

SOLSTICE GOLD CORP.
CONDENSED INTERIM FINANCIAL STATEMENTS

For the six months ended December 31, 2017
(Unaudited - Expressed in Canadian Dollars)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM 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 financial statements, they must be accompanied by a notice indicating that these condensed interim financial statements have not been reviewed by an auditor.

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

The attached condensed interim financial statements for the six months ended December 31, 2017 have not been reviewed by the Company's auditors.

The accompanying notes are an integral part of these condensed interim financial statements

SOLSTICE GOLD CORP.

Condensed Interim Statements of Financial Position

(Expressed in Canadian Dollars)

	December 31, 2017	June 30, 2017
	(Unaudited)	(Audited)
ASSETS		
Cash	\$ 3,209,188	\$ 1
Prepaid	32,813	-
Total Assets	\$ 3,242,001	\$ 1
LIABILITIES		
Accounts payable and accrued liabilities	\$ -	\$ 1,063
Due to Dunedin Ventures Inc. (Notes 1 and 8)	443,160	-
	443,160	1,063
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (Note 6)	1	1
Subscriptions received (Note 6)	3,209,015	-
Deficit	(410,175)	(1,063)
Total Liabilities and Shareholders' Equity	\$ 3,242,001	\$ 1

Subsequent Events (Notes 1 and 10)

Approved and authorized by the Board on March 7, 2018

(Signed) "David Adamson"
Director

(Signed) "Michael Leskovec"
Director

The accompanying notes are an integral part of these condensed interim financial statements

SOLSTICE GOLD CORP.

Condensed Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended December 31, 2017		For the six months ended December 31, 2017	
EXPENSES				
Consulting fees (Note 8)	\$	112,417	\$	126,284
Management fees (Note 8)		136,269		143,769
Marketing expenses		5,016		5,016
Office expenses		7,847		7,847
Professional fees		49,425		123,696
Transfer agent and filing fees		2,500		2,500
Net loss and comprehensive loss for the period	\$	313,474	\$	409,112
Basic and fully diluted loss per share	\$	313,474	\$	409,112
Weighted average number of shares outstanding				
- basic and fully diluted		1		1

The accompanying notes are an integral part of these condensed interim financial statements

SOLSTICE GOLD CORP.

Condensed Interim Statement of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	For the three months ended December 31, 2017	For the six months ended December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (313,474)	\$ (409,112)
Net changes in non-cash working capital items		
Prepaid expenses	(15,313)	(32,813)
Accounts payable and accrued liabilities	328,960	442,097
Net cash provided by operating activities	173	172
CASH FLOWS FROM FINANCING ACTIVITIES		
Subscriptions received	3,209,015	3,209,015
Net cash provided by financing activities	3,209,015	3,209,015
Change in cash during the period	3,209,188	3,209,187
Cash, beginning of period	-	1
Cash, end of period	\$ 3,209,188	\$ 3,209,188

The accompanying notes are an integral part of these condensed interim financial statements

SOLSTICE GOLD CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Subscriptions received	Deficit	Total
	Number	Amount			
Balance at June 8, 2017	-	\$ -	\$ -	\$ -	\$ -
Shares issued on incorporation	1	1	-	-	1
Net loss for the period	-	-	-	(1,063)	(1,063)
Balance at June 30, 2017	1	\$ 1	\$ -	\$ (1,063)	\$ (1,062)
Balance at June 30, 2017	1	\$ 1	\$ -	\$ (1,063)	\$ (1,062)
Subscriptions received	-	-	3,209,015	-	3,209,015
Net loss for the period	-	-	-	(409,112)	(409,112)
Balance at December 31, 2017	1	\$ 1	\$ 3,209,015	\$ (410,175)	\$ 2,798,841

The accompanying notes are an integral part of these condensed interim financial statements

SOLSTICE GOLD CORP.

Notes to the Condensed Interim Financial Statements

December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Solstice Gold Corp, formerly Dunnedin Gold Inc., (“Solstice” or the “Company”) was incorporated in the Province of British Columbia on June 8, 2017 as a subsidiary of Dunnedin Ventures Inc. and the Company’s registered and records office is located at 1020 – 800 West Pender Street, Vancouver, BC V6C 2V6. On September 18, 2017, the Company changed its name to Solstice Gold Corp. The Company is pursuing opportunities relating to exploration of mineral resource properties primarily in Nunavut, Canada.

The Company was incorporated pursuant to a proposed plan of arrangement (the “Arrangement”) with Dunnedin Ventures Inc. (“DVI”). As part of the Arrangement, certain mineral claims and rights to all minerals, including metalloids, but excluding diamonds, gemstones and all minerals found within kimberlitic rocks on the Kahuna property will be transferred into the Company, together with \$1,000,000 in cash, in exchange for the Company’s shares, which DVI plans to distribute to its shareholders.

