

**SOLSTICE GOLD CORP.**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

For the year ended June 30, 2018

Dated October 25, 2018

**SOLSTICE GOLD CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

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**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

This Management's Discussion and Analysis (the "MD&A") for the year ended June 30, 2018 is prepared by management and is current to October 25, 2018 for Solstice Gold Corp. (the "Company" or "Solstice").

The MD&A should be read in conjunction with the Company's financial statements and related notes for the period ended June 30, 2018, which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

**FORWARD-LOOKING STATEMENTS**

Statements included in this MD&A, including statements concerning our exploration programs, plans, intentions and expectations, which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements". Forward-looking statements may be identified by, but not limited to, words including "anticipates", "believes", "intends", "estimates", "expects", "plans" and similar expressions. Forward-looking statements in this MD&A also include, but are not limited to, the extent and timing of described programs, such as Rotary Air Blast ("RAB") and other drilling, ground magnetics, till sampling and other work programs. There can be no guarantee that continued exploration at Kahuna, which is at an early stage of exploration, will lead to the discovery of an economic gold deposit. The Company cautions readers that forward-looking statements, including without limitation those relating to the Company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements.

This MD&A contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties. Past performance is no guarantee of future performance and all investors are urged to consult their investment professionals before making an investment decision. Investors are further cautioned that past performance is no guarantee of future performance.

Although Solstice has attempted to identify important factors that could cause actual results to differ materially, there maybe other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Solstice disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law. Accordingly, readers should not place undue reliance on forward-looking statements and trading in securities of Solstice should be considered highly speculative.

**DEFINITION OF TERMS**

Banded Iron Formation ("BIF"): are typically older than 1.7 billion years. They are composed of alternating layers of iron-rich minerals (commonly magnetite) and silica rich minerals (chert/quartz).

Company: Solstice Gold Corp.

Crown lands: These are lands belonging to the Crown, or in which government has the power of disposition.

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Dunedin (DVI): Dunedin Ventures Inc.

Fennoscandian Shield: Also known as the Baltic Shield is a segment of the Earth's crust belonging to the East European Craton, representing a large part of Fennoscandia, northwestern Russia and the northern Baltic Sea. It is composed mostly of Archean and Proterozoic gneisses and greenstone which have undergone numerous deformations through tectonic activity. It contains the oldest rocks of the European continent with a thickness of 250-300 km.

Fold: A geological fold occurs when one or a stack of originally flat and planar surfaces, such as sedimentary strata, are bent or curved as a result of permanent deformation.

High Resolution Till Collection: 100 meter by 100 meter spacing.

Inuit Owned Lands (IOL): These are lands vesting in a Designated Inuit Association under the Nunavut Land Claims Agreement and any other lands vested, or acquired as Inuit Owned Lands. In the case of the Kahuna Project the IOL are surface rights only while the mineral rights are vested with the Crown.

Kahuna: The Kahuna Gold Project

Meta-volcanics: A metavolcanic rock is a type of metamorphic rock. Such a rock was first produced by a volcano, either as lava or tephra. Then, the rock was buried underneath subsequent rock and was subjected to high pressures and temperatures, causing the rock to recrystallize.

Plan of Arrangement ("POA" or "Arrangement"): The Plan of Arrangement whereby Dunedin spun out the rights to gold mineralization at the Kahuna Property, Nunavut to Solstice Gold Corp, and was completed on January 31, 2018.

Primary Development Rights: For Solstice, include all mineral rights for non-diamond and gemstones excluding gemstones and minerals found in kimberlite. Dunedin Ventures holds Secondary Development Rights on this ground.

Rotary Air Blast ("RAB") Drilling: This percussion drilling technique makes use of pneumatic pressure to drive/turn the steel drill bit into the ground in order to create a hole. It is a hammer like process that is easily able to penetrate rock.

Secondary Development Rights give the holder the right to propose exploration programs on the property related to their mineral rights. Such programs are granted at the discretion of the Primary Development Rights holder.

SGC: Solstice Gold Corp.

