD&As.¹⁰ It touts “ten years [of] continuous pro-mining policy” and “rapid permitting” among other favorable host country conditions in corporate presentations in 2023 and 2024.¹¹

B. What is not disclosed in Solaris’ disclosures?

Despite its optimistic outlook on its relationship with Indigenous peoples, Solaris’ disclosures in relation to engagement and associated controversies with them are heavily **lacking or misleading in three respects:**

1. ***There continues to be extensive Indigenous opposition against the Warintza Project ever since 2019. Solaris says that it has the support of Indigenous communities, but it fails to continuously disclose that it only has support of 2 out of 47 centres that comprise PSHA, an organization with a major presence in the province and known***

⁷ Management Discussion and Analysis report, Solaris Resources. Available at: <https://www.solarisresources.com/resources/pdfs/Financials/Q4-2022-MDA.pdf>; <https://www.solarisresources.com/resources/pdfs/Financials/SLSO42021MDA.pdf>; <https://www.solarisresources.com/resources/pdfs/Financials/Q4-2019-MDA.pdf>

⁸ Business & Human Rights Resource Centre. “Letter. Subject: Solaris’ Response to Allegations by the Shuar Arutam People Association (PSHA), Mining Watch Canada and Alianza para los Derechos Humanos”. (September 19, 2021). Available at: https://media.business-humanrights.org/media/documents/20210929_-_Solaris_Resources_Response_to_BHRRRC_Sept_29.pdf

⁹ Management Discussion and Analysis report, Solaris Resources. Available at: <https://www.solarisresources.com/resources/pdfs/Financials/SLS-Q3-2023-MDA.pdf>; <https://www.solarisresources.com/resources/pdfs/Financials/SLSO42021MDA.pdf>; <https://www.solarisresources.com/resources/pdfs/Financials/SLSO42020MDA.pdf>

¹⁰ Management Discussion and Analysis report, Solaris Resources. Available at: <https://www.solarisresources.com/resources/pdfs/Financials/SLS-Q3-2023-MDA.pdf>

¹¹ Solaris Resources. “Corporate Presentation.” (February 2024). Available at: <https://www.solarisresources.com/resources/presentations/corporate-presentation.pdf?v=0.504>.

regionally and nationally for its territorial defense. More important is that Solaris fails to disclose that these 2 centres are not able to legally approve the Warintza project on their own.

In fact, PSHA has collective ownership and has not been consulted nor provided its consent. PSHA has repeatedly made its opposition to the project known in correspondence to senior management, in public statements and media briefings, and various international fora including a complaint before the International Labor Organization (ILO), and the United Nations Universal Periodic Review of Canada.

Solaris is misleading in claiming that the contracts signed with Yawi and Warints amount to compliance with the collective human right to consultation and consent.

First, under Ecuadorian law (in which international human rights treaties and standards are binding), all communities, peoples, or entire Indigenous nationalities potentially affected—environmentally or culturally—must be consulted with regards to extractive projects, not those just directly affected. The Warintza project affects more Shuar communities of the Pueblos Shuar Arutam—environmentally, culturally, or both.

Second, Solaris obfuscates the fact that Yawi and Warints belong to an Indigenous territory and government, which is the Shuar Arutam People. According to Ecuadorian jurisprudence (e.g., Constitutional Court case 1325-15-EP. para. 78 et seq Pueblos Shuar and Panantza San Carlos mine) and international case law (e.g. Inter-American Court, *Sarayaku v. Ecuador*, para. 188 et seq.), for the right to consultation and consent to be satisfied, it must respect the Indigenous institutions or structures of government. It must also be prior, free of pressure, and be free of mechanisms that can cause social disintegration or conflicts, and must not involve unilateral negotiations with leaders. Importantly, consultations must be carried out by the competent public authorities, and not by the companies. The agreements signed with two communities, or centres, do not meet these requirements. Solaris failed to continuously disclose this relevant legal information and instead purposely misrepresented the state of consultation and consent of the project to investors.

2. The Warintza project faces imminent legal and political risks which could interfere with the project's advancement, amid the backdrop of successful community opposition and legal rulings against highly contested mining projects.

The PSHA have been successful in pursuing legal, social, communications, and advocacy strategies to stop mining companies that wish to operate on their territories without proper consultation. Such is the case with its legal action to stop the advancement of the Panantza–San Carlos mining project, located in PSHA territory. The Ecuadorian Constitutional court ruled that Ecuador's Ministry of Environment wrongfully provided an environmental license for the project in 2011, as free, prior, and informed consultation and consent (FPIC) was not achieved. As a result, the project's environmental permit was revoked. As of March 2023, the PSHA ratified that it would pursue similar legal strategies against companies that wish to operate on their territories, presenting imminent risks for any company and investors.¹²

¹² MiningWatch Canada. "The Shuar Arutam People Reiterate Opposition to the Warintza Project After Announcing Advanced Exploration", (November 23, 2023). Available at: <https://miningwatch.ca/news/2023/11/23/shuar-arutam-people-reiterate-opposition-warintza-project-after-announced-advanced>

As with the Panantza–San Carlos project, rulings from the Constitutional Court have paralyzed several mining projects in recent years. A 2023 decision suspended the environmental permission of around \$2 billion investments in the industry and mining sector.¹³ (*See Section VII for more information*). Moreover, mining companies that operate in Ecuador, may downplay this trend in order to attract more investments and capital for projects. This trend could present material risk.

3. Growing popular anti-extraction sentiment and adverse court decisions threaten project’s viability

Local mining site protests, referendums, policy pressure, and decisions from Ecuador’s highest court present potential threats *writ large* to mining activity. Recent protests at the Curimining mine in July 2023, an August 2023 plebiscite in the Pichincha province that restricted new mining activity, and a decision from the Constitutional Court that suspends environmental permits for some 176 industrial projects—including mining—are events minimized or not disclosed by Solaris. In addition, a policy push by the country’s Indigenous confederation CONAIE to create a law on FPIC is under way, and could be a game changer for consent of Indigenous peoples on extraction projects. In this regard, the advancement of mining projects such as Solaris, may face material risks upon any planned development.

