ENVIRONMENTAL MANAGEMENT PLAN

KAHUNA GOLD PROPERTY NUNAVUT, CANADA

Prepared for:



Prepared by:



November 2, 2018

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1 Introduction

This Environmental Management Plan ("EMP") 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 EMP 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 EMP will be replaced, upon approval, if there are any significant changes to the activities outlined in the existing permits, which warrant changes to this EMP. Minor changes will be submitted as an addendum to this EMP and submitted to the distribution list as required.

1.1 Contact Details

Table 1. Company Contact Information

Solstice Gold Corp.

Ian Russell, VP Exploration 1020, 800 West Pender Street Vancouver, BC V6C 2V6 Tel: (807) 728-3882

<u>irussell@solsticegold.com</u> www.solsticegold.com

APEX Geoscience Ltd.

110, 8429-24 Street NW Edmonton, AB T6P 1L3 Tel: (780) 467-3532 Fax: (780) 467-4025

www.apexgeoscience.com

1.2 Purpose and Scope

The purpose of the Kahuna Gold Property EMP is to outline the company's environmental policy, and to address environmental issues related to exploration at the Kahuna Gold Property. The plan includes the following:

- A summary of regulatory requirements.
- An overview of Kahuna Gold Property environmental protection measures.
- A discussion of stakeholder issues, including procedures for dealing with anthropological or archaeological sites.
- Possible disturbances to land, flora, and fauna related to exploration.
- Wildlife management practices and appropriate use of firearms.
- Environmental requirements for diamond drilling.
- Hazardous material handling and waste management practices.
- A summary of abandonment and restoration plans.

Emergency response guidelines are beyond the scope of this plan. In the event of an environmental emergency, personnel will defer to the "Kahuna Gold Property Emergency Response Plan" and "Kahuna Gold Property Spill Prevention and Response Plan" for guidance.

1.3 Environmental Policy

Solstice Gold Corp. is firmly committed to the protection and conservation of the natural environment, and to ensuring the health and safety of all employees, contractors, and people in surrounding communities. The environmental policy for the Kahuna Gold Property is to:

- Develop the Project in a socially and environmentally responsible manner.
- Fully comply with all applicable environmental legislation and regulations.
- Work in cooperation with federal, territorial, and local governments, as well as other relevant regulatory bodies, and the general public, on all aspects of environmental protection and policy.
- Minimize risks to the health and safety of all employees, contractors, and the general public.
- Assess and evaluate any potential environmental impacts as a result of exploration activities, and develop procedures for minimizing or mitigating, as much as is reasonably achievable, the environmental impacts while carrying out these activities.
- Ensure contractors operate according to the Kahuna Gold Property environmental policies and procedures.
- Employ an emergency response and spill response plans to reduce impacts of unforeseen events.
- Provide ongoing instruction on Kahuna Gold Property environmental policies and spill prevention and response plans for all employees and contractors.
- Keep employees, contractors, inspectors, government, and regulatory bodies informed of any changes at the site or with Project activities.

1.4 Other Plans

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

- Abandonment and Restoration Plan ("ARP")
- Emergency Response Plan ("ERP")
- Fuel Management Plan ("FMP")
- Spill Prevention and Response Plan ("SPRP")
- Waste Management Plan ("WMP")

1.5 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 Applicable Legislation and Guidelines

Exploration at the Kahuna Gold Property will be conducted in accordance with various Acts, Regulations, guidelines, and recommendations including, but not limited to:

2.1 Federal

- Canadian Environmental Protection Act
- Canada Wildlife Act
- Fisheries Act
- Nunavut Waters and Nunavut Surface Rights Tribunal Act
- Public Health Act
- Species at Risk Act
- Territorial Lands Act
- Nunavut Land Claims Agreement
- Department of Fisheries and Oceans Canada Operational Statements
- Guidelines for Spill Contingency Planning
- Migratory Birds Convention Act
- Transportation of Dangerous Goods Act (Transport Canada)
- Workers' compensation Board
- Workplace Hazardous Materials Information System (WHMIS)

2.2 Territorial

- Nunavut Environmental Protection Act
- Nunavut Wildlife Act
- Caribou Protection Plan / Caribou Protection Measures
- Environmental Guideline for the Burning and Incineration of Solid Waste
- Nunavut Archaeological and Paleontological Sites Regulations
- Nunavut "Guideline for the General Management of Hazardous Waste"
- Nunavut Waters Act and Nunavut Surface Rights Tribunal Act

 Draft Recommended Best Practices For The Storage And Handling Of Petroleum And Allied Petroleum Products on Federal Crown Lands in Nunavut

3 Environmental Protection Measurers

Exploration activities at the Kahuna Gold Property will be assessed for environmental impact risks and every reasonable measure available will be taken to ensure the protection and preservation of the natural environment. For the duration of the program, all activities will be documented and sites photographed to comply with environmental due diligence. All on-site employees and contractors will be provided with environmental training, and will become familiar with relevant regulations. The Project Field Supervisor will be responsible for implementing environmental policies and training, and managing the environmental monitoring program.

Environmental training, monitoring, reclamation, and site clearance surveys will be built into the program budget to ensure adequate resources are being allocated to environmental management. Preference will be given to contractors with high standards of environmental stewardship, and who have a proven track record of sound environmental practice.

4 Stakeholders

Stakeholders may be individuals or groups concerned with, or affected by, exploration activities at the Kahuna Gold Property. Stakeholders will be identified and consulted with for the duration of the exploration program. Approvals will be sought from stakeholders and regulatory bodies pertaining to relevant environmental, social, and cultural issues.