Tier 2 Mining Issuer: Has the following listing requirements on it imposed by the TSX-V. Property Requirement - Significant interest in a qualifying property or, at discretion of the exchange, a right to earn a significant interest in a qualifying property; sufficient evidence of no less than \$100,000 of exploration expenditures on the qualifying property in the past three years

TSX-V: The TSX Venture Exchange

Westeros: Southwest section of the Kahuna Gold Project

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**OVERVIEW**

On May 11, 2017, Dunnedin Ventures Inc. ("Dunnedin") announced it would proceed with its intention to spin out the rights to gold mineralization at the Kahuna Property, Nunavut to the Company under a Plan of Arrangement (the "Arrangement"), subject to approval from the TSX-V and satisfaction of certain closing conditions. The Company was incorporated under the laws of the Province of British Columbia on June 8, 2017 under the name of Dunnedin Gold Inc. and changed its name on September 18, 2017 to Solstice Gold Corp. The Company is focused on the continued exploration for, and potential development of, precious metals on its Kahuna Gold project in Nunavut, Canada.

On January 31, 2018, the Arrangement was completed and on May 14, 2018, Solstice began trading on the TSX-V under the symbol "SGC".

**HIGHLIGHTS AND RECENT DEVELOPMENTS**

- Corporate Activities

On November 27, 2017, Solstice announced that it has engaged an experienced and proven management team composed of executive chairman David Adamson, PhD, President Marty Tunney, PEng, Vice-President, Exploration, Bob Singh, PGeo, Chief Financial Officer Tony Ricci, CPA, CA, and Strategic Adviser Chris Taylor, MSc, PGeo. The board of directors is made up of Mr. Adamson, Executive Chairman, Mr. Taylor, Chad Ulansky and Michael Leskovec.

On December 29, 2017, the Company announced that the Shareholders approved the Plan of Arrangement (the "Arrangement"), which involves the spin-out of Solstice from its parent company Dunnedin. Under the terms of the Arrangement, shareholders of record of Dunnedin on July 17, 2017 ("Record Date") will be entitled to receive one share of Solstice for every three shares of Dunnedin held. Stock options and share purchase warrant holders on the Record Date will also receive one stock option and one share purchase warrant for every three options and three share purchase warrants of Dunnedin, respectively.

On January 31, 2018, Solstice completed the Arrangement. In addition, the Company completed a reorganization of its share capital such that all existing common shares of the Company were reclassified as "Class B Common Shares". Upon completion of the Arrangement, the Company commenced an application for a public listing on the TSX-V.

Concurrent with completion of the Arrangement, Solstice completed a non-brokered private placement financing consisting of both units (the "Units") and flow-through shares (the "Flow-Through Shares") for a gross amount of \$8,376,400. 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 5,809,333 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.

The net proceeds from the financing will be used for exploration activities on Solstice's Kahuna project and for general corporate purposes. In connection with the financing, Solstice paid finders' fees of \$334,914 and issued 636,722 broker warrants to unrelated parties. Each broker warrant entitles the holder to purchase one common share of Solstice at a price of \$0.30 for a period of thirty months.

On April 18, 2018, Solstice announced that it has been advised by the TSX-V that the Company received conditional approval to list its common shares on the TSX-V as a Tier 2 Mining Issuer. The Company began trading on the TSX-V May 14, 2018. The Company also announced that Marty Tunney was appointed to the Board of Directors.

- Exploration Programs

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On May 1, 2018, Solstice provided details of its 2018 exploration program (the "Program") on its 100% owned, 806 km<sup>2</sup> Kahuna Gold Project ("Kahuna" the "Project") and an updated interpretation on the Project. The Program consisted of winter and summer programs with a combined goal to further define drill targets in high priority areas of the Project and to daylight additional targets.

A winter RAB drilling program was carried out between April 25 and May 23, 2018. A total of 6 target areas were tested, in 69 drill holes. The objective of the drilling program was to test for favourable rock types in areas covered by glacial till. The program successfully confirmed the presence of meta-sediments (Including Banded Iron Formation "BIF", the dominant gold host at the adjacent Meliadine deposit) and meta-volcanics near magnetic anomalies at the base of overburden.

Concurrent with the RAB drilling program, a total of 1,675 line kilometres of 25 m spaced ground magnetics were completed over the North Zone.

Gold grain analysis of 627 till samples, collected during the summer of 2017, was completed. Gold was confirmed in 521 of 637 samples, collected over a 330 km<sup>2</sup> area. The till data correlate well with gold bearing rock samples that are located up-ice from the gold bearing tills and indicate that the till data are clearly defining follow up target areas that will be examined during the 2018 summer mapping, rock and till sampling program (For additional details, please see the Company's news release, dated June 19, 2018).

