

Form 51-102F3

Material Change Report

Item 1 **Name and Address of Reporting Issuer**

Solstice Gold Corp.
Suite 550 – 800 West Pender Street
Vancouver, British Columbia
V6C 2V6

Item 2 **Date of Material Change**

October 4, 2021

Item 3 **News Release**

A news release dated October 5, 2021 was disseminated through Globe Newswire and filed with the applicable securities regulatory authorities.

Item 4 **Summary of Material Change**

On October 5, 2021, Solstice Gold Corp. (the “**Company**”) announced that it completed the acquisition of the portfolio of 86 royalty and project interests (the “**Portfolio**”) announced on September 15, 2021 (the “**Transaction**”). The Portfolio was acquired from Perry English through his company 1544230 Ontario Inc., along with his business partner Gravel Ridge Resources Ltd. and its principals for a cash purchase price of C\$3.8 million and 400,000 common shares of Solstice (“**Shares**”). The purchase price was reduced by \$198,750, comprising cash payments received from third party option agreements due to Solstice at the closing of the Transaction for a net purchase price of \$3.6MM.

In addition, the Company announced that, further to the Company’s news release dated September 15, 2021, the Company has closed its non-brokered private placement financing for total proceeds of \$2,500,000 (the “**Private Placement**”). Newly appointed Director Mike Timmins (“**Timmins**”) subscribed for \$100,000 (1,000,000 shares) of the Private Placement through his holding company, Pumpkin Mining Corporation.

In addition, as announced on September 15, 2021, certain directors of the Company (“**Directors**”) (being Kevin Reid, Michael Gentile and Blair Schultz) have completed the early exercise of their warrants for total proceeds of approximately \$1,640,000 (collectively, the “**Warrant Exercises**”).

Item 5 **Full Description of Material Change**

On October 5, 2021, the Company announced that it completed the Transaction. The Portfolio was acquired from Perry English through his company 1544230 Ontario Inc., along with his business partner Gravel Ridge Resources Ltd. and its principals for a cash purchase price of C\$3.8 million and 400,000 Shares of Solstice. The purchase price was reduced by \$198,750, comprising cash payments

received from third party option agreements due to Solstice at the closing of the Transaction for a net purchase price of \$3.6MM.

In addition, the Company announced that, further to the Company's news release dated September 15, 2021, the Company has closed its Private Placement. Newly appointed Director Timimns subscribed for \$100,000 (1,000,000 shares) of the Private Placement through his holding company, Pumpkin Mining Corporation.

In addition, as announced on September 15, 2021, certain directors (being Kevin Reid, Michael Gentile and Blair Schultz) have completed the Warrant Exercises. Directors and management now collectively own approximately 40% of the issued and outstanding shares of the Company.

Closing of Financing

The Private Placement consisted of the issuance by the Company of a total of 25,000,000 Shares, at a price of at \$0.10 per Share. All Shares issued pursuant to the Private Placement are subject to a four month hold period expiring on February 5, 2022 in accordance with applicable Canadian securities laws and are also subject to the Exchange Hold Period (as defined by the TSX Venture Exchange ("TSXV") rules and policies) and have been legended accordingly.

The proceeds from the Private Placement were used exclusively to complete the Transaction.

In connection with the Private Placement, Dave Fischer, Chief Financial Officer of the Company, subscribed for 150,000 Shares for a total purchase price of \$15,000. The issuance of Shares to Mr. Fischer and to Pumpkin Mining Corporation pursuant to the Private Placement constitutes a "related party transaction" within the meaning of Policy 5.9 of the TSXV and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as a result of Mr. Fischer being a senior officer of the Company and Mr. Timmins being a director of the Company and the sole shareholder of Pumpkin Mining Corporation. The Company is relying on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 (as a result of its Shares being listed on the TSXV) and the exemption from the minority approval requirement in section 5.7(1)(b) of MI 61-101 (as neither the fair market value of Shares purchased, nor the consideration paid, by Mr. Fischer and Pumpkin Mining Corporation has exceeded \$2,500,000).

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) A description of the Private Placement and its material terms

See above at Items 4 and 5.

(b) The purpose and business reasons for the Private Placement

As announced on October 5, 2021, the Company utilized the entirety of the proceeds from the Private Placement to complete the Transaction.

