

Date: July 20, 2021

To: Richard Dwyer
Manager of Licensing
Nunavut Water Board
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RE: Water Licence 2BE-KGP1823 Compliance Assessment Status Report

Water Licence 2BE-KGP1823 underwent a compliance assessment on July 20, 2021. This report outlines the non-compliant item identified. Please see “20210720 - Solstice Kahuna Gold Water Licence 2BE-KGP1823 Compliance Assessment” attached for the complete list of reviewed conditions.

Water Licence 2BE-KGP1823 PART I: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION OR TEMPORARY CLOSURE

10. The Licensee shall restore all drill holes and disturbed areas to natural conditions immediately upon completion of the drilling. The restoration of drill holes must include the removal of any drill casing materials and if having encountered artesian flow, the capping of holes with a permanent seal. Where drill casings cannot be removed the Licensee shall cut off the casings at ground level and identify with signage.

Non-Compliant Item: During the project inspection on July 12, 2019, it was identified that three drillholes had drill collars still present, not cut to surface level or capped. See inspection document “2020-KIV03-CW N2018C0020 Land Use Permit Inspection Form 08.06.20” attached for additional information.

Remedial Action: During the summer of 2020 two of the drill collars (2019-05 and 2019-06) were cut and capped and all garbage removed. The third hole (2019-04) was curt and capped in 2021. All the drillsites were inspected again on 2021 to ensure all sites were clean and compliant.

Please do not hesitate to contact me with any questions, concerns or for additional information.

Regards,



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CC: Marty Tunney – President – Solstice Gold Corp.