A summer exploration program on the Kahuna Gold Property was initiated on June 25th, 2018 and finished on September 23rd, 2018, subsequent to year end. The summer program consisted of regional geological mapping, rock sampling and till sampling over the entire Kahuna property. Carried out by a team of nine geologists and two prospectors, a total of 2,876 rock samples and 2,049 high resolution till samples were collected. Interim results from this summer program were reported in a press release on September 4th, 2018. Highlights from the Westeros Target area include 52 rock samples above the 80th percentile value of 0.26 g/t gold, including a maximum value of 17.7 g/t gold. Assays from 557 high resolution till samples, collected over the central portion of the Westeros fold, have been received. The results support, locally extend and define at least eight potential source areas defined by clusters of >80th percentile gold in till. Several of the till clusters appear to define broad east-west trends and may be associated with east-west structures (for additional details, please refer to the Company news release, dated September 4, 2018). Results from approximately 60% of project data generated during the summer are pending as of the date of this report.

- Kahuna Project Property Expansion

In June 2018 Solstice acquired Primary Rights on 3,512 Ha of additional highly prospective gold claims on the Kahuna Property from Dunnedin for \$300,000. Dunnedin Ventures retains Secondary Rights on the acquired claims. The claims are adjacent to the Essos block.

During the 2018 Field Program Solstice staked an additional 7 claims totalling 8,420 Ha adjacent to the northeast section of the Kahuna claims.

- Senior Management Additions

In June David Fischer was appointed as Chief Financial Officer ("CFO"). David is a Chartered Professional Accountant with over 20 years experience working with publicly listed companies in senior corporate finance roles. David has previously held senior financial roles with Rubicon Minerals Corporation, Intrinsic Technologies Corporation, MDSI Mobile Data Solutions, and started his career working with PricewaterhouseCoopers LLP (PwC).

Subsequent to year end, Ian Russell P.Geol. was appointed as Vice President of Exploration\*. Ian is a previous co-award winner of the Colin Spence Award for Excellence in Global Mineral Exploration and has over 25 years of experience developing and executing successful gold-focussed exploration programs globally including Red Lake, Kirkland Lake and the

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Fennoscandian shield. Ian has been actively involved in the Kahuna project planning and execution as a senior consultant from the beginning of 2018.

\*The appointment of Ian Russell to VP Exploration remains subject to regulatory approval.

## **MINERAL PROPERTIES**

### **Kahuna Gold Property**

The Kahuna Gold Project is located in the Northern Canadian Territory of Nunavut, between the settlements of Rankin Inlet and Chesterfield Inlet along the western rim of Hudson Bay. Kahuna is comprised of a district scale land package of 928 km<sup>2</sup> (Primary Rights) adjacent to claims controlled by Agnico Eagle Mines which host the world class Meliadine Deposits (6.7 M Oz gold M&I[R&R Incl.] and 3.6 M Oz Inferred)\*\*. Solstice has exclusive Secondary rights on an additional 820 km<sup>2</sup>. Primary Rights include all mineral rights for non-diamond and gemstones excluding and minerals found in kimberlite. Dunnedin holds Secondary Rights on 841 km<sup>2</sup> of Solstice's Primary claims. Secondary Rights give the holder the right to propose exploration programs on the property related to their mineral rights. Such programs are granted at the discretion of the Primary Rights holder. An existing agreement allows exclusive right for the parties to exchange rights on their respective claims. Subsequent to year end Solstice had ownership of all claims upon which it held PDRs registered in Solstice's name, Solstice also registered notice of 50% ownership on those claims upon which have divided PDRs between Solstice and Dunnedin.

67% percent of Solstice's claims are on crown lands and the remainder are on Inuit Owned Surface Lands ("IOL"). The crown lands are owned and administered by the federal government of Canada. The IOL lands on the Kahuna project have surface rights that are administered by the Kivalliq Inuit Association and the underlying mineral rights are owned and administered by the federal government of Canada. The project is not subject to any underlying option payments. As is standard in Nunavut the property is subject to annual assessment work on the claims of \$463,830. 85% of claims are subject to a 4% NSR, this can be reduced to 2% by a \$4 million payment at anytime up until production.

As part of the Arrangement, Solstice acquired from Dunnedin a substantial dataset which had primarily been completed through and used for diamond exploration on the Project. In recent years the project demonstrated potential for gold mineralization, especially in the 2016-2017 till programs. It was this gold potential and the need for an experienced gold focussed management team that led to the spinout of Solstice Gold. The management team has since extensively reworked the dataset, the updated interpretations were used to layout the 2018 field program.

