



13 July 2018

**SolGold plc**  
("SolGold" or the "Company")

## **Cascabel Exploration Update**

### **Drilling results promise further growth at Alpala Aguinaga Hole 6 intersects strong mineralisation 30m below surface**

The Board of SolGold (LSE and TSX code: SOLG) is pleased to provide an update on the drilling programs at Alpala and Aguinaga, at the Company's Cascabel project in Northern Ecuador.

#### **HIGHLIGHTS:**

- **Extension drilling at Alpala Central 'High-Grade Core' is expected to extend the high-grade mineralisation along the lower and northeast margins of the deposit. Infill drilling at Alpala Central is expected to contribute to an upgrade of the resource, where early stage copper and gold rich intrusions appear on drill evidence to be more continuous than previously modelled. Hole 55R returned 458m @ 0.71% CuEq (incl. 66m @ 1.17% CuEq). Hole 41-D1-D2, has thus far intersected over 380m of visible copper sulphide mineralisation, including visual estimates of over 4% Chalcopyrite (drilling continues). Hole 58 intersected approximately 980m of visible copper sulphide mineralisation, including estimates of over 2.5% Chalcopyrite (assay results pending).**
- **Extension drilling at Alpala Central "Western Lobe" continues to intersect shallow mineralisation above the existing resource limits along the southwest margin of the deposit, in a large lobe of early diorite intrusion hosting high-grade mineralisation (>1.5% CuEq) to within 450m of surface, approximately 250m closer to surface than previously modelled. Hole 60 intersected approximately 180m of visible copper sulphide mineralisation, including visual estimates of over 5.5% Chalcopyrite (assay results pending).**
- **Extension drilling at Alpala Northwest and Trivinio continues to extend the Alpala deposit. Hole 56 intersected a strongly altered fault zone returning 4m @ 172.00g/t Au (QAQC re-assay of pulp, reject, and quarter core re-assay pending). Hole 56-D1, has thus far intersected approximately 305m of visible copper sulphide mineralisation, (drilling continues). Hole 59R intersected approximately 570m of visible copper sulphide mineralisation (assay results pending).**
- **Aguinaga drilling has confirmed near surface potential. Hole 6 has intersected strongly mineralised early diorite intrusion, with visual estimates of over 3% Chalcopyrite mineralisation, from 30m below surface (drilling continues). Hole 7 has thus far intersected 67m of visual copper sulphide mineralisation from 55m below surface (drilling continues).**



## FURTHER INFORMATION

The Cascabel Project is located on the northern section of the prolific Andean Copper belt, renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at Rocafuerte in northern Ecuador, approximately three-hour drive north of Quito, close to water, power supply and Pacific ports (**Figure 1**). Having fulfilled its earn in requirements, SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in ENSA (Exploraciones Novomining S.A.) which holds 100% of the Cascabel tenement covering approximately 50km<sup>2</sup>.

Approximately 127,000m of diamond drilling has been completed on the project. Currently, 12 drill rigs are active on site, with 10 rigs drilling on the Alpala cluster (**Figure 2**), and 2 rigs drilling at the Aguinaga prospect (**Figure 3**). The Cascabel drill program focusses on extending and infilling the Alpala Resource, as well as further drill testing of the evolving Aguinaga prospect, as drilling homes in on the geometry and extent of early diorite intrusions hosting copper-gold mineralisation. Drill testing of the Trivinio target has commenced, whilst the numerous other untested targets, namely at Moran, Cristal, Tandayama-America and Chinambicito, are flagged for drill testing as overall program demands allow.

A detailed summary of recent assay results at Alpala and Aguinaga is shown in **Figure 4**.

### Alpala Targeted Resource Additions and Conversions

Assay results from the initial 53,616m of drilling at Alpala were incorporated into the Alpala maiden Mineral Resource Estimate (**MRE**) completed in December 2017 and announced on 3 January 2018. A further 73,384m of drilling has been completed since development of the MRE, and major resource growth is expected in a revised MRE.

SolGold geologists continue to observe extensions of mineralisation outside current inferred and indicated resource blocks at Alpala as well as substantial upgrading of previously estimated resource tonnage to higher grades as drill hole density increases throughout the deposit area.

The recent and ongoing drilling at Alpala Central is also predicted to significantly increase the resource estimate of the high-grade core at Alpala. Infill drilling at Alpala Central is expected to upgrade the high-grade resource, where early stage copper and gold rich intrusions appear on drill evidence to be more continuous than previously modelled.

Extension drilling at Alpala Central is expected to extend mineralisation beyond the high-grade resource along the lower and northeast margins of the deposit, whilst drilling at Alpala Northwest and Alpala Southeast continues to expand the Alpala Deposit.

Extension drilling at Alpala Central continues to intersect shallow mineralisation above the existing resource limits, along the southwest margin of the deposit, in a large lobe of early diorite intrusion hosting high-grade mineralisation (>1.5% CuEq) to within 450m of surface, approximately 250m closer to surface than previously modelled.

Exploration drilling at Trivinio prospect recently revealed a new potential for major north extensions to the Alpala deposit.