Solaris has provided bits of specific information over the years, but has failed to disclose the extent of Indigenous opposition to the mine, legal vulnerability of the Warintza project in light of past court cases in Ecuador, and growing anti-mining sentiment that threatens the viability of its operations.

These specific points are elaborated upon in the following complaint.

III. Background

A. Solaris Resources and Lowell Minerals Exploration Ecuador S.A.

Solaris is a multi-asset junior mineral resource company listed on the Toronto Stock Exchange (SLS: TSX) and incorporated under British Columbia. Formerly called “Solaris Copper Inc.,” Solaris spun out of Equinox Gold in August 2018 under “The Arrangement,” resulting in the transfer of shares and copper assets into the new company.¹⁴

Its indirect, wholly-owned subsidiary, Lowell Minerals Exploration Ecuador S.A., which also oversees the project, has had significant changes in ownership due to a reverse take-over and series of corporate mergers among junior mining companies in the past two decades.¹⁵ Despite having an array of parent companies, the concessions remained a largely idle asset since 2006, due to community opposition, and was eventually incorporated into Solaris Copper Inc.¹⁶ Ever since the acquisition of Warintza by Lowell

¹³ ASG News. “La suspensión de consultas ambientales en Ecuador paraliza \$2 mil millones en inversiones”, (September 7, 2023) Available at: <https://esgnews.com/ecuadors-suspension-of-environmental-consultations-paralyzes-2-billion-in-investments/>

¹⁴ GeoSystems International Inc. “NI 43-101 Technical Report for the Warintza Project, Ecuador.” Available at: https://www.solarisresources.com/_resources/pdfs/Warintza-43101-2022.pdf.

¹⁵ Solaris Resources Inc., “Local News”, Available at: <https://www.solarisresources.com/news/local-news/-lowell-incorporates-new-employees-from-its-area-of-influence#:~:text=About%20Lowell%20Mineral%20Exploration%20Ecuador.best%20practices%20of%20responsible%20exploration.>

¹⁶ Mine Development Associates. “Technical Report: Warintza Project, Ecuador.” Available at: https://www.solarisresources.com/_resources/reports/WarintzaTechReport.pdf.

https://web.archive.org/web/20240109170633/https://www.solarisresources.com/_resources/reports/WarintzaTechReport.pdf. Accessed 1/9/2024.

Minerals in 2003, the mine has caused “significant concern” among the Shuar, who have convened on several occasions to issue their manifestos.¹⁷ This concern remains.

B. Materiality

The **Warintza project is Solaris’ most important asset, and any resistance to the development of the mining project will present material risks to both the company and its shareholders.** Warintza is often cited as Solaris’ flagship or “world-class” project, able to bring value creation for investors, as stated in the disclosures, news releases, and other presentations generating high, but unrealistic expectation of the project’s success that does not align with objective facts:

1. In news releases from January 2024, Solaris states that its “primary focus, [is] a world class large-scale resource with expansion and discovery potential at the **Warintza Project** in Ecuador...”¹⁸
4. In an October 2023 news release, which announced Solaris’ partnership with a Chinese investment firm to search for additional capital for Warintza, Solaris’ Executive Chairman, Richard Warke, states:

“**Warintza is a very special asset** that has the potential to create tremendous long-term value for all stakeholders by unlocking one of the last major greenfield districts at low elevation and adjacent to infrastructure in the global copper industry. The Company has a rich opportunity to significantly grow the Project while advancing it through technical studies and permitting with financing consistent with my commitment to minimize shareholder dilution.”¹⁹

5. In a December 2023 news release, which announced its conditional offtake financing deal for \$80 million, Warke states the following:

“This financing package funds the advancement of Warintza through studies and permitting, leading to a substantially de-risked Project. This is a very special asset that has the potential to create **tremendous long-term value for all stakeholders** as it unlocks one of the last remaining major greenfield copper districts at low elevation and adjacent to infrastructure in the entire mining industry.”²⁰

Solaris’ MD&As released in 2023, 2022, and 2021 also show that despite owning projects in Mexico (La Verde), Chile (Ricardo and Tamarugo), and Perú (Capricho), a vast percentage of Solaris’ exploration expenses, relate to its business in Ecuador—the Warintza concessions.²¹ The company states that it “relies

¹⁷Knight Lab CDN. “Timeline of conflicts caused by (Canadian) Mining in Shuar Arutam Territory and Strong Organized Opposition by the Shuar.” Available at:

https://cdn.knightlab.com/libs/timeline3/latest/embed/index.html?source=1FZVJjNNRKUgYGUsue3O15a1qa4xot2BFg634rGMrrV8&font=Default&lang=en&initial_zoom=2&height=650

¹⁸ News release, Solaris Resources. (January 22, 2024). Available at:

<https://www.sedarplus.ca/csa-party/records/document.html?id=d869d4dc8921a0c8a1e52e2632769142c66d66006903b1d33175718be9ef8de4>

¹⁹ Solaris Resources. “Solaris Appoints CICC as Chinese Financial Advisor.” (October 3, 2023). Available at:

<https://www.sedarplus.ca/csa-party/records/document.html?id=a50f8f669beb0b2fb3c56ea3b2f4329e45dd69c2532da9dfdddad071a136996b>

²⁰ Solaris Resources. “Solaris Announces US\$80 Million Financing Package to Fund Warintza Project Through Studies and Permitting.” (December 11, 2023). Available at:

<https://www.globenewswire.com/news-release/2023/12/11/2793717/0/en/Solaris-Announces-US-80-Million-Financing-Package-to-Fund-Warintza-a-Project-Through-Studies-and-Permitting.html>

