



Dear Solitario Shareholder,

In last year's Letter to Shareholders, we announced that Solitario had embarked on a new initiative to identify and acquire gold properties with the potential to host significant deposits. At the time, we only had a geologic concept, barely any supporting data, and no actual property position upon which to concentrate our exploration work. Little did we know in the Spring of 2021 that this effort would evolve so quickly and produce such exceptional initial results.

"largest U.S. property acquisition program in the Company's history"

From this standing start, Solitario sprinted forward with a major green fields gold exploration program focused west of the massive Homestake gold mine (closed in 2000) in southwestern South Dakota. Early results were positive, and we started staking claims that eventually resulted in the largest U.S. property acquisition program in the Company's history. Approximately 23,000 acres of mineral rights were acquired by staking and another 5,000 acres were leased from private parties. We call this 100%-owned property position the Golden Crest project.

"we discovered the Downpour high-grade gold zone and cut a 24-meter (79 feet) chip-channel sample grading 9.7 gpt gold"

Exploration work in the second half of 2021 identified multiple areas of gold mineralization at surface within our vast Golden Crest property holdings. Just before winter set in, we discovered the Downpour high-grade gold zone and cut a 24-meter (79 feet) chip channel sample grading 9.7 grams per tonne ("gpt") gold – a result that can only be described as stunning. We now believe that our Golden Crest project is one of the most exciting new green fields exploration projects in North America.

"zinc prices skyrocketed during the past year"

Zinc is the fourth most used metal in the world. Like many other commodities, zinc prices skyrocketed during the past year rising from approximately \$1.25 per pound to over \$2.00 per pound as of May 2022. This significant price appreciation makes our two advanced zinc assets, the Florida Canyon project in Peru and the Lik project in Alaska, even more valuable. Due to zinc's superior ability to protect metals against corrosion, its growing role in energy storage and production, increased demand in renewable energy products, and critical

role to infrastructure expansion, we believe that the price of zinc will remain on a positive path for the foreseeable future.

"it's totally unheard of that a junior zinc company has two exceptional high-grade zinc projects, each with a world-class zinc producing partner – but that is exactly Solitario's position in the zinc arena"

It's very rare that a junior zinc company can attract a major zinc producer as a joint-venture partner; and it's totally unheard of that a junior zinc company has two exceptional high-grade zinc projects, each with a world-class zinc producing partner – but that is exactly Solitario's position in the zinc arena. Even though Covid issues continued to impact exploration activities on both our Florida Canyon and Lik projects, our joint-venture partners on these projects, Nexa Resources (NYSE: NEXA) ("Nexa") and Teck Resources (NYSE: TECK) ("Teck"), were able to make notable advancements on both these projects with significant work planned in 2022 and 2023.

"Solitario is well positioned financially to achieve its ambitious goals for 2022"

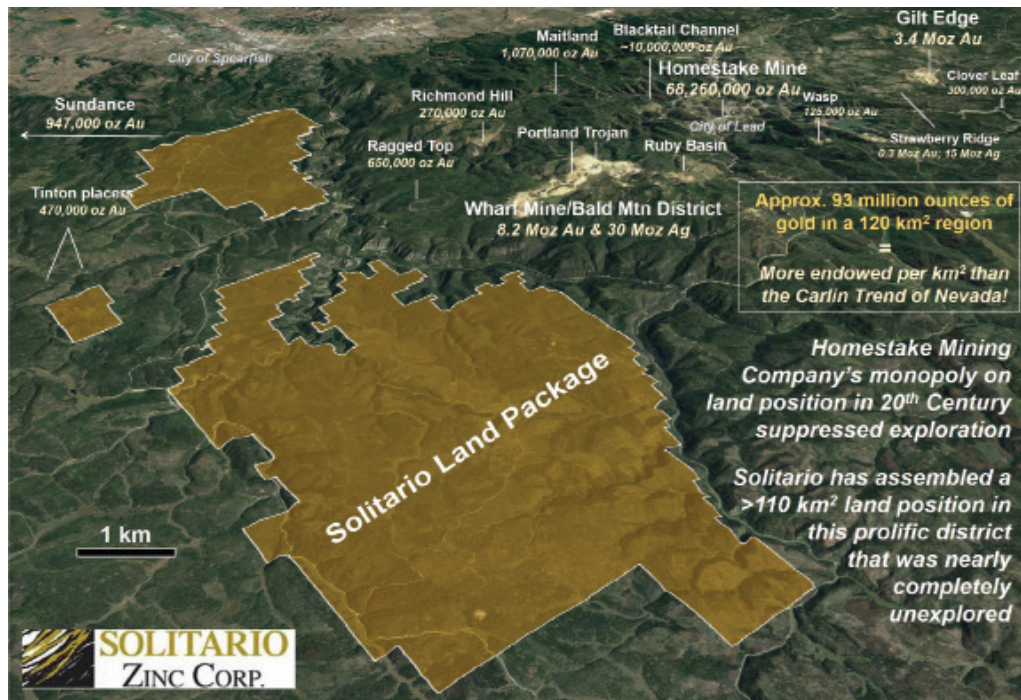
Solitario was active on the financing front, raising approximately US \$4.0 million from September 2021 through March 2022, with each financing garnering higher placement prices. With over US \$8.0 million in cash and marketable securities, Solitario is well positioned financially to achieve its ambitious goals for 2022 and beyond.