Highlights from recent visual estimates and assayed drilling results at Alpala include:



- **Hole 55R** (Alpala Central 'High-Grade Core"): 458m @ 0.71% CuEq (including 66m @ 1.17% CuEq).
- **Hole 57** (Alpala Central 'High-Grade Core"): partial assay results to 682m, 124m @ 0.60% CuEq (including 60m @ 0.74% CuEq) both open at depth. Drilling continues. Further assay results pending.
- **Hole 58** (Alpala Central 'High-Grade Core"): approximately 980m of visible copper sulphide mineralisation, including visual estimates of over 2.5% Chalcopyrite. Assay results pending. \*
- **Hole 41-D1-D2** (Alpala Central 'High-Grade Core"): thus far over 380m of visible copper sulphide mineralisation, including visual estimates of over 4% Chalcopyrite. Drilling continues.\*
- **Hole 60** (Alpala Central "Western Lobe"): approximately 180m of visible copper sulphide mineralisation, including visual estimates of over 5.5% Chalcopyrite. Assay results pending.\*
- **Hole 54** (Alpala Northwest): 102m @ 0.43% CuEq.
- **Hole 56** (Alpala Northwest): partial assay results to 870m, 604m @ 0.45% CuEq (incl. 186m @ 0.59% CuEq).
- **Hole 56** (Alpala Northwest): strongly altered fault zone, 4m @ 172.00g/t Au, from 448m depth (QAQC re-assay of pulp, reject, and quarter core re-assay pending).
- **Hole 56-D1** (Alpala Northwest): approximately 305m of visible copper sulphide mineralisation, open at depth. Drilling continues.
- **Hole 59R** (Alpala Northwest): approximately 570m of visible copper sulphide mineralisation, open at depth. Assay results pending.
- **Hole 53** (Alpala Southeast): over 400m of visible copper mineralisation, and over 190m of strong highly visible copper mineralisation. Final assay results pending.

\* estimates of visual mineralization should not be interpreted with the same confidence as assay results

Drill hole assays have been received for 102,193m metres of drilling to date, whilst approximately 24,800m of drilling has assays pending. Recent construction of an in-country certified preparation facility by ALS Global is expected to further expedite assay turnaround.

### **Aguinaga Drilling Program**

Aguinaga drilling is progressing with hole 7 under way. Hole 6 intersected strongly mineralised early diorite intrusion, with visual estimates of over 3% Chalcopyrite mineralisation, from 30m below surface. Hole 6 is located near the summit of Aguinaga hill and lies approximately 400m SSE of mineralisation discovered in previous drill holes. Hole 7 has thus far intersected 67m of visual copper sulphide mineralisation from 55m below surface.

Drilling now demonstrates a vertical column to the mineralising system of more than 700m, a width of up to 350m, along a 400m length. The drilling program at Aguinaga is in its early stages. As drilling progresses, the geometry and extent of mineralisation is becoming more apparent. The evolving near surface potential at Aguinaga, coupled with strong propylitic alteration encountered along the bottom 150m of hole 1 provides strong potential for ongoing discoveries through further drilling.

The scope for a significant near surface copper-gold deposit at Aguinaga may prove beneficial as early mill feed for the project whilst the main Alpala Decline progresses towards the initial extraction levels at the Alpala Deposit.



Photographs of typical mineralisation within the early diorite intrusion intersected in Hole 6 thus far are shown in **Figure 5**.



## Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of the Regulation (EU) No 596/2014 until the release of this announcement.

### Qualified Person:

Information in this report relating to the exploration results is based on data reviewed by Mr Jason Ward ((CP) B.Sc. Geol.), Exploration Manager Global of the Company. Mr Ward is a Member of the Australasian Institute of Mining and Metallurgy, holds the designation MAusIMM (CP), and has in excess of 20 years' experience in mineral exploration and is a Qualified Person for the purposes of the relevant LSE and TSX Rules. Mr Ward consents to the inclusion of the information in the form and context in which it appears.

By order of the Board  
Karl Schlobohm  
Company Secretary

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### ABOUT SOLGOLD

SolGold is a leading exploration company focussed on the discovery and definition of world-class copper and gold deposits. In 2017 SolGold's management team was recognised as an example of excellence in the industry, and continue to strive to deliver objectives efficiently and in the interests of shareholders. SolGold is the largest and most active concession holder in Ecuador and is aggressively exploring the length and breadth of this highly prospective section of the Andean Copper Belt.

#### ***Ecuador dedicated to become a serious mining nation***

Ecuador has, over the last 5 years, been recognised globally as a frontrunner in emerging mining nations as it develops regulatory and fiscal frameworks to facilitate the development of a fiscally, socially and environmentally strong and responsible mining industry.

#### ***Dedicated stakeholders***

SolGold employs a staff of over 400 and at least 90% are Ecuadorean. This is expected to grow as the operations at Alpala, and in Ecuador generally, expand. SolGold focusses its operations to be safe,



reliable and environmentally responsible and maintains close relationships with its local communities. SolGold has engaged an increasingly skilled refined and experienced team of geoscientists using state of the art geophysical and geochemical modelling applied to an extensive data base to enable the delivery of ore grade intersections from nearly every drill hole at Alpala.