The Kahuna Gold Property has been identified to lie within an area of high mineral potential, traditional landuse and char abundance, as defined by the Nunavut Planning Commission in the Draft Nunavut Land Use Plan.

Solstice Gold Corp. has conducted consultations with the hamlets of Chesterfield Inlet and Rankin Inlet, in order to incorporate Inuit Qaujimajatuqangit into the Project planning and design and to address any program issues or concerns. Solstice hosted representatives from the Hamlet of Chesterfield Inlet and the Aqigiq Hunters and Trappers Organization ("HTO") for a Property visit in 2018.

Prior to annual exploration activities, community meetings will be held in Rankin Inlet and Chesterfield Inlet to discuss the proposed work plan and gain community feedback. Advice will be sought as to timing of activities, wildlife movements and suggested avoidance measures. Annual site visits for community representatives and leaders from the Hamlet of Chesterfield Inlet, Aqigiq HTO, the Hamlet of Rankin Inlet, the Kangiqliniq HTO and the KIA may be scheduled during field operations. In addition, Solstice commits to contract wildlife monitors from Chesterfield Inlet or Rankin Inlet through the HTO to accompany annual field crews for the purpose of monitoring wildlife, providing advice on avoidance and to ensure the safety of field crews.

In addition to consulting with hamlet council and committees, HTO's and local community members, whenever possible Solstice Gold Corp. will attempt to hire local residents to assist in many aspects of the Project such: as wildlife and environmental monitors, camp management assistants, core cutting/processing technicians and geo-technical assistants, to not only utilize their skilled labor, but extensive knowledge of the land and wildlife.

4.1 Archaeological or Paleontological Sites

In April 2016, Golder Associates Ltd. ("Golder") conducted a search of the Nunavut Archaeological Site database and found that no previously recorded sites had been documented or any archaeological assessments been carried out within the Kahuna Diamond Property.

Between August 28 and September 1, 2016, Golder conducted an archaeological inventory and reconnaissance of proposed exploration areas within DVI Kahuna Diamond Property, portions of which cover the current Solstice Kahuna Gold Property. Approximately 1,348 ha of land were examined as well as two low level aerial passes were carried out along the 46 km long winter trail from Rankin Inlet to the claim area. A total of 10 sites were identified, 2 within proposed exploration areas and the rest were located adjacent to exploration or winter trail boundaries, or along Josephine Lake while flying between areas.

The geographic coordinates of the archaeological sites identified in the 2016 survey were provided to DVI and subsequently to Solstice so that the sites and associated features can be incorporated into Project planning and avoided during exploration activity.

In the summer of 2018, Nuqsana Golder was commissioned by DVI to complete another archaeological field investigation a number of drilling targets, including some on the current Solstice Gold Property and the Kahuna Camp location. The areas were examined for archaeological resources using a combination of aerial (low-level helicopter) and ground (pedestrian transects) surveys. The locations of any identified archaeological sites were recorded, mapped with a hand-held GPS unit, and photographed. The final report has not yet been completed by Nuqsana Golder, but when finalized will be provided to Solstice Gold Corp. by DVI to use for the Kahuna Gold Project planning.

Areas of the Project that have not been surveyed have a potential for discovery of previously unknown archaeological or paleontological sites. Actions will be taken to ensure that any known or undocumented archaeological or palaeontological sites or artifacts are not disturbed. These include, but are not limited to:

- No company staff, contractors or Project visitors will operate any vehicle over a known or suspected archaeological or palaeontological site.
- No company staff, contractors or Project visitors will remove, disturb, or displace any archaeological artifact or site, or any fossil or palaeontological site.
- The company will immediately contact the Government of Nunavut Department of Culture and Heritage ("CH") at (867) 934-2046 or (867) 975-5500 (and the KIA, if on IOL) should an archaeological site or specimen, or a palaeontological site or fossil, be

- encountered or disturbed by any land use activity. A report will be prepared documenting the discovery and sent to CH, CIRNAC and the KIA, if on IOL. Reports will include GPS coordinates, a brief description of the site and/or artifact and photos (if possible).
- Company staff, contractors or Project visitors will immediately cease any activity that
 may disturb an archaeological or palaeontological site if encountered during the course
 of a land use operation until permitted to proceed with the authorization of CH (and
 KIA. if on IOL).
- Company staff, contractors or Project visitors will follow the direction of CH (and the KIA if on IOL) in restoring disturbed archaeological or palaeontological sites to an acceptable condition. If these conditions are attached to either a Class A or B Permit under the Territorial Lands Act CIRNAC's directions will also be followed.
- Company staff, contractors or Project visitors will provide all information requested by CH (and KIA, if on IOL) concerning all archaeological sites or artifacts and all palaeontological sites and fossils encountered in the course of any land use activity.
- If possible, when conducting till sampling, geological mapping, prospecting and/or ground geophysical surveys all relevant field personal will have maps with any known sites marked.
- Before commencing any work where ground disturbance may occur, the area will be surveyed for any archaeological or paleontological sites.
- Building of inuksuk is prohibited.
- Solstice Gold Corp. will ensure that all persons working under its authority are aware
 of these conditions concerning archaeological sites and artifacts and palaeontological
 sites and fossils.

