ABANDONMENT AND RESTORATION PLAN

KAHUNA GOLD PROPERTY
NUNAVUT, CANADA

Prepared for:

SOLSTICE GOLD

Prepared by:

APEX Geoscience Ltd.

Created: November 2, 2018
Revised: June 1, 2021

Contents

Tables

Figures

Appendices

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 pending approval from all relevant regulatory bodies. 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

Solstice Gold Corp. Martin Tunney, President 1020, 800 West Pender Street Vancouver, BC V6C 2V6 Tel: (416) 301-3985 mtunney@solsticegold.com www.solsticegold.com	**APEX Geoscience Ltd.** 100, 11450 160 St NW Edmonton, AB T5M 3Y7 Tel: (780) 467-3532 www.apexgeoscience.com

1.2 Purpose and Scope

The purpose of the Kahuna Gold Property ARP is to provide guidelines to follow for progressive reclamation, seasonal shut down and final abandonment of the Property, in order to return all camp and 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 land and Inuit Owned Land ("IOL") in the Kivalliq Region of Nunavut. The Property is approximately 35 km southwest of Igluligaarjuk (Chesterfield Inlet) and 30 km northeast of Kangiqliniq (Rankin Inlet).

The Property comprises 72 mineral claims 100% owned by Solstice and 19 mineral claims owned 50% by Solstice and 50% by Kodiak Copper Corp. ("Kodiak," formerly Dunnedin Ventures Inc.). Solstice has primary rights on 9,022 ha of the jointly held claims, for a total Property area of 88,589 ha. Prior to November 14, 2017 the mineral claims comprising the Property were held wholly by Kodiak.

Past work on the Property included prospecting, geological mapping, geochemical sampling, geophysical surveys and a six-hole diamond drilling program. Solstice does not currently have a camp permitted as the previous Solstice field programs were either supported out Kodiak's Kahuna Camp (2018), Rankin Inlet (2019) or from a small temporary fly camp (2020).

Solstice proposes annual exploration programs which include rock, soil, and till geochemical sampling, geological mapping, ground and/or airborne geophysical surveys and diamond or reverse circulation ("RC") drilling of up to 20,000 m. Field programs may commence as early as February, beginning with overland mobilization of equipment and supplies from Rankin Inlet along the Winter Trail, which passes through the Property, using Caterpillar Challengers (or equivalent) and cargo sleds. Drilling may then commence mid-March to mid-May to test targets below lakes with drilling of land targets commencing mid-June through September. Ground based prospecting and sampling activities would follow in June once the land is free from snow and the Property surface is fully accessible.

Exploration activities will be supported by ground access in the winter where conditions allow, utilizing tracked vehicles to facilitate crew changes and drill moves. A helicopter and/or fixed wing aircraft will be on site and will be utilized for mobility when ground access is not feasible.

Solstice is currently applying for amendments to the Nunavut Water Board ("NWB") Type B Water Licence 2BE-KGP1823 and Crown-Indigenous Relations and Northern Affairs Canada ("CIRNAC") Land Use Permit ("LUP") N2018C0020 for authorization to operate a 40-person camp on the Property. The water licence amendment will also include an increase in the water allowance from 200 m3/day (for drilling) to 299 m3/day (10 m3/day for camp and 289 m3/day for drilling). Solstice has already been approved by the Kivalliq Inuit Association ("KIA") to renew Inuit Land Use Licenses KVL318B01 and KVRW18F02, which authorize prospecting, exploration, drilling and use of the Winter Trail, respectively.

All exploration activities will either be based out of a new Solstice Camp, located adjacent to the existing Kodiak Kahuna Camp or at the existing Kahuna Camp. Following

the submission of the 2021 application to amend CIRNAC LUP N2018C0020 and NWB Water Licence 2BE-KGP1823 to the Nunavut Planning Commission ("NPC") and Nunavut Impact Review Board ("NIRB"), Solstice management was informed by Kodiak Copper, that it is Kodiak's intention remove the Kodiak Camp from the field, reclaim the location and remove the Kodiak Camp from their CIRNAC LUP and NWB Water Licence. Solstice and Kodiak have entered into discussions, which include the potential for Solstice to either take over the Kodiak Camp or purchase some of the materials and items from Kodiak and relocate them to the new Camp location before the Kodiak Camp is removed.

2 Project Equipment & Infrastructure

The following list details the equipment and infrastructure that may be utilized at the Project. A similar make or model of the equipment listed below may be used depending on availability of products at the time of mobilization.