### **About Cascabel and Alpala**

The Alpala deposit is the main target in the Cascabel concession, located on the northern section of the heavily endowed Andean Copper Belt, the entirety of which is renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at Rocafuerte in northern Ecuador, an approximately three hour drive north of Quito, close to water, power supply and Pacific ports (Figure 1).

Alpala has produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as indicated by Hole 12 (CSD-16-012) returning 1560m grading 0.59% copper and 0.54 g/t gold including, 1044m grading 0.74% copper and 0.54 g/t gold.

Having fulfilled its earn in requirements, SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in ENSA (Exploraciones Novomining S.A.) which holds 100% of the Cascabel concession covering approximately 50km<sup>2</sup>. The junior equity owner in ENSA is required to repay 15% of costs since SolGold's earn in was completed, from 90% of its share of distribution of earnings or dividends from ENSA or the Cascabel concession. It is also required to contribute to development or be diluted and if its interest falls below 10%, it shall reduce to a 0.5% NSR royalty which SolGold may acquire for US\$3.5m.

Approximately 123,500m of diamond drilling has been completed on the project. With 12 rigs currently active on the project (10 rigs drilling on the Alpala cluster (Figure 2), and 2 rigs drilling at the Aguinaga prospect (Figure 3)), SolGold produces some 10,000m of core every month. The Cascabel drill program currently focusses on extending and upgrading the status of the Alpala Resource, as well as further drill testing of the rapidly evolving Aguinaga prospect. Drill testing of the Trivinio target has commenced, whilst the numerous other untested targets, namely at Moran, Cristal, Tandayama-America and Chinambicito, are flagged for drill testing as overall program demands allow.

Since the publication of the Alpala Maiden Mineral Resource Estimate in January 2018, which outlined a contained metal inventory of 5.2 million tonnes of copper and 12.6 million ounces of gold, the company has nearly doubled both drilled and reported metreage and will produce a revised resource statement addressing the evident growth in the size of the deposit at the conclusion of the current Alpala drill programme. Investors should consult the technical report dated December 18, 2017 for a detailed account of the assumptions on which the estimates were based as well as any known legal, political, environmental and other risks that could materially affect the development of the resources.

### ***Getting Alpala advanced towards development***

SolGold has appointed feasibility management to initially address the production of a preliminary economic assessment (PEA), prior to the prefeasibility and feasibility studies.

The resource at the Alpala deposit boasts a high grade core which, in the event of the construction of a mine, is targeted to facilitate early cashflows and an accelerated payback of initial capital. SolGold is



currently investigating development and financing options available to the company for the development of Cascabel on reaching feasibility.

### **SolGold's regional push**

SolGold is using its successful and cost efficient blueprint established at Alcala, and Cascabel generally, to explore for additional world class projects across Ecuador. SolGold is the largest and most active concessionaire in Ecuador having recognised as early as 2014 that the country hosted the same untested prospectivity as the Northern Chilean section of the Andean Copper Belt, which accounts for some 25% of the world's copper resources.

The Company believes Alcala is just the beginning for SolGold in Ecuador. The company wholly owns four other subsidiaries active throughout the country that are now focussed on ten high priority gold and copper resource targets, many of which the Company believes have the potential, subject to resource definition and feasibility, to be developed in close succession or even on a more accelerated basis from Alcala.

SolGold is listed on the London Stock Exchange and Toronto Stock Exchange (LSE/TSX: SOLG). The company has on issue a total of 1,696,245,686 fully-paid ordinary shares, 31,795,884 share options exercisable at 28p; 9,795,884 share options exercisable at 14p and 46,762,000 share options exercisable at 60p.

**See [www.solgold.com.au](http://www.solgold.com.au) for more information. Follow us on twitter @SolGold\_plc**

### **CAUTIONARY NOTICE**

News releases, presentations and public commentary made by SolGold plc (the "Company") and its Officers may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors. Such forward-looking and interpretative statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such interpretations and forward-looking statements.

Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of the TSX and LSE or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may reinterpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.

This release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the Company's plans for developing its properties. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".



Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: transaction risks; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The Company and its officers do not endorse, or reject or otherwise comment on the conclusions, interpretations or views expressed in press articles or third-party analysis, and where possible aims to circulate all available material on its website.

The Company recognises that the term "World Class" is subjective and for the purpose of the Company's projects the Company considers the drilling results at the growing Alpala Porphyry Copper Gold Deposit at its Cascabel Project to represent intersections of a "World Class" deposit. The Company considers that "World Class" deposits are rare, very large, long life, low cost, and are responsible for approximately half of total global metals production.

"World Class" deposits are generally accepted as deposits of a size and quality that create multiple expansion opportunities, and have or are likely to demonstrate robust economics that ensure development irrespective of position within the global commodity cycles, or whether or not the deposit has been fully drilled out, or a feasibility study completed.

Standards drawn from industry experts (1) Singer and Menzie, 2010; (2) Schodde, 2006; (3) Schodde and Hronsky, 2006; (4) Singer, 1995; (5) Laznicka, 2010) have characterised "World Class" deposits at prevailing commodity prices. The relevant criteria for "World Class" deposits, adjusted to current long run commodity prices, are considered to be those holding or likely to hold more than 5 million tonnes of copper and/or more than 6 million ounces of gold with a modelled net present value of greater than USD 1 Billion.

