



3 January 2018

SolGold plc

("SolGold" or the "Company")

Cascabel Exploration Update

Alpala Maiden Mineral Resource Estimate

**120 Mt High Grade Core @1.8% CuEq (60% Indicated) within
1.08 Bt @ 0.68% CuEq (5.2 Mt Cu, 12.3 Moz Au, 40% Indicated)**

The Board of SolGold (LSE and TSX code: SOLG) is pleased to announce the results of the Alpala Maiden Mineral Resource Estimate (MRE) at the Cascabel Project, the Company's 85% owned copper-gold porphyry project in Ecuador (refer Further Information below). The MRE has been reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

HIGHLIGHTS:

- **Alpala Maiden Mineral Resource Estimate across both Indicated and Inferred classifications totals a current 1.08 Bt @ 0.68% CuEq (7.4 Mt CuEq) at 0.3% CuEq cut off, some 40% of which is in the Indicated category (by tonnage).**
- **Contained metal content totals a current 5.2 Mt Cu and 12.3 Moz Au, some 45% of which is within the Indicated category (by contained metal).**
- **Higher grade core has a current 120 Mt @ 1.8% CuEq (2.0 Mt CuEq) at a 1.1% CuEq cut off, some 60% of which is in the Indicated category (by tonnage);**
- **A further 100 Mt @ 1.0% CuEq (1.0 Mt CuEq) is added to the high grade core if a 0.9% CuEq cut off is used, some 50% of which is in the Indicated category (by tonnage).**
- **Estimate completed from 53,616m of drilling, approximately 84% of 63,500m metres drilled to date.**
- **Assay results still pending for a further 9,844m of drill core (16%) of the total to 21 December 2017.**
- **Strong potential for further growth in the deposit from pending assay results from recent drilling, conversion of current inferred to indicated mineral resources, and discovery of additional mineralisation in unclosed areas such as Alpala East, up dip Alpala Central, and Alpala North West and South East.**
- **11 diamond drill rigs currently active at Cascabel, with a total of 12 to be active in January 2018. Over 120,000 metres planned in 2018.**



SolGold's CEO and Managing Director, Mr Nick Mather, commented on the Alpala MRE: **"This maiden Mineral Resource Estimate (MRE) is a tremendous start and in our view by no means represents a final size or grade because the deposit is still growing. That the maiden MRE is so big, achieved with so few drill holes and that such a large percentage is in the indicated category is testimony to the size of the system at Alpala. SolGold plans to announce updated MRE statements throughout 2018. We plan to immediately follow this maiden MRE up with initiation of a PEA (Preliminary Economic Assessment) of the deposit at Alpala, towards commencement of the PFS (pre-Feasibility Study) later in 2018.**

Unlike many producers, this project is unhedged to copper prices going into what we see as a copper bull market for some years to come. Along with Cascabel's extraordinary logistic and expected capital advantages in a progressive and constructive regulatory and fiscal environment plus the multiplicity of as yet untested targets, this all creates a very exciting outlook for SolGold."

SolGold's Chief Technical Advisor Dr Steve Garwin commented on the upside at Alpala saying: **"The maiden Mineral Resource estimate indicates strong potential to grow with additional drilling. There is room to convert Inferred Mineral Resources into Indicated Mineral Resources by infilling areas where the current drill hole spacing exceeds 150m, and there exists potential to convert unclassified mineralisation to Inferred Mineral Resources.**

This is particularly important in the Alpala Northwest area, where drill holes will target the north-westerly plunge to the deposit and add to the current resources; this will increase the contained metal content of the growing deposit.

The MRE reflects the assays at hand. Additional results from recently completed, ongoing, and future holes will add to the resource total. The potential for discovery of additional copper and gold mineralisation at Alpala West, Trivinio and Alpala South East (south of CSD-24) is high. Aguinaga is a very attractive drill target, well supported by surface mapping, geochemical results and geophysical models which we expect to be finalised soon."

