

SOLSTICE GOLD CORP.
Condensed Interim Financial Statements

Three Months Ended September 30, 2024
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim consolidated financial statements, they must be accompanied by a notice indicating that these condensed interim consolidated financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The attached condensed interim consolidated financial statements for the three months ended September 30, 2024 have not been reviewed by the Company's auditors.

SOLSTICE GOLD CORP.

Statements of Financial Position
(Expressed in Canadian Dollars)

	<i>Notes</i>	September 30, 2024		June 30, 2024	
ASSETS					
Cash		\$	308,264	\$	378,668
Amounts receivable			500		9,898
Prepaid expenses			18,082		24,492
Marketable securities	<i>11</i>		4,000		143,590
			330,846		556,648
Total Assets		\$	330,846	\$	556,648
LIABILITIES					
Accounts payable and accrued liabilities		\$	69,132	\$	118,316
Flow through share premium liability	<i>12</i>		-		17,162
Current liabilities			69,132		135,478
CEBA Loan	<i>4</i>		60,254		60,000
Total liabilities		\$	129,386	\$	195,478
SHAREHOLDERS' EQUITY					
Share capital	<i>6</i>	\$	26,540,523	\$	26,521,773
Reserves	<i>6</i>		3,721,017		3,714,408
Accumulated other comprehensive (loss)			(503,384)		(375,637)
Deficit			(29,556,696)		(29,499,374)
Total shareholders' equity			201,460		361,170
Total Liabilities and Shareholders' Equity		\$	330,846	\$	556,648

Going concern (Note 1)

Subsequent event (Note 13)

Approved and authorized by the Board on November 28, 2024

"David Adamson"

David Adamson

"Blair Schultz"

Blair Schultz

The accompanying Notes are an integral part of these financial statements

SOLSTICE GOLD CORP.

Statements of Comprehensive Loss

(Expressed in Canadian Dollars)

	<i>Notes</i>	Three Months ended September 30, 2024	Three Months ended September 30, 2023
EXPENSES			
Consulting fees	\$	10,500	\$ 22,500
Insurance		6,410	8,239
Salaries	7	64,191	120,742
Marketing expenses		611	6,952
Office expenses		4,242	6,751
Professional fees		25,388	34,333
Share-based compensation	6d, 7	6,609	35,955
Transfer agent and filing fees		3,804	13,654
Exploration expenditures	5,13	(42,653)	117,299
		(79,102)	(366,425)
OTHER INCOME			
Income on renunciation of flow through premium		17,162	16,843
Interest income		4,618	10,599
Loss before income taxes		21,780	27,442
Loss for the period	\$	(57,322)	\$ (338,983)
Other comprehensive loss			
Change in value of marketable securities	11	(127,747)	(107,402)
Comprehensive loss for the period		(185,069)	(446,385)
Basic and fully diluted loss per share	\$	(0.00)	\$ (0.00)
Weighted average number of shares outstanding - basic and fully diluted		200,810,975	194,128,910

The accompanying Notes are an integral part of these financial statements

SOLSTICE GOLD CORP.

Statements of Cash Flows

(Expressed in Canadian Dollars)

	<i>Notes</i>	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss for the period	\$	(57,322)	\$ (338,983)
Items not involving cash:			
Share-based compensation		6,608	35,955
Flow through premium liability		(17,162)	(16,843)
Shares issued for mineral property		18,750	-
Net changes in non-cash working capital items			
Amounts receivable		9,398	(11,796)
Prepaid expenses		6,410	8,239
Accounts payable and accrued liabilities		(48,929)	71,802
Net cash used in operating activities		(82,247)	(251,626)
CASH FLOWS FROM INVESTING ACTIVITY			
Proceeds from sale of marketable securities		11,843	19,772
Net cash used in investing activities		11,843	19,772
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issuance		-	563,323
Share issuance costs		-	(33,429)
Net cash provided by financing activities		-	529,894
Change in cash during the period		(70,404)	298,040
Cash, beginning of year		378,668	578,149
Cash, end of period	\$	308,264	\$ 876,189

The accompanying Notes are an integral part of these financial statements

SOLSTICE GOLD CORP.

Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	<i>Notes</i>	Share Capital		Reserves	AOCI	Deficit	Total
		Number	Amount				
Balance at June 30, 2023		187,199,562	26,095,903	3,702,421	(186,914)	(28,612,893)	999,517
Shares issued in private placement		3,028,500	105,997	-	-	-	105,597
Flow through shares issued in private placement		9,741,500	457,325	-	-	-	457,325
Flow through shares premium		-	(125,822)	-	-	-	(125,822)
Share issue costs		-	(25,962)	-	-	-	(25,962)
Share based compensation		-	-	35,955	-	-	35,955
Fair value adjustment on marketable securities		-	-	-	(107,402)	-	(107,402)
Net loss for the period		-	-	-	-	(338,983)	(338,983)
Balance at September 30, 2023		199,699,562	\$ 26,507,441	\$ 3,738,376	\$ (293,316)	\$ (28,951,876)	\$ 1,000,625
Balance at June 30, 2024		200,199,562	26,521,773	3,714,408	(375,637)	(29,499,374)	361,170
Share based compensation		-	-	6,609	-	-	6,609
Shares issued for mineral property		750,000	18,750	-	-	-	18,750
Fair value adjustment on marketable securities		-	-	-	(127,747)	-	(127,747)
Net loss for the period		-	-	-	-	(57,322)	(57,322)
Balance at September 30, 2024		200,949,562	26,540,523	3,721,017	(503,384)	(29,556,696)	201,460

The accompanying Notes are an integral part of these financial statements

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Solstice Gold Corp, (“Solstice” or the “Company”) was incorporated in the Province of British Columbia on June 8, 2017. The Company’s registered and records office is located at Suite 1600 925 West Georgia Street Vancouver BC V6C 3L2. The Company is carrying out exploration of mineral resource properties in Ontario and Nunavut, Canada. In addition the Company acquired a portfolio of Optioned property during the current year that the Company receives periodic payments on and maintains a number of existing and future net smelter royalties on these properties.

On May 14, 2018, Solstice began trading on the TSX Venture Exchange under the symbol “SGC”.

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to meet its obligations. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. At September 30, 2024, the Company had no source of operating revenues, had not yet achieved profitable operations, and expects to incur further losses in the development of its business. All of these matters cast significant doubt about the Company’s ability to continue as a going concern.

2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements for the three months ended September 30, 2024 were prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations (“IFRIC”) in effect at September 30, 2024. The Company has elected to present the statements of operations and comprehensive loss in a single statement.

The condensed interim financial statements of the Company for the three months ended September 30, 2024 have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 28, 2024.

Basis of measurement

These unaudited condensed interim financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value and have been prepared using the accrual basis of accounting except for cash flow information. The condensed interim statement of cash flows shows the changes in cash arising during the period from operating activities, investing activities and financing activities.

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)*

The cash flows from operating activities are determined by using the indirect method. Net loss is therefore adjusted by non-cash items, such as deferred tax expenses (recoveries), stock-based compensation, write-down of exploration and evaluation assets, flow-through share premium, as well as changes from amounts receivable, prepaid expenses, and accounts payable and accrued liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. The cash flows from investing and financing activities are determined by using the direct method.

Critical judgments in applying accounting policies

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim financial statements and reported amounts of expenses during the year. Actual results could differ from these estimates.

These condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments

The preparation of these condensed interim financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these condensed interim financial statements are consistent with those applied and disclosed in the Company's audited financial statements for the year ended June 30, 2024.

New standards, interpretations and amendments

The Company monitors guidance for new standards, interpretations and amendments, which have been applied in these financial statements.

There were no new material standards adopted by the Company in the current period.