²¹ Management Discussion and Analysis report, Solaris Resources. Available at:

https://www.solarisresources.com/_resources/pdfs/Financials/SLSQ32021MDA.pdf
https://www.solarisresources.com/_resources/pdfs/Financials/SLS-Q3-2023-MDA.pdf

on share issuances in order to fund its exploration and other business objectives” and now looks to get capital to advance it.²²

Additionally, in Quarter 3 of 2023, Solaris received conditional financing for up to USD\$80 million, while in Quarter 1 of 2024, Solaris announced that Zijin Mining Group Co Ltd. seeks to invest CAD\$130 million for the development of Warintza. Solaris also created a special role for the advancement of Warintza, by appointing Javier Toro, formerly from Hudbay Minerals, as the new Chief Operating Officer.²³

Consequently, issues that affect its Warintza asset may present material risks to the shareholders and its other investors, as existing and future opposition against the mine can tangibly affect the company’s future performance. In particular, Solaris has failed to properly disclose the threats that community opposition poses to the development of Warintza on a *continuous basis*, despite being aware, and informally acknowledging that such conflict regarding the mine exists.²⁴ Its optimistic outlook on its relationship with Indigenous peoples runs contrary to widespread, firm, and sustained resistance to the project.

C. Free, Prior, and Informed Consultation and Consent in Ecuador

Ecuador’s 2008 constitution enshrines the right to Free, Prior, and Informed *Consultation*, making it mandatory for the government to consult Indigenous Peoples for projects or policies that affect their territories or "that may affect them environmentally and culturally" (Article 57.7). In Ecuador, international human rights instruments are directly and immediately applicable (Article 11.3), while the UN Declaration on Indigenous Peoples and International Labour Organization Convention 169 (ILO 169), among others, are also applicable with regard to the right to prior consultation.

Therefore, the right to prior consultation does not only mean an opinion of a people, but also implies *achieving their consent* in Ecuador. The Warintza mining project clearly leaves the door open for a potential lawsuit against the Ecuadorian State before international bodies whose conventions Ecuador has ratified, to force compliance with constitutional regulations and other international standards regarding Free, Prior and Informed Consultation and Consent.

This is elaborated in the following points:

1. First, the **United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)**, which Ecuador adopted in 2007, the widely accepted standard and guarantees the right to *self-determination* and to *Free, Prior, and Informed Consent*.
2. Second, recent **Ecuadorian jurisprudence has determined that the consultation process must lead to consent**.²⁵ It also establishes that the territories of Indigenous peoples must be respected

²² Management Discussion and Analysis report, Solaris Resources. Available at:

<https://www.solarisresources.com/resources/pdfs/Financials/Q1-2022-MDA.pdf>

²³Solaris Resources. “Solaris Appoints COO to Lead Warintza Project; US\$80 Million Financing Package Well Advanced to Fund Studies and Permitting.” (November 6, 2023). Available at:

<https://solarisresources.com/news/press-releases/solaris-appoints-coo-to-lead-warintza-project-us80-million-financing-package-well-advanced-to-fund-studies-and-permitting>

²⁴ Federico G. Velásquez. LinkedIn. (December 2023). Available at:

https://web.archive.org/web/20240215005803/https://www.linkedin.com/posts/federico-g-vel%C3%A1squez-30818621a_ecuador-ongs-activity-7140058887935725569-Yvx6

²⁵ Corte Constitucional del Ecuador, Caso Nro. 273-19-JP/22, párr. 945. Ver en:

http://esacc.corteconstitucional.gob.ec/storage/api/v1/10_DWL_FL/e2NhcNBlDGE6J3RyYW1pdGUhLCB1dWlkOidjOWE4ODAyZC03Y2E1LTQ4NDItOWVzNS01ZDZjMzZiM2I3ZGMucGRmJ30=

based on the principle of integrality, indivisibility, and guaranteeing their processes of self-determination.²⁶

3. Another aspect already defined by Ecuadorian jurisprudence is that, **for a consultation with Indigenous communities to be valid in Ecuador, it must be carried out by official state entities and not by the company.** The alleged consultations carried out by companies are not valid.
4. Since the PSHA is an Indigenous people with a collective territory, their consent and license to operate must be obtained, according to both international and Ecuadorian law. This means that the **formal representative body of the PSHA must be consulted** on any projects that may affect their ability to exercise their collective rights, as based on the ILO Convention 169 and Article 57 of the Ecuadorian Constitution, and UNDRIP.

The failure to adequately explain these legal points allows the company to conceal information, such as the opposition of the PSHA and the national context that protects these peoples.

A proper explanation of these international human rights points in Ecuador remain largely missing from Solaris' disclosures, and may even be incorrectly interpreted, as referenced in main points below.

IV. Solaris' failure to disclose

1. Solaris fails to disclose that there continues to be extensive Indigenous opposition against the Warintza Project ever since 2019.

A. Solaris Resources' optimistic outlook on relationship with Indigenous Shuar People

Solaris has not disclosed that Warintza and neighboring projects have been met with significant opposition and conflict from the Shuar Arutam Indigenous people since 2019.

The Warintza project has been at the center of conflict with PSHA since 2019, after its acquisition of Lowell Mineral Exploration S.A, due to lack of consultation and consent of all the 47 Indigenous centres in the affected area and the highest representative body of the PSHA.²⁷

In opposition to Solaris and its project, the PSHA carried out a series of actions to reject mining in their territories, some of which have garnered regional and international attention, as listed in the points below. Controversies and international complaints that focus or reference PSHA's opposition to the mine, largely contradict Solaris' claims that it had restored community support for its project in 2019. Solaris largely fails to formally disclose such controversies on a continuous basis on its MD&As in full detail as well and instead, addresses existing controversies through obscure channels.²⁸

The following timeline shows some of PSHA's actions in direct opposition of mining in their territories:

²⁶ idem, párr. 100.