The objectives of the 2018 program are to identify targets for potential drill follow up and also to prospect under-explored parts of the large Project area. The 2018 program includes RAB Drilling, ground magnetics, mapping, prospecting and detailed high resolution till surveys in the southwestern part of the project ("Westeros"). Results support the interpreted setting of Westeros between two major breaks and possible influence of associated, extensively-developed regional structures on gold mineralization. Significant gold-in-boulder field in Westeros fold hinge expanded to 30 km<sup>2</sup> area. Discrete fold hinge targets identified of up to 3 km strike length. Samples include up to 34 g/t gold including 17 g/t gold in new sampling. At least eight priority target source areas identified from detailed till sampling over central Westeros fold.

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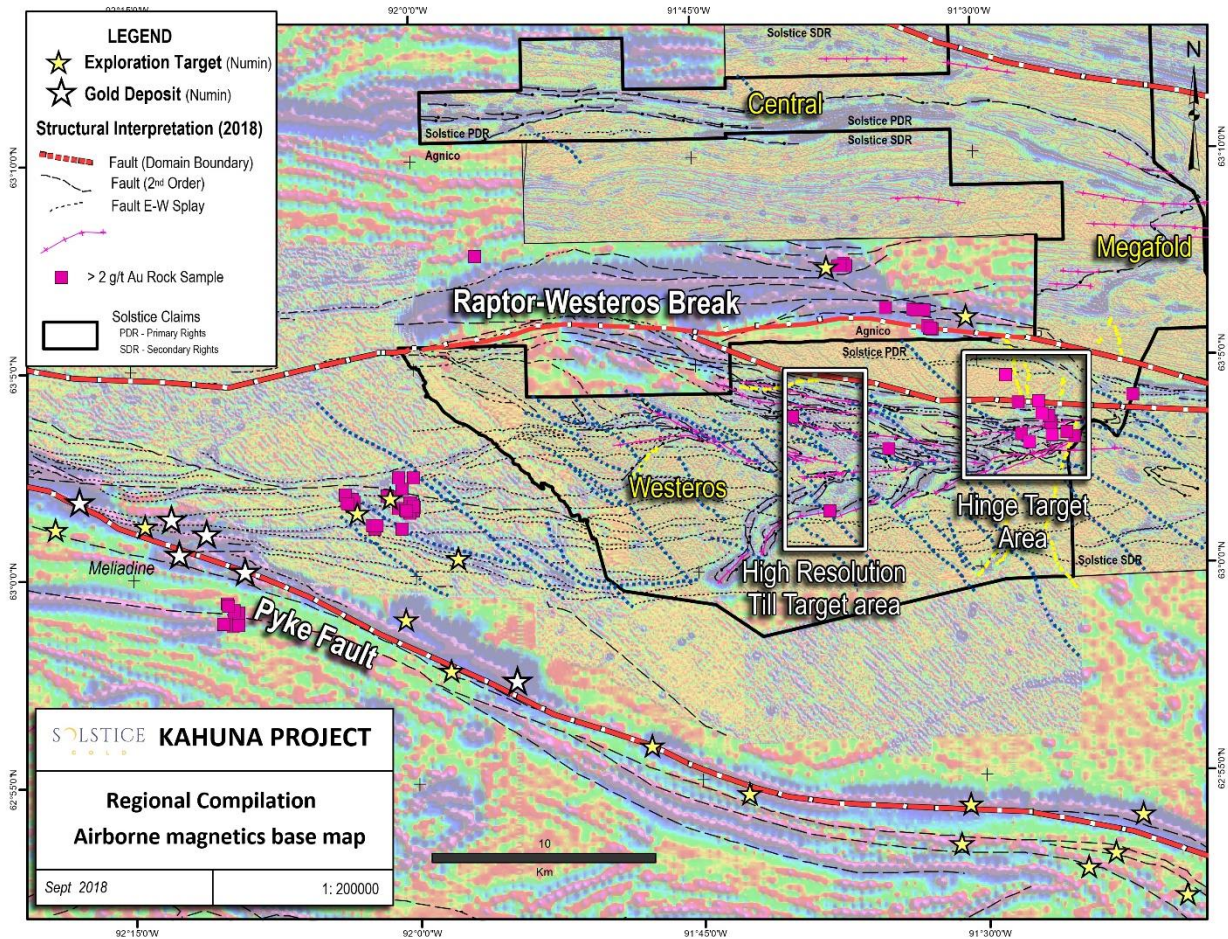


Figure 1: Regional Geophysics Westeros area. Base maps are second vertical derivative magnetics derived from Solstice data on Kahuna claims, assessment file and GSC open files 6606 to 6616 on adjacent properties. Gold data from Solstice on Kahuna claims and from assessment file #084959 on adjacent properties. Showings from Nunavut Minerals (Numin) database.