FURTHER INFORMATION:

SolGold holds a registered and beneficial unencumbered 85% interest in Exploraciones Novomining S.A. ("ENSA") which owns 100% of the Cascabel licence subject to a private royalty which may be purchased by SolGold for US\$4.0m at development decision. Following the preparation of a Feasibility Study by ENSA, Cornerstone - which currently holds a 15% interest in ENSA - will be obligated to contribute to the funding of ENSA. Subject to the terms of agreements with Cornerstone, ENSA is being funded by SolGold to completion of a feasibility study. Cornerstone must contribute pro-rata to at least 10% to maintain an equity interest in the Cascabel Project and ENSA, and will be obligated to repay to SolGold its 15% share of all expenses to that point (save for the cost of SolGold's acquisition of its 85% interest, \$2.5m, completed) plus interest from 90% of Cornerstone's share of the proceeds from the project. Should Cornerstone elect not to, or fail to, contribute to at least 10% then Cornerstone's interest in the project will convert to a 0.5% Net Smelter Return Royalty ("NSR") which SolGold may acquire for US\$3.5 million.

Over 63,500m of drilling has been completed to date at SolGold's (85% owned) Alpala Deposit, 53,616m of which were used for the Maiden Mineral Resource Estimate (MRE). The deposit remains open in multiple directions, and continues to grow with each new drill hole.

Alpala Maiden Mineral Resource Estimate

The Alpala Maiden MRE, across both Indicated and Inferred classifications totals a current 1.08 Bt @ 0.68 % CuEq (at 0.3% CuEq cut off), with a contained metal content of 5.2 Mt Cu, and 12.3 Moz Au, some 45% of which is within the Indicated classification (by contained metal).

The Alpala Maiden MRE contains a high grade core totalling 120Mt @ 1.8% CuEq at a 1.1% CuEq cut off highlighting the reasonable prospects for eventual economic extraction by underground mass mining methods such as block caving.

Strong potential for further growth from additional recent drilling results for which assays are pending, and continued rapid growth of the deposit, driven by 12 active diamond drill rigs in 2018, are expected to be realised throughout the coming year and SolGold plans to announce updated MRE statements as additional mineralisation is encountered.

Alpala Mineral Resource statement as of 18 December 2017

	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Mt)	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
Total >0.3% CuEq	Indicated	430	0.5	0.4	0.8	2.3	6.0	3.4
	Inferred	650	0.4	0.3	0.6	2.9	6.3	4.0

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

Grade tonnage curves indicate a range of grade and tonnage options for the deposit (**Figure 1**). This figure shows Indicated, Inferred and Total Mineral Resource tonnages, and average CuEq grades as a function of CuEq cut-off grade.