²⁷ MiningWatch Canada, PSHA et al. "Timeline of conflicts caused by (Canadian) mining in Shuar Arutam territory and strong organized opposition by the Shuar." (August 23, 2023). Available at: <https://miningwatch.ca/2023/11/23/pscha-timeline>

²⁸ Solaris Resources. "Asunto: Respuesta de Solaris a acusaciones falsas en contra de las comunidades Shuar de Warintza y Yawi y Solaris Resources." (June 19, 2020). Available at: https://media.business-humanrights.org/media/documents/files/documents/20200619_Respuesta_de_Solaris_Resources_al_CIEDH.pdf

1. **2003–2018:** Prior to Solaris’ acquisition of the Warintza project in 2019, the mine was met with concern and controversy. Upon Lowell Minerals’ acquisition of the project in 2003, the Shuar elected “their first Governing Council” and created a plan to prohibit “extractive industries in their territories.”²⁹
2. **September 2019:** PSHA carried out a internal referendum process through a series of assemblies with all of its 47 Shuar communities.³⁰ It reaffirmed its position as a “Territory of Life (TICCA),” and joined the Global Registry of territories stewarded by Indigenous peoples, reaffirming their right to self-determination.³¹ They also launched an international campaign called, “**PSHA has already decided: No to mining!**”³² The campaign remains ongoing.
3. **January 2021:** On January 29, 2021, the Government Council of the PSHA, along with the Public Services International (PSI), filed a complaint with the International Labor Organization against the Ecuadorian State for non-compliance with Convention 169 and for not respecting collective rights by not being consulted on projects carried out in their territory.³³
4. **August 2021:** PSHA leadership wrote a letter addressed to Canada’s ambassador to Ecuador, denouncing threats of violence from Solaris executives against Josefina Tunki, the former president of the Shuar Arutam People. According to Josefina Tunki’s account, Solaris’ Vice President of Operations at the time, Federico Velásquez, stated: “If you continue bothering me with national and international complaints, one of these heads will have to be cut off.”³⁴ The letter, signed by over **130 organizations** across **18 countries**, also makes note of PSHA’s opposition to the Warintza Project.³⁵
5. **March 2023:** In March 2023, the International Labor Organization's Directorate of International Standards, in charge of the ongoing complaint, called on the parties to achieve reconciliation. However, the Government Council of the PSHA rejected any type of agreement, as it remains in resistance to the project and asserts its right to self-determination. Furthermore, the PSHA ratified its position to continue with the complaint about the continued violation of its rights and maintained a firm position against mining in Shuar territory, ratifying legal strategies and cases against mining companies in their territory. They specifically voted to initiate legal proceedings against Solaris similarly with the Nankints case and the Panantza-San Carlos project, **which led to the environmental license being revoked** (Resolved item 7 of the Minutes of the 20th General Assembly of the PSHA of March 31, 2023).³⁶
6. **April 2023:** Human rights related concerns about Solaris’ activities was also included in two different submissions to the 2023 United Nations’ Universal Periodic Review for Canada: the 2023 Amazonian Report endorsed by almost **30 organizations**, based across all of South America and internationally, and another filed by corporate accountability experts, endorsed by **27 Canadian civil society organizations** and **39 professors, lawyers, and legal scholars**.³⁷

²⁹ See note 24.

³⁰ MiningWatch Canada. “The Shuar Arutam People of Ecuador Declare Territory Free of Mining, Reject Consultation.” (August 23, 2019).

Available at: <https://miningwatch.ca/blog/2019/8/23/shuar-arutam-people-ecuador-declare-territory-free-mining-reject-consultation>

³¹ See note 27; ICCA Registry. “Explore Case Studies: Pueblo Shuar Arutam, Ecuador.” Available at:

<https://www.iccaregistry.org/en/explore/Ecuador/pueblo-shuar-arutam>

³² <https://puebloshuar.bombozila.com/>

³³ Claim filed under Article 24 of the Constitution. National Confederation of Public Servants of Ecuador (CONASEP) and the National Federation of Workers of the Provincial Governments of Ecuador (CONASEP), alleging non-compliance by the Government of Ecuador with the Indigenous and Tribal Peoples Convention, 1989 (No. 169). Indigenous and Tribal Peoples Convention, 1989 (No. 169) of the ILO, by PSI, the National Confederation of Public Servants of Ecuador (CONASEP), the National Federation of Public Workers of Ecuador (FENOGOPRE) and the National Federation of Workers of the Provincial Governments of Ecuador (CONASEP), alleging non-compliance by the Government of Ecuador with the Indigenous and Tribal Peoples Indigenous and Tribal Peoples Convention, 1989 (No. 169).

³⁴ Amazon Watch. “The Risks of Investing in Solaris Resources.” (March 2023). Available at:

<https://amazonwatch.org/assets/files/2023-solaris-risk-assessment.pdf>

³⁵ Pueblo Shuar Arutam. “Re: Threats and violence against Josefina Tunki, President of the Shuar Arutam People, and human rights and environmental defenders on Canadian mining concessions in Ecuador.” (August 26, 2021). Available at:

<https://amazonwatch.org/assets/files/2021-08-26-psha-letter-to-canadian-embassy.pdf>

³⁶ See resolution here: https://drive.google.com/file/d/1d5H3Zw-pu4LZY9KshA1WCr3yG4W8_-Wj/view?usp=sharing