\*\*This MD&A contains information with respect to the Meliadine gold deposits owned by Agnico Eagle Mines, in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties and there is no certainty of the same or similar deposits on the Company's properties.

For additional details please see the Solstice Corporate Presentation at [www.solsticegold.com](http://www.solsticegold.com) and the Solstice 2017 NI 43-101 Technical Report available on [www.sedar.com](http://www.sedar.com).

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**PLAN OF ARRANGEMENT**

In consideration for the Transferred Claims and \$1,300,000 in cash, Solstice issued 34,418,850 common shares, 6,536,359 warrants and 2,361,659 stock options to DVI under the Arrangement.

On January 31, 2018, the Arrangement was executed, the fair value of the assets acquired, and liabilities assumed from DVI are as follows:

		Amount
Fair value of Solstice common shares issued	\$	8,604,713
Fair value of options issued to DVI option holders		485,445
Cash transferred from DVI		(1,300,000)
Exploration and evaluation costs paid by DVI on behalf of Solstice		544,780
Accounts payable		8,295
Fair value of Kahuna Properties Acquired	\$	8,343,233

Net assets acquired		
Cash	\$	1,300,000
Mineral property interests		8,343,233
Accounts payable		(8,295)
Exploration and evaluation costs paid by DVI on behalf of Solstice		(544,780)
Net Assets Acquired	\$	9,090,158

Consideration provided		
Fair value of 34,418,850 common shares at \$0.25 per share	\$	8,604,713
Fair value of options issued		485,445
Consideration provided	\$	9,090,158

**SELECTED ANNUAL INFORMATION**

For the year ended June 30, 2018 and June 30, 2017:

	Year Ended June 30, 2018		Period Ended June 30, 2017	
Revenue	\$	Nil	\$	Nil
Net income (loss) for the period	\$	(2,177,669)	\$	(1,063)
Basic and diluted income (loss) per share	\$	(0.08)	\$	(1,063)
Total assets	\$	17,397,684	\$	1
Total liabilities	\$	1,841,814	\$	1,063
Cash dividends declared	\$	Nil	\$	Nil



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**RESULTS OF OPERATIONS**

For the three months ended June 30, 2018

The net loss for the three months ended June 30, 2018 was \$93,193. The main contributing factors were:

- consulting fees (\$21,130) and management fees (\$238,661) resulting from ongoing operations to support the Company's activity,
- professional fees (\$77,695) that were incurred as a result of the Arrangement and to support corporate operations, and
- Deferred income tax recovery was \$214,927 during the period as the Company incurred significant flow through expenditures that result in the tax recovery being realized.

For the year ended June 30, 2018

The net loss for the year ended June 30, 2018 was \$2,177,669. The main contributing factors were:

- consulting fees (\$125,447) and management fees (\$558,163) resulting from ongoing operations to support the Company's activity,
- professional fees (\$258,614) that were incurred as a result of the Arrangement and to support corporate operations, and
- Share-based compensation expense of \$917,675 as a result of vesting of options granted.

**SUMMARY OF QUARTERLY RESULTS**

<b>Three Months Ended:</b>	<b>Revenue</b>	<b>Net Income / (Loss)</b>	<b>Loss per share</b>
June 30, 2018	\$ -	\$ (93,193)	\$ (0.00)
March 31, 2018	\$ -	\$ (1,675,364)	\$ (0.04)
December 31, 2017	\$ -	\$ (313,474)	\$ (313,474)
September 30, 2017	\$ -	\$ (95,638)	\$ (95,638)
June 30, 2017	\$ -	\$ (1,063)	\$ (1,063)

**REVISION TO PREVIOUSLY DISCLOSED QUARTERLY INFORMATION**

In its Quarterly report for March 31, 2018 the Company had valued the Kahuna mineral properties acquired from Dunedin Ventures Inc. using book value of the assets on the assumption that the Arrangement qualified as an acquisition of a business under common-control. On further review the Company has determined that the acquisition should have been treated as an acquisition of assets and as such fair value should have been used as the basis of valuing the mineral properties. The Company has used fair value as the basis of valuing the Kahuna assets in its June 30, 2018 Financial Statements. The impact of this change is that Mineral Properties on acquisition should have been valued at \$8,343,233 as opposed to the previously disclosed \$965,879. There should have also been a corresponding increase in Shareholders' Equity. There was no impact to any other carrying amounts, cash flow, or earnings.