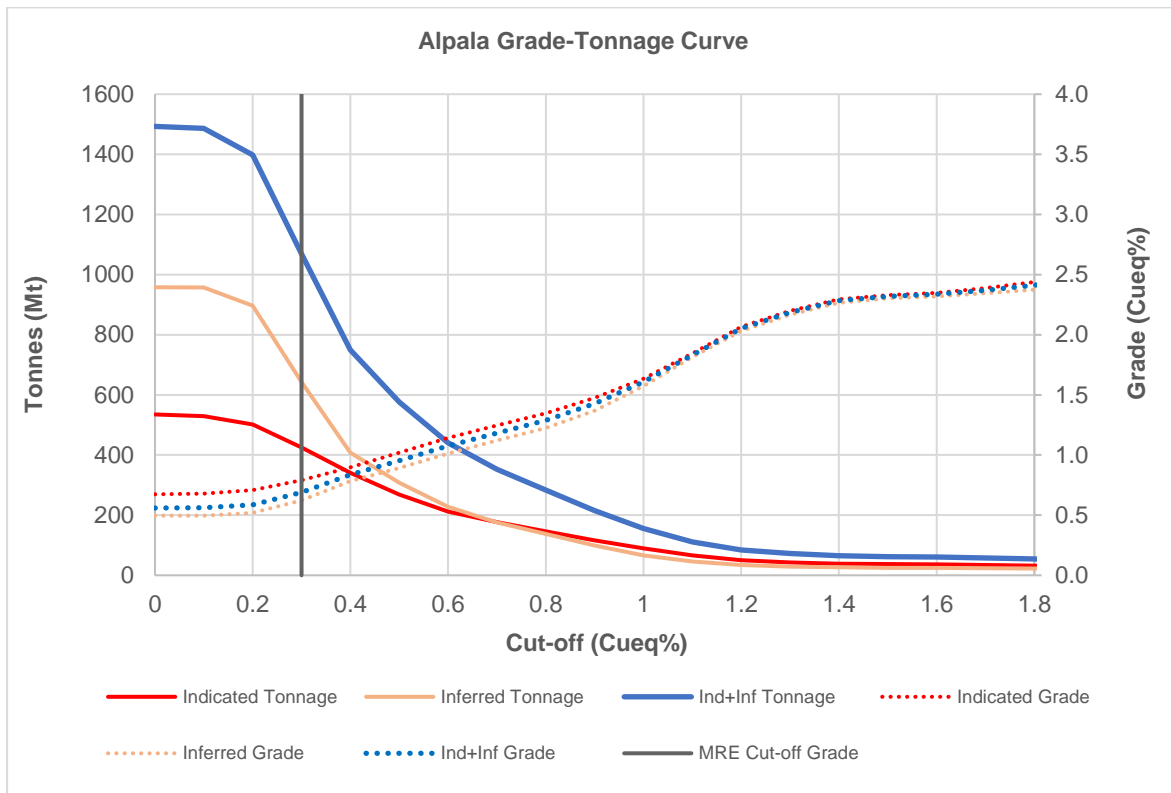


Figure 1: Alpala MRE Grade-Tonnage Curve: all classified material within the block model.

Geological Modelling

Based on the genetic understanding of the deposit and the drill core logs prepared by SolGold, SRK has developed a 3D model of the multi-phase intrusions. The earlier, better mineralised phases were modelled as they would have formed originally allowing for a good confidence to be gained in the original geometry and continuity of these well mineralised bodies before their continuity was interrupted by subsequent intrusion of later phases. The lithological domains, in order of age, comprise:

- Pre-mineral Volcano-sedimentary host rocks (V);
- Early mineralised Diorite 10 and Quartz Diorite 10 (D10 & QD10);
- Intra-mineral Diorite 15 and Quartz Diorite 15 (D15 & IM);
- Late-mineral Diorite 20 and Quartz Diorite 20 (LM & LM QD);
- Post-mineral dykes (PM); and
- Hydrothermal breccia (BX).

The resultant lithological domains are shown below in **Figures 2 and 3**.