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

4. CEBA LOAN

The Canada Emergency Business Account (“CEBA”) Loan is an interest free loan to assist with cash flow needs and is provided by the Government of Canada. If this loan was repaid in full by January 18, 2024, 33% of the amount loaned under CEBA is forgiven. The CEBA loan is non-interest bearing and is unsecured. The Company did not repay the loan and revalued it after the January 18, 2024 due date resulting in other expense of \$20,000 related to the government grant benefits previously recognized. 5% interest per annum is now paid on the loan. The full principal amount of \$60,000 is now due on December 31, 2026.

5. EXPLORATION AND EVALUATION ASSETS

Qaiqtuq Gold Project (Qaiqtuq, formerly KGP or Kahuna)

Pursuant to a Plan of Arrangement, Kodiak Copper Corp. (“Kodiak”) and the Company entered into the Kahuna Property (“KGP”) Land Transfer and Rights Agreement which set out the terms to which Kodiak transferred a 100% interest in various mineral claims located in Nunavut, Canada to the Company.

Solstice has exclusive Secondary Rights on an additional land held as primary development rights by Kodiak. Primary Rights include all mineral rights for non-diamond and gemstones excluding any minerals found in kimberlite.

Red Lake Extension Project

On February 2, 2021 the Company announced that it had entered into an option agreement to acquire a 100% interest in the Red Lake Extension project (“RLX”, or the “Project”) consisting of various claims located in the northern part of the Red Lake Gold District.

The terms of the original transaction were cash payments totaling \$106,000 over three years and 600,000 common shares of the Company that are to be issued in two stages. The vendor maintained a 1.5% net smelter returns royalty (“NSR”) that could be reduced to 0.5% for combined payments of \$1,500,000 at any time prior to commercial production. The Company made the first installment under this agreement by issuing 300,000 common shares and paying \$22,000 on execution of the agreement. The remaining obligations as well as the NSR were cancelled as part of the Property and Royalty Portfolio Acquisition disclosed below. No future option payments are required.

On March 16, 2021, the Company acquired additional claims through staking.

On April 13, 2021, the Company acquired through staking additional claims comprising three new projects; Taillon, Moreau and Berens (the New Projects), in proximity to the RLX project. These additional claims have now been allowed to lapse.

Property and Royalty Portfolio

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Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Property Portfolio Acquisition

On October 5, 2021, the Company completed the acquisition of a portfolio of royalty and property interests from a group of arm's length vendors, for a cash purchase price of \$3.8 million and issuance of 400,000 common shares of the Company valued at \$68,000.

Key highlights are summarized below:

Acquisition Details

- The portfolio consisted of royalty and property interests in 86 projects, including:
- 45 projects that were under option to third parties as at the acquisition date, of which 42 included provision for NSR interests (subject to exercise of the options)
- 10 stand-alone NSR royalty interests
- 30 additional 100% owned properties available for option or sale
- Buyout of our RLX project option agreement including its NSR royalty.

During the three months ended September 30, 2024 the Company recognized recoveries of \$30,000 (2023-\$157,875) from payments in cash from an optionee on these properties.

Atikokan Gold Project

On January 7, 2022, the Company closed the acquisition and option of certain properties in the Hammond Gold Camp of Ontario. The project is known as our Atikokan Gold Project.

The acquisitions consist of (i) a Property Sale Agreement dated December 10, 2021 (the "Property Purchase Agreement") to purchase a 50% interest in certain mining claims known as the Jackpine Project ("Jackpine"); and (ii) an Option Agreement dated December 10, 2021 (the "Option Agreement" and collectively with the Property Purchase Agreement, the "Agreements") to purchase an option to acquire a 100% interest in certain mining claims contiguous to Jackpine known as the Nights Sky Project ("Nights Sky" and collectively with Jackpine, the "Claims").

Pursuant to the Property Purchase Agreement, in consideration for Jackpine, Solstice has issued 400,000 common shares (the "Jackpine Payment Shares") and agreed to grant a 1.25% NSR royalty on Jackpine of 0.75% of which may be repurchased by Solstice for \$500,000 at any time prior to the commencement of commercial production on Jackpine.