³⁷ “Amazonian Report: CANADA’S FAILURE TO UPHOLD EXTRATERRITORIAL OBLIGATIONS: CORPORATE ABUSES BY CANADIAN COMPANIES IN THE AMAZON RAINFOREST for the Fourth Cycle of the United Nations Universal Periodic Review Canada.” (April 5, 2023). Available at: <https://amazonwatch.org/assets/files/2023-04-25-un-upr-canada-amazon-report.pdf>; “Canada’s Systematic Failure to Fulfill its International Obligations to Human and Environmental Rights Defenders Abroad; Submission to the UPR Working Group of the

7. **November 2023:** The Governing Council’s resolution ratified the opposition to the Warintza project. A new statement states that: “The Shuar Arutam People ratify **its opposition to the Warintza mining project** in response to a public announcement about advanced exploration and **attempts to seek additional investments to expand a project that has not undergone a consultation process.**”³⁸

“There was never a free, prior and informed consultation as established by the constitution,” says Jaime Palomino, the newly-elected president of the Governing Council of the Shuar Arutam People (PSHA), the highest governing body for the Shuar Arutam People. “Therefore, ExplorCobres S.A. EXSA and Lowell Mineral Exploration S.A [Solaris’ subsidiary in Ecuador] are operating illegally in our territory.”³⁹

As demonstrated, local opposition against Warintza, and disputes regarding the mine, remains ongoing as of 2024, presenting clear barriers for the development of the project in the future. Advancing the project may be met with a series of actions nationally and internationally. There is no obvious path for advancing the project, as future progress will meet stiff opposition, presenting material risk to investors of Solaris and Warintza.

B. Solaris has not disclosed local opposition to the potential sale of the project to a Chinese company

On November 20, 2023, the Shuar Arutam People ratified its opposition to the Warintza mining project in response to Solaris' news release on October 3, 2023 about seeking Chinese investments to advance the exploration and development of Warintza.⁴⁰ However, the project has not undergone a consultation process.

In October 2023, the company appointed a Chinese investment firm, China International Capital Corporation (CICC), to help sell the project to prospective financiers and/or buyers of Warintza.⁴¹ Despite a PSHA’s public statement opposing the development in November 2023, Solaris announced that it received conditional financing from Orion Mine Finance Management for a \$80 million loan to fund Warintza’s studies and permitting in December 2023.⁴² Soon after this deal, Solaris announced that Chinese company, Zijin Mining Group Co Ltd., alongside its wholly-owned indirect subsidiary, Jinlong (Singapore) Mining Pte. Ltd. expects to place CAD\$130 million dollars (USD\$97 million dollars) into the company through private placement of 28,481,289 Common Shares, approximately 15% of Solaris shares, upon the approval of TSX and Canadian securities regulators.⁴³ Subscription proceeds will be used

United Nations Human Rights Council In anticipation of the 2023 Universal Periodic Review (UPR) of Canada.” (April 4, 2023). Available at: https://miningwatch.ca/sites/default/files/jcap_submission_to_unpr_2023.pdf

³⁸ MiningWatch Canada. “The Shuar Arutam People Reiterate Opposition to the Warintza Project After Announcing Advanced Exploration”, (November 23, 2023). Available at:

<https://miningwatch.ca/news/2023/11/23/shuar-arutam-people-reiterate-opposition-warintza-project-after-announced-advanced>

³⁹ MiningWatch Canada. “As Solaris Shareholders Meet, Indigenous Communities in the Ecuadorian Amazon Reaffirm their Opposition to the Warintza Mine.” (June 23, 2023). Available at:

<https://www.miningwatch.ca/news/2023/6/23/solaris-shareholders-meet-indigenous-communities-ecuadorian-amazon-reaffirm-their>

⁴⁰ MiningWatch Canada. “The Shuar Arutam People Reiterate Opposition to the Warintza Project After Announcing Advanced Exploration”, (November 23, 2023). Available at:

<https://miningwatch.ca/news/2023/11/23/shuar-arutam-people-reiterate-opposition-warintza-project-after-announced-advanced>; Amazon Watch.

“The Shuar Arutam People ratify their resistance against Canadian and Chinese mining companies.” (August 24, 2023). Available at:

<https://amazonwatch.org/es/news/2023/0824-the-shuar-arutam-people-ratify-their-resistance-against-canadian-and-chinese-mining-companies>;

Solaris Resources. “Solaris Appoints CICC as Chinese Financial Advisor.” (October 3, 2023). Available at:

<https://www.globenewswire.com/en/news-release/2023/10/03/2753482/0/en/Solaris-Appoints-CICC-as-Chinese-Financial-Advisor.html>.

⁴¹ Financial Post. “Canadian miner appoints Chinese firm despite Ottawa’s curbs against ‘non-like-minded’ nations.”

<https://financialpost.com/commodities/mining/canadian-miner-solaris-china-ottawa-curbs>. Accessed 10/3/2024.

⁴² Solaris Resources. “Solaris Announces US\$80 Million Financing and Package to Fund Warintza Project Through Studies and Permitting.”

<https://www.sedarplus.ca/csa-party/records/document.html?id=83afb51c70716ca275178d7403c4af5bf28c8eefe1c7333422e8f009290bda31>.

Accessed 1/9/2024.

⁴³ Yahoo Finance. “Solaris Announces \$130 Million Strategic Investment by Zijin Mining Group.”

https://finance.yahoo.com/news/solaris-announces-130-million-strategic-113000120.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2x1LmNybS8&guce_referrer_sig=AQAAAL6IKS9nzEY-JAYiLRUeOdFE8DpV08RJeZJmj-sSm6uAq8rdo-mNjwbfhkPGO47fbpbUq_tNI

for the exploration and development of Warintza.⁴⁴ Zijin’s potential stake in Solaris could allow it to place a takeover bid to the entire company in the future.

In response to these developments, PSHA reaffirmed their position against Warintza by saying:

“We oppose any entity providing additional investment for this project in our territory or any attempt to sell the project to another company using and promoting the name of the Shuar people.”⁴⁵ PSHA added, “Indigenous communities affected by the Warintza project warn potential buyers of the project, stating that its operators lack a social license to operate”.