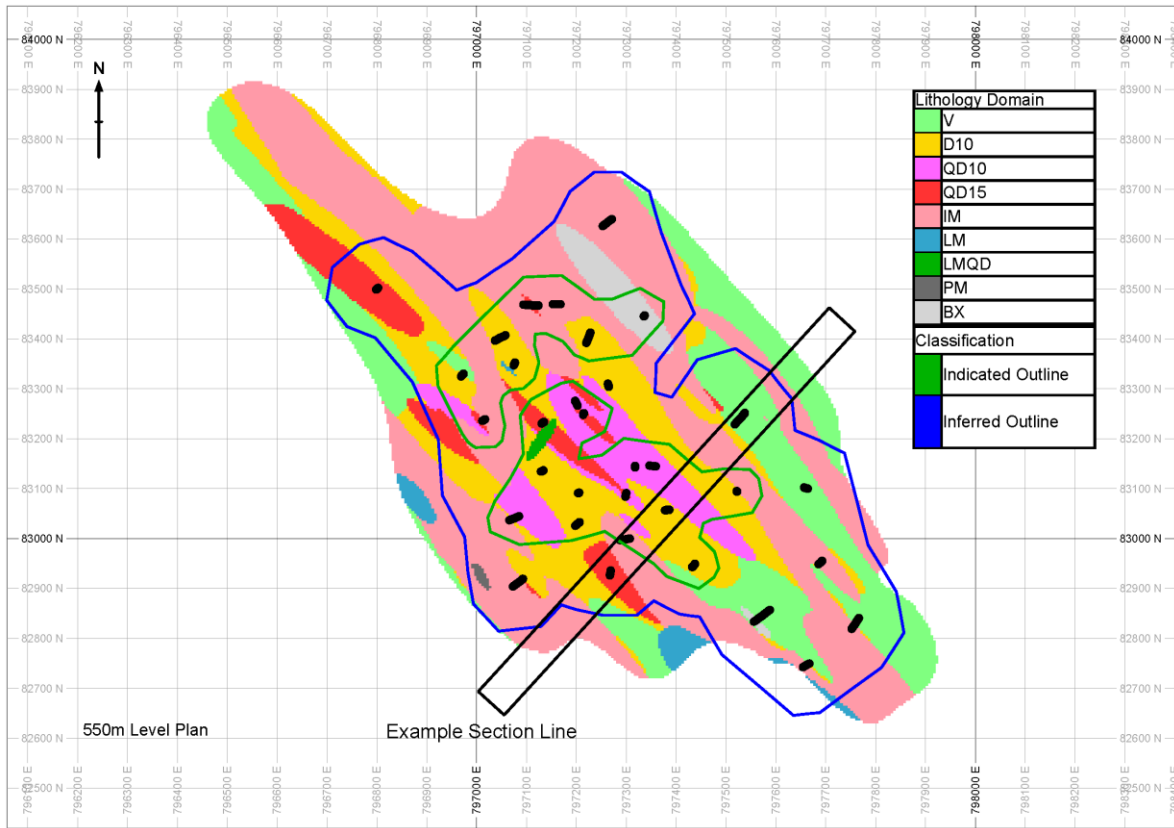


Figure 2. 550m Level Plan illustrating the lithological domains across Alpa

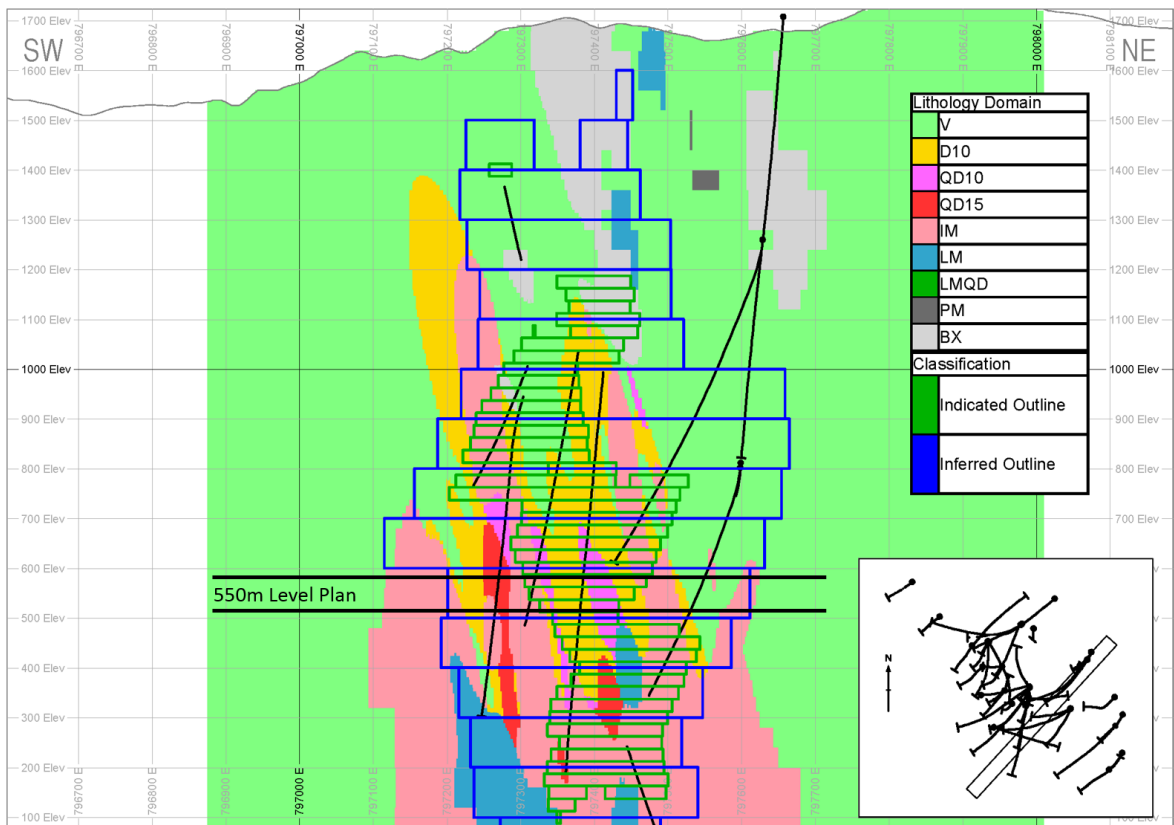


Figure 3. Example section illustrating the lithological domains across Alpa



Grade domains have been developed based on concentric modelling of vein intensity and copper equivalent (CuEq) grade calculated using [copper grade (%)] + [gold grade (g/t) x 0.6] using the following guidance criteria:

- low grade - where CuEq exceeds 0.15%;
- medium grade - where B vein intensity exceeds 4% or CuEq grade exceeds 0.7% CuEq; and;
- high grade - where CuEq grade exceeds 1.5%.

The geological model domains are a combination of the lithologies and the concentric grade zones. The low-grade domain defines a lobate-lens shape with a 1,900m strike extent dipping sub-vertically to the northeast and spanning a 1,850m vertical interval from the relatively small mineralised outcrop at around 1,650masl to the current base of mineralisation at -200masl with a keel plunging 25 ° to the northwest.

Copper and gold grades from each of the geological model domains were first composited to 10m lengths and then assessed statistically; domains were combined on this basis where appropriate. Variography was used to assess grade continuity in the resultant estimation domains to determine sample search and kriging parameters for block grade estimation.

A block model encapsulating the entire model has 40m x 40m x 40m blocks for grade estimation and 5m x 5m x 5m minimum sub-blocks for domain boundary definition. A multi-pass kriging routine was used; most classified blocks were estimated in the first pass using search radii in the plane of the deposit ranging from 70m to over 200m depending on variography results per domain. The search strategy ensured all blocks in the model were assigned grades and densities.

No grade capping has been used; following statistical analysis and visual assessment of high grades a check estimate was completed to confirm that the MRE is not materially biased by the highest grades as they are well supported in their respective domains.

The resultant grade block model is shown below in **Figures 4 and 5**.