Solstice now owns a 100% interest in Jackpine.

On September 13, 2022 the Company terminated the Nights Sky Option agreement. The property was returned in good standing and the Company will have no future obligations related to Nights Sky.

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Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Raven-Furniss Project

On May 31, 2022 the Company entered into an option agreement to acquire a 100% interest in certain mining claims known as the Raven-Furniss project.

In consideration for the grant of the option, Solstice agreed to pay the Optionors \$24,200 in cash (paid) and issue 450,000 common shares (issued). During the year ended June 30, 2023, the property was returned to the vendor.

Stewart Lake Property

On February 22, 2023 the Company entered into an option agreement to acquire a 100% interest in various mineral claims in the Stewart Lake area of Ontario referred to as the Stewart Lake Project (“SLP”).

In consideration for the grant of the option, the Company has paid \$15,000 in cash and issued 750,000 common shares with a fair value of \$56,250. To fully exercise the option, the Company must conduct exploration expenditures on the claims and make payments according to the following: (i) a minimum of \$25,000 in exploration spending by the first anniversary of the option agreement (completed); (ii) a minimum of \$50,000 in exploration spending by the second anniversary of the option agreement; and (iii) a minimum of \$75,000 in exploration spending by the third anniversary of the option agreement. Upon exercise of the option, the Company must make a final payment of \$75,000 cash and will grant a 1% net smelter returns royalty on the claims.

Numerous claims were staked around the originally optioned claims to expand the SLP to an area of 268 km².

Church and Purdom Properties

On August 22, 2023, the Company established a land position for the purpose of lithium pegmatite exploration located in the Frazer Lake area in NW Ontario. The acquisitions comprise a southern staked area referred to as the Church Lake Project and an option to acquire 100% of the Purdom Project.

Solstice entered into an option agreement dated August 21, 2023 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. to acquire a 100% interest in the Purdom project in Ontario. In consideration for the grant of the option, Solstice paid \$21,000 and issued 300,000 common shares with a fair value of \$10,500. To exercise the option, the Company must conduct exploration expenditures on the claims comprising the Purdom Project and make payments according to the following:

- a payment of \$25,000 cash by the first anniversary of the option agreement;
- a payment of \$30,000 cash by the second anniversary of the option agreement;
- a payment of \$34,000 cash by the third anniversary of the option agreement;
- a minimum of \$30,000 in exploration work within the first anniversary of the option agreement.

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Upon exercise of the option, the optionors will retain a 1.5% NSR on the Property. The NSR includes a 0.75% buyback for \$900,000.

The Purdom Property was subsequently dropped and the \$25,000 First Anniversary payment was not paid.

In July of 2024, the Company received \$137,820 (including HST of \$15,855) in connection with a purchase and sale agreement and a services agreement related to the Church Property.

Strathy Gold Project

The Company entered into an option agreement dated June 1, 2024 with 1544230 Ontario Inc. and Gravel Ridge Resources Ltd. to purchase the option to acquire a 100% interest in the Strathy Gold Project located in Ontario.

In consideration for the grant of the option, Solstice paid \$37,000 cash and issued 750,000 with a fair value of \$18,750 (issued July 2024) common shares to the optionors. To exercise the option the Company must make the following payments:

- (i) a payment of \$25,000 cash by the first anniversary of the option agreement.
- (ii) a payment of \$25,000 cash by the second anniversary of the option agreement.
- (iii) a payment of \$35,000 cash by the third anniversary of the option agreement.

Upon exercise of the option, the optionors will retain a 1% net smelter royalty ("NSR") on the various claims referred to as the "Youngs" claims in the option agreement, 0.5% of which is buyable for \$600,000. A separate 1% NSR on the Youngs claims is held by a third party, 0.5% of which is buyable for \$500,000, and the second 0.5% of which is buyable for \$800,000. The optionors will retain a 2% NSR on the remaining claims, of which 1% is buyable for \$1,000,000.