Solaris, and key executives informally acknowledged PSHA’s concern with the company’s activities on their social media channels.⁴⁶ However, Solaris has not formally disclosed that this social conflict exists.

2. Solaris fails to disclose that the Warintza project faces imminent legal risks which could interfere with the project’s advancement.

Solaris’ official corporate disclosures and shareholder presentations provide vague information and seem to omit important trends and legal, and political risks that can reasonably affect the Warintza mine and in general, mining activities in Ecuador in the foreseeable future.⁴⁷

A. Solaris Resources has not continuously disclosed that the Strategic Alliance only includes 2 of 47 Shuar centres, and that it can not legally approve projects on behalf of PSHA

Solaris provides an unjustifiably misleading view on the *Strategic Alliance* created in 2020. The *Strategic Alliance*, “is operated by a board of two community individuals along with company representatives,” the Warints and the Yawi, acting as a parallel governance structure to that of the PSHA’s.⁴⁸ Solaris undermined PSHA’s organizational structure and collective rights, and instead, courted two Shuar centres who are not representatives of the Governing Council of the Shuar Arutam People (CGPSHA), contrary to international best practices. The CGPSHA is the highest organizing body within PSHA, representing 47 centres and 6 associations.

Solaris frequently points to the *Strategic Alliance* in its disclosures to demonstrate its good relations with community members, supposedly granting them a social license to operate in the area. The alliance refers to the Yawi and Warints communities.⁴⁹ This alliance, however, does not take into account the CGPSHA.

[W1A3MU7Cxow5H4dP-vArWYi-UnyXMZNTPXcggNv96sDfKUnH7m1nElgsq4biT71PocQGflcw5Qwhz2DNvRqewOCzGN9bMa-1G](https://www.sedarplus.ca/csa-party/records/document.html?id=0f97a07a784cf8c063262206f3eb5fc37082fc479e82fd04f764b1a9662dea74). Accessed on 1/11/2024; Solaris Resources. “Form 62-103F1: Required Disclosure Under The Early Warning Requirements.” <https://www.sedarplus.ca/csa-party/records/document.html?id=0f97a07a784cf8c063262206f3eb5fc37082fc479e82fd04f764b1a9662dea74>. Accessed 1/12/2024.

⁴⁴ Zijin Mining Group Co., Ltd. “Announcement in relation to Signing of the Subscription Agreement with Solaris.” <https://www.zijinmining.com/upload/file/2024/01/11/a8c2f0b30fe0470a9f95aea4fe083fbc.pdf>. Accessed 1/12/2024.

⁴⁵ Shuar Arutam People. “The Shuar Arutam People Reiterate Opposition to the Warintza Project After Announcing Advanced Exploration”, *MiningWatch Canada* (November 23, 2023). Available at: <https://miningwatch.ca/news/2023/11/23/shuar-arutam-people-reiterate-opposition-warintza-project-after-announced-advanced>

⁴⁶ Federico G. Velásquez. LinkedIn. (December 2023). Available at: <https://web.archive.org/web/20240215005803/https://www.linkedin.com/posts/federico-g-vel%C3%A1squez-30818621a-ecuador-ongs-activity-7140058887935725569-Yvx6>

⁴⁷ British Columbia Securities Commission. “Form 51-102F1.” Available at: <https://www.bcsc.bc.ca/-/media/PWS/New-Resources/Securities-Law/Instruments-and-Policies/Policy-5/51102F1-F-July-25-2023.pdf?dt=20230720164041>

⁴⁸ Amazon Watch. “The Risks of Investing in Solaris Resources.” (March 2023). Available at: <https://amazonwatch.org/assets/files/2023-solaris-risk-assessment.pdf>

⁴⁹ These are two communities of the 6 that form part of the Nunkui Association, as part of the 47 PSHA communities.

Legally, according to Article 57.9 of the Ecuadorian Constitution and Article 8 of ILO Convention 169, each Indigenous people has the right to develop its own forms of social organization and authority. In the case of the 47 Shuar centres, which include the Yawi and Warints, **the highest Indigenous social organization that exercises authority and representation for all of them is the PSHA.**

Despite the fact that each community or association that forms part of the PSHA could constitute other types of social organizations, of a different legal nature, to fulfil different purposes (private, economic, productive, agricultural, etc.); the organizational and political representation of Indigenous peoples, under the norms of the Constitution and international treaties that recognise collective rights, such as the right to consultation and consent, corresponds to the PSHA. This is demonstrated by the PSHA's register, delivered by Agreement No. 255 of CODENPE on 7 September 2006, as follows:

“ WHEREAS

(....)

That, the **Shuar Arutam People**, domiciled in the Maikiwants Centre, Limon canton, Morona Santiago province, in exercise of the collective rights established in the Political Constitution and international legal instruments, define themselves as Shuar Peoples of Ecuador and request CODENPE to legally register the Shuar People and their Statute;

(....)

AGREES

To legally register the **Shuar Arutam People** and its Statute, with domicile in the Maikiwants Centre, canton Limón, province of Morona Santiago and its Statute; (sic)

(...)

Given in Quito Metropolitan District, on the 7th day of September 2006.”

(Self-emphasis of the text)

In accordance with the above, the Statute registered by the PSHA with CODENPE states that:

“Art. 1

1. The present Statute regulates the Shuar Arutam People, made up of the Nunkui, Sinip, Santiago, Mayaik, Arutam Associations located in the Cordillera del Cóndor and the Santiago River Basin, in the Cantons of Limón, Gualaquiza, San Juan Bosco, and Tiwintza, Province of Morona Santiago.
2. In exercise of the Collective rights, (sic) enshrined in the current Political Constitution and the provisions of Convention 169 of the ILO and other international rights, by our will we define ourselves as "Shuar Arutam people" of ancestral roots".