Table 2. Archaeological/Palaeontological Contacts

Nunavut Department of Culture and Heritage: Phone: 867-975-5500

Fax: 867-975-5504

CIRNAC Field Operations Manager: Phone: 867-975-4295

Fax: 867-979-6445

Kivalliq Inuit Association: Phone: 867-645-5725

Fax: 867-645-2348

5 Identification of Potential Impacts and Proposed Mitigation Measures

5.1 Designated Environmental Areas

The Kahuna Gold Property is not located within any federal or territorial Protected Areas, as defined by Environment and Climate Change Canada. The nearest Park to the Property is the Iqalugaarjuup Nunanga Territorial Park, located 20 km southwest of the Property. The Harry Gibbons Migratory Bird Sanctuary is located 250 km to the east of the Property.

5.2 Wildlife Disturbance Mitigation

5.2.1 Wildlife and Habitat

All interaction with wildlife is discouraged; however, employees and contractors will be trained in the appropriate actions to take when encountering wildlife in the field. Intentionally approaching, disturbing, or feeding wildlife is strictly prohibited. Any incidents will be thoroughly investigated and disciplined. All wildlife, and their dwelling sites, will be respected and efforts will be made to avoid them. All personnel will be required to record any wildlife sightings and will be instructed on the appropriate action to take when encountering wildlife in the field.

Animal sightings will be recorded in the "Wildlife Record Log" and reported to CIRNAC and the Government of Nunavut Department of Environment ("GN-DoE") as part of the Kahuna Gold Property Annual Report. If any wildlife enters any of the area of operations at the Kahuna Gold Property, protection measures will be followed and operations will be halted until the animal has moved out of the vicinity. Any bears or nuisance wildlife will be immediately reported to the Project Field Supervisor, CIRNAC and the GN-DoE. Emergency Wildlife Contacts are listed in Table 3.

Table 3. Wildlife Emergency Contacts

Company	Title	Contact	Location	Telephone Number
Solstice Gold Corp.	Project Manager	Terry Bursery	Ontario	(807) 728-2122
Solstice Gold Corp.	VP Exploration, Project Field Supervisor	Ian Russell	Field	(807) 728-3882
Crown-Indigenous Relations and Northern Affairs Canada	Manager of Field Operations	Erik Allain	Iqaluit	(867) 975-4295
Nunavut Department of Environment	Senior Manager (Operations) Wildlife Management	Jason Aliqatuqtuq	Iqaluit	(867) 975-7781
Nunavut Department of Environment	Wildlife Director	Drikus Gissing	Iqaluit	(867) 975-7734
Nunavut Department of Environment	Kivalliq Regional Wildlife Technician	Keenan Lindell	Arviat	(867) 857-3175
Nunavut Department of Environment	Wildlife Biologist - Carnivores	Malik Awan	Igloolik	(867) 982-7441
Nunavut Department of Environment	Wildlife Deterrent Specialist	Mike Harte	Igloolik	(867) 934-2065
Nunavut Department of Environment	Conservation Officer II	Troy Nester	Chesterfield Inlet	(867) 925-8823
Nunavut Department of Environment	Conservation Officer II	Peter Kattegatsiak	Chesterfield Inlet	(867) 898-9130
Nunavut Department of Environment	Conservation Officer III	Johanne Coutu- Autut	Rankin Inlet	(867) 645-8084
Nunavut Department of Environment	Conservation Officer II	Daniel Kaludjak	Rankin Inlet	(867) 645-8083
Aqigiq Hunters & Trappers			Chesterfield Inlet	(867) 898-9063
Kangiqliniq Hunters & Trappers Organization			Rankin Inlet	(867) 645-2350

The majority of field activities planned for the Kahuna Gold Property, such as geological mapping, prospecting and geochemical sampling are very low impact and do not require the use of any sizable or noisy machinery. Diamond drilling may cause noise disturbances to passing animals, but care will be taken to position drill sites away from any wildlife nests or dwellings. There is also the potential for a fuel or oil spill at the drill sites. Policies and procedures outlined in the "Kahuna Gold Property Fuel Management Plan" and "Kahuna Gold Property Spill Prevention and Response Plan" will be followed at all times to mitigate the chance of a spill.

Caterpillars with steel sleds, snowmobile and helicopter support is required to carry out operations such as pick up/drop off of field personnel and drill rig and fuel moves. Possible impacts that may arise from the use of aircraft and other motorized equipment include fuel spills, and noise disturbance. When low altitude flights are necessary, such as deploying field personnel, all efforts will be taken to avoid wildlife, dwellings, and nests. Pilots will be instructed not to land where wildlife is present unless it is an emergency situation. If a landing occurs for any reason in the presence of wildlife, it will be documented and submitted to CIRNAC, NWB and the KIA as part of the "Wildlife and Environment" section of the Kahuna Gold Property Annual Report.

5.2.2 Caribou Mitigation and Monitoring

The Kahuna Gold Property lies within the range of 2 caribou herds: Qamanirjuaq and Lorillard Herds. However, the Property does not overlap any critical areas including migration, calving and water crossings for these herds as identified by the Government of Nunavut and the Draft Nunavut Land Use Plans ("DNLUP"). Even though the Property, and therefore exploration activities, will be conducted outside of the designated critical caribou ranges any part of the program that may be completed on IOL, will be completed under strict adherence to the KIA's "Mobile Caribou Conservation Measures" (Appendix 1).

