

Solstice Gold Announces Transformative Acquisition of Extensive Portfolio of Royalty and Property Interests in Ontario and Quebec

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VANCOUVER, Sept. 15, 2021 - [Solstice Gold Corp.](#) (TSXV: SGC) ("Solstice", "we", "our" or the "Company") is pleased to announce that we have executed a purchase agreement (the "Transaction") to acquire a portfolio of royalty and property interests (the "Portfolio") from a group of vendors including renowned Canadian prospector and entrepreneur Perry English who has amongst other successes unrelated to this transaction vended the claims to Great Bear Resources that today comprise part of the Dixie Project in Red Lake, Ontario. This sale will be consummated through his company 1544230 Ontario Inc., along with his business partner Gravel Ridge Resources Ltd. and its principals (collectively, with Perry English, the "Vendors") for a cash purchase price of C\$3.8 million and 400,000 common shares of Solstice. C\$235,000 cash has already been paid as a deposit to the Vendors. Key highlights are summarized below:

Acquisition Details

- Acquisition is expected to be fully funded from proceeds of concurrent financing and early exercise of existing warrants of the Company.
- The Portfolio consists of royalty and property interests in 86 projects, including:
 - 45 projects that are currently under option to third parties, of which 42 include provision for net smelter return ("NSR") royalty interests (subject to exercise of the options)
 - 10 stand-alone NSR royalty interests
 - 30 additional 100 percent owned properties available for option or sale.
 - Buyout of our RLX project including its NSR royalty.

Deal Highlights

- Nominal Cash and Share Payments due to Solstice from the 45 projects currently under option to 3rd parties totaling C\$3.9MM (Table 1).
- Subject to the exercise of the underlying options, Solstice will retain 42 royalties on the optioned properties and is acquiring 10 existing NSR royalties in this acquisition for a total of 52 newly acquired stand alone NSR royalties.
- Solstice plans to offer to sell or option a 100% interest in each of the remaining 30 properties either in separate or packaged deals. If consummated, these additional option agreements will generate cash and share payments along with additional NSR royalties to be generated that will be 100% owned by Solstice on closing, further enhancing the potential returns on this acquisition.
- Following pay back, Solstice will have an extensive royalty portfolio at zero cost. Subject to the exercise of the underlying options, Solstice will have acquired 52 royalties as part of the Transaction and this will potentially increase by up to 30 projects if new options agreements are entered into.
- Solstice 'buys-back' as part of the deal its own Red Lake Extension (RLX) option in Ontario's Red Lake Gold District, which will become 100% owned and royalty-free. Solstice is currently carrying out expanded surveys at RLX which will lead to drill targeting in the latter part of 2021. Formerly, the RLX royalty was 1.5%, of which a 1% could be purchased by Solstice for C\$1.5 MM with a 0.5% NSR royalty remaining in perpetuity in favour of the vendors.

Table 1: Cash and Share Payments due from Existing Option/Sales:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/f4c7c2f6-527e-4b4d-9e08-106dca909827>

Note: Share values used are: current share price for public companies, prospectus price (where available) for private companies going public, and C\$0.10 for private companies with no available price data. Excludes any potential royalty value and excludes any value for 30 currently un-optioned agreements. Table assumes all option payments are made under the option agreements.

The Portfolio comprises holdings in numerous actively explored mining districts in Canada's Superior

Geological Province and includes properties in the prolific Red Lake Gold District, as well as in highly prospective districts of the Abitibi (in both Ontario and Quebec), Uchi, Wabigoon and Wawa sub-provinces (Figure 1).

Approximately 74% of the portfolio is gold-focused although a significant percentage (23%) offers exposure to strategic metals: Copper, Lithium and Rare Earth Elements.

The Company's rationale for the acquisition is as follows:

- Short payback expected on the acquisition of approximately 3 years after which Solstice will potentially hold royalties on 52 or more exploration assets in Ontario and Quebec.
- Potential royalties are essentially acquired at no cost after payback. Potentially significant value creation from any commercial discovery on the 52 properties optioned or where we hold held NSR royalties.
- Upside in the share payments received by our option partners following any exploration success on the optioned properties.
- Future value creation in the form of cash, shares and NSR royalties on the 30 properties yet to be optioned out by Solstice.
- Provides annual and visible cash-flow and pending exploration success on optioned properties potential sales of NSR royalties held, to fund continued exploration of the Company's Red Lake Extension and KGP Projects.
- Provides no-cost exploration exposure to Solstice shareholders in high profile districts in the top tier jurisdictions of Ontario and Quebec.
- Maintains our core focus on flagship KGP project in Nunavut which is adjacent to the Meliadine Mine ([Agnico Eagle Mines Ltd.](#)) and on our emerging RLX project in Red Lake. Solstice has demonstrated mine-finding experience in both districts.

