

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Solstice Gold Corp. (the “**Company**”)
Suite 550, 800 West Pender Street
Vancouver, British Columbia V6C 2V6

Item 2. Date of Material Change

August 30, 2022

Item 3. News Release

A news release dated August 30, 2022 was disseminated through Globe Newswire and filed with the applicable securities regulatory authorities.

Item 4. Summary of Material Change

The Company has closed its previously announced private placement for gross proceeds of \$2,707,474.42.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Closing of Private Placement

On August 30, 2022, the Company announced it has closed its non-brokered private placement (the “**Private Placement**”) of: (i) 12,766,667 units (each, a “**HD Unit**”) at a price of \$0.12 per HD Unit, each comprised of one common share of the Company (each, a “**Common Share**”) and one warrant (each, a “**Warrant**”) exercisable for one Common Share at \$0.17 for 18 months from August 30, 2022; and (ii) 8,707,216 units (each, a “**NFT Unit**”) at a price of \$0.135 per NFT Unit, each comprised of one Common Share qualifying as a flow-through share (each, a “**FT Share**”) for purposes of the *Income Tax Act* (Canada) (the “**ITA**”) and a half Warrant on the same terms as the Warrants in the HD Units for a total consideration of \$2,707,474.42, representing an upside from its previously announced \$1.1M anticipated gross proceeds of the Private Placement.

The Warrants contain a term that the holder or persons acting jointly or in concert with the holder may not exercise the Warrants if such exercise would result in the holder exercising control or direction of 20% or more of the issued and outstanding Common Shares.

Disclosure Required by MI 61-101

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

(a) a description of the transaction and its material terms:

Insiders of the Company subscribed for an aggregate of 11,044,167 HD Units and 2,285,184 NFT Units representing approximately \$1.63 million of the gross proceeds of the Private Placement.

The issuances of HD Units and NFT Units to insiders under the Private Placement are considered related party transactions within the meaning of TSX Venture Exchange (“**TSXV**”) Policy 5.9 and MI 61-101.

(b) the purpose and business reasons for the transaction:

The Company intends to use the proceeds from: (i) the HD Units for general corporate purposes and working capital; (ii) the FT Shares comprised in the NFT Units to fund exploration programs qualifying as “Canadian Exploration Expenses” and “flow-through mining expenditures” (as those terms are defined in the ITA) at the Company’s exploration projects in Ontario; and (iii) the Warrants comprised in both the HD Units and the NFT Units for general corporate purposes and working capital.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

The anticipated effect of the insiders’ participation in the Private Placement is that the Company will have additional proceeds to use for its ongoing business and affairs (as explained in above).

(d) a description of:

(1) the interest in the transaction of every interested party and of the Related Party and associated entities of the interested parties:

See Schedule “A” attached hereto.

(2) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

See Schedule “A” attached hereto.

The insiders who participated in the Private Placement are directors of the Company including Michael Gentile, Blair Schultz, Kevin Reid, David Adamson and Michael Timmins. The insider’s participation did not materially change the percentage of the issued

and outstanding Common Shares held by each director, except for Kevin Reid.

Prior to the Private Placement, Mr. Reid directly and indirectly held 22,109,666 Common Shares representing 13.5% of the issued and outstanding Common Shares. Following the completion of the Private Placement, Mr. Reid has control and direction over an aggregate of 30,653,833 Common Shares and 8,544,167 Warrants, representing 16.5% of the issued and outstanding Common Shares, 57.7% of the issued and outstanding Warrants and 20.17% of the issued and outstanding Common Shares if the Warrants issued to Mr. Reid were exercised. Mr. Reid will resign from the Board of Directors effective September 30, 2022.

- (e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:**

The board of directors of the Company unanimously approved the Private Placement and there were no materially contrary view or disagreements in connection with the insiders' participation in the Private Placement.

- (f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, 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 transaction:**

The Company relied on exemptions from the formal valuation requirement under section 5.5(b) of MI 61-101 (Company not listed on Specified Markets) as the Common Shares are listed on the TSXV.

- (g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (a) that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (b) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

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

The insiders provided or caused to be provided to the Company completed documents required pursuant to the Private Placement. Each insider entered into a subscription agreement and was issued a warrant certificate.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer 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 exemptions from the formal valuation requirement under section 5.5(b) of MI 61-101 (Company not listed on Specified Markets) as the Common Shares are listed on the TSXV and the exemption from the majority of minority approval requirement under section 5.7(1)(a) of MI 61-101 based on a determination that the fair market value of the HD Units and NFT Units acquired by insiders under the Private Placement did not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The participants in the Private Placement and the extent of their participation were not finalized until shortly prior to the completion of the Private Placement. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Private Placement pursuant to a material change report filed at least 21 days prior to the completion of the Private Placement.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officers

David Fischer, Chief Financial Officer
Telephone: 604-622-5040

Item 9. Date of Report

September 6, 2022.

SCHEDULE “A”

Name and Position	Aggregate No. of Units Acquired during the Private Placement ¹	Aggregate Price Paid for Units Acquired during the Private Placement	No. of Securities Held Prior to the Private Placement		Percentage of Issued and Outstanding Securities Prior to the Private Placement		No. of Securities Held After the Private Placement		Percentage of Issued and Outstanding Securities After the Private Placement	
			Undiluted	Diluted ²	Undiluted ³	Diluted ⁴	Undiluted	Diluted	Undiluted ⁵	Diluted ⁶
Michael Gentile	1,250,000	\$ 150,000.00	22,109,666	22,109,666	13.5%	13.5%	23,359,666	24,609,666	12.6%	13.2%
Blair Schultz	2,350,000	\$ 298,500.00	10,756,500	10,756,500	6.5%	6.5%	13,106,500	14,906,500	7.1%	7.9%
Kevin Reid	8,544,167	\$ 1,025,300.04	22,109,666	22,109,666	13.5%	13.5%	30,653,833	39,198,000	16.5%	20.2%
David Adamson	740,740	\$ 99,999.90	4,840,167	8,840,167	2.9%	5.3%	5,580,907	9,951,277	3.0%	5.2%
Mike Timmins	444,444	\$ 60,000.00	2,509,787	4,709,787	1.5%	2.8%	2,954,231	5,376,453	1.6%	2.9%

¹ The aggregate number of units includes the subscription for HD Units and NFT Units combined.

² The diluted number includes the issued and outstanding Common Shares and convertible securities such as warrants and stock options held by the insider prior to the Private Placement.

³ The undiluted percentage is based on 164,275,679 as the total issued and outstanding Common Shares of the Company prior to the Private Placement.

⁴ The diluted percentage is calculated on a partially-diluted basis. For each insider, the denominator used is comprised of: (i) the issued and outstanding Common Shares of the Company prior to the Private Placement; and (ii) if applicable, the Common Shares exercisable upon the conversion of the convertible securities held by such insider.

⁵ Based on 185,749,562 issued and outstanding Common Shares of the Company after the Private Placement.

⁶ The diluted percentage is calculated on a partially-diluted basis. For each insider, the denominator used is comprised of: (i) the issued and outstanding Common Shares of the Company after the Private Placement; (ii) the Common Shares exercisable upon the conversion of the Warrants issued pursuant to the Private Placement held by such insider; and (iii) if applicable, the Common Shares exercisable upon the conversion of the convertible securities held by such insider prior to the Private Placement.