Other measures will be followed to mitigate potential impacts on any Caribou that are present on the Property will include, but not be limited to, the following:

- Caribou avoidance will always be the priority mitigation measure.
- Drilling activities will be planned to avoid caribou.
- Local community associations and members will be consulted in order to incorporate Inuit Qaujimajatuqangit into the Project planning.
- Local community members, approved by the KIA, KHTO and the AHTO, will be employed as wildlife and environmental monitors.
- All sightings of caribou will be reported to the Project Field Supervisor, included in the report will be the number of caribou and distance from camp or work site, their approximate numbers, direction of movement and general behaviour.
- Wildlife reports, containing information on sightings and interactions of all wildlife, denning sites, raptor nests and any work suspensions will be submitted annually to CIRNAC, NWB and the KIA (and any other interested parties, including the Government of Nunavut Ecosystem Biologist).
- Solstice Gold Corp. will establish a caribou alert system to alert personnel of the number and distance of caribou from drill sites, and exploration areas.

- The location of caribou will be monitored during all helicopter flights, the pilot and passengers will survey for any caribou and report any potential sightings to the Project Field Supervisor.
- In the event caribou cows calve in proximity to the work areas, Solstice Gold Corp. will suspend operations (e.g. drilling, mapping, prospecting, sampling, helicopter flights, snowmobile and ATV use) in all work areas within 10 km of any area occupied by cows and calves until caribou have moved out of the 10 km radius.
- Solstice Gold Corp. will suspend flights lower than 300 m (e.g. airborne surveys and shorter transportation flights) above ground level (when safe to do so) in the presence of caribou cows and calves.
- Activities will be suspended if concentrations of caribou (50 or more) approach within 2 km of drilling operations. Activities will not resume until all of the caribou have moved out of the area.
- A 1 km buffer zone will be used as a measure of a safe distance for working in areas where caribou (less than 50) are present. If caribou come within 1 km of any work site, work activities will immediately cease until the caribou have moved safely beyond the buffer zone.
- Absolutely no activities will be conducted that will interfere with caribou cows and calves. All activities that may interfere with caribou cows and calves will cease.
- Solstice Gold Corp. will insure that absolutely no exploration activities will cause a diversion to the migration patterns of any caribou.
- Solstice Gold Corp. will communicate with the Government of Nunavut, the local HTO's and any other interested parties regarding caribou sightings and appraised movements in the area.

5.2.3 Species at Risk

Solstice Gold Corp. recognizes that with any Project, there is a potential for activities to negatively affect wildlife, and of greatest concern, affect species at risk. Although all wildlife will be protected and treated with respect during all activities at the Kahuna Gold Property, special consideration will be given to the species identified below. All observations of wildlife will be recorded and submitted to all interested parties, including the Department of Environment and Natural Resources, annually and any human-wildlife interaction will be reported immediately.

Peregrine Falcon, anatum/tundrius complex, Red-necked Phalarope and Short-eared owl, other Raptors— Special Concern as per the Species at Risk Act ("SARA")

- Raptor, Red-necked Phalarope and Owl nests, as well as all birds, their nests and eggs will always be avoided during exploration activities.
- Any observed nests will be recorded and included in the wildlife record submitted annually
- All Project staff and contractors will be trained to never approach or disturb nests
- All Project staff and contractors will be trained on how to identify Red-necked Phalarope nests via descriptions provided by Environment Canada and photos.
- Excessive hovering or circling over areas likely to have birds will be avoided

- Any nest found will be recorded, photographed and reported to the Gov-NU Ecosystems Biologist. In the case of the Red-necked Phalarope, Environment Canada will be notified as well.
- The Gov-NU Ecosystems Biologist with be asked to advise on the establishment of an appropriate buffer zone, determined by the species and the surrounding habitat, to protect it until the young have naturally left the nest.

Grizzly Bear, Polar Bear, Wolverine – Special concern as per the Committee on the Status of Endangered Wildlife in Canada ("COSEWIC")

- All Solstice Gold Corp staff, contractors and visitors to the Project will be properly trained in wildlife disturbance mitigation, including deterrent and interaction measures.
- Proper measures will be taken in camp, at drill sites and in the field to reduce the attraction of wildlife including proper storage and handling of food and waste.
- All bears, wolverines, and other wildlife, as well as their dens, will be avoided at all times by field crews.
- Any observations of bears and wolverines will be recorded and submitted with the annual report and any human-wildlife interaction will be reported immediately.
- As per the recommendations in the "AANDC Northern Land Use Guides" drilling and exploration buffers will be as follows:
 - o 1 km around active bear dens between September 30 to March 30.
 - o 300 around all bear species between May 16 to July 15.
 - o 300 m around berry habitat between July 15 to September 15.
 - 2 km around active wolverine dens between October 15 to July 15.

5.2.4 Migratory Birds and Waterfowl

Solstice Gold Corp. has implemented the following mitigation measures to prevent potential impacts on migratory birds and waterfowl. All Solstice Gold Corp. employees, contractors and visitors will be instructed and must strictly adhere to the following:

- All staff, consultants and Project visitors will be educated in, and comply, with all applicable legislation and regulations.
- All wildlife, including birds and their dens and nests will be respected
- Approaching any wildlife, including birds or nests will be strictly prohibited.
- Never destroy nests or eggs of any birds.
- Avoid disturbing nests and known concentrations of birds by maintaining a 1.5 km buffer when in transit by aircraft.
- Avoid approaching known nest while on foot.
- Attempt to prevent birds from nesting on man-made structures.
- Minimize flights during migration, nesting and moulting.
- Avoid areas used by flocks of migrating waterfowl by 3 km.
- Avoid excessive hovering or circling over areas likely to have birds.
- Solstice Gold Corp. prohibits depositing substances harmful to migratory birds and waterfowl into waters.