"We view this acquisition as transformative and highly accretive for Solstice Shareholders. This acquisition with a compelling payback and significant upside helps create in Solstice a unique blend of exposure to focused, high quality 100% owned projects, proven mine-finding ability and now exposure to a stable of other cash-flowing option agreements with potential future royalties which are being explored by third parties. I would also like to highlight the strong commitment of our board members who have agreed to exercise \$1.64MM dollars worth of warrants approximately two years early to help fund this acquisition. Our market-savvy Board and Management will own 40% of issued and outstanding shares post closing of the financing. We believe that our unique project portfolio, demonstrated mine finding ability and capital markets experience combined with our strong management and board ownership position provides a compelling platform for future shareholder value accretion," stated Chairman David Adamson.

To view the accompanying map please visit:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/014cd7c6-8358-41db-a685-070cbedcfc9e>

To view the accompanying pie chart please visit:

<https://www.globenewswire.com/NewsRoom/AttachmentNg/afdae116-5020-4eb2-8498-7ddd5d6d23bc>

Note: Numbers may not total 100% due to rounding.

Figure 1: Project Location Map and breakdown (Ontario and Quebec) for list of projects and additional details, see:

<https://www.solsticegold.com/investors/presentations/>

About the Vendors.

Perry English is a successful prospector having been extensively involved in Ontario's mineral exploration industry for over 35 years. He was honored with the Ontario Prospector Association's ("OPA") Prospector of the Year Award in 2007 as well as the OPA's Lifetime Achievement Award in 2014. Perry has been very active with claim staking in Northwestern Ontario and has often been among the largest private claim holders in the province. He sold his portfolio of 90 mineral properties to Rubicon Minerals Corp. in 2003 which now form a significant portion of the regional landholdings of producer Evolution Mining Ltd. in Red Lake. In 2015,

Perry vended claims to [Great Bear Resources Ltd.](#) which currently form part of their Dixie Lake gold discovery holdings.

Gravel Ridge Resources Ltd. is an exploration and project generation company led by President Mike Frymire and has focussed on precious metals in Ontario and Quebec over the past 14 years. Recently Gravel Ridge has generated multiple projects that are progressing to the advanced exploration stage. In 2017, Mr. Frymire was recognized with the NWOPA Discovery of the Year Award for the Bedivere Gold Project, Atikokan Ontario. Katie Misener, Vice President, has a business background and has also been part of multiple gold discoveries in northwestern Ontario, specifically the Atikokan area.

Concurrent Financing and Warrant Exercise

Completion and funding of the acquisition is subject to Solstice raising not less than C\$2,000,000 in a concurrent financing for the purpose of funding the balance of the purchase price for the Portfolio. The Company proposes to raise up to C\$2,500,000 pursuant to a non-brokered private placement of up to 25,000,000 common shares at a price of \$0.10 per share (the "Transaction Financing"). It is expected that one or more of the directors of the Company (each, a "Participating Director") will participate in and subscribe for common shares in the Transaction Financing. If a Participating Director purchases common shares under the Transaction Financing, the Transaction Financing will constitute a "related party transaction" within the meaning of Policy 5.9 of the TSX Venture Exchange ("TSX-V") and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") as a result of the Participating Director being a director of the Company.

Related party transactions require a formal valuation and minority shareholder approval unless exemptions from these requirements are available. If the Transaction Financing constitutes a related party transaction, the Company expects to rely on the exemption from the formal valuation requirement in section 5.5(b) of MI 61-101 (as a result of its common shares being listed on the TSX-V) and the exemption from the minority approval requirement in section 5.7(1)(b) of MI 61-101 (as neither the fair market value of the common shares to be distributed to, nor the consideration to be paid by, the Participating Director(s) is expected to exceed C\$2,500,000).

