

ABANDONMENT AND RESTORATION PLAN

**KAHUNA GOLD PROPERTY
NUNAVUT, CANADA**

Prepared for:



Prepared by:



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1 Introduction

This Abandonment and Restoration Plan (“ARP”) applies to mineral exploration activities conducted by Solstice Gold Corp. (“Solstice” or “the Company”) on the Kahuna Gold Property (“the Property” or “the Project”), Nunavut, Canada.

This ARP will come into effect as soon as all permits, licences and authorizations have been obtained for the Project. Copies and updates to this plan may be obtained via the Company or APEX Geoscience Ltd. (“APEX”). This ARP will be replaced, upon approval, if there are any significant changes to the activities outlined in the existing permits, which warrant changes to this ARP. Minor changes will be submitted as an addendum to this ARP and submitted to the distribution list as required.

1.1 Contact Details

Table 1. Company Contact Information

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1.2 Purpose and Scope

The purpose of the Kahuna Gold Property ARP is to provide guidelines to follow for progressive reclamation and final abandonment of the Property, in order to return exploration sites to as near as possible to natural conditions.

1.3 Other Plans

The ARP should be considered as a part of the property-wide management system. Other management plans in place at the Kahuna Gold Property include:

- Emergency Response Plan (“ERP”)
- Environmental Management Plan (“EMP”)
- Fuel Management Plan (“FMP”)
- Spill Prevention and Response Plan (“SPRP”)
- Waste Management Plan (“WMP”)

1.4 Project Description

The Kahuna Gold Property is located on Crown and Inuit Owned Land (“IOL”) in the Kivalliq Region of Nunavut, within the 1:250,000 scale NTS map sheets, 55J, K, N and O. The Property consists of 74 Mineral Claims owned 100% by Solstice Gold Corp. and 19 Mineral Claims owned 50% by Solstice and 50% Dunnedin Ventures Inc.,

approximately 10 km southwest of the community of Chesterfield Inlet and 30 km northeast of the community of Rankin Inlet (see "*Kahuna Gold Project Location*" Figure).

The Project area is currently covered by Crown-Indigenous Relations and Northern Affairs Canada ("CIRNAC") Land Use Permit ("LUP") N2015C0019, Nunavut Water Board ("NWB") water licence 2BE-KDP1722 and Kivalliq Inuit Association ("KIA") Land Use Licences KVL315B01 and KVRW16F01, held by Dunnedin Ventures Inc. ("DVI"). DVI is in the process of submitting amendments to the land and water use authorizations to remove the area covered by the Kahuna Gold Property, therefore removing any overlap in permits and licences.

The proposed work program will consist of staking, general mineral exploration (i.e. geological mapping, prospecting, geochemical sampling, lake bottom bathymetry, airborne and ground geophysical surveying) and diamond drilling. A total of 20,000 m of drilling (in approximately 75 to 100 holes), using 1 to 2 drills, are anticipated to be completed during the term of the authorizations. At this time, the drillhole locations have not been identified, but will be strictly confined to the Property Boundary as identified on the "*Kahuna Gold Project Location*" Figure. As soon as definitive locations are identified for drilling CIRNAC, NWB and the KIA (if on IOL) will be notified and supplied with coordinates, GIS data (such as shapefiles) and maps.

The Kahuna Gold Property mineral exploration programs will be supported by a temporary, seasonal exploration camp, located in the southern portion of the Property (575940E/ 6990898N, NAD83 Zone 15) on Mineral Claim K90309, 100% owned by Solstice. The Kahuna Camp is currently authorized under CIRNAC LUP N2015C0019 and NWB water licence 2BE-KDP1722, held by DVI. An agreement between the companies is in place allowing DVI to have a camp on a mineral claim, which is owned 100% by Solstice and authorizing Solstice to use the camp, which is permitted/licenced by DVI.

A Solstice fuel cache will be established adjacent to the DVI Kahuna Camp fuel cache and will be authorized in the new Solstice CIRNAC LUP and NWB water licence. The Solstice fuel cache will contain 300 drums (61,500 L) of diesel, gasoline and aviation fuel. In addition, small temporary fuel caches (less than 4,000 L), may be required to supply the drilling and exploration programs. Within 10 days of the establishment of any temporary fuel cache, CIRNAC, NWB and the KIA (if on IOL) will be notified of the details of the cache including: coordinates, fuel type, container sizes, method of storage and proposed date of removal. The temporary fuel cache coordinates will also be included in the annual reports submitted to CIRNAC, NWB and the KIA.

Exploration programs are anticipated to commence approximately February 1st and conclude approximately September 30th, annually. The average number of people on site at one time will be 20, for a total of approximately 4,840 man-days. Drilling equipment and fuel will be mobilized to the Project in February from Rankin Inlet either via an overland winter trail, using Caterpillar Challengers and cargo sleds or by helicopter. The overland winter trail access is currently permitted by DVI under KIA Land Use Licence KVRW16F01 and an agreement between the companies is in place allowing Solstice to use the trail under the DVI Licence. While using the overland winter trail, Solstice will

strictly adhere to the terms and conditions of Land Use Licence KVRW16F01, issued to DVI. A Solstice Right of Way Licence for use of the overland winter trail is currently under review with the KIA. Personnel and supplies will be transported to the Property either via a chartered plane or helicopter from either Chesterfield Inlet or Rankin Inlet.

One to two heli-portable diamond drill rigs will be used for the program. The drills will be configured such that they can be mounted on skids and when snow conditions allow, can be moved from drill site to drill site via overland haul using a Caterpillar Challenger. Drill crews will be based in the Kahuna Camp. As conditions allow, daily crew changes and service runs will be made by snowmobile and/or Bombardier tracked vehicles. For safety, a helicopter will be based on site and will be utilized to service the rig and drill crews when ground access is not feasible.