- Migratory bird observations will be included in the Wildlife Observation logs and submitted with the annual report
- Any inadvertent disruption of migratory birds, nests or eggs will be immediately reported.
- Special care and concern, including monitoring will take place during migratory bird nesting periods in the area (mid-May mid-August).
- Any nest found will be recorded, photographed and reported to the Gov-NU Ecosystems Biologist. The government biologist with be asked to advise on the establishment of an appropriate buffer zone, determined by the species and the surrounding habitat, to protect it until the young have naturally left the nest.
- Solstice Gold Corp. understands that there is risk that migratory birds, their nests
 or eggs can be inadvertently harmed or disturbed as a result of activities, including
 mineral exploration, and will take every effort to reduce the chances of incidental
 take. Appropriate mitigation measures will be utilized and compliance enforced
 with strict penalties for those who do not adhere to the proper operating procedures
 including, but not limited, to termination of employment.

5.2.5 Other Species of Concern

As the Project area is located within muskox, arctic fox and wolf habitat, specific monitoring and mitigating measures for this species will be implemented. These measures may include, but not be limited to:

- Avoidance of all wildlife, including muskox, arctic fox and wolf will always be the priority mitigation measure.
- All exploration and drilling activities will be planned to avoid wildlife, including muskox, arctic fox (and their dens) and wolf (and their dens).
- The Government of Nunavut, local HTO's, community members and any other interested parties will be consulted in order to incorporate Inuit Qaujimajatuqangit into the Project planning.
- The Company will communicate with all interested stakeholders regarding any muskox, arctic hare and wolf sightings and appraised movements in the area
- Knowledgeable local community members will be employed as wildlife and environmental monitors.
- All sightings of wildlife, including muskox, arctic fox and wolf will be reported to the Project Field Supervisor, included in the report will be the number of animals and distance from camp or work site, their approximate numbers, direction of movement and general behaviour.
- Wildlife reports, containing information on sightings and interactions of all wildlife, denning sites, raptor nests and any work suspensions will be submitted annually to regulators, including the CIRNAC, NWB, KIA (and, if requested, the Nunavut Impact Review Board "NIRB" and GN Ecosystem Biologist).
- In the event muskox cows calve in proximity to the camps or work areas, operations will be suspended (e.g. drilling, mapping, prospecting, sampling, helicopter flights, snowmobile and ATV) in all work areas within 10 km of any area occupied by cows and calves until the animals have moved out of the 10 km radius.

- When safe to do so, flights lower than 610 m (e.g. airborne surveys and shorter transportation flights) will be suspended in the presence of wildlife and all effort will be made to avoid nesting and denning areas.
- As per the recommendations in the "AANDC Northern Land Use Guides" drilling and exploration buffers will be as follows:
 - o 500 m around Muskox between April1 to June 15.
 - o 500 around active wolf dens between May 1 to September 15.
 - o 150 m around active fox dens between May 1 to July 15.
- Outside of April 1 to June 15, if muskox come within 1 km of any work site, work activities will immediately cease until the animals have moved safely beyond the buffer zone.

5.2.6 Firearms

Registered 12 gauge shotguns will be located at drill sites to ensure the safety of all personnel on the Property. 12 gauge shotguns are the preferred firearm to be used for the purposes of bear deterrence as they are capable of firing non-lethal deterrents and lethal rounds. Firearms at drill sites will be stored unloaded in gun cases.

All persons carrying or handling a firearm must have a valid Firearms License and be approved by the Project Field Supervisor. Hunting is strictly prohibited for all employees and contractors, and will result in immediate termination and potential charges for any territorial hunting violations. Firearms discharge of any kind must be reported immediately to the Project Field Supervisor. Use of firearms against nuisance or aggressive wildlife is considered only as a last resort. Non-lethal deterrents will always be used whenever possible to deter problem wildlife with lethal rounds only being used in defense of life or property.

5.3 Vegetation, Soil and Permafrost Disturbance Mitigation

Vegetation at the Kahuna Gold Property consists mainly of moss, lichens, stunted plants and arctic grasses. The grasses are typically observed growing at lower elevations in areas associated with river drainage basins.

Vegetation and permafrost can potentially be impacted by drilling activities. Mitigation measures to reduce the impact include limiting the amount of vegetation disruption to ensure proper shade coverage and reduction in the potential for ground thaw and subsidence. Footpaths can be marked using stakes and flagging tape to ensure that impacts to vegetation are confined to a small area. Areas that have patterned ground, clay-rich soil and or wetlands will be avoided. Earth may be required to be moved in order to construct sumps at drill sites; however natural depressions and areas free of vegetation will be used whenever possible. Any topsoil moved will be collected to use in re-vegetation efforts. If a sump is excavated, it will be barricaded until it can be back-filled.

Soil quality can be impacted from spills of fuel and other materials and waste discharge. Preventative measures include appropriate and approved storage locations and containers with secondary containment. All fuel, hazardous materials and drilling will be a minimum 31 metres away from any watercourse. Refueling will be done with precision and appropriate due-diligence will be taken. Drums and hoses will be inspected regularly

for leaks and pans or absorbent pads will be placed below fuel transfer areas and stationary machinery. See the "Kahuna Gold Property Spill and Response Plan" for more information.

