

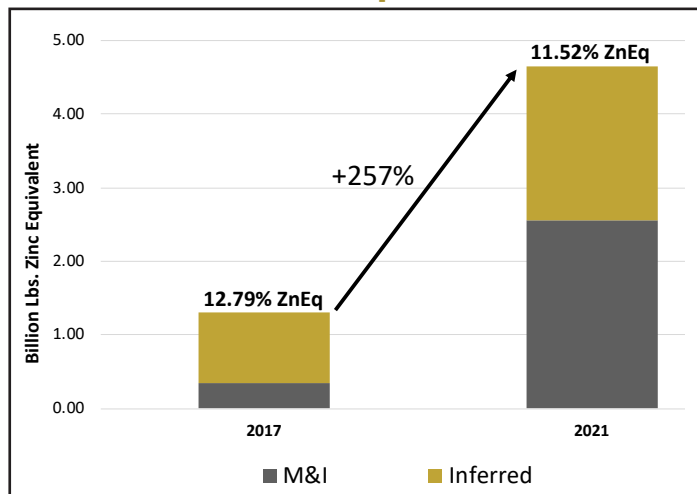
Dear Solitario Shareholder,

I hope that all of you fared well and stayed healthy during this unprecedented year of the pandemic. For those of you who were impacted health-wise or financially by Covid-19 – my heart goes out to you. I am happy and proud to report that our employees stayed healthy, that our joint venture partners developed effective protocols to protect their employees and the communities in which our projects are located.

As challenging as 2020 was for most people and businesses, Solitario was able to make significant strides in advancing its projects, particularly the Florida Canyon Zinc Project in Peru. At Florida Canyon, we announced a significant increase in resources in early 2021. This new resource estimate was based on the work of our joint venture partner, Nexa Resources (NYSE: NEXA; TSX: NEXA) (“Nexa”), incorporating the results of the 17,000-meter 2018-19 drilling program. The details of this program are presented below along with the potential economic ramifications of this very successful drilling campaign and resource update.

Although our planned 2020 drilling program at Lik was postponed due to Covid-19, we did not sit idle. Our joint venture partner, Teck Resources, the third largest zinc producer in the world, made strides to better model the deposit from a geological, geochemical, and geophysical perspective. This work has resulted in an improved understanding of the Lik deposit and a more focused drilling program for 2021.

Finally, we initiated an ambitious new strategic effort to identify, acquire and explore exciting new gold terrain with the potential to host world-class gold deposits.

Solitario—Four Years of Exceptional Resource Growth

Florida Canyon—Continued Upside

Our joint venture partner, Nexa, is the world’s fourth largest zinc miner and operates three underground zinc mines in Peru, a major zinc smelter also in Peru and two zinc mines and two zinc smelters in Brazil. The results of Nexa’s 2018-2020 work exceeded our most optimistic expectations. Project highlights include the following:

- 3.39 billion pounds Zn-Eq at 10.9% - Contained metal - Inferred
- 0.65 billion pounds Zn-Eq at 12.04% - Contained Metal - Measured and Indicated
- Inferred zinc-equivalent (“Zn-Eq”) sulfide resource up 105% from 2017 estimate.
- Inferred Zn-Eq sulfide-mixed-oxide resource estimate up 64% from 2017 estimate.
- Total contained silver – Inferred: 5.39 million oz.; Meas. & Ind: 1.2 million oz.

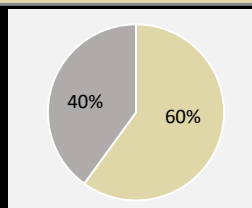
Zinc is the fourth most used metal in the world, behind iron, aluminum and copper. The supply-demand balance remains positive and we believe worldwide stimulus infrastructure spending will drive zinc prices higher in the years ahead. The commercialization of zinc battery applications is advancing and we believe that zinc could become a dominant battery metal for large-scale energy storage generated by alternative sources such as wind and solar. This advancement will be strongly supported by the global effort to reduce carbon emissions.

Why Should You Care About Zinc?

Stimulus Spending Has the Potential to Create \$4 to \$6 Trillion in Infrastructure Spending

- Infrastructure Buildout Equals Increased Demand for Steel
- More Steel ➡ Significant Increase in Demand for Zinc

Other Uses 40%
 Utilized in die-casting, production of brass and bronze, and into oxides and chemicals



Galvanization 60%
 Utilized for its corrosion resistance (galvanized steel, rebar, autos, structural steel).