Kamuck Lithium Project

On November 1, 2023 the Company entered into an option agreement to acquire a 100% interest in the Kamuck property located in Ontario.

In consideration for the grant of the Option, Solstice has paid \$10,000 in cash, and has issued 200,000 common shares to the Optionors with a fair value of \$8,000. To exercise the Option, the Company must make payments according to the following: (i) a payment of \$14,000 cash by the first anniversary of the Option Agreement; (ii) a payment of \$20,000 cash by the second anniversary of the Option Agreement; and (iii) a payment of \$28,000 cash by the third anniversary of the Option Agreement. Upon exercise of the Option, the Optionors will retain a 1.5% net smelter return (the "NSR") on the Kamuck Project. The NSR includes a 0.5% buyback for \$500,000.

The Kamuck Property was subsequently dropped and the \$14,000 First Anniversary payment was not paid.

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Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Pakeagama Lithium Project**

The Company holds a 100% interest in the Pakeagama project located in Ontario, which was acquired as part of the royalty portfolio purchase in 2021.

In April 2023, Musk Metals terminated the option agreement with Solstice on the Pakeagama Property. The Company subsequently explored the Property to get enough assessment credits to keep it in good standing in the Company's name until March 2025.

Summary of the mineral project costs for the three months ended September 30, 2024:

For the three months ended September 30, 2024	Quatquq Gold Project	Red Lake Extension Property	Property Portfolio Acquisition	Atikokan Project	Strathy Gold Project	Stewart Lake Project	Church & Purdom Project	Total
Acquisition Costs	\$ -	\$ -	\$ -	\$ -	\$ 18,750	\$ -	\$ -	\$ 18,750
Staking and property maintenance costs	982	-	-	-	-	-	-	982
Geological consulting and assays	-	2,448	18,750	8,306	52,578	306	-	82,388
Exploration support	1,600	592	-	-	3,500	-	-	5,692
Fuel	1,500	-	-	-	-	-	-	1,500
Total Expenditures	4,082	3,040	18,750	8,306	74,828	306	-	109,312
Recoveries	-	-	(30,000)	-	-	-	(121,965)	(151,965)
Net Exploration Expenditures	\$ 4,082	\$3,040	\$ (11,250)	\$ 8,306	\$ 74,828	\$ 306	\$ (121,965)	\$ (42,653)

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Summary of the mineral project exploration expenses for the three months ended as at September 30, 2023:

For the three months ended September 30, 2023	Quatquq Gold Project	Red Lake Extension Property	Property Portfolio Acquisition	Atikokan Project	Stewart Lake Project	Church & Purdom Project	Total
Acquisition Costs	\$ -	\$ 13,050	\$ 21,000	\$ -	\$ 17,300	\$ -	\$ 51,350
Staking and property maintenance costs	-	-	-	-	10,519	-	10,519
Geological consulting and assays	-	28,078	22,500	40,125	37,052	27,000	154,756
Exploration support	-	15,898	-	-	26,631	2,794	45,323
Fuel	2,000	-	-	-	258	-	2,258
Travel	-	1,093	-	-	5,837	4,038	10,968
Total Expenditures	2,000	58,119	43,500	40,125	97,599	33,832	275,174
Recoveries	-	-	(157,875)	-	-	-	(157,875)
Net Exploration Expenditures	\$ 2,000	\$58,119	\$ (114,375)	\$40,125	\$ 97,599	\$ 33,832	\$ 117,299

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL**a. Authorized and outstanding**

The Company is authorized to issue an unlimited number of common shares. At September 30, 2024, there are 200,949,562 common shares outstanding for a share capital amount of \$26,540,523 (2023-199,699,562 common shares outstanding for a share capital amount of \$26,507,441).

b. Share issuances**Three months ended September 30, 2024**

The company issued 750,000 shares in July 2024, as part of the Strathy Gold project agreement (Note 5).