(c) The anticipated effect of the Private Placement on the Company's business and affairs

See Item (b) above.

(d) A description of:

i. The interest in the Private Placement of every interested party and of the related parties and associated entities of the interested parties:

See Item 5 above.

ii. The anticipated effect of the Private Placement on the percentage of securities of the Company, or of an affiliated entity of the Company, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:

Immediately prior to the closing of the Private Placement, the completion of the Warrant Exercises and the closing of the Transaction, (a) Timmins, directly and indirectly through Pumpkin Mining, a private company controlled by Timmins, did not hold any Shares and Pumpkin Mining did not hold any convertible securities of the Company; (b) assuming the exercise in full of all of the convertible securities of the Company held by Timmins directly, Timmins would have held 1,000,000 Shares, representing approximately 0.99% of the then total issued and outstanding Shares on a partially-diluted basis; (c) Fischer directly held 250,000 Shares, representing approximately 0.25% of the then total issued and outstanding Shares on a non-diluted basis; and (d) assuming the exercise in full of all of the convertible securities of the Company held by Fischer, Fischer would have held 1,150,000 Shares, representing approximately 1.14% of the then total issued and outstanding Shares on a partially-diluted basis.

Immediately following the closing of the Private Placement, the completion of the Warrant Exercises and the closing of the Transaction, and as at the date of this Material Change Report, (a) Timmins, indirectly through Pumpkin Mining, holds 1,000,000 Shares, representing approximately 0.66% of the total issued and outstanding Shares on a non-diluted basis; and (b) assuming the exercise in full of all of the convertible securities of the Company held by Timmins directly, Timmins would hold, directly and indirectly through Pumpkin Mining, 2,000,000 Shares, representing approximately 1.30% of the total issued and outstanding Shares on a partially-diluted basis; (c) Fischer directly holds 400,000 Shares, representing approximately 0.26% of the total issued and outstanding Shares on a non-diluted basis; and (d) assuming the exercise in full of all of the convertible securities of the Company held by Fischer, Fischer would hold 1,300,000 Shares, representing approximately

0.85% of the total issued and outstanding Shares on a partially-diluted basis.

- (e) Unless this information will be included in another disclosure document for the Private Placement, a discussion of the review and approval process adopted by the Directors and the special committee, if any, of the Company for the Private Placement, including a discussion of any materially contrary view or abstention by a Director and any material disagreement between the Directors and the special committee**

A written consent resolution of the Directors was passed in accordance with the *Business Corporations Act* (British Columbia) approving the Private Placement and all transactions contemplated thereunder. No special committee was established in connection with the Private Placement and no materially contrary view or abstention was expressed or made by any Director.

- (f) A summary, in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the Private Placement, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the Private Placement**

N/A

- (g) Disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the Company that relates to the subject matter of or is otherwise relevant to the Private Placement: (i) that has been made in 24 months before the date of the material change report, and (ii) the existence of which is known, after reasonable inquiry, to the Company or to any director or senior officer of the Company.**

Neither the Company nor any director or executive officer of the Company, after reasonable inquiry, has knowledge of any “prior valuation” (as defined in MI 61-101) in respect of the Company that has been made in the 24 months prior to the date of this Material Change Report.

- (h) The general nature and material terms of any agreement entered into by the Company or a related party of the Company, with an interested party or a joint actor with an interested party, in connection with the Private Placement**

Other than the subscription agreements which Pumpkin Mining and Fischer entered into with the Company to purchase Shares, respectively, pursuant to the Private Placement, the Company has not entered into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement. To the Company’s knowledge, no related party of the Company entered into any agreement with an interested party or a joint actor with an interested party in connection with the Private Placement.

(i) Disclosure of the formal valuation and minority approval exemptions, if any, on which the Company is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions

The Company relied on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 as its Shares are listed on the TSXV.

The Company also relied on the exemption from the minority approval requirement in section 5.7(1)(b) of MI 61-101 as neither the fair market value of the Shares which distributed to, nor the consideration paid by, Pumpkin Mining and Fischer exceeded \$2,500,000.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

N/A

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

David Fischer, CFO
Telephone: 604-351-7181

Item 9 Date of Report

This material change report is dated October 12, 2021.