According to Art. 38 of the PSHA Statute, the PSHA's Governing Council has the right and responsibility to ensure compliance with the right to consultation and consent for activities carried out in its territory.⁵⁰

As such, although Solaris doesn't recognize the resistance of PSHA, but it has referenced PSHA in certain letters, the company fails to continuously disclose or acknowledge the PSHA, its legal rights, and its opposition to the mine in its quarterly MD&As. In fact, the PSHA have rejected both the formation of the Strategic Alliance and its signing of Solaris' IBA, stating in a 2020 open letter:

⁵⁰ El Artículo 38 del Estatuto del PSHA señala:

- “El CGSHA (Consejo de Gobierno del Pueblo Shuar Arutam) exigirá y velará para que el Gobierno Nacional del Ecuador, ejecute la obligación constitucional de realizar los procesos de consulta previa sobre cualquier actividad nacional que emprendan empresas públicas o privadas en su territorio.
(....)
El CGSHA exigirá la información, consulta y consentimiento previo real realizado a cada una de las familias del Territorio y sus autoridades,, bajo mecanismos previamente fijados por el CGPSHA, para tratar con el Estado Ecuatoriano cualquier tema de recursos no renovables que se encuentren en su territorio.”

“The so-called “Strategic Alliance” to which the centres of Yawi and Warints supposedly belong, is an illegitimate fabrication of the mining company which is trying to, in exchange for the costs this project will generate, offer benefits to manipulate the Shuar thus sponsoring their presence and exploitation of our territory. This “Strategic Alliance” is not an “innovative relationship” as Solaris portrays it. It is the same strategy that many mining and oil companies have used to advance their projects, while side-stepping and disrespecting the legitimate and traditional Indigenous organizational structures.”⁵¹

The rejection of the agreements between the Strategic Alliance and the company on behalf of the PSHA territory was ratified in November 2023. Again, the PSHA state that:

“Solaris has insisted that it has a draft of a supposed agreement. In light of this and misrepresentations of our organization, we sent a letter in September to the head of Corporate Relations for Lowell, Mr. Jairo Becerra, in an effort to stop him causing division among our People and to stop interfering in our policies and activities. **We ratify that we have made no commitments to the company**, and we ratify that they must not interfere in our organization.”⁵²

In addition to not conducting a consultation or obtaining consent from the PSHA over a project in their legally recognized collective territory, the company’s “consultation” with the Yawi community fell short of Ecuadorian and international standards. In other words, there is no consultation as the mining company falsely claims.

According to Marcelo Wachapa, the President of Yawi:

“They didn’t carry out a process of consultation in accordance with the Constitution. There wasn’t Free, Prior, and Informed Consultation. They only did a process of sharing information with the Yawi and Warints communities. They had a few meetings and from there, the company began to work.”⁵³ Wachapa affirmed that the company never explained any negative impacts from the projects, only the possible benefits. The Inter-American Commission on Human Rights has already stated that sharing information does not comply with international standards of FPIC, since it “is not a singular act, but a process of dialogue and negotiation that implies good faith.”⁵⁴

B. Neighboring project on PSHA territory, Panantza–San Carlos Mining Project, paralyzed

In close proximity to the Warintza concession on PSHA territory is the **Panantza-San Carlos mining concession**. The mine has been the site of violent conflict and rights violations for years. Between December 2016 and February 2017, a state of emergency was declared for the entire Morona Santiago province and the region militarized due to clashes between local communities, mining company workers, and the police.⁵⁵ The failure to obtain consent and a true license to operate can provoke conflict and violence that not only threatens the viability of the project, but the lives of community members, mining workers, and public security forces.

⁵¹Business & Human Rights Resource Centre. “Open Letter to Solaris Resources Inc. from the Government Council of the Shuar Arutam Peoples.” (September 2020). Available at: <https://www.business-humanrights.org/en/latest-news/open-letter-to-solaris-resources-inc-from-the-government-council-of-the-shuar-arutam-peoples/>

⁵²See note 36.

⁵³ Ana Cristina Alvarado. “Exporting ‘reconciliation’: A Canadian mining company’s destructive PR push in Ecuador’s Amazon is modelled on so-called reconciliation at home”. *The Breach* (June 23, 2022) Available at: <https://breachmedia.ca/exporting-reconciliation/>

⁵⁴ IACHR, Indigenous and Tribal Peoples’ Rights over their Ancestral Lands and Natural Resources: Norms and Jurisprudence of the Inter-American Human Rights System. OEA/Ser.L/V/II.Doc.56/09, December 30, 2009, para. 292.

⁵⁵ GK. “El fantasma de Nankints.” (May 22, 2022). Available at: <https://gk.city/2019/04/23/conflicto-minero-nankints/>

In 2022, Shuar Arutam filed a case against the Ministry of the Environment for providing an environmental license for the project without having properly consulted PSHA. On November 18, 2022, the Ecuadorian Constitutional Court agreed that PSHA's right to consultation had been violated and revoked the environmental license for the advanced exploration of Panantza-San Carlos, suspending the project. The Court established that the obligation to consult is non-delegable and corresponds to the state and not to the companies.⁵⁶

An excerpt from the decision reads:

"... [The Constitutional Court] concludes that the social participation procedure carried out by the promoter of the mining activity and the approval of the license and environmental impact study for the advanced exploration phase of the Panantza - San Carlos mining project, by the then Ministry of the Environment, violates the right to prior, free, and informed consultation of the Shuar indigenous nationality."⁵⁷

3. Solaris fails to disclose popular anti-extraction sentiment, rejection to mining, and adverse court decisions threaten project viability

Omitted from Solaris' disclosures are thorough mentions of significant trends that allude to challenges associated with Ecuador's mining industry, which could threaten the development of Warintza.

