

Solstice Announces Closing of Upsized Private Placement Financing Including \$1.6 Million From Management and Directors

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VANCOUVER, Aug. 31, 2022 - [Solstice Gold Corp.](#) (TSXV: SGC) ("Solstice", "we", "our" or the "Company") is pleased to report the closing of its previously announced private placement financing (the "Offering") on Tuesday, August 30, 2022 (the "Closing Date"), for gross proceeds of approximately \$2.7 million through the issuance of: (i) 12,766,667 units (each, a "HD Unit") at a price of \$0.12 per HD Unit, each comprised of one common share of the Company (each, a "Common Share") and one warrant (each, a "Warrant") exercisable for one Common Share at \$0.17 for 18 months from the Closing Date; and (ii) 8,707,216 units (each, a "NFT Unit") at a price of \$0.135 per NFT Unit, each comprised of one Common Share qualifying as a flow-through share (each, a "FT Share") for purposes of the *Income Tax Act* (Canada) (the "ITA") and a half Warrant on the same terms as the Warrants in the HD Units, representing an upsize from its previously announced \$1.1 million anticipated gross proceeds of the Offering. The Company also announced today that Kevin Reid will step down as a director of the Company effective September 30, 2022, due to personal time constraints and will remain the largest shareholder of the Company. Pursuant to the Offering, Mr. Reid has acquired \$1.0 million of HD Units at a price of \$0.12 per unit, increasing his ownership in the Company to approximately 16.5%.

"Kevin has been a strong supporter and major shareholder of Solstice since its inception, including having served as a Board member since 2020," said David Adamson, Chairman of the Company. "Over this time, he has made numerous meaningful contributions to our business, drawing on his wealth of experience gained over a long and successful business career. On behalf of the Board of Directors, the management team, and our shareholders, I thank Kevin for his past and continuing support and wish him and his family all the best in the future."

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

The Offering was conducted in reliance upon available exemptions from the prospectus requirements of applicable Canadian securities laws. All securities issued under the Offering are subject to a hold period of four months and one day from the Closing Date in accordance with applicable Canadian securities laws. The Warrants contain a term that the holder or persons acting jointly or in concert with the holder may not exercise the Warrants if such exercise would result in the holder exercising control or direction of 20% or more of the issued and outstanding Common Shares.

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

The issuances of HD Units and NFT Units to insiders under the Offering are considered related party transactions within the meaning of TSX Venture Exchange ("TSXV") Policy 5.9 and Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company relied on exemptions from the formal valuation requirement under section 5.5(b) of MI 61-101 (Issuer not listed on Specified Markets) as the Common Shares are listed on the TSXV and the exemption from the majority of minority approval requirement under section 5.7(1)(a) of MI 61-101 based on a determination that the fair market value of the HD Units and NFT Units acquired by insiders under the Offering did not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The participants in the Offering and the extent of their participation were not finalized until shortly prior to the completion of the Offering. Accordingly, it was not possible to publicly disclose details of the nature and extent of related party participation in the Offering pursuant to a material change report filed at least 21 days prior to the completion

of the Offering.

Early Warning Reporting

Pursuant to the Offering, Kevin Reid, a director of the Company acquired 8,544,167 HD Units at a price of \$0.12 per HD Unit for proceeds of approximately \$1,025,300.

Prior to the Offering Mr. Reid directly and indirectly held 22,109,666 Common Shares representing 13.5% of the issued and outstanding Common Shares. Following the completion of the Offering, Mr. Reid has control and direction over an aggregate of 30,653,833 Common Shares and 8,544,167 Warrants, representing 16.5% of the issued and outstanding Common Shares, 57.7% of the issued and outstanding Warrants and 20.17% of the issued and outstanding Common Shares if the Warrants issued to Mr. Reid were exercised.

All securities of the Company controlled by Mr. Reid are held for investment purposes. In the future, Mr. Reid (directly or indirectly), may acquire and/or dispose of securities of the Company through the market, privately or otherwise, as circumstances or market conditions may warrant.