The Company and its external consultants prepared an initial mineral resource estimate at the Cascabel Project in December 2017. Results are summarised in **Table B** attached.

The Mineral Resource Estimate was completed from 53,616m of drilling, approximately 84% of 63,500m metres drilled as of mid-December 2017, the cut-off date for the maiden resource calculation. There remains strong potential for further growth from more recent drilling results, and continue rapid growth of the deposit.

Any development or mining potential for the project remains speculative.

Drill hole intercepts have been updated to reflect current commodity prices, using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion





factor of 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. True widths of down hole intersections are estimated to be approximately 25-50%.

On the basis of the drilling results to date and the results of the Alpala Maiden Mineral Resource Estimate, the reference to the Cascabel Project as “World Class” (or “Tier 1”) is considered to be appropriate. Examples of global copper and gold discoveries since 2006 that are generally considered to be “World Class” are summarised in **Table A**.

**References cited in the text:**

1. Singer, D.A. and Menzie, W.D., 2010. *Quantitative Mineral Resource Assessments: An Integrated Approach*. Oxford University Press Inc.
2. Schodde, R., 2006. *What do we mean by a world class deposit? And why are they special*. Presentation. AMEC Conference, Perth.
3. Schodde, R and Hronsky, J.M.A, 2006. *The Role of World-Class Mines in Wealth Creation*. Special Publications of the Society of Economic Geologists Volume 12.
4. Singer, D.A., 1995, *World-class base and precious metal deposits—a quantitative analysis: Economic Geology*, v. 90, no.1, p. 88–104.
5. Laznicka, P., 2010. *Giant Metallic Deposits: Future Sources of Industrial Metal, Second Edition*. Springer-Verlag Heidelberg.

Deposit Name	Discovery Year	Major Metals	Country	Current Status	Mining_Style	Inventory
LA COLOSA	2006	Au,Cu	Colombia	Feasibility - New project	Open Pit	<sup>1</sup> 469Mt @ 0.95g/t Au; 14.3MOz Au
LOS SULFATOS	2007	Cu,Mo	Chile	Advanced Exploration	Underground	<sup>2</sup> 1.2Bt @ 1.46% Cu and 0.02% Mo; 17.5Mt Cu
BRUCEJACK	2008	Au	Canada	Development/Construction	Open Pit	<sup>3</sup> 15.6Mt @ 16.1 g/t Au; 8.1Moz Au
KAMOA-KAKULA	2008	Cu,Co,Zn	Congo (DRC)	Feasibility - New project	Open Pit & U/ground	<sup>4</sup> 1.34Bt @ 2.72% Cu; 36.5 Mt Cu
GOLPU	2009	Cu,Au	PNG	Feasibility - New project	Underground	<sup>5</sup> 820Mt @ 1.0% Cu, 0.70g/t Au; 8.2Mt Cu, 18.5Moz Au
COTE	2010	Au,Cu	Canada	Feasibility Study	Open Pit	<sup>6</sup> 289Mt @ 0.90 g/t Au; 8.4MOz Au
HAIYU	2011	Au	China	Development/Construction	Underground	<sup>7</sup> 15Moz Au
RED HILL-GOLD RUSH	2011	Au	United States	Feasibility Study	Open Pit & U/ground	<sup>8</sup> 47.6Mt @ 4.56g/t Au; 7.0MOz Au
XILING	2016	Au	China	Advanced Exploration	Underground	<sup>9</sup> 383Mt @ 4.52g/t Au; 55.7MOz Au

Source: after MinEx Consulting, May 2017

<sup>1</sup> Source: <http://www.mining-technology.com/projects/la-colosa>

<sup>2</sup> Source: <http://www.angloamerican.com/media/press-releases/2009>

<sup>3</sup> Source: <http://www.pretivm.com/projects/brucejack/overview/>

<sup>4</sup> Source: <https://www.ivanhoemines.com/projects/kamoa-kakula-project/>

<sup>5</sup> Source: [http://www.newcrest.com.au/media/resource\\_reserves/2016/December\\_2016\\_Resources\\_and\\_Reserves\\_Statement.pdf](http://www.newcrest.com.au/media/resource_reserves/2016/December_2016_Resources_and_Reserves_Statement.pdf)

<sup>6</sup> Source: <http://www.canadianminingjournal.com/news/gold-iamgold-files-cote-project-pea/>

<sup>7</sup> Source: <http://www.zhaojin.com.cn/upload/2015-05-31/580601981.pdf>

<sup>8</sup> Source: [https://mrdata.usgs.gov/sedau/show-sedau.php?rec\\_id=103](https://mrdata.usgs.gov/sedau/show-sedau.php?rec_id=103)

<sup>9</sup> Source: [http://www.chinadaily.com.cn/business/2017-03/29/content\\_28719822.htm](http://www.chinadaily.com.cn/business/2017-03/29/content_28719822.htm)