The common shares issued pursuant to the Transaction Financing will be subject to a four-month hold period in accordance with the policies of the TSX-V and applicable securities legislation. Further details in respect of the Transaction Financing will be included in a material change report to be filed by the Company. The material change report will be filed less than 21 days prior to closing of the Transaction due to the timing of the announcement of the Transaction Financing and the Company wishes to complete the Transaction Financing in an expeditious manner.

Additionally, three of our directors, Mr. Michael Gentile, Mr. Blair Schultz and Mr. Kevin Reid, have agreed to exercise prior to the closing of the acquisition and approximately 2 years early all their currently held warrants in Solstice for total proceeds of approximately C\$1.64MM which will be used in conjunction with the proceeds raised from the Transaction Financing to cover the cost of this acquisition and, to the extent that proceeds from such warrant exercises exceed the cost of this acquisition, for general corporate purposes.

The Transaction Financing is subject to customary closing conditions and TSX-V approval.

For additional details, please see the Company's corporate presentation at:
<https://www.solsticegold.com/investors/presentations/>

About Solstice Gold

Solstice is a gold-focussed exploration company engaged in the exploration of our high-quality exploration assets in top tier jurisdictions. Our 55 km² Red Lake Extension project along with the combined 96 km² Taillon, Moreau and Berens projects are located on the north end of the prolific Red Lake Gold District in Ontario. Our district scale KGP project covers 886 km² with certain other rights covering an adjacent 683 km², all with no underlying option or earn in payments. KGP has seen over \$12MM dollars spent on significant field work, identified a 10 km² gold boulder field and now prepared with multiple drill-ready targets. KGP is located in Nunavut, Canada, only 26 km from Rankin Inlet and approximately 7 km from the

Meliadine gold deposits owned by [Agnico Eagle Mines Ltd.](#) Solstice has approximately 99.8 million shares outstanding.

Solstice is committed to responsible exploration and development in the communities in which we work. For more details on Solstice Gold, the Red Lake Extension Project and the KGP Project, please see our Corporate Presentation available at www.solsticegold.com.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Sandy Barham, M.Sc., P.Geo., Senior Geologist, is the Qualified Person as defined by NI 43-101 standards responsible for reviewing and approving the technical content of this news release.

On Behalf of [Solstice Gold Corp.](#)

David Adamson,

Ph.D.
Chairman

For further information please visit our website at www.solsticegold.com or contact:

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Forward Looking Statements

This news release contains certain forward-looking statements ("FLS") including, but not limited to the Company's expectations, intentions, plans and beliefs in connection with the Company's planned exploration activities, the proposed acquisition and concurrent Transaction Financing and the terms and conditions thereof, the expected use of proceeds from the Transaction Financing and early warrant exercises from the Participating Directors, and the expected benefits and returns to the Company following the acquisition. FLS can often be identified by forward-looking words such as "approximate or (~)", "emerging", "goal", "plan", "intent", "estimate", "expects", "potential", "scheduled", "may" and "will" or similar words suggesting future outcomes or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. There can be no guarantee that the Company will complete the proposed transaction and financing on the terms currently contemplated or at all. There is also no guarantee that continued exploration at Solstice exploration projects, all of which are at an early stage of exploration, will lead to the discovery of an economic gold deposit. Factors that could cause actual results to differ materially from any FLS include, but are not limited to, failure of the Company to raise sufficient proceeds in the financing to satisfy the purchase price of the portfolio acquisition, failure of the Company to obtain TSX Venture Exchange approval on terms acceptable to the Company or at all, the future impacts of the COVID 19 pandemic and government response to such pandemic, the ability of the Company to continue exploration at its projects during the pandemic and the risk of future lack of access to the projects as a result thereof, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inability to locate source rocks, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, regulatory approvals and other factors. FLS are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

Potential shareholders and prospective investors should be aware that these statements are subject to

known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the FLS. Shareholders are cautioned not to place undue reliance on FLS. By their nature FLS involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Solstice undertakes no obligation to update publicly or otherwise revise any FLS whether as a result of new information, future events or other such factors which affect this information, except as required by law.

This news release contains information with respect to adjacent or other mineral properties in respect of which the Company has no interest or rights to explore or mine or acquire. Readers are cautioned that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties, nor is there certainty that Solstice's projects will contain economic mineralization. This news release mentions other companies that are unrelated to Solstice and this does not imply any agreements, partnerships or rights with respect to any of these companies or their properties other than where explicitly defined. Past performance is no guarantee of future performance and all investors are urged to consult their investment professionals before making an investment decision.

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