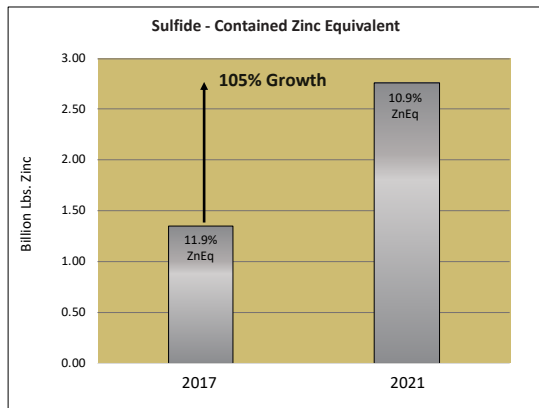
Green Energy - Batteries

Zinc is increasingly being investigated for large-scale energy storage batteries for alternative energy systems, such as solar and wind. Potentially a massive new demand for zinc supply.

Inferred Sulfide Resource Doubles

The 2018/2019 drilling program was specifically designed to identify new NI 43-101 compliant sulfide resources at Florida Canyon. This objective was achieved with an overall 105% gain in Inferred Zn-Eq sulfide resources (contained metal). Approximately 78% of the Zn-Eq resources are sulfide-dominant in the overall 2021 resource estimate.

Florida Canyon 2021 Inferred Sulfide Resource Increase



Future Work Recommendations

Several important recommendations for advancing the Florida Canyon Project were made in the 2021 Technical Report. One of the more impacting recommendations is to conduct new metallurgical testing on sulfide-dominant ores. The updated resource model demonstrates that the majority of mineralization at Florida Canyon is sulfide dominant, however, previously conducted metallurgical testing did not evaluate sulfide-only ore. The Report recommends additional metallurgical testing to potentially increase zinc recoveries and zinc concentrate grades.

Another important recommendation includes additional surface and underground exploration. Included in this is 1,250 meters of underground tunnel development in two different zones, 15,000 meters of underground drilling and 10,000 meters of surface drilling. The objective of these programs is to increase the confidence level of a portion of the inferred resource to measured and indicated categories.

Lik Project—Exciting New Exploration Targets

Together with Teck, we are planning a robust exploration program at Lik in 2021. This includes a five to seven hole, 1000-meter core drilling program to test for open-pit extensions to known zinc mineralization. One of the more interesting targets is the testing of stacked mineralization underlying the currently defined Lik deposit. Evidence for this possibility is the 2019 discovery of two additional gossanous (oxidized metal-rich rocks) zones on the eastern-margin of the deposit.

Previous work by Teck suggested the potential for an additional zone of zinc mineralization on trend with the Lik deposit about a kilometer to the northeast. To test this target, an eight-kilometer Induced Polarization geophysical survey and a 500-sample geochemical soil survey are planned covering this prospective zone.

Execution of the 2021 Lik exploration program is still contingent upon Covid-19 circumstances and permitting completion, but we remain hopeful that this work will be completed during the summer field season.

Gold Initiative

During 2020, we initiated an ambitious new strategic effort to identify, acquire and explore exciting new gold terrain with the potential to host world-class gold deposits. Solitario has had a rich and successful history within the precious metal space and we want to take advantage of this, as our two primary zinc assets are in the excellent hands of our two joint venture partners, Nexa and Teck. As part of this effort, Solitario optioned the Gold Coin gold property in southern Arizona. A limited amount of surface work has been completed on the project thus far, but no decision to drill on this project has been made.

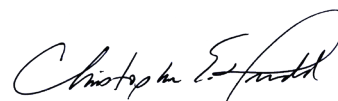
Additional property acquisitions are anticipated as part of our precious metals initiative.

Looking Forward

To summarize, I believe that Solitario has never been as well positioned to add significant value at both Florida Canyon and Lik, and to create new value in the precious metal arena. We maintain a strong balance sheet with over \$7.5 million in cash and marketable securities and continue our long history of well-controlled spending and maintenance of a disciplined capital structure.

We look forward to reporting our progress to you during the remainder of 2021.

Sincerely,


Christopher E. Herald
President and CEO
Solitario Zinc Corp.