"for years we have embraced many of the business practices and philosophies currently being adopted by corporate America concerning ESG principals"

For years we have embraced many of the business practices and philosophies currently being adopted by corporate America concerning Environment, Social and Governance ("ESG") principles, we have formalized our approach to these important issues with the creation of an ESG Committee and adopted a Health, Safety, Environment and Social Responsibility Committee Charter. We strengthened our Board's focus on these increasingly important issues with the addition of Debbie Mino-Austin to Chair the ESG Committee.

Golden Crest Project (100%-owned; South Dakota)

Exceptional Potential for Major Gold Deposits



Northern Black Hills, South Dakota – A Super Giant Gold Province

Solitario controls 100% of the mineral rights covering approximately 28,000 acres in southwestern South Dakota. Property acquisition began in the second quarter of 2021 and continued throughout much of the remainder of the year. Concurrent with the acquisition of mineral rights, we conducted an extensive reconnaissance-level surface exploration program consisting of rock and soil sampling throughout much of the property position. This work resulted in identifying 15 areas with anomalous to high-grade gold mineralization at surface.

The Downpour Story:

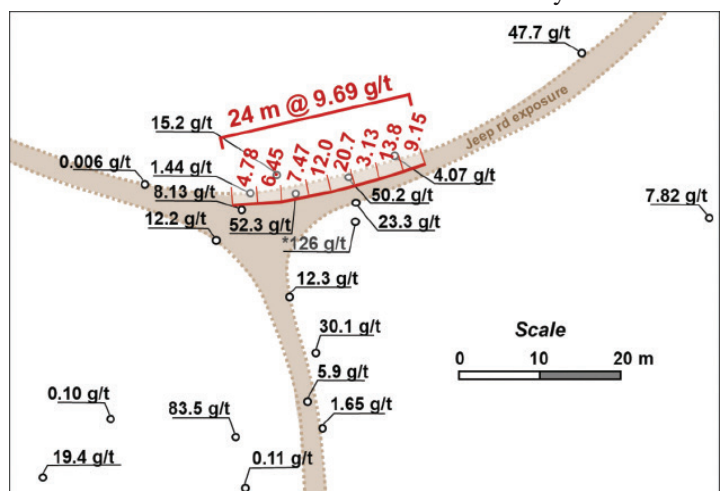
The Downpour discovery story is fascinating in many respects. To start with, nobody thought there was any gold in the entire Golden Crest region, let alone high-grade. Amazingly, the high-grade zone is centered at the intersection of two primitive U.S. Forest Service logging roads, in fact, right in the roadbed. We first sampled this area in late-summer, 2021. However, we didn't receive these initial assay results from select rock grab samples until the fall. Another round of sampling was then completed, resulting in even more, and higher grade gold assays. This led to additional surface rock sampling, including collection of a 24-meter (78.8 feet) chip-channel sample. The chip-channel results were received in late February of this year and contained an amazing average grade of 9.69 gpt gold over its entire length. Importantly, gold mineralization, defined by the channel samples, is open in all directions.

Outlook for 2022 – Golden Crest

With snow cover melted from the Golden Crest area, we are just now able to initiate our 2022 surface exploration program.

Important objectives and activities for 2022 are:

- Continue our chip-channel sampling at the Downpour area where we have approximately 150 meters of sampling planned.
- We filed a Plan of Operations in the first quarter of this year and hope to begin drilling in the fall of 2022. Permitting can take anywhere from six months to over a year, including any required environmental baseline studies.
- There are fourteen other known areas of anomalous to high-grade gold mineralization at surface. More detailed work will further define potential drill targets.
- Only about 20% of our vast land holdings have been explored on a reconnaissance basis. Additional prospecting, soil sampling and geophysical work to define new targets are planned. We believe we have only scratched the surface at Golden Crest and are confident that the best is yet to come.