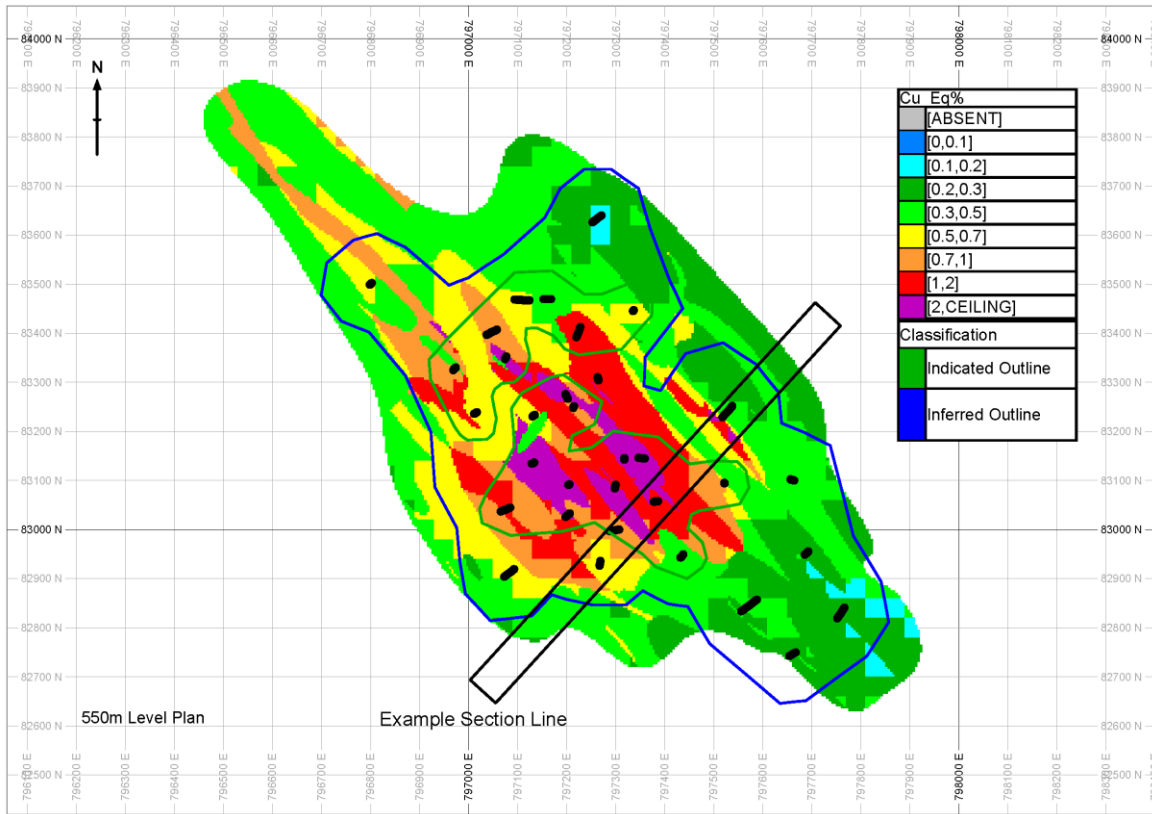


Figure 4. 550m Level Plan illustrating the block model grades across Alpa

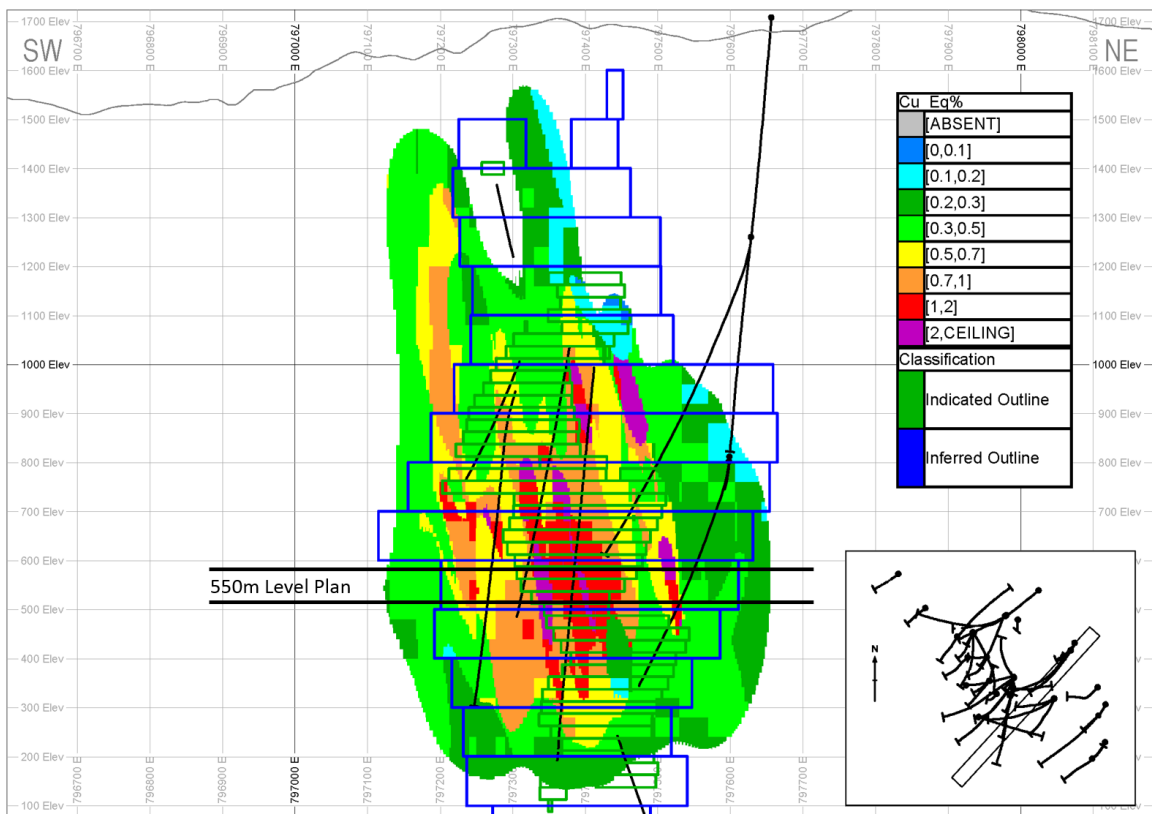


Figure 5. Example Section illustrating the block model grades across Alpa



A cut-off grade of 0.3% CuEq has been used for the Mineral Resource statement. This compares well with other large-scale underground copper-gold miners and developers who have published Mineral Resource statements in recent years. This value also agrees with a calculation based on first principles including long term market forecast metal prices (US\$ 2.8 /lb Cu and US\$ 1,160 /oz Au) plus a 30% price premium for assessing resources, operating costs based on peer group review, smelter terms based on assuming clean concentrate and 90% metal recovery based on reviewing typical industry values and preliminary mineralogy work for Alpala.

The geological model has been built to satisfy a number of objectives, primarily the MRE but also to assist with drill hole targeting. The model therefore contains estimated blocks in a greater volume than the classified Mineral Resource. The unclassified parts of the model represent opportunities for future drilling to grow the deposit model in most directions.

Overall the quality control review concluded that industry standard sample preparation and assaying methods have been used and that the vast majority of laboratory batches performed well in terms of accuracy; there are no significant concerns regarding core recovery or repeatability of field duplicates.

The remaining considerations for classification are geological continuity, quality of grade estimation and the adequacy of existing drillhole coverage. Overall the low and medium grade domains have very good continuity, but the high grade domains are smaller scale and more variable in terms of drillhole spacing with respect to their size. Some high grade features are well defined by several drillhole intersections allowing confident interpretation of their true thickness, dip extent and strike continuity.

In some areas of the model the existence of high grade features or their proportions with respect to medium grade mineralisation are less well demonstrated. Where high grade features have been modelled albeit with lower confidence, the model in the vicinity has been classified as Inferred.

SRK has drawn classification outlines on multiple level plans to limit and classify the MRE. In the core of the deposit where SRK has modelled high grade features, Indicated status has been given for contiguous areas containing several intersections spaced up to 150m apart horizontally with the perimeter drawn between 50m and 75m from the intersections; the perimeter also includes the outcrop of the deposit. Surrounding the Indicated part of model, Inferred status has been assigned to contiguous areas containing several intersections spaced up to 200m apart horizontally with the perimeter drawn between 100m and 150m from the intersections.