Under the Arrangement, each DVI shareholder will receive one common share in Solstice for every three DVI shares held. Holders of outstanding DVI options will also receive one fully vested option of Solstice for every three options held in DVI (vested or unvested). The options will be exercisable at a valuation factor multiple above the exercise price of a DVI option immediately before the transaction effective date or court approval date. Holders of outstanding DVI warrants will also receive one fully vested warrant of Solstice for every three warrants held in DVI (vested or unvested). The warrants will be exercisable at a valuation factor multiple above the exercise price of a DVI warrant immediately before the transaction effective date or court approval date. The Arrangement was completed subsequent to period end on January 31, 2018, therefore no shares, options or warrants were issued as at December 31, 2017 (see Notes 4 and 10).

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 and trade on the TSX Venture Exchange. The implementation of the Arrangement will be subject to, among other things, shareholder approval and the ability to continue its operations for its next twelve months. 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 December 31, 2017, the Company had no source of operating revenues, had not yet achieved profitable operations, expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern (see Note 2).

2. BASIS OF PREPARATION

Statement of compliance

The unaudited condensed interim financial statements of the Company for the six months ended December 31, 2017 have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 7, 2018.

SOLSTICE GOLD CORP.

Notes to the Condensed Interim Financial Statements

December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

2. BASIS OF PREPARATION *(continued)***Basis of measurement**

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting on the basis of International Financial Reporting Standards ("IFRS") and interpretations as approved by the International Accounting Standards Board ("IASB") and are presented in Canadian dollars.

These unaudited condensed interim consolidated 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 unaudited condensed interim consolidated statement of cash flows shows the changes in cash arising during the year from operating activities, investing activities and financing activities.

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, accretion expense, as well as changes from amounts receivable, prepaid expenses and supplies, 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.

Significant accounting judgments, estimates, and assumptions

The preparation of these 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 financial statements and the reported expenses during the year. Actual results could differ from these estimates.

Critical judgments

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

SOLSTICE GOLD CORP.

Notes to the Condensed Interim Financial Statements

December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited financial statements for the year ended June 30, 2017.

Changes in Accounting Policies

The Company did not adopt any new accounting policies during the nine months ended December 31, 2017.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The following have not yet been adopted by the Company and are being evaluated to determine their impact.

IFRS 9 Financial Instruments

IFRS 9 reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted.

IFRS 16 Leases

The new standard will replace IAS 17 Leases and eliminates the classification of leases as either operating or finance leases by the lessee. The treatment of leases by the lessee will require capitalization of all leases resulting accounting treatment similar to finance leases under IAS 17 Leases. The new standard will result in an increase in lease assets and liabilities for the lessee. Under the new standard, the treatment of all lease expense is aligned in the statement of earnings with depreciation, and an interest component recognized for each lease, in line with finance lease accounting under IAS 17 Leases. IFRS 16 will be applied prospectively for annual periods beginning on January 1, 2019.

4. KAHUNA PROPERTY LAND TRANSFER AND RIGHTS AGREEMENT

Letter Agreement between Dunnedin Ventures Inc. and Solstice Gold Corp.

During the period ended December 31, 2017 and pursuant to the proposed Arrangement (Note 1), DVI and Solstice entered into the Kahuna Property Land Transfer and Rights Agreement (the "Agreement") which set out the terms to which DVI would transfer mineral claims located in Nunavut, Canada (approximately 26 kilometres northeast of Rankin Inlet) to Solstice.

SOLSTICE GOLD CORP.

Notes to the Condensed Interim Financial Statements

December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

4. KAHUNA PROPERTY LAND TRANSFER AND RIGHTS AGREEMENT *(continued)*

Letter Agreement between Dunnedin Ventures Inc. and Solstice Gold Corp. *(continued)*

Upon execution of the Agreement, DVI will transfer to Solstice:

- a) 100% title and rights to the Transferred Claims (specifically identified in the Agreement);
- b) A 50% undivided interest in and to certain Border Claims (specifically identified in the Agreement);
and
- c) Ownership of all technical, economic, geological, and other information and data concerning the transferred claims, and the portion of each of the Border Claims over which Solstice has Primary Development Rights ("PDR") (as defined in the Agreement).

In each case, the Agreement is free and clear of any and all mortgages, charges, pledges, liens, licences, privileges, security interests, royalties, encumbrances, claims or rights or interest attaching to or affecting property, whether recorded or unrecorded, and whether arising by agreement, statute or otherwise under applicable laws (each an "Encumbrance"), apart from the gross overriding royalties ("GORs") and the net smelter return royalties ("NSRs").