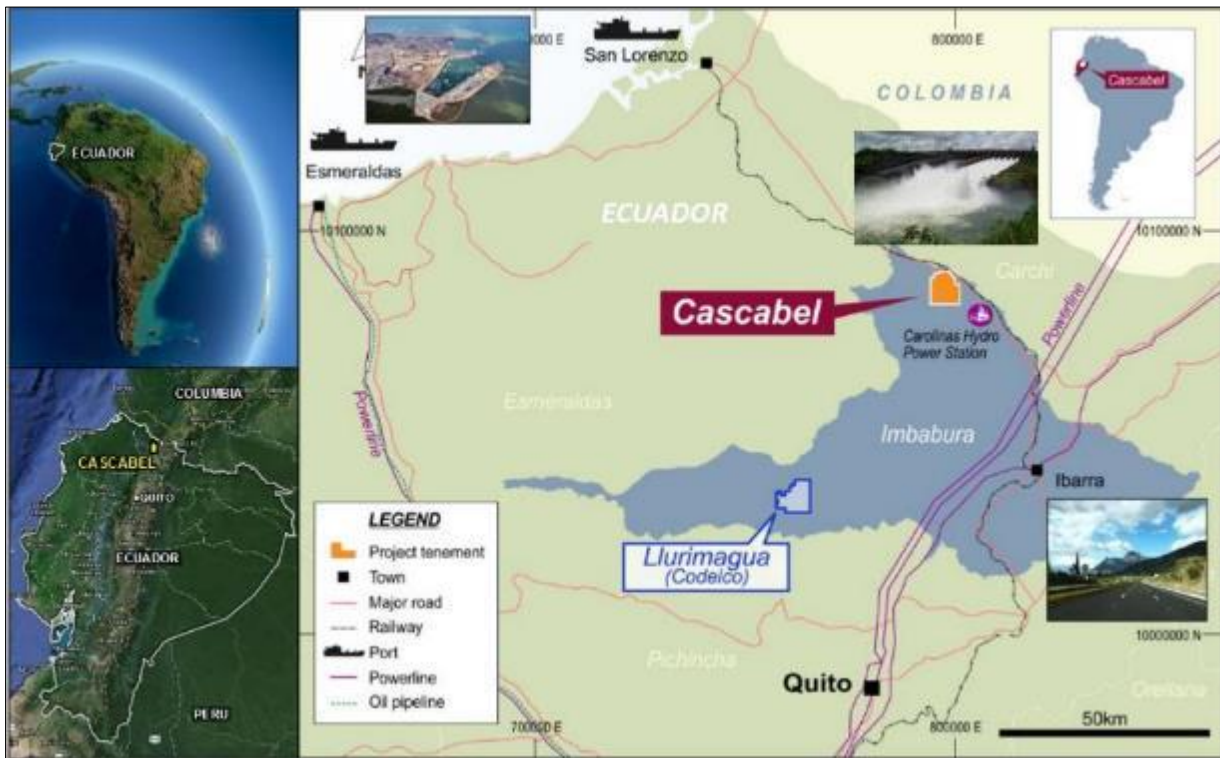
**Table A:** Tier 1 global copper and gold discoveries since 2006. This table does not purport to be exhaustive exclusive or definitive.

	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
>1.1% CuEq	Indicated	70	1.1	1.3	1.8	0.7	2.8	1.2
	Inferred	50	1.1	1.3	1.8	0.5	1.9	0.8
0.9 - 1.1% CuEq	Indicated	50	0.7	0.5	1.0	0.3	0.9	0.5
	Inferred	50	0.7	0.5	1.0	0.4	0.9	0.5
0.3 - 0.9% CuEq	Indicated	310	0.4	0.2	0.5	1.2	2.3	1.6
	Inferred	550	0.4	0.2	0.5	2.0	3.5	2.6
<b>Total &gt;0.3% CuEq</b>	<b>Indicated</b>	<b>430</b>	<b>0.5</b>	<b>0.4</b>	<b>0.8</b>	<b>2.3</b>	<b>6.0</b>	<b>3.4</b>
	<b>Inferred</b>	<b>650</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>2.9</b>	<b>6.3</b>	<b>4.0</b>

