# FUEL MANAGEMENT PLAN

## KAHUNA GOLD PROPERTY
## NUNAVUT, CANADA

Prepared for:

SOLSTICE GOLD

Prepared by:

APEX Geoscience Ltd.

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# 1 Introduction

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

## 1.1 Contact Details

**Table 1. Company Contact Information**

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

## 1.2 Purpose and Scope

The primary objective of the Kahuna Gold Property FMP is to provide straightforward procedures for the storage and handling of fuels for the purpose of reducing the risk of environmental contamination and to ensure the health and safety of all personnel from the accidental release of deleterious materials. The FMP includes the following:

- Promote safe handling and use of all types of fuel.
- Reduce the likelihood of spills of all types of fuel.
- Identify responsibilities and procedures for all staff and contractors.
- Provide site specific information about the facilities and contingencies in place.
- Comply with federal and territorial government regulations and guidelines pertaining to transportation, storage, handling and disposal of any type of fuel.

## 1.3 Other Plans

The FMP 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")
- Abandonment and Restoration Plan ("ARP")

- 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 Fuel Inventory

A fuel cache will be established adjacent to Solstice Camp, primarily to store diesel and jet fuel, with smaller quantities of gasoline and propane. The Solstice fuel cache will contain 300 drums (61,500 L) of diesel, gasoline, and aviation fuel and 20 tanks (2,000 lb) of propane. Small amounts (2-3 drums each) of diesel and gasoline will be stored at the active drill sites as needed for drilling. Temporary fuel caches may be required to support the exploration field programs and will be limited to less than 4,000 L. Other hazardous materials found at the Solstice main fuel cache and drill sites may include small quantities of various lubricants/oil/grease for drilling and maintenance of motorized equipment, cleaning products, and waste oil.

The Solstice Project Field Supervisor is responsible for maintaining a detailed fuel inventory of all Solstice fuel and is in charge of overseeing the maintenance and monitoring of all Solstice fuel caches.

## 3 Storage and Containment

Diesel, jet fuel, and gasoline at the Property will be stored in standard, sealed, and labeled 205 litre (L) metal drums. Waste oil and fuel will be sealed in 205 L steel drums and removed from camp for proper disposal. Drums will be stored in an organized manner with the bungs at the 9 o'clock and 3 o'clock positions. Drums will be stood upright 1 to 2 days prior to use to allow any contaminants to settle. All empty fuel drums and waste fuel drums will be backhauled to Rankin Inlet for cleaning and storage/disposal on an ongoing basis.

Propane will be stored in 100-pound (lb) cylinders equipped with pressure relief valves Propane cylinders will be equipped with a pressure release valve that opens and closes to prevent a buildup of excessive internal pressure. Labels, showing data such as date of manufacture and re-testing dates, will be applied to the collar of the cylinders. Propane is non-toxic and will not contaminate soil, however secondary containment berms will be used for storage as a precaution. All propane cylinders will be secured for safety and stored away from any sources of ignition.

All fuels (as well as any other hazardous materials) will be stored within “Arctic Insta-Berms”, or similar products, for secondary containment. These types of berms utilize chemical and fire-resistant fabric (generally polyurethane coated nylon or vinyl coated polyester material) designed for extreme arctic temperatures and puncture resistance. “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.

All fuel use, storage and transfer areas will be located a minimum distance of 31 m from the normal high-water mark of any water body. Spill kits and firefighting equipment will be strategically located near where any fuel (and any other hazardous materials) is used, stored or transferred, including drill sites, remote fuel caches and in the helicopter(s).

# 4 Fuel Transportation and Transfer

Drilling equipment and fuel will be mobilized to the Project in February from Rankin Inlet either via the Kahuna Winter Trail, using Caterpillar Challengers and cargo sleds or by helicopter. If any additional fuel is required in the summer, it will be mobilized to the Solstice Camp by charter flight or helicopter from Chesterfield Inlet or Rankin Inlet. Fuel will then be transported to caches or drill sites by overland haul using a Caterpillar Challenger with skids (as ground conditions allow) in winter and slung by helicopter in the summer. All drums will be inspected for leaks and defects prior to and after any transport. Empty drums will be removed from drill sites and remote temporary fuel caches and returned to the main Solstice cache for proper disposal.

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 drill sites and other refueling stations. Proper grounding procedures will always be used during fuel transfer while using an electric pump. Cigarette smoking, sparks, open flames, and any potential ignition sources are prohibited within 100 m of any fuel storage site and at all times during fuel transfer.

When transferring fuel, the drum will be stood upright and blocked with the high side at 12 o’clock, the bung at 3 o’clock, and the vent at 9 o’clock to prevent water or dirty fuel from reaching the openings. The standpipe will be placed in a manner so that it will not be able to reach the lowest point in the drum, thus ensuring any contaminants will remain in the drum.

Any personnel who are required to handle or store fuel will receive appropriate training, including instruction in the operation and maintenance of fuel transfer and storage equipment. All on-site personnel will receive training as outlined in the Kahuna Gold Property “*Spill Prevention and Response Plan*”.

Regulations outlined in the *Transportation of Dangerous Goods Act*, and other relevant legislation, will be observed at all times during transport of fuel (and any other hazardous materials), including preparation of shipping logs and documents for carriers.

# 5 Signs, Labels, and Inspections

All drummed fuel 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 fuel storage or transfer site. "No Smoking" signs will be posted at fuel caches, fuel transfer areas and drill sites.

Monitoring of drums, fuel transfer equipment, and secondary containment will be ongoing during the exploration program. Regular inspections of the main fuel cache will be conducted to identify any damaged or leaking containers, and the findings reported in the Fuel Inspection Records. Inspections will be conducted each time a remote fuel cache is accessed, or hazardous material used at the drill, to identify any damaged or leaking containers, and the findings reported in a fuel inspection record/log. Any damage discovered, which has not yet caused a leak will also be recorded. Any leaks or spills will be reported and contained as outlined in the Kahuna Gold Property "*Spill Prevention and Response Plan*".