5.4 Air and Noise Quality

Impacts on air quality can result from discharge of exhaust from airplanes, helicopters, and drilling operations. Given the remote location with lack of air quality issues which currently exists within the Property location, the short duration and small scope of activities are not expected to result in any measurable air quality impacts.

Noise can result from the use of planes, helicopters and drills which can disturb wildlife. Mitigation measure include, but are not limited to: helicopter avoidance of any raptor nests; bear, wolf or fox dens; waterfowl and shorebird staging areas during critical seasons; and near large mammals. In addition, drill activities and associated work will cease if caribou or muskox cows and/or calves appear nearby.

5.5 Drilling Operations

Drilling contracts will be awarded to companies that exhibit high standards of environmental practice and who are willing to adhere to the environmental policies of the Kahuna Gold Property. The following conditions are imposed for drilling activities:

- Sites will be as small as possible while still allowing adequate area for fire protection.
- All stored fuel and drill additives will be stored in secondary containment.
- Biodegradable drill additives will be used whenever possible.
- Recirculation and filtration equipment will be used to minimize the amount of water used and additives released into the environment. Secondary containment for additives will be placed around the hole.
- Any residual drill water will be contained in sumps. Sumps will be positioned down slope from the drill collar in such a manner that runoff flows into the sump. Sumps will be positioned a minimum of 31 metres from the normal high-water mark of any water body.
- If any artesian water flow is detected, the hole will be plugged and cemented in bedrock to prevent continued flow. Any artesian water flow will be reported to CIRNAC, the NWB and KIA (if on IOL).

6 Hazardous Materials

All hazardous materials will be handled and stored in accordance with the "Kahuna Gold Property Fuel Management Plan" and "Kahuna Gold Property Spill Prevention and Response Plan." Fuels and other hazardous materials will be stored within "Arctic Insta-Berms", or similar products, for secondary containment. Hazardous material storage sites will be located a minimum of 31 metres from the normal high-water mark of any waterbody. Electric or hand wobble pumps equipped with filtration devices will be used for the transfer of diesel, jet fuel, and gasoline from their storage containers directly to their end-use fuel tanks. Portable drip trays or mini-berms will be used to mitigate the risk

of any spillage, and fully stocked spill kits will be available at all refueling stations, and drill sites.

All hazardous materials will be clearly labeled in accordance with the Workplace Hazardous Materials Information System ("WHMIS") and other applicable legislation. Labels will include, but not limited to, the type of fuel, safe handling procedures, reference to Material Safety Data Sheets ("MSDS"), company name, and the date of delivery to site. Signs with the same information, along with MSDS for each fuel type will be posted at each hazardous material storage or transfer site. "No Smoking" signs will be posted at each fuel cache, drill site, and fuel transfer area.

All personnel required to handle hazardous materials will be trained in WHMIS, the Transportation of Dangerous Goods Act, and the "Kahuna Gold Property Spill Prevention and Response Plan" and "Kahuna Gold Property Emergency Response Plan". Contacts for Hazardous Waste Issues are listed in Table 4.

Table 4. Hazardous Waste Contacts

Environmental Protection Division Dr. Maureen Baikie

Nunavut Department of Environment Office of Chief Medical Officer of Health Inuksugait Plaza, P.O. Box 1000, Stn. 1300 Nunavut Department of Health

Iqaluit, NU X0A 0H0

Tel: 867-975-7700

Tel: 867-975-7700

Tel: 867-975-7700

Ruhavdt Department of Fleat
Ruhavdt

Fax: 867-975-7742 Tel: 975-5743

Email: environment@gov.nu.ca
Email: mbaikie@gov.nu.ca

Workers Safety and Compensation Commission NU-NT 24 Hour Spill Report Line

Qamutiq Building, 2nd Floor Tel: 867-920-8130 611 Queen Elizabeth Way, Box 669 Fax: 867-873-6924

Iqaluit, NU x0A 0H0 Email: spills@gov.nt.ca
Tel: 867-979-8500

Fax: 867-979-8501 Nunavut Emergency Management

Emergency 24 Hour Headquarters: 867-979-6262 / 1-800-693-1666

Qikiqtaaluk: 1-888-624-4043

Nunavut Department of Community
and Government Services

W.G. Brown Building, 4th Floor

Robert Prima
Office of the Fire Marshall
Protection Services

P.O. Box 1000, Stn. 700 Nunavut Department of Community

Igaluit, NU X0A 0H0 and Government Services

Tel: 867-975-5400/5413 Tel: 867-975-5310 Fax: 867-975-5305 Fax: 867-979-4221

Emergency Measures 24 Hour TOLL Free 1-800-693-1666 Emergency Services Response 24 Hours 867-979-6262

Emergency Services Response 24 Hours 867-979-0211, Press 911 at prompt

Emergency Measures Operations FAX 867- 979-4221/979-3364

7 Waste Management

All wastes will be handled and disposed of in accordance with the "Kahuna Gold Property Waste Management Plan" and will comply with federal and territorial legislation. Waste management operations at the Kahuna Gold Property comprise a number of activities with the common goal of reducing the amount of waste generated on site and to ensure that any wastes created are reused, recycled, or disposed of in a responsible manner. Wastes will be separated at the source, such as the drill site, into a number of categories including: materials for incineration, inert non-combustible materials, inert recyclables, and hazardous materials. All waste created from field crews and drilling activities will be backhauled to camp and disposed of in accordance with terms and conditions of CIRNAC LUP N2015C0019 and the NWB water licence 2BE-KDP1722, which are held by DVI.