**LIQUIDITY**

As at June 30, 2018, the Company has not achieved profitable operations and expects to incur further losses in the pursuit and/or development of its business.

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During the year ended June 30, 2018, the Company's operating and investing activities consumed cash of \$445,652 and \$1,833,455, respectively. The investing funds consumed were spent on mineral properties acquisition and exploration during the period.

During the year ended June 30, 2018, the Company had financing activities totalling \$9,317,235 of which \$1,300,000 was from the Arrangement and \$8,017,235 was from its private placement activities.

As at June 30, 2018, the Company had \$7,220,996 of current assets (\$7,038,129 in cash ) and \$1,388,686 in current liabilities.

Subsequent to June 30, 2018 2,772,322 warrants issued as part of Arrangement were exercised that resulted in \$415,848 of additional proceeds to the Company.

The Company's ability to continue as a going concern in the long term is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. The Company is a junior exploration company without operating revenues and therefore, it must utilize equity and other financing transactions to maintain the Company's capacity to meet working capital requirements and ongoing exploration program, or to fund any further development activities. See "Risk Factors" of this MD&A.

The Company's primary source of financing is by means of share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise financing through these means.

To the date of this MD&A, the cash resources of the Company are held with one major Canadian chartered bank. The Company continues to have no long-term debt and its credit and interest risk is minimal.

On January 31, 2018, concurrent with completion of the Arrangement, the Company completed a non-brokered private placement financing consisting of both non flow-through units and flow-through units for a gross amount of \$8.4M. Finders' fees of \$0.339M were paid. The net proceeds of the financing were and will be used to advance development of the Company's Kahuna Gold project including geological consulting, drilling and assays, permitting and for working capital and general corporate purposes.

As at the date of filing of this MD&A the Company has spent the full proceeds from the flow-through units of \$1.7 million.

Reconciliation of Use of Proceeds of the January 31, 2018 financing:

	<b>Disclosed Use of Proceeds</b>	<b>Amounts</b>	<b>Spent to June 30, 2018</b>
Exploration		\$ 4,082,000	\$ 1,833,455
Exploration contingency		310,000	-
General corporate, working capital and future exploration program		3,573,000	635,585
Total		\$ 7,965,000	\$ 2,469,040

## **CAPITAL RESOURCES**

The Company's objective, when managing capital, is to ensure sufficient resources are available to meet day to day operating requirements and to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. Beyond its current plans, the Company will need to raise additional funds or consider alternative forms of financing to advance the project and to pay for administrative costs.

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The Company has policies and procedures in place for expenditure authorization limits and capital expenditure authorization. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable. The Company's officers and senior management take full responsibility for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors are responsible for overseeing this process.

The Company is not subject to any capital requirements imposed by a regulator.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

The Company's key management compensation and related party transactions during the year ended June 30, 2018 consist of directors and officers and the companies controlled by common officers or director.

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	<b>Year Ended</b>		<b>Period Ended</b>
	<b>June 30, 2018</b>		<b>June 30, 2017</b>
Salaries and other short-term employee benefits	\$ 665,640	\$	-
Stock-based compensation	\$ 917,675	\$	-
	\$ 1,583,315	\$	-

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Trade payables, accrued and other liabilities, accrued vacation, amounted to \$104,501 (2017 - \$nil) as of June 30, 2018.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Additional disclosure concerning the Company's capitalized or expensed exploration costs and general and administration costs is provided in the Company's Annual Financial Statements.

**PROPOSED TRANSACTIONS**

Currently, there are no proposed transactions to be disclosed.

**RISKS AND UNCERTAINTIES**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations of metal prices, the proximity and capacity of milling facilities, mineral markets, processing reagents and equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environment protection, the combination of those factors may result in the Company not receiving an adequate

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return on investment capital. In addition to the other information contained in this MD&A, the following factors should be considered carefully when considering risk related to Solstice's proposed business:

**Cyber Security Risk**

Cyber security risk is the risk of negative impact on the operations and financial affairs of the Company due to cyber attacks, destruction or corruption of data, and breaches of its electronic systems. Management believes that it has taken reasonable and adequate steps to mitigate the risk of potential damage to the Company from such risks. The Company also relies on third-party service providers for the storage and processing of various data. A cyber security incident against the Company or its service providers could result in the loss of business sensitive, confidential or personal information as well as violation of privacy and security laws, litigation and regulatory enforcement and costs. The Company has not experienced any material losses relating to cyber attacks or other information security breaches, however there can be no assurance that it will not incur such losses in the future.