The Solstice Project Field Supervisor is responsible for overseeing the monitoring and inspection program and keeping a detailed inventory of all Solstice fuel (and any other hazardous materials) at the Solstice main fuel cache, remote caches, and drill sites.

# 6 Spill Kits

Spill kits will be located at the drill site and fuel caches. See the Kahuna Property "*Spill Prevention and Response Plan*" for further details regarding spill kits, spill response and reporting procedures.

# 7 Applicable Legislation and Guidelines

Acts, regulations, and guidelines that apply to the storage, handling, and transport of fuel include, but are not limited to:

## 7.1 Federal

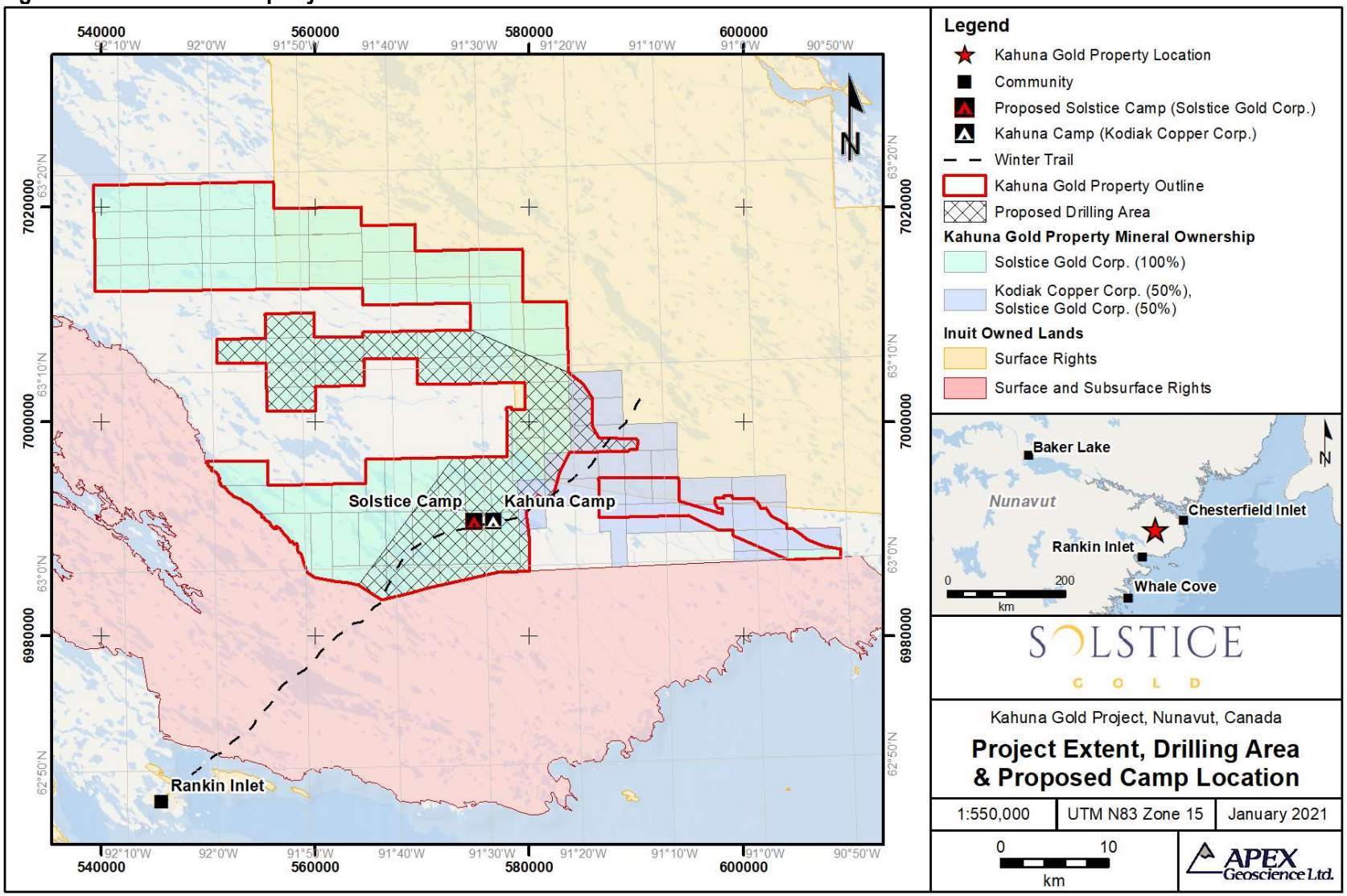
- Canadian Centre for Occupational Health and Safety Act
- Hazardous Products Act
- Canadian Environmental Protection Act
- Fisheries Act
- Nunavut Waters and Nunavut Surface Rights Tribunal Act

- Transportation of Dangerous Goods Act
- National Fire Code of Canada
- Northern Land Use Guidelines
- Workplace Hazardous Materials Information System
- CCME Environmental Codes of Practice for Aboveground and Underground Storage Tank Systems Containing Petroleum and Allied Petroleum Products
- Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations
- Guidelines for Spill Contingency Planning

## 7.2 Territorial

- Fire Prevention Act
- Environmental Protection Act
- Mine Health and Safety Act and Regulations
- Safety Act
- Nunavut Occupational Health and Safety Regulations
- Environmental Guideline for the General Management of Hazardous Waste
- Contingency planning and spill reporting in Nunavut
- A Guide to Spill Contingency Planning & Reporting

**Figure 1. Kahuna Gold Property Location**



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