Michael Gentile, a director of the Company acquired 1,250,000 HD Units at a price of \$0.12 per HD Unit for proceeds of \$150,000.

Prior to the Offering, Mr. Gentile directly and indirectly held 22,109,666 Common Shares representing 13.5% of the issued and outstanding Common Shares. Following the completion of the Offering, Mr. Gentile has control and direction over an aggregate of 23,359,666 Common Shares and 1,250,000 Warrants, representing 12.6% of the issued and outstanding Common Shares, 8.4% of the issued and outstanding Warrants and 13.16% of the issued and outstanding Common Shares if the Warrants issued to Mr. Gentile were exercised.

All securities of the Company controlled by Mr. Gentile are held for investment purposes. In the future, Mr. Gentile (directly or indirectly), may acquire and/or dispose of securities of the Company through the market, privately or otherwise, as circumstances or market conditions may warrant.

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

The head office of the Company is Suite 550, 800 West Pender Street, Vancouver, BC V6C 2V6. Copies of the early warning reports can be obtained by contacting David Fischer at 604-283-7234.

This portion of this news release is issued pursuant to National Instrument 62-103 - *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* of the Canadian Securities Administrators, which also requires an early warning report to be filed with the applicable securities regulators containing additional information with respect to the foregoing matters. A copy of the early warning reports filed by Mr. Reid and Mr. Gentile are available under Solstice's profile on SEDAR (www.sedar.com).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S.

About Solstice Gold Corp.

Solstice is an exploration company with quality, district-scale gold projects in established mining regions of Canada. Our 180 km² Red Lake Extension (RLX) and New Frontier projects are located at the northwestern extension of the prolific Red Lake Camp in Ontario and approximately 45km from the Red Lake Mine

Complex owned by Evolution Mining. The Company is funded for phase one drilling at RLX. Our newly formed 326km² Atikokan Gold Project is approximately 23km from the Hammond Reef Gold Project owned by [Agnico Eagle Mines Ltd.](#) and is fully funded for a robust field program in 2022. Our Qaiqtuq Gold Project which covers 886 km² with certain other rights covering an adjacent 683 km², hosts a 10 km² high grade gold boulder field, is fully permitted and hosts multiple drill-ready targets. Qaiqtuq is located in Nunavut, only 26 km from Rankin Inlet and approximately 7 km from the Meliadine Gold Mine owned by [Agnico Eagle Mines Ltd.](#) An extensive gold and battery metal royalty and property portfolio of over 80 assets was purchased in October 2021. Approximately \$1.3 million in value and two new royalties have been generated since the acquisition.

David Adamson was a co-award winner for the discovery of [Battle North Gold Corp.](#)'s Bateman Gold deposit and was instrumental in the acquisition of many of the district properties in the Battle North portfolio during his successful 16 years of exploration in the Red Lake.

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.

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

Mike Timmins, Chief Executive Officer

For further information on [Solstice Gold Corp.](#), please visit our website at www.solsticegold.com or contact:

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Cautionary Note Regarding Forward-Looking Statements and Information

This news release contains certain forward-looking statements ("FLS") including but not limited to, the use of proceeds of the Offering, the hold period of all securities in connection with the Offering and potential acquisition of securities of the Company in the market. 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. Actual results or developments may differ materially from those in forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, save and except as may be required by applicable securities laws.

Since forward-looking information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to that the use of proceeds from the Offering may differ due to unforeseen circumstances and general risks relating to the Company's business including there is 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, 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.

All forward-looking statements are based on the Company's current beliefs as well as various assumptions made by Company management and information currently available to them including that the Company will have sufficient capital including from the proceeds of the Offering to satisfy its business objectives. There can be no assurance that such assumptions will prove to be accurate and actual results and future events could differ materially from those anticipated in such. Forward looking statements reflect the beliefs, opinions

and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

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