During the summer months, a helicopter supported drilling/exploration program will be undertaken and field crews will be transported to work areas, and drills moved from site to site, via helicopter. The Project will be demobed in September by Helicopter and/or chartered fixed-wing aircraft.

Prior to subsequent years program commencement all the regulatory authorities and will be notified and supplied with updated schedules.

2 Project Equipment

The following list details the equipment that may be required at the Project.

2.1 Aircraft

- Fixed wing airplane equipped with tundra tires x 1
- Helicopter (A-Star, Long Ranger, or similar) x 1

2.2 Winter Ground Transportation

- Snowmobile x 2
- Caterpillar Challenger 65s (with steel sleds) x 2

2.3 Drilling Equipment

- Heli-portable Boyles 17 A, Zinex A5 (or similar) diamond drill complete with motor, gear box, drill head, tower, overshot, skids, and housing x 2
- Water pump x 2
- Generator x 2
- Mix tank with pressure pump x 2
- Coil heater x 2
- Fuel Tank x 2
- Fly basket for drill equipment, spares, supplies, etc.
- 3 metre NQ drill rods x 400
- NQ casing (various sizes) x 50
- 100' hose line with fish screens x 150

2.4 Other Equipment

- Small (14 -16 ft) Aluminum utility boat for lake bottom bathymetry survey

2.5 Fuel

- 205 L Drums aviation fuel x 150
- 205 L Drums diesel x 145
- 205 L Drums gasoline x 5

3 Progressive Reclamation

Solstice will carry out progressive reclamation of all exploration and drill sites. The progressive reclamation activities will include, but not be limited to:

- Photos will be taken at each drill site before and after drilling operations.
- Drill equipment and fuel and any other hazardous materials will be moved to the next drill site immediately.
- All garbage, debris and empty drums will be backhauled to camp.
- Completed drill holes will be plugged and cemented in bedrock and drill casing will either be removed or if removal is not possible, cut off below ground level.
- Any spills will be treated as per the *“Kahuna Gold Property Spill Prevention and Response Plan.”*
- No material or residue will be allowed to accumulate on the lake ice surface. Any material that may become frozen into the ice during the drill operations will be chipped out and removed for proper disposal.

4 Seasonal Shut downs

4.1 Inspection and Documentation

Prior to a seasonal shutdown of the program, a complete inspection of all drilling areas and fuel caches will be conducted. Photographs will be taken to document the conditions prior to leaving the site, and will be archived along with photos taken at the beginning of each season. Copies of these photos will be included in the annual reports submitted to CIRNAC, NWB and the KIA.

4.2 Fuel

All fuel caches will be removed, the sites inspected and photographed.

4.3 Waste

All wastes will separated at the source (i.e.. drill shack) into combustible, recyclable or hazardous and backhauled to camp. At camp the waste will be disposed of in accordance with CIRNAC LUP N2015C0019 and NWB water licence 2BE-KDP1722, held by DVI.

For more information on waste generation and management see the *“Kahuna Gold Property Waste Management Plan.”*

4.4 Seasonal Restoration

Any contaminated areas around the drill sites and/or fuel caches will be treated in accordance with the “*Kahuna Gold Property Spill Prevention and Response Plan*.” Any washed out areas will be filled and re-contoured to natural levels. Any areas of disturbed vegetation will be photographed and managed as per recommendation of the CIRNAC (or KIA, if on IOL) inspector. Remediation procedures might include fertilization to encourage re-growth.

5 Final Abandonment and Restoration

Prior to land use permit, claim or lease termination, all equipment, supplies, and fuel will be removed from the Property with the exception of the drill core stacks, which will be permanently secured at the Kahuna Camp.

5.1 Equipment and Salvageable Materials

Drills and drilling equipment will be dismantled, packaged, secured, and shipped as per the drill contract. If not already done, all drill casing will be removed from the ground or cut down below ground level, if removal is not possible.

All remaining fuel and empty drums will be removed from site. The soil under and surrounding any area where fuel was stored will be thoroughly inspected for any contamination and photographs will be taken.

Any materials of value on site will be salvaged. Local businesses and residents will have the opportunity to salvage any remaining materials that will otherwise be disposed of.

5.2 Waste

All wastes will be disposed of in accordance with the “*Kahuna Gold Property Waste Management Plan*” and any contamination will be treated as per the “*Kahuna Gold Property Spill Prevention and Response Plan*.” Sumps will be inspected to ensure there is no leaching or run-off. Back filling and leveling will be employed as necessary.

5.3 Restoration

Drill sites, and any other areas disturbed by activities related to exploration at the Kahuna Gold Property will be fertilized as recommended by CIRNAC (or KIA, if on IOL) inspector to encourage re-vegetation. Eroded or washed out areas related to exploration activities will be filled and re-contoured to natural levels. Any contaminated areas around drill sites that have gone unnoticed will be treated as per the “*Kahuna Gold Property Spill Prevention and Response Plan*.”

5.4 Notification

All regulatory agencies will be notified upon final abandonment of the Property. A final plan will be submitted to CIRNAC and the KIA and an application for a water licence cancellation will be submitted to the NWB.

6 Post Closure Site Monitoring

After reclamation is complete, on the advice of the CIRNAC and KIA inspectors, annual monitoring may take place. If required, the monitoring may consist of soil and water testing, measuring and documenting plan re-growth, examining potential run-off and erosion problems, and checking the stability and condition of the core boxes. Reports, including photographs, will be submitted to the appropriate regulatory bodies. The monitoring will continue as long as the regulating bodies deem it necessary.

Figure 1. Kahuna Gold Property Location