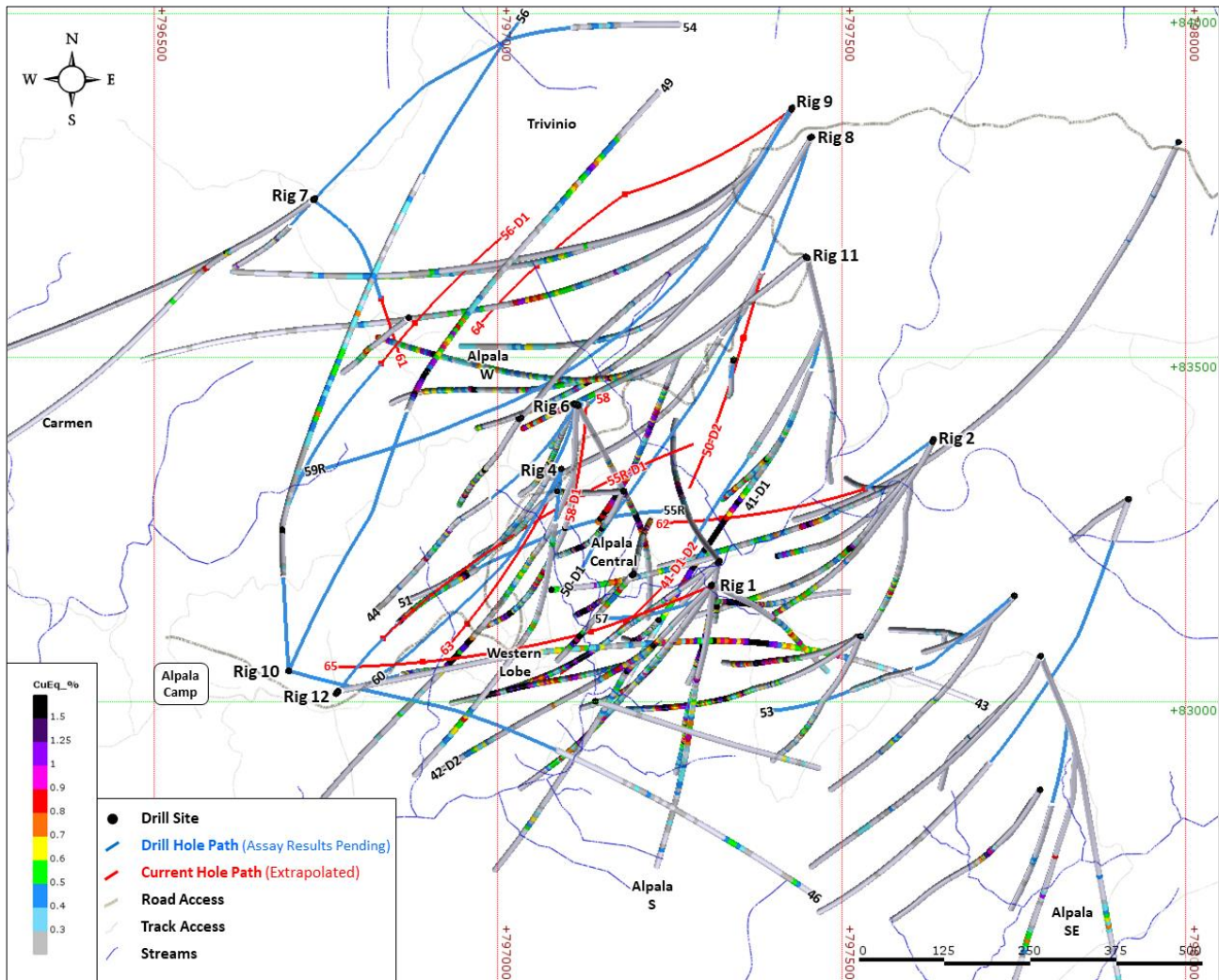
**Table B:** Alpala Mineral Resource statement as of 18 December 2017

**Notes:**

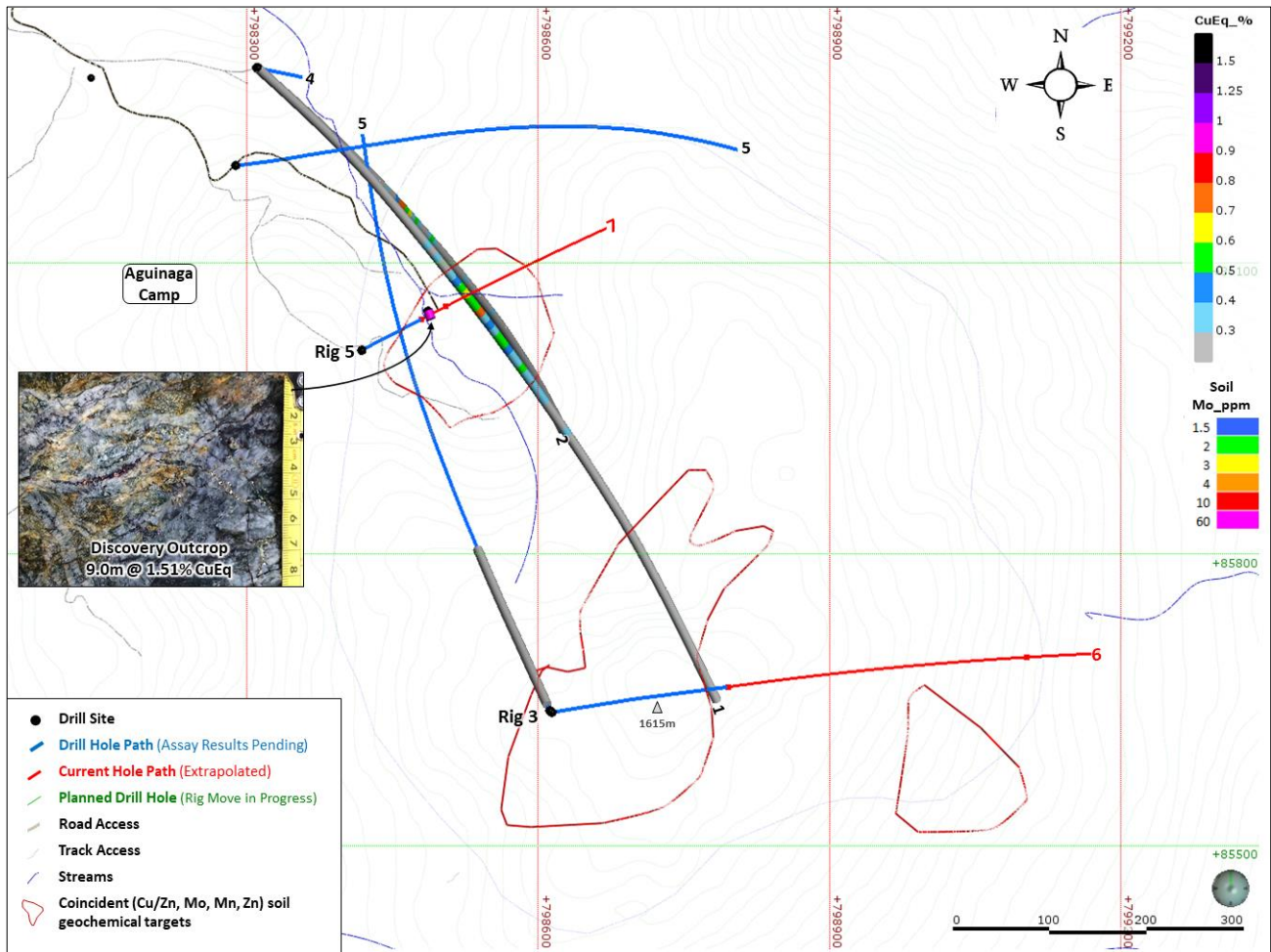
- Mr. Martin Pittuck, MSc, CEng, MIMMM, is responsible for this Mineral Resource estimate and is an "independent qualified person" as such term is defined in NI 43-101.
- The Mineral Resource is reported using a cut-off grade of 0.3% copper equivalent calculated using [copper grade (%)] + [gold grade (g/t) x 0.6] based on a copper price of US\$2.8/lb and gold price of US\$1,160/oz.
- The Mineral Resource is considered to have reasonable potential for eventual economic extraction by underground mass mining such as block caving.
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014).
- The MRE is reported on 100 percent basis.
- Values given in the table have been rounded, apparent calculation errors resulting from this are not considered to be material.
- The effective date for the Mineral Resource statement is 18th December 2017.