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
- Spill kits x 2

2.4 Other Equipment

- All-terrain vehicle with trailer
- Small (14 -16 ft) Aluminum utility boat for lake bottom bathymetry survey

2.5 Fuel

- 205 L Drums aviation fuel x 145

- 205 L Drums diesel x 145
- 205 L Drums gasoline x 10
- 100 lb Cylinder Propane x 20

2.6 Solstice Camp Structures

- 16'x32' plywood kitchen building.
- 14'x32' plywood floor for core shack.
- 12'x20' plywood latrine shack. Includes 5 Pacto toilets.
- 10'x16' plywood storage/shop shack.
- 10'x12' plywood generator shack. Includes exhaust piping, etc.
- 12'x12' plywood core cutting shack.
- 14'x16' insulated Weatherport tents on plywood floor to serve as sleeper tents. Includes plywood beds, tables, chairs etc. Up to 16 sleeper tents.
- 14'x16' insulated Weatherport tent on plywood floor to serve as a dry. Includes shower stalls, sink, plumbing, etc.
- 14'x16' insulated Weatherport tents on plywood floors to serve as office and first aid tent. Includes tables, chairs, etc.

2.7 Solstice Camp Equipment and Supplies

- Water tanks (350 gal & 250 gal)
- Hot water tanks
- Water supply pumps with fish screen and hose line
- Water pressure pumps
- 14 kVA diesel generator
- 5 kW gas generators
- Dual chamber controlled air incinerator
- Refrigerators
- Chest freezers
- Cooking stoves
- Dishwasher
- Washing machines
- Dryers
- Toyotomi heating stoves
- Oil drip stoves
- Pacto toilets
- Containment berms for fuel cache & drill equipment
- Mini berms for tent drums and fuel transfer
- Spill kits
- Heavy electrical cables and panel boxes
- Various lumber (stacked by generator shack)
- Various office, camp and medical supplies

3 Progressive Reclamation

From the *Guidelines for the Closure and Reclamation Cost Estimate for Mines in the Northwest Territories*, prepared by Mackenzie Valley Land and Water Board and Aboriginal Affairs and Northern Development Canada, November 2013:

"*Progressive reclamation takes place prior to permanent closure to reclaim components and/or decommission facilities that no longer serve a purpose. These activities can be completed during operations with the available resources to reduce future reclamation costs, minimize the duration of environmental exposure, and enhance environmental protection. Progressive reclamation may shorten the time for achieving closure objectives and may provide valuable experience on the effectiveness of certain measures that might be implemented during permanent closure.*"

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

- 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.
- Drill casing will be removed or if removal is not possible, cut off at or below ground level and capped.
- Any spills at drillsites, camp or fuel caches will be cleaned up immediately and treated as per the Kahuna Gold Property *"Spill Prevention and Response Plan*."
- No material or residue will be allowed to accumulate on any 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.

Progressive reclamation activities will be documented and included in the Annual Reports, including photos taken at each drill site before and after drilling operations.

4 Seasonal Shutdowns

4.1 Inspection and Documentation

Prior to a seasonal shutdown of the program, a complete inspection of all areas will be conducted (see Appendix A for an example inspection log). Photographs at all sites (camp, fuel caches, drilling, etc.) 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 the inspection record and photos will be included in the annual reports submitted to CIRNAC, NWB and the KIA.

4.2 Buildings, Contents and Fuel

A full inventory of all structures, equipment, fuel, and other supplies will be taken at the beginning and end of each exploration season.

All food, wastes, empty fuel drums, and valuable or sensitive equipment will be removed from site. All structures to be left on site will be winterized, closed off, and secured. One or more tent(s) or plywood building(s) will be designated to house any chemicals or other hazardous materials that are not suited to outdoor storage. All water tanks and pipes will be drained at the end of each season. Pumps and hoses will be drained and stored inside a tent. All mechanical equipment, including vehicles, drill equipment, and generators will be winterized (batteries removed, all liquids drained, flush lines, use nontoxic plumbing antifreeze (pink), lubrication, etc) and where necessary, stored in berms for secondary containment.

The remaining fuel cache will secured and covered to mitigate the influx of snow and water. Drums with small amounts of fuel will be consolidated into one (or more) drum(s). Fuel drums will be stored on their sides in organized rows with the bungs in the three o'clock and nine o'clock positions. All fuels and other hazardous materials will be stored within "Arctic Insta-Berms", or similar products, for secondary containment. "RainDrain" or similar hydrocarbon filtration systems will be used to safely remove any water collected inside the berms, and as a safeguard against any potential overflows of contaminated water. Should any temporary fuel caches be established during the program to support drilling and exploration activities, upon shutdown will be removed or properly winterized using the aforementioned procedure.

4.3 Waste

All wastes will be separated into combustible, non-combustible recyclable or hazardous. Refer to Kahuna Gold Property "*Waste Management Plan*" for detailed waste management practices during program operations. Any contamination will be treated as per the Kahuna Gold Property "*Spill Prevention and Response Plan*."