8 Abandonment and Restoration

A thorough inspection of all areas of activity, including general exploration, drilling, aircraft landing sites, and fuel caches, will be conducted at the end of use, and relevant photographs (i.e. drill pads) will be taken to include in the final reports submitted to CIRNAC, NWB and the KIA.

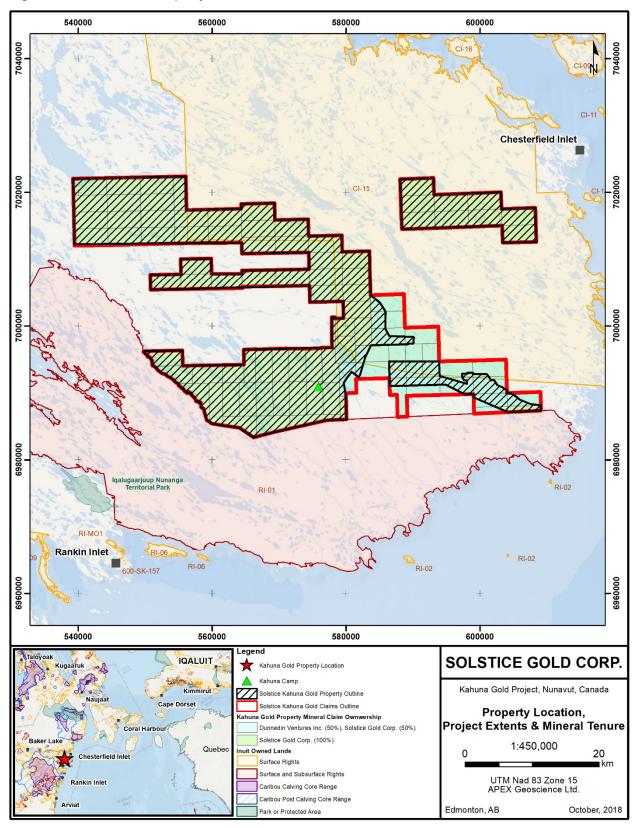
Prior to land use permit, water licence, claim or lease termination, all structures, equipment, supplies, fuel, and wastes will be removed from the Property with the exception of core box stacks, which will be permanently secured on site. Materials of value will be salvaged and local businesses and residents will have the opportunity to retrieve any remaining materials that will otherwise be disposed of. Any contaminated areas around the drill sites or fuel caches that have gone unnoticed will be treated as per the "Kahuna Gold Property Spill Prevention and Response Plan."

If required, areas disturbed by activities related to exploration and drilling at the Kahuna Gold Property will be fertilized, as per recommendation by the CIRNAC (or KIA, if on IOL) Inspector, to encourage re-vegetation. Any eroded or washed out areas will be filled and re-contoured to natural levels.

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.

Further details on abandonment and restoration can be found in the "Kahuna Gold Property Abandonment and Restoration Plan".

Figure 1. Kahuna Gold Property Location



Appendix A Kivalliq Inuit Association Mobile Caribou Conservation Measures

MOBILE CARIBOU CONSERVATION MEASURES

Introduction

The Lessee shall comply with the measures set out herein. The Lessee shall immediately report to the Landlord any deviation from these measures, including the reason for the deviation.

The Landlord reserves the right, based on the presence of caribou within the area of the Property in any year, to vary the dates set out herein and shall provide notice to the Lessee of any such variation.

Wildlife Monitoring Personnel

The Lessee shall have wildlife monitoring personnel present at the Property during any season when caribou are reasonably expected to be present. The names of such personnel shall be sent to the Landlord and they shall maintain communication at all reasonable times. The Lessee shall monitor and immediately report the presence of caribou to the Landlord in accordance with the following directives. The report shall specify the location and estimated numbers.

A. IOL within designated calving grounds

- Section 1. On IOL within designated calving grounds (as designated by the Government of Nunavut) between May 1st and July 31st (the closure period):
 - 1) No activities shall occur except as authorized by the Landlord.
- Section 2. On IOL within designated calving grounds between August 1st and September 30th, the Lessee shall conduct monitoring and mitigation as follows:
 - 2i) If collar data or observations indicate that there are one (1) or more collared caribou or twenty-five (25) or more caribou observed within the thirty (30) km early warning zone from the boundary of the Property, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, remote camera surveys).
 - 2ii) If monitoring indicates that there are twenty-five (25) or more caribou within five (5) km of the Property boundary, then the Lessee shall monitor within a five (5) km buffer zone around the Property on a daily basis, and shall immediately suspend work that has the potential to disturb caribou, including suspension of drill operations, blasting activities and non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), suspension of all ground operations and camp closure, until caribou numbers are below the threshold within the buffer zone.
- **Section 3.** On IOL within designated calving grounds between October 1st and April 15th, the Lessee shall conduct monitoring and mitigation as follows:

- (3i) If collar data or observations indicate that there are one (1) or more collared caribou or fifty (50) or more caribou observed within thirty (30) km of the boundary of the Property, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, remote camera surveys).
- (3ii) If monitoring indicates that there are fifty (50) or more caribou within two and a half (2.5) km of the Property, then the Lessee shall immediately reduce above-ground activities that have the potential to disturb caribou, including non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), until caribou numbers are below the threshold within the buffer zone.
- **Section 4.** On IOL within designated calving grounds between April 16th and April 30th, the Lessee shall conduct monitoring and mitigation as follows:
 - (4i) If collar data or observations indicate that there are one (1) or more collared caribou or twenty-five (25) or more caribou within fifty (50) km of the boundary of the Property that appear to be moving in the direction of the activities, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, snow track counts (if appropriate), remote camera surveys).
 - (4ii) If monitoring indicates that there are an estimated twenty-five (25) or more caribou within the five (5) km buffer zone for the Property, then the Lessee shall conduct monitoring within a five (5) km buffer zone on a daily basis, and shall immediately suspend any activities that have the potential to disturb caribou, including suspension of drill operations, blasting activities and non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), suspension of all ground operations, and camp closure, until caribou numbers are below the threshold within the buffer zone.