In consideration for the Transferred Claims and \$1,000,000 in cash, Solstice will issue approximately 34,418,850 common shares to DVI.

Upon execution of the Agreement, DVI granted to Solstice PDR in respect of the Transferred Claims and Secondary Development Rights ("SDR") in respect of the Remaining Claims (other than Transferred or Border Claims) and Solstice grants PDR's in respect of the Remaining Claims and SDR's in respect of the Transferred Claims. Border claims are also split into PDR and SDR depending on geographic location.

PDR means the rights of the holder of a mineral claim or other mining right, to amongst other things, conduct exploration, development, and mining on such mineral claims. SDR means having the right to access the mineral claims for the purpose of inspecting the mineral claims and existing work being undertaken on the claims and to propose work to the PDR holder which work may proceed only with the consent of the PDR holder. SDR's terminate on a claim or claims when a PDR holder commences a feasibility study, completes a feasibility study or commences commercial production on the claim or claims.

In all cases of the Agreement, mining rights of DVI shall be limited to diamonds, gemstones and all minerals found within kimberlitic rocks and mining rights of the Company shall be limited to all other minerals and metalloids. Mineral claims & rights under the Agreement may be transferred to third parties provided they are bound by the Agreement.

Subsequent to period end on January 31, 2018, the Agreement was executed (see Notes 1 and 10).

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(Unaudited - Expressed in Canadian Dollars)

5. 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.

6. FINANCIAL INSTRUMENTS

The fair value of the Company's accounts payable approximate carrying value, which is the amount recorded on the consolidated statements of financial position. The Company's other financial instrument, cash, under the fair value hierarchy, is based on level one quoted prices in active markets for identical assets or liabilities.

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 in petty cash. The Company believes it has no significant credit risk.

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, the Company's holdings of cash which will include an influx of \$1 million as at the effective date of the Arrangement, reliance on DVI, and the private placement of \$8,376,400 completed subsequent to period end on January 31, 2018 (see Note 10).

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 December 31, 2017, the Company is exposed to minimum market risk.

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7. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares. At December 31, 2017, there is 1 common share outstanding for a share capital amount of \$1.

As at December 31, 2017, the Company received gross proceeds of \$3,209,015 in subscription related to its private placement closing subsequent to the period end (see Note 10).

8. RELATED PARTY TRANSACTIONS

During the period, the Company's parent, DVI, paid certain expenses on behalf of the Company. DVI will transfer \$1,000,000 to the Company at the effective date of the Arrangement (see Notes 1, 4 and 10).

Management and Consulting Agreements

On October 1, 2017, the Company entered into employment and consulting agreements with key management and consultants. Pursuant to which, in the event of a change of control, each of the key managers and consultants would be entitled to up to twenty-four months' worth of compensation plus applicable bonuses and benefits, if such employee/consultant is terminated without just cause (as defined therein) or resigns for Good Reason (as defined therein).

During the six months ended December 31, 2017, \$143,769 (3 months - December 31, 2017 - \$136,269) in management fees were paid to the Company's officers and/or companies controlled by them, including the Chief Financial Officer and Executive Chairman. During the six months ended December 31, 2017, \$57,250 in consulting fees (3 months - December 31, 2017 - \$57,250) were paid to the Company's officers and directors or companies controlled by them.

9. 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.

10. SUBSEQUENT EVENTS

On January 31, 2018, the Company completed the Arrangement and executed the Agreement as contemplated in Notes 1 and 4.

Private Placement

Concurrent with completion of the Arrangement, Solstice completed a non-brokered private placement financing consisting of both Non-Flow Through Units (the "Units") and Flow-Through Shares (the "Flow-Through Shares") for a gross amount of \$8,376,400.

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Notes to the Condensed Interim Financial Statements

December 31, 2017

(Unaudited - Expressed in Canadian Dollars)

10. SUBSEQUENT EVENTS *(continued)***Private Placement** *(continued)*

Solstice issued a total of 26,534,400 Units at a price of \$0.25 per Unit. Each "Unit" consists of one common share and one-half-of-one warrant. Each whole warrant entitles the holder to purchase a further common share of Solstice at a price of \$0.35 for a period of thirty months. Solstice has also issued 5,809,334 Flow-Through Shares at a price of \$0.30 per Flow-Through Share. Solstice Management and Board participated for a total of 6.5% of the financing.

Stock Options

Subsequent to period end, an aggregate of 4,890,000 stock options were granted to management, directors and consultants of the Company, exercisable at \$0.25 per share for a period of seven years.