Florida Canyon Zinc Project, Peru (39% Solitario – 61% Nexa Resources)

Unlocking Extraordinary Value

With zinc prices near historic highs of \$2.00 per pound, we want to highlight that Solitario completed and filed its inaugural [S-K-1300 Technical Report Summary](#) in the first quarter of 2022. This is a new filing requirement by the Securities and Exchange Commission to describe in detail, technical aspects of the project that are currently known and material to the property, the Company and its Shareholders.

Below are tables summarizing the total Mineral Resources in tonnes and grade and total contained metal.

Total Florida Canyon Mineral Resource: Tonnes and Grade

(Refer to SK-1300 Technical Report for important resource estimation assumptions)

| Classification | Sum of Tonnes | Zn % | Ag g/t | Pb % | Fe % |
|----------------------|---------------|-------|--------|------|------|
| Measured | 806,945 | 11.32 | 15.42 | 1.39 | 2.44 |
| Indicated | 1,634,702 | 10.28 | 14.87 | 1.31 | 2.23 |
| Measured + Indicated | 2,441,647 | 10.62 | 15.05 | 1.33 | 2.30 |
| Inferred | 14,858,733 | 9.63 | 11.28 | 1.26 | 2.00 |

Contained Pounds Zinc & Lead; Ounces Silver

| Classification | Zinc Millions of Lbs. | Lead Millions of Lbs. | Silver Millions of Ozs. |
|----------------------|--------------------------|--------------------------|----------------------------|
| Measured + Indicated | 571.8 | 71.6 | 1.18 |
| Inferred | 3,155.1 | 412.8 | 5.39 |

There is an incredible amount of value that has been defined at Florida Canyon, and so much more to come with the planned exploration and engineering work underway and anticipated in 2022 and 2023. An analysis of project profitability based on various zinc price assumptions is presented below and taken from [Solitario's NI 43-101](#). It demonstrates just how robust the economics are for Solitario's high-grade Florida Canyon zinc deposit, even at zinc prices substantially below today's price – leaving little doubt about its economic viability.

Some of the more important value considerations of the Florida Canyon project include:

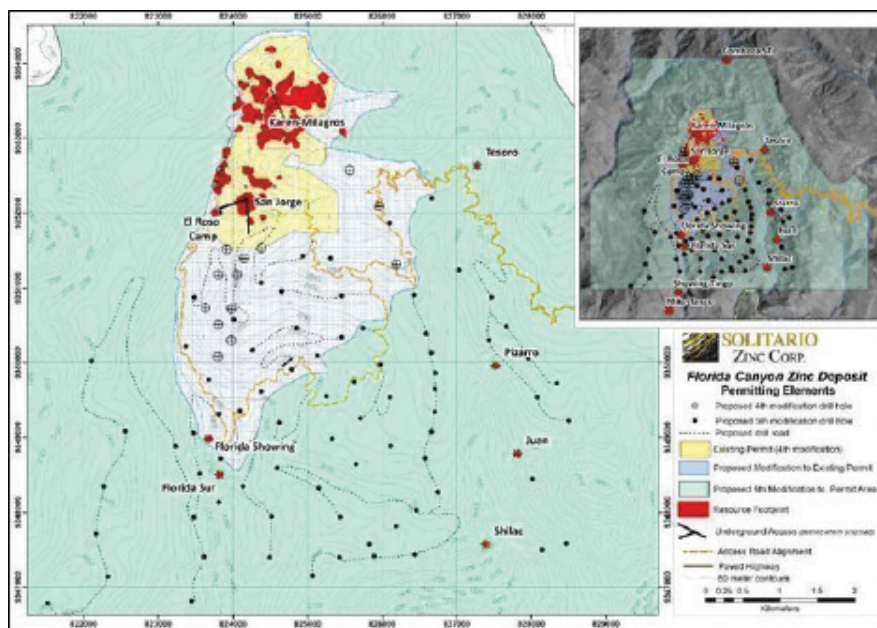
- One of the highest-grade undeveloped zinc projects in the world.
- Extraordinary upside opportunities to dramatically increase resources with numerous undrilled high-grade targets at surface.

- Will produce one of the cleanest concentrates for smelters – good for the environment.
- Exceptional joint-venture arrangement with the fifth largest zinc producer in the world – Nexa Resources. Solitario is fully carried through to production.

Outlook for 2022 – Florida Canyon

In 2022 Nexa plans on advancing the Florida Canyon project through a wide-ranging variety of technical and social programs. These programs are 100% funded by Nexa and include the following:

- Detailed metallurgical testing targeting higher zinc recoveries and higher grade zinc concentrates. Significant economic benefits are anticipated.
- Completion of the largest drill site permitting effort in the project's history. This will result in approximately 80 new drill site locations that will provide the joint venture with the ability to drill test six exciting new high-grade zinc targets, as well as resource expansion in the main Florida Canyon area.
- Continue the very successful surface exploration program to define new zinc showing at surface.
- Complete the first-ever vehicle access road to surrounding communities that will fulfill an important social commitment to the local area.
- Continue sustainability efforts with the local communities that include agricultural and educational support.