B. IOL within other seasonal caribou ranges

- Section 5. On IOL between June 1st and July 15th outside of designated calving grounds, the Lessee shall conduct monitoring and mitigation as follows:
 - (5i) If collar data or observations indicate that there are one (1) or more collared caribou or ten (10) or more caribou observed within the fifty (50) km early warning zone for the Property, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land, road surveys, snow track counts (if appropriate), remote camera surveys).
 - (5ii) If monitoring indicates that there are an estimated ten (10) or more caribou within the five (5) km buffer zone for the Property, then the Lessee shall conduct monitoring within a five (5) km buffer zone on a daily basis, and shall immediately suspend any activities that have the potential to disturb caribou, including suspension of drill operations, blasting activities and non-essential ground movements and aircraft traffic below 300 m

above ground level (except as necessary for emergency purposes), suspension of all ground operations and camp closure until caribou numbers are below the threshold within the buffer zone.

- **Section 6.** On IOL between July 16th and September 30th outside of designated calving grounds, the Lessee shall conduct monitoring and mitigation as follows:
 - (6i) If collar data or observations indicate that there are one (1) or more collared caribou or twenty-five (25) or more caribou observed within thirty (30) km of the Property, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, snow track counts (if appropriate), remote camera surveys).
 - (6ii) If monitoring indicates that there are twenty-five (25) or more caribou within five (5) km of the boundary of the Property, then the Lessee shall conduct monitoring within a five (5) km buffer zone on a daily basis, and shall immediately suspend any activities that have the potential to disturb caribou, including suspension of drill operations, blasting activities, non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), and camp closure until caribou numbers are below the threshold within the buffer zone.
- **Section 7.** On IOL between October 1st and April 15th outside of designated calving grounds, the Lessee shall conduct monitoring and mitigation as follows:
 - (7i) If collar data or observations indicate that there are one (1) or more collared caribou or fifty (50) or more caribou observed within thirty (30) km of the boundary of the Property, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, remote camera surveys).
 - (7ii) If monitoring indicates that there are fifty (50) or more caribou within 2.5 km of the boundary of the Property, then the Lessee shall immediately reduce above-ground operations that have the potential to disturb caribou, including non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), and suspension of above ground operations, until caribou numbers are below the threshold within the buffer zone.
- Section 8. On IOL between April 16th and May 31st, the Lessee shall conduct monitoring and mitigation as follows:
 - (8i) If collar data or observations indicate that there are one (1) or more collared caribou or twenty-five (25) or more caribou observed within fifty (50) km of the boundary of the Property that appear to be moving in the direction of the activities, then monitoring within a five (5) km buffer zone shall be conducted every second day (e.g., height of land surveys, road surveys, snow track counts (if appropriate), remote camera surveys).
 - (8ii) If monitoring indicates that there are an estimated twenty-five (25) or more caribou within the five (5) km buffer zone for the Property, then then the Lessee shall conduct

monitoring within a five (5) km buffer zone on a daily basis, and shall immediately suspend any activities that have the potential to disturb caribou, including drill operations, blasting activities and non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), suspension of all ground operations and camp closure, until caribou numbers are below the threshold within the buffer zone.

C. Freshwater crossings

- Section 9. On IOL between May 15th and September 30th, the Lessee will not construct camps or other permanent structures or conduct blasting within ten (10) km of designated caribou freshwater water crossings. Exploration activities will not be permitted within 5 km of water-crossings between May 15th and September 30th. Between May 15th and September 30th, the Lessee shall conduct monitoring and mitigation as follows:
 - (9i) If collar data or observations indicate that there are one (1) or more collared caribou or twenty-five (25) or more caribou observed within twenty-five (25) km of the boundary of the Property that appear to be moving in the direction of the activities, then monitoring within a five (5) km buffer zone around the water crossing shall be conducted every second day (e.g., height of land surveys, remote camera surveys).
 - (9ii) If monitoring indicates that there are fifty (50) or more caribou within five (5) km of the boundary of the Property that appear to be moving in the direction of the water crossing, then the Lessee shall conduct monitoring within a five (5) km buffer zone on a daily basis, and shall immediately suspend any activities that have the potential to disturb caribou, including suspension of drill operations, blasting activities and non-essential ground movements and aircraft traffic below 300 m above ground level (except as necessary for emergency purposes), suspension of all ground operations, camp closure, and removal of all non-essential personnel, until caribou numbers are below the threshold within the buffer zone.

D. Aircraft

Section 10. The Lessee shall ensure that aircraft (fixed-wing and helicopter) flights over occupied calving and post-calving areas shall be at least 610 m above ground level and avoid areas of known caribou concentrations (subject to pilot discretion regarding aircraft and human safety). In other seasons aircraft shall be at least 300 m above ground level.