**Figure 1:** Location of Cascabel project in northern Ecuador, highlighting the significant capital advantages held by the project, with proximity to ports, road infrastructure, hydro-electric power stations and the trans-continental power grid.



**Figure 2:** Drill Hole Plan along the greater Alpa area, showing copper equivalent assay results, extrapolated current drill hole paths in red, and intervals awaiting assay results indicated in blue.

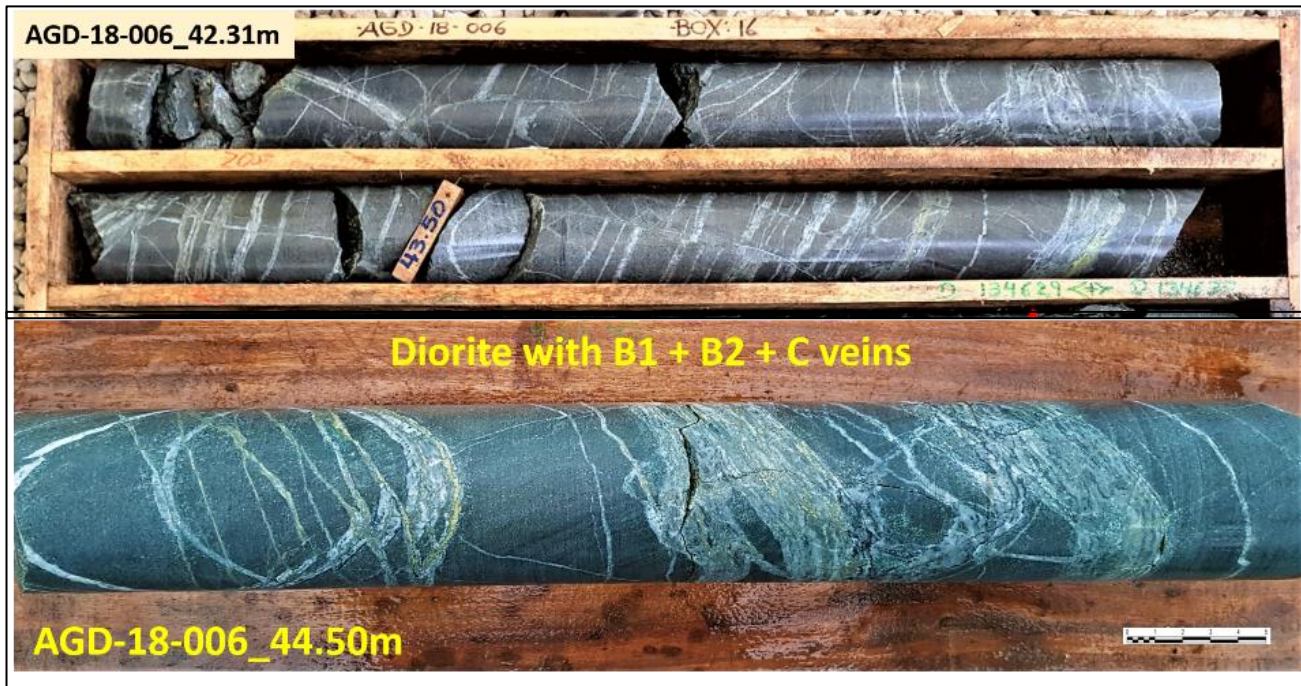


**Figure 3:** Drill Hole Plan along the greater Alpa area, showing copper equivalent assay results, extrapolated current drill hole paths in **red**, intervals awaiting assay results indicated in **blue**, and coincident surface soil geochemical targets.