Zinc Price Sensitivity

| Zn Price | \$1.00 | | \$1.10 | | \$1.20 | | \$1.30 | | \$1.40 | |
|---------------------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
| | Pre-tax | After-tax | Pre-tax | After-tax | Pre-tax | After Tax | Pre-tax | After Tax | Pre-tax | After Tax |
| FCF (\$millions) | 408 | 267 | 535 | 352 | 662 | 437 | 788 | 521 | 914 | 605 |
| NPV 8% (\$millions) | 187 | 96 | 263 | 147 | 339 | 198 | 414 | 248 | 490 | 298 |
| IRR | 24.5% | 17.0% | 29.7% | 21.0% | 34.5% | 24.7% | 38.9% | 28.1% | 43.0% | 31.3% |

Pb: \$1.00; Ag: \$16.50

Lik Zinc Project, Alaska (50% Solitario – 50% Teck Resources)

Back to Drilling!

Solitario also completed and filed its inaugural [S-K-1300 Technical Report Summary](#) for the Lik Project in the first quarter of 2022. This report confirmed an earlier resource estimate for the Lik zinc deposit.

The Lik deposit is situated only 14 miles from Teck's operating Red Dog zinc mine, the world's largest and lowest cost zinc mine.

One of the favorable attributes of the Lik deposit is its simple geometry and the fact that most of the currently defined mineralization is near surface. These characteristics support the strong possibility for a lower-cost, open-pit surface mine. Its proximity to Teck's operating Red Dog Mine also points to the possibility of a satellite mining scenario that utilizes Red Dog processing infrastructure, significantly reducing capital costs for the project. However, no agreement is currently in place for such a development and operating scenario.



Teck completed eight kilometers of Induced Polarization ("IP") geophysics and a 247-soil sample survey in 2021. This work points to two positive opportunities:

- Multi-element geochemistry and IP-geophysics identified unmapped, potentially buried, prospective stratigraphy/mineralization situated approximately 1.5 kilometers northeast of the Lik deposit and stratigraphically on trend.
- The IP-geophysical survey also suggests that Lik mineralization flattens to the west providing an opportunity to discover additional mineralization at drillable depths.

Total Lik Mineral Resource: Tonnes and Grade

(Refer to SK-1300 Technical Report for important resource estimation assumptions)

| Location | Indicated Resources | | | | Inferred Resources | | | |
|-----------|---------------------|------|------|--------|--------------------|------|------|--------|
| | Mt | % Zn | % Pb | g/t Ag | Mt | % Zn | % Pb | g/t Ag |
| Lik South | 17.1 | 8.04 | 2.69 | 50.0 | 0.71 | 7.78 | 1.97 | 14.3 |
| Lik North | 0.51 | 8.95 | 2.46 | 52.9 | 2.09 | 8.93 | 2.98 | 47.2 |
| Total | 17.6 | 8.07 | 2.68 | 50.1 | 2.80 | 8.64 | 2.73 | 38.9 |

Contained Pounds Zinc & Lead; Ounces Silver

| Classification | Zinc Millions of Lbs. | Lead Millions of Lbs. | Silver Millions of Ozs. |
|----------------|--------------------------|--------------------------|----------------------------|
| Indicated | 3,131.8 | 1,040.1 | 28.35 |
| Inferred | 533.4 | 168.6 | 3.50 |

Outlook for 2022 – Lik Project

We are excited that 2022 will be the first drilling program at Lik in nearly 10 years and the first time Teck has participated in funding any drilling on the project. A summary of planned activities include the following:

- Three core holes are planned to expand near-surface resources to the south, northwest and east. One of these holes will also test the possibility of stacked mineralized horizons at depth.
- A significant expansion to our gravity geophysics data base will be completed to investigate the possibility of mineralized bodies at drillable depths to the west.
- A limited geologic/geochemical evaluation of the soil anomalies generated in the 2021 field season northeast of Lik will add to our understanding of the potential for mineralization to the northeast in prospective geology.

Summary

I hope this letter has helped you to understand why we are so excited about the planned work for 2022. We truly believe that our rapidly emerging Golden Crest project will continue to deliver stunning results. Additionally, the value of our Florida Canyon and Lik zinc projects has been confirmed by our S-K 1300 Technical Report Summaries that provide solid support for future shareholder value creation as these projects advance, post-Covid. I look forward to reporting progress on all three of our outstanding projects as we move through 2022 and beyond.

With best regards,

Chris Herald
President and CEO
Solitario Zinc Corp.