For instance, as of an early September 2023 decision from Ecuador's highest court that suspended the environmental permitting of some \$2 billion in investments in industry and the mining sector.⁵⁸ The attempt to fast track the environmental consultation process by president Noboa under decree 754 was deemed unconstitutional by the Constitutional Court, and paralyzed 176 industrial projects. In fact, rulings from the Constitutional Court have paralyzed mining projects of Los Cedros, Panantza-San Carlos, Rio Blanco, Loma Largo, Curipamba, La Plata, and led to significant delays in others.

The following cases below demonstrate growing anti-mining sentiment in the country:⁵⁹

1. **December 2021:** The Constitutional Court issued a ruling that revoked the environmental license for the Río Magdalena mining project in the Los Cedros forest, based on the state's failure to consult local communities or take into account their access to clean water and a healthy environment, as well as the precautionary principle of the Rights of Nature, which is a rights holder enshrined in the Constitution. **The decision required the mining companies involved to remove all infrastructure and machinery.**⁶⁰
2. **February 2021:** A referendum was held where **voters banned all new large-scale mining exploitation** in 1,197 square miles around Cuenca - the country's third-largest city - and five surrounding hydrographic basins. Cuenca is located in the province of Azuay, an area known for its potential in gold, silver, and copper.⁶¹
3. **2022:** Similarly, the A'I Cofán community of Sinangoe **filed a lawsuit** for the state's lack of consent regarding multiple mining concessions in their territory. In 2022, the Constitutional Court confirmed their

⁵⁶ Corte Constitucional del Ecuador, Caso Nro.1325-15-EP, párr. 79 y 80. Available at:

http://esacc.corteconstitucional.gob.ec/storage/api/v1/10_DWL_FL/e2NhcBldGE6J3RyYW1pdGUUnLCB1dWlkOicwNGMzMdJIMS01YmY1LlTQ2NjgtODA2Zi05MzY5YTU4OWMzYWmucGRmJ30=

⁵⁷ See note 52.

⁵⁸ ESG News. "Ecuador's Suspension of Environmental Consultations Paralyzes \$2 Billion in Investments." (September 7, 2023). Available at: <https://esgnews.com/ecuadors-suspension-of-environmental-consultations-paralyzes-2-billion-in-investments/>

⁵⁹ Constitutional Court of Ecuador, Judgement No. 1325-15-EP/22, Available at:

http://esacc.corteconstitucional.gob.ec/storage/api/v1/10_DWL_FL/e2NhcBldGE6J3RyYW1pdGUUnLCB1dWlkOicwNGMzMdJIMS01YmY1LlTQ2NjgtODA2Zi05MzY5YTU4OWMzYWmucGRmJ30= pág. 33 y 34.

⁶⁰ Eco Jurisprudence Monitor. "Ecuador Court Case on Rights of Nature Violations From Mining in the Los Cedros Protected Forest." Available at: <https://ecojurisprudence.org/initiatives/los-cedros/>.

⁶¹ Mining.com. "Voters backed prohibition on mining in Ecuador city of Cuenca." (February 8, 2021). Available at: <https://www.mining.com/web/voters-backed-prohibition-on-mining-in-ecuador-city-of-cuenca/>

right not only to consultation but also to consent, and obliged the state to provide objective, reasonable, and proportionate reasons why it was not possible to modify the project. The **decision annulled 52 mining concessions on their lands.**⁶²

4. **June 2023:** Protests by CONAIE (Confederation of Indigenous Nationalities of Ecuador) in June 2023 shut down the country for two weeks, and forced then president Guillermo Lasso to place a **year long moratorium on mining concessions** until a law to regulate the consultation could be approved by the legislature. A new law or regulation has yet to be enacted. CONAIE President Leonidas Iza states that, “We want to say to trans-national mining companies, to mining business people in our country: don't invest more in mining because we are going to defend our land.”⁶³
5. **August 2023:** Ecuadorian citizens in the province of Pichincha—where capital city Quito lies—**voted overwhelmingly to ban all new or proposed mining activity in the province** which is part of the ecologically sensitive Choco-Andina region. In a nationwide vote on the same ballot, some 60% of the population chose to keep one of the country’s largest oil reserves—which only recently began producing—permanently in the ground underneath Yasuni National Park.⁶⁴

Foreign mining companies, which own and operate junior mining projects in Ecuador, such as Solaris, may exaggerate the level of support for projects amid growing opposition at a local and national level. In practice, investors in the country will face local opposition and, under Ecuadorian and international law, will encounter litigation for violation of rights. Solaris largely fails to disclose these trends.

V. Summary

In summary, Solaris Resources has failed to communicate the true nature with impacted Indigenous communities of a conflict that creates a serious risk for the Warintza Project, an asset that is material to the company. For this reason, we request that the British Columbia Securities Commission investigate whether and to what extent Solaris’ disclosures have failed to meet the disclosure requirements under the appropriate securities legislation, and take appropriate action based on the findings.

Yours sincerely,



Jaime Palomino
President - Pueblo Shuar Arutam

⁶² The Guardian. “Leave the gold in the ground’: Ecuador’s forest guardians mobilise against illegal mining in Amazon.” (November 12, 2023). Available at:

<https://www.theguardian.com/global-development/2023/nov/13/illegal-gold-mining-ecuador-amazon-ai-cofan-indigenous-guardians-mobilise>.

⁶³ Reuters. “Major Ecuador indigenous group threatens anti-mining protests.” (January 12, 2023). Available at:

<https://www.reuters.com/world/americas/major-ecuador-indigenous-group-threatens-anti-mining-protests-2023-01-13/>

⁶⁴ TeleSUR. “Ecuadorians Vote Against Mining in Choco Andino.” (August 21, 2023). Available at:

<https://www.telesurenglish.net/news/Ecuadorians-Vote-Against-Mining-in-Choco-Andino-20230821-0015.html>



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