Hole ID	From m	To m	Interval m	Cu %	Au g/t	CuEq %	Cut-off (CuEq%)	m% (CuEq)	Comment
AGD-18-001	328	676	348	0.30	0.12	0.37	0.20	128.8	
	374	592	218	0.35	0.15	0.45	0.30	98.1	
	388	510	122	0.40	0.18	0.52	0.40	63.4	
AGD-18-002	344	516	172	0.34	0.13	0.42	0.30	72.2	
	406	452	46	0.50	0.22	0.63	0.50	29.0	
CSD-18-041-D1-D1	1017.9	1449	431.1	0.41	0.24	0.56	0.30	241.4	
	1202	1449	247	0.45	0.33	0.65	na	160.6	open at depth
	1356	1449	93	0.48	0.37	0.71	0.50	66.0	open at depth
CSD-18-042-D2	312	1110	798	0.32	0.24	0.47	0.10	375.1	bulk, halo.
	312	614	302	0.45	0.50	0.76	0.20	229.5	
	312	364.5	52.5	0.78	1.34	1.63	0.40	85.6	
	312	552	240	0.52	0.59	0.90	0.40	216.0	
CSD-18-043	600	1574	974	0.48	0.37	0.71	0.10	690.1	bulk halo
	636	1534	898	0.51	0.40	0.76	0.30	682.5	
	896	1412	516	0.61	0.58	0.98	0.40	505.7	
	932	1410	478	0.64	0.61	1.02	0.50	487.6	
	1090	1408	318	0.70	0.73	1.16	0.70	368.9	
	1108	1268	160	0.90	1.06	1.56	1.00	249.6	
CSD-18-044	648	1303.7	655.7	0.24	0.11	0.31	0.10	203.3	bulk, halo. open at depth
	800	1142	342	0.29	0.14	0.38	0.20	130.0	
	908	1042	134	0.41	0.25	0.57	0.30	76.4	
CSD-18-048	530	747.8	217.8	0.50	0.23	0.65	0.30	141.6	open at depth
	524	620	96	0.62	0.39	0.86	0.50	82.6	
	550	600	50	0.78	0.58	1.15	0.70	57.5	
CSD-18-049	850	1700	850	0.49	0.28	0.66	0.10	561.0	
	872	1316	444	0.60	0.38	0.83	0.30	368.5	
	882	1150	268	0.77	0.56	1.12	0.60	300.2	
	890	1010	120	1.01	0.88	1.57	1.00	188.4	
	1494	1668	174	0.53	0.29	0.71	0.30	123.5	
CSD-18-051	714	1408	694	0.43	0.28	0.61	0.20	423.3	
	826	1302	476	0.53	0.36	0.75	0.30	357.0	
	1084	1278	194	0.81	0.74	1.28	0.40	248.3	
	1226	1278	52	1.94	2.48	3.51	0.50	182.5	
CSD-18-052	604	1134	530	0.26	0.11	0.33	0.10	174.9	
	932	1134	202	0.35	0.15	0.44	0.10	88.9	
	946	1052	106	0.53	0.22	0.67	0.40	71.0	
CSD-18-054	1058	1190	132	0.29	0.14	0.38	0.10	50.2	open above, results above 1058 pending
CSD-18-054	1088	1190	102	0.32	0.16	0.43	0.30	43.9	
CSD-18-055R	542	1064	522	0.52	0.22	0.66	0.10	344.5	open at depth, results below 1064m pending
	542	1000	458	0.56	0.24	0.71	0.30	325.2	
	542	594	52	0.82	0.33	1.03	0.30	53.6	
	628	1000	372	0.54	0.25	0.70	0.40	260.4	
	934	1000	66	0.78	0.63	1.17	0.50	77.2	
CSD-18-056	448	452	4	0.21	172.00	108.57	na	434.3	QAQC work in progress
	520	1124	604	0.36	0.13	0.45	na	271.8	
	646	844	198	0.47	0.17	0.58	0.50	114.8	results below 1580m pending
CSD-18-057	500	682	182	0.31	0.26	0.47	0.10	85.5	open at depth, results below 682m pending
	558	682	124	0.38	0.34	0.60	0.30	74.4	open at depth, results below 682m pending
	588	682	94	0.43	0.39	0.68	0.50	63.9	open at depth, results below 682m pending
	622	682	60	0.44	0.47	0.74	0.70	44.4	open at depth, results below 682m pending

**Data Aggregation Method:** Intercepts reported using copper equivalent cutoff grades with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 50m. Gold Conversion Factor of 0.63 calculated from a copper price of US\$3.00/lb and a gold price US\$1300/oz. True widths of downhole interval lengths are estimated to be approximately 25% to 50%.

**Figure 4:** Details of recent assay results at Alpala and Aguinaga.



**Figure 5:** Photographs of typical mineralisation within the early diorite intrusion intersected in Hole 6 at Aguinaga, showing intense quartz-chalcopyrite and chalcopyrite veining.