Year ended June 30, 2024

On August 10, 2023, the Company closed a private placement financing for gross proceeds of \$563,325. The Company issued (i) 1,625,000 National Units at \$0.04 per Unit, each National Unit comprised of one common share of the Company qualifying as a flow-through share (each, a "FT Share") for purposes of the Income Tax Act (Canada) (the "ITA") and one half warrant where one full warrant is exercisable for one common share of the Company at \$0.06 for 12 months from the Closing Date; (ii) 7,846,500 units of the Company ("Ontario Units") to residents in Ontario at \$0.05 per Ontario Unit, each Ontario Unit comprised of one FT Share and one half Warrant; and (iii) 3,028,500 units of the Company ("Units") at \$0.035 per Unit, each Unit comprised of one common share of the Company (each, a "Common Share") and one half Warrant.

c. Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance as at June 30, 2023	17,120,274	\$0.17
Issued	6,250,000	\$0.06
Expired	(17,120,274)*	\$0.09
Balance as at June 30, 2024	6,250,000	\$0.06
Expired	(6,250,000)	\$0.06
Balance September 30, 2024	-	-

* Of the 17,120,274 warrants that expired during the year, 15,411,930 of these warrants were repriced during the year from \$0.17 to \$0.08.

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Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)**d. Options**

On January 7, 2022, the Company received final approval from the TSX Venture Exchange for the amendment and restatement of the Company's stock option plan, which was approved by a majority of its shareholders at its annual general and special meeting of shareholders held on December 14, 2021.

The amended and restated Plan is a 10% rolling stock option plan meaning that the maximum number of listed shares issuable under the plan is 10% of the issued and outstanding shares of the Company at the time of the grant of options. As there are 200,199,562 common shares of the Company issued and outstanding as of June 30, 2024, a maximum of 20,019,956 shares are currently issuable under the Amended and Restated Plan. The maximum term is 10 years, minimum price is \$0.05, and at the discretion of the board, the vesting occurs over 24 months. One third on grant date, one third one year after grant date, and one third two years after grant date.

The amount of share-based compensation related to employee stock options for the three months ended September 30, 2024 was \$6,609 (2023 -\$35,955) net of \$3,031 reversed due to forfeitures.

The fair value of the options was estimated at the grant date based on the Black-Scholes option-pricing model, using the following assumptions:

	Fiscal 2024
Expected dividend yield	0%
Share price	\$0.06
Weighted average risk-free interest rate	3.64%
Weighted average expected life	5 year
Weighted average expected volatility	142%
Weighted average fair value of options granted	\$0.054

A continuity of options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance as at June 30, 2023	17,540,000	\$ 0.155
Granted	600,000	\$ 0.06
Forfeited	(1,233,333)	\$ 0.12
Expired	(2,416,667)	\$ 0.16
Balance as at June 30, 2024	14,490,000	\$ 0.15
Forfeited	(450,000)	\$ 0.12
Balance as at September 30, 2024	14,040,000	\$ 0.154

SOLSTICE GOLD CORP.

Notes to the Financial Statements

September 30, 2024

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)**d. Options - (continued)**

Expiry Date	Number of Outstanding Options	Exercisable	Exercise Price	Weighted Average Remaining Life in Years
January 15, 2025	4,290,000	4,290,000	\$0.25	0.29
June 10, 2025	2,650,000	2,650,000	\$0.06	0.69
July 10, 2025	250,000	250,000	\$0.09	0.78
September 1, 2025	1,100,000	1,100,000	\$0.25	0.92
September 16, 2026	1,300,000	1,300,000	\$0.16	1.96
February 25, 2027	750,000	750,000	\$0.18	2.41
April 1, 2027	600,000	600,000	\$0.16	2.50
January 3, 2023	1,600,000	1,066,667	\$0.07	3.26
May 24, 2023	900,000	600,000	\$0.05	3.65
April 01, 2029	600,000	200,000	\$0.06	4.50
	14,040,000	12,806,667	\$0.154	1.52

7. RELATED PARTY TRANSACTIONS

Related parties include key management, the Board of Directors, close family members, and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

Key Management and Consulting Agreements

a. Directors and Executive Management Compensation was as follows:

	Three months ended September 30, 2024	Three months ended September 30, 2023
Salary related compensation	\$ 53,938	\$ 102,708
Project related	40,000	-
Share-based compensation	8,614	27,170
	\$ 102,552	\$ 129,878

SOLSTICE GOLD CORP.