4.4 Seasonal Restoration

Any contaminated areas around the camp, 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 identified 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

5.1 Inspection and Documentation

Prior to final abandonment, a thorough inspection of all areas, including camp, drillsites and fuel caches will be conducted. Any contaminated areas that have gone unnoticed will be treated as per the "*Spill Prevention and Response Plan*." Photographs will be taken to include in the final reports submitted to CIRNAC, the KIA and the NWB. All relevant regulatory agencies will be notified upon final abandonment of the Property.

5.2 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 if removal is not possible, cut at ground level or below and capped.

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.

5.3 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.

5.4 Restoration

Tent sites, drill sites, and any other areas disturbed by activities related to exploration at the Kahuna Gold Property will be fertilized as recommended by the 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*."

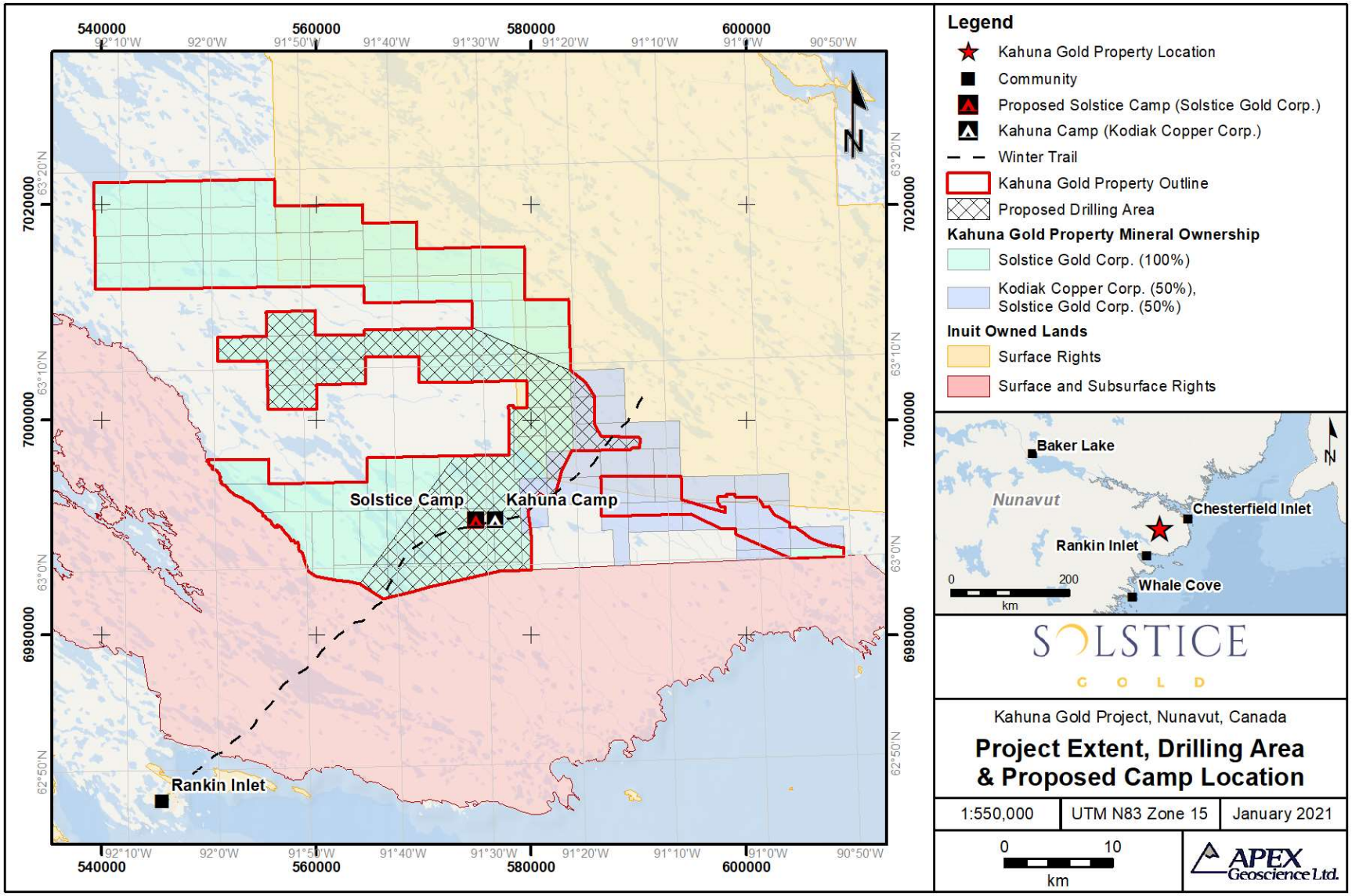
5.5 Notification

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.