**Exploration and Development Efforts May Not Be Successful**

There is no certainty that the expenditures to be made by the Company in the exploration of its properties as described herein will result in the discovery of mineralized material in commercial quantities. Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of ore reserves will in fact be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. In addition, the grade of ore ultimately mined may differ from that indicated by drilling results. Short term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale. Material changes in ore reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project.

**No History of Earnings**

Solstice has no history of earnings or of a return on investment, and there is no assurance that the Gold Project or any other property or business that Solstice may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Solstice has no plans to pay dividends for some time in the future. The future dividend policy of Solstice will be determined by the Solstice Board.

**No Proven Reserves**

The properties in which the Company has an interest or the right to earn an interest are in the exploratory stage only and are without a known body of ore in commercial production.

**No Guarantee of Clear Title to Mineral Properties**

While the Company has investigated title to all its mineral properties and, to the best of its knowledge, title to all of its properties and properties in which it has the right to acquire or earn an interest are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

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**Influence of Third Party Stakeholders**

The mineral properties in which Solstice holds an interest, or the exploration equipment and road or other means of access which Solstice intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Solstice's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Solstice.

**Financing Risks**

Additional funding will be required to conduct future exploration programs on the Gold Project and to conduct other exploration programs. If Solstice's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to Solstice are the sale of equity capital, or the offering by Solstice of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause Solstice to reduce or terminate its proposed operations.

**Dilution**

Issuances of additional securities including, but not limited to, its common stock or some form of convertible debentures, will result in a substantial dilution of the equity interests of any persons who may become Solstice Shareholders.

**Commodity Prices**

The price of the Common Shares and Solstice's financial results may be significantly adversely affected by a decline in the price of gold and other mineral commodities. Metal prices fluctuate widely and are affected by numerous factors beyond Solstice's control. The level of interest rates, the rate of inflation, world supply of mineral commodities, global and regional consumption patterns, speculative trading activities, the value of the United States dollar and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns and monetary systems, political systems and political and economic developments. The price of mineral commodities has fluctuated widely in recent years and future serious price declines could cause potential commercial production to be uneconomic. A severe decline in the price of minerals would have a material adverse effect on Solstice.

**Competition**

The mining industry is intensively competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees.

**Environmental Regulations**

The current and future operations of the Company, including further exploration, development activities and commencement of production on its properties, require permits from various Provincial, Federal and State governmental authorities. Such operations are subject to various laws governing land use, the protection of the environment, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances mine safety and other matters. There can be no assurance, however, that all permits which the Company may require for construction of mining facilities and conduct of mining operations will be obtainable on reasonable terms. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Amendments to current

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laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violation of applicable laws or regulations.

**Environmental Impact**

The Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future and anticipates that such obligations will only arise when full scale development commences. As the Company's project is still in the exploration and development stage and no significant environmental impact has occurred to date, the Company does not currently consider that expenditures required meeting any ongoing environmental obligations at the projects material to its results or to financial condition to the Company at this time. However, these costs may become material in the future and will be reported in the Company's filings at that time.

**Permitting**

Solstice's mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Prior to any development of any of their properties, Solstice must receive permits from appropriate governmental authorities. There can be no assurance that Solstice will continue to hold all permits necessary to develop or continue its activities at any particular property. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on Solstice, resulting in increased capital expenditures and other costs or abandonment or delays in development of properties.

**Uncertainty of Reserves and Mineralization Estimates**

There are numerous uncertainties inherent in estimating proven and probable reserves and mineralization, including many factors beyond the control of the Company. The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may justify revision of such estimates. No assurances can be given that the volume and grade of reserves recovered, and rates of production will not be less than anticipated. Assumptions about prices are subject to greater uncertainty and metal prices have fluctuated widely in the past. Declines in the market price of base or precious metals also may render reserves or mineralization containing relatively lower grades of ore uneconomic to exploit. Changes in operating and capital costs and other factors including, but not limited to, short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades, may materially and adversely affect reserves. The Company currently has no projects that have either Reserves or Resources.

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**Operating Hazards and Risks Associated with the Mining Industry**

Mining operations generally involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Hazards such as unusual or unexpected formations and other conditions are involved. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious and base metals, any of which could result in work stoppages, damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage. The Company may become subject to liability for cave-ins and other hazards for which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration activities.

**Possible Dilution to Present and Prospective Shareholders**

The Company's plan of operation, in part, contemplates the accomplishment of business negotiations by the issuance of cash, securities of the Company, or a combination of the two, and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares, or securities convertible into common shares, would result in dilution, possibly substantial, to present and prospective holders of common shares.