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8. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The capital structure of the Company consists of equity, comprising issued capital and deficit. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not exposed to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, marketable securities, CEBA loan, and accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

- Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at September 30, 2024 marketable securities and investments were recorded at fair value using level 1 and 2 inputs. Level 2 consists of private company investments. The key assumptions driving the valuation of the private company investment include but are not limited to the value of completed financings by the investee. No transfer occurred between the levels during the period.

As at the reporting date the Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, and liquidity risk.

As at the reporting date the Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, and liquidity risk.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations to the Company. The Company's cash is held with Canadian Chartered Banks. The Company believes it has no significant credit risk.

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9. FINANCIAL INSTRUMENTS (continued)**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company plans to have sufficient capital in order to meet short term business requirements, after taking into account cash flows from operations and the Company's holdings of cash.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return. As at September 30, 2024, the Company is exposed to minimum market risk.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. All receivable and payable balances as at September 30, 2024 are current and as such, are not subject to interest, apart from the CEBA loan, however interest on the loan is not variable. As such management believes that the Company's exposure to interest rate risk is low.

Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on profit or loss and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of resources, individual equity movements, and the stock market to determine the appropriate course of actions to be taken by the Company.

10. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector in Canada. The Company operates in a single reportable operating segment.

SOLSTICE GOLD CORP.

Notes to the Financial Statements

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11. MARKETABLE SECURITIES

As a result of its Property and Royalty Portfolio Acquisition (note 5), the Company periodically receives shares in optionee companies. These shares are valued using publicly available market quotes on receipt and adjusted at period end dates to fair value at that date. Some private company shares were revalued during the quarter to zero. If the company lists on a public exchange in the future the value will be written back up.

	Period Ended September 30, 2024	Year Ended June 30, 2024
Opening Balance	\$ 143,590	\$ 503,120
Common shares received	\$ -	\$ 25,000
Disposals	\$ (11,843)	\$(194,807)
Fair value adjustment through Other Comprehensive Income (Loss)	\$(127,747)	\$(189,723)
Closing balance	<u>\$ 4,000</u>	<u>\$ 143,590</u>

12. FLOW THROUGH SHARE PREMIUM LIABILITY

On August 10, 2023, the Company completed a non-brokered private placement of 1,625,000 flow-through common shares at a price of \$0.04 per share and 7,846,500 flow through common shares at a price of \$0.05 for total gross proceeds of \$457,325.

A flow-through share premium liability of \$125,822 was recorded to include the liability portion of the flow-through shares issued. As eligible exploration expenditures are incurred the liability will be amortized to income (loss). During the three months ended September 30, 2024 a total of \$17,162 was recognized as income on renunciation of the flow through premium liability. All funds from the August 2023 raise have now been spent.

13. SUBSEQUENT EVENT

Subsequent to September 30, 2024, the Company received \$32,889 (including HST of \$3,784) in connection with a purchase and sale agreement and a services agreement related to the Church Property (Note 5). The total proceeds for the Church sale were \$170,709 which included \$19,639 of HST.

In October 2024, the Company was approved for a grant of up to \$194,050 through the Ontario Junior Exploration Program (OJEP) to fund exploration programs at the Company's Strathy Gold Project. Exploration work conducted on the Project from April 1, 2024 and February 28, 2025 is eligible for funding.

On November 20, 2024 the Company announced the closing of a private placement for gross proceeds of \$150,000. The Company issued 3,600,000 flow through shares at \$0.025 and 3,000,000 hard dollar shares at \$0.02. Three directors of the Company subscribed for \$130,000 of the \$150,000 raised.