Appendix A

Example Camp Shut Down Inspection Checklist

Area	Complete	Comment	Inspector
General Camp area			
General camp area inspected for any waste, debris or spills/contamination			
General camp area secure for winter			
Combustible and non-recyclable waste incinerated			
Non-combustible waste and incinerator ash prepared for removal			
Record, prevent further damage and remediate (if possible) any unnecessary or excessive vegetation damage			
Buildings and Content			
Tents and building complexes secured for the winter (e.g. windows and doors are fitted with plywood covers with extruding nails (“bearwindows/doors”), etc.)			
Office equipment; furniture; kitchen equipment; recreational equipment and other mobile heavy equipment winterised and secured			
Equipment not capable of withstanding winter conditions prepared for removal			
Area inspected for waste, debris or spills/contamination			
Water Supply System			
Water pumps, filtering systems, water lines and any other equipment associated with the water supply system drained and winterised			
Water pump shed secured			
Area inspected for waste, debris or spills/contamination			
Sewage System			
Greywater system drained (i.e.. no greywater remaining in the discharge pipe)			
Greywater sumps treated if required, filled and recontoured			
Privy Pits treated with lye and winterized			
Privy Pits secure and cleared of any debris			
Area inspected for waste, debris or spills/contamination			
Waste Incinerator			
Incinerator fuel supply shut off using all valves			
Incinerator fuel in appropriate and functional secondary containment adjacent to the incinerator			
Area inspected for waste, debris or spills/contamination			
Electrical System			
Generator shack and surrounding area inspected for signs of spills and remaining wastes such as oil and grease.			
Generator shed is lined with enviromat in the event any external spills go unnoticed			
Generator drained of fuel and winterized			
Generator shack secured for winter			
All electrical wires, plugs and sockets which remain in their installed locations are safe and secure			
All electrical cords temporarily connected to a buildings or machinery unplugged, rolled and stored			
Camp Heating Systems			
Each 205 L fuel barrel attached to respective tent or building secured and within secondary containment			
Any remaining fuel in lines burned out			
Empty propane cylinders ready for transport for refilling or recycling			
Any sleeping quarters converted to electric heat are secured			
Petroleum Products and Storage Facilities			
Fuel stored in appropriate and functional secondary containment (e.g. no rips, signs of wear, collapses, etc.)			
Secondary hydrocarbon filtration systems working properly and do not need replacement before the next field program			
Fuel storage areas clearly marked in the event snow clearing activities are required during spring camp opening			
Fuel storage areas GPS location recorded			
Fuel labelled properly			
Area inspected for waste, debris or spills/contamination			
Fuel containers (including full, partially empty and empty) inspected and all small amounts of fuel remaining in drums is consolidated			
Fuel pumps and hoses are drained and stored in a building			
Chemicals and Hazardous Waste			
All chemicals stored in appropriate building or on within appropriate functional secondary containment			
All household cleaners properly secured and stored in kitchen and dry			
All empty bags/containers removed for proper disposal			
Any remaining waste fuel, oil and grease stored in approved and labelled containers for reuse during summer operations			
Any hazardous waste that cannot be reused properly stored, sealed, labels, and prepared for removal			
Area inspected for spills or contamination			
Area cleared of any debris			
Spill Response Kits			
Spill kit inventory performed			
Spill kits not needed over winter relocated to secured building			
Spill kits needed over winter (i.e.. for the remaining petroleum areas) properly stocked and secure			
Emergency Response			
Fire extinguishers in working order and secure in all necessary locations			
Smoke/CO2 detectors in working order and secure in all necessary locations			
Fire extinguishers used are prepared for removal for refilling			
Transportation			
Transport areas including airstrips, helipads, ATV trails, docks and footpaths inspected for equipment, supplies, waste or spills/contamination			
Vehicles remaining onsite moved into secure buildings			
Vehicles remaining onsite winterized			
Drill Sites/Equipment			
Diamond drills are dismantled and ready for demobilization or secured in designated storage area			
Diamond drills remaining on site winterized			
Any drill casing unable to be removed is flush cut and capped			
Drill sites are adequately restored and inspected for any remining equipment, supplies, waste or spills/contamination			
Drill sites photographed before drilling and after restoration			
Documentation			
Proper documentation and approvals for all inert and Hazardous waste transport and receipt			
Notification to all required authorities of pending seasonal shut down			
Baseline samples (i.e.. water, soil, air quality) collected and all data recorded			
Inspections recorded, dated and signed			
Photos taken of camp, drill sites, fuel caches and any other important locations/items			
Photos of drill lay down storage area			
GPS coordinates recorded for camp, fuel storage areas, drill sites, wildlife or habitat sightings, Archeological/paleontological sites or any area/items of interest			
Descriptions recorded for all wildlife or habitat sightings, Archeological/paleontological sites or any area/item of interest			
Year-end inventory of all equipment and buildings left on site			
List of all equipment, items and repairs required for next operating season			