**Dependence of Key Personnel**

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term. As the Company's operations expand, additional general management resources will be required.

**Solstice's Operations Are Subject To Human Error**

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Solstice's interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Solstice. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Solstice might undertake and legal claims for errors or mistakes by Solstice personnel.

**Conflicts of Interest**

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

**Insurance**

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods, fires and earthquakes. It is not always possible to obtain insurance against all such risks and Solstice may decide not to insure against certain risks because of high premiums or other

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reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Solstice's properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Solstice expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. Solstice expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Solstice. If Solstice is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Solstice's future cash flow and overall profitability.

**Lack of Trading**

The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

**Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries, financial results, and other factors could have a significant effect on the price of the Company's shares.

**Acquisition Strategy**

As part of Solstice's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, Solstice may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Solstice. Solstice cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Solstice.

**Dividend Policy**

No dividends on Common Shares have been paid by Solstice to date. Solstice anticipates that it will retain all earnings and other cash resources for the foreseeable future for the operation and development of its business. Solstice does not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Solstice Board after taking into account many factors, including Solstice's operating results, financial condition and current and anticipated cash needs.

**Significant Competition for Attractive Mineral Properties**

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Solstice expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Solstice, Solstice may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, Solstice's ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to Solstice may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, Solstice's ability to obtain financing on satisfactory terms, if at all.



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**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities. Cash and cash equivalents and amounts receivable, are designated as "loans and receivables". Accounts payable and accrued liabilities are designated as "other financial liabilities".

The carrying value of the Company's amounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short terms to maturity.

The Company examines the various financial instrument risks to which it is exposed and assesses any impact and likelihood of those risks. The Company's risk exposures and their corresponding impact on the Company's financial instruments are summarized below:

**Liquidity risk** is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. As at June 30, 2018, the Company had a \$7,038,129 in cash and cash equivalents balance to settle current liabilities of \$1,388,686.

The Company intends to finance future requirements from its existing cash reserves together with share issuances, the exercise of options and/or warrants, debt or other sources. There can be no certainty of the Company's ability to raise financing through these means.

**Credit risk** is the risk that the counterparty to a financial instrument will fail to meet their payment obligations, thus this risk is primarily attributable to cash and cash equivalents. As at June 30, 2018, the Company had amounts receivable balance of \$144,354, which materially relates to GST receivable from the Federal Government of Canada; as such the Company believes that its current risk of default of receiving the payment is minimal.

**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. The Company does not have any interest-bearing loans or liabilities outstanding. All receivable and payable balances as at June 30, 2018 are current and as such, are not subject to interest.

**CONTINGENCIES AND COMMITMENTS**

As at the date of this MD&A, there were no legal proceedings to which the Company is a party, nor to which their property is subject, nor to the best of the knowledge of management, are such legal proceedings contemplated.

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**OUTSTANDING SHARE DATA**

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares.

	<b>Number of Shares</b>	<b>Exercise Prices</b>	<b>Expiry Dates</b>
Issued and outstanding common shares as at October 25 <sup>th</sup>	69,534,906		
Warrants			
	46,666 **	\$0.220	December 30, 2019
	2,764,815 **	\$0.350	July 17, 2019
	220,831 **	\$0.400	July 17, 2019
	372,723 **	\$0.250	July 27, 2019
	13,267,200	\$0.350	July 31, 2020
	636,722	\$0.300	July 31, 2020
Options			
	433,331 **	\$0.110	November 12, 2019
	174,999 **	\$0.110	May 7, 2020
	66,666 **	\$0.150	August 4, 2021
	1,166,663 **	\$0.190	September 6, 2021
	50,000 **	\$0.190	October 4, 2021
	50,000 **	\$0.195	December 7, 2018
	400,000	\$0.25	June 18, 2020
	420,000 **	\$0.210	January 18, 2022
	4,490,000	\$0.250	January 15, 2025
	400,000	\$0.250	June 19, 2025
	1,100,000	\$0.250	September 1, 2025
<b>Fully diluted balance, October 25<sup>th</sup>, 2018</b>	<b>95,595,522</b>		

\*\* Options and share purchase warrants received as per the Plan of Arrangement.

**APPROVAL**

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

Ian Russell P. Geo. is Vice President Exploration for Solstice Gold and is the Qualified Person as defined by NI 43-101 standards responsible for reviewing and approving the technical content of this MD&A.