Forward Program at Alpala

Drilling to date indicates a true width of the mineralised envelope of up to 800 metres, a length in excess of 1500 metres and over 1800m vertical extent from surface. Over 120,000m of drilling is planned for 2018 using 12 diamond drill rigs. Drilling currently focuses on:

- Extending and infilling the Alpala Central area with Rigs, 1, 6 and 5.
- Expanding the system at Alpala Northwest and Trivinio with Rigs 8, 9, 10, 11, and 12.
- Testing extensions of the system at Alpala Southeast with Rigs 2, 3, and 4.
- Testing geochemical and magnetic targets at Alpala West and Carmen with Rig 7.



SolGold has drill tested 5 of 15 copper-gold targets delineated in the 50 km² tenement with a focus on Alpala. The remainder of the targets, including Aguinaga, Trivinio, Moran, Parambas and Tandayama-America are scheduled for testing in 2018 following completion of ground magnetic modelling and Spartan Orion deep IP surveys.

ABBREVIATIONS USED

CuEq – copper equivalent
Au – gold
incl. – including
NW - northwest

Cu - copper
m - metres
MRE – Mineral Resource Estimate

Qualified Person:

The Alpala MRE is reported by Mr Martin Pittuck (MSc, CEng, MIMMM, FGS) of SRK, who is a Qualified Person as defined in NI 43-101, independent of SolGold, who has reviewed and approved the technical contents of this announcement.

Information in this report relating to exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hons Geol.), the Chief Executive Officer of the Company. Mr Mather is a Fellow of the Australasian Institute of Mining and Metallurgy who has in excess of 25 years' experience in mineral exploration and is a Qualified Person under the JORC Code and NI 43-101. Mr Mather supervised the preparation of this release and consents to the inclusion of the information in the form and context in which it appears.

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.

By order of the Board
Karl Schlobohm
Company Secretary
Brisbane, Australia

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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, dual LSE and TSX-listed (SOLG on both exchanges) copper gold exploration and future development company with assets in Ecuador, Solomon Islands and Australia. SolGold's primary objective is to discover and define world-class copper-gold deposits. The Board and Management Team have substantial vested interests in the success of the Company as shareholders as well as strong track records in the areas of exploration, mine appraisal and development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical and modelling techniques and the guidance of porphyry copper and gold expert Dr Steve Garwin.

In October 2017, at the Mines and Money Americas Conference in Toronto, SolGold's Nicholas Mather won the award for the CEO of the Year – Exploration, Latin America. SolGold won the Exploration Award for Latin America, and Ecuador won the Country Award for Latin America. Each party then duly won the 2017 award for each respective category on a global basis at London Mines and Money on 30 November 2017.

The Company announced USD54m in capital raisings in September 2016 involving Maxit Capital LP, Newcrest International Ltd and DGR Global Ltd, and a USD41.2m raising in June of 2017 largely from Newcrest International with USD1.2m raised from Ecuadorean investors. All of these raisings were undertaken at substantial premiums to previous raisings. In November 2017 SolGold raised a further £45m at 25p per share, placed with institutions and Newcrest pursuant to their anti-dilution rights. SolGold currently has circa USD110m in available cash to continue the exploration and appraisal of its flagship Cascabel Project, and with which to conduct regional exploration programs on its 77 other 100%-owned projects in its wholly owned subsidiary companies.

Mr Craig Jones joined the SolGold Board on 3 March 2017, nominated to the Board of SolGold by Newcrest Mining, now a 14.54% shareholder in SolGold. Mr Jones is a Mechanical Engineer and is currently the Executive General Manager Wafi-Golpu (Newcrest-Harmony MMJV). He has held various senior management and executive roles within the Newcrest Group, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects, and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr Jones worked for Rio Tinto.

Cascabel, SolGold's 85% owned "World Class" (Refer www.solgold.com.au/cautionary-notice/) flagship copper-gold porphyry project, is located in northern Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and approximately 5% of TSX-V-listed Cornerstone Capital Resources ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession. Subject to the terms of existing agreements, Cornerstone is debt financed by SolGold for its share of costs to completion of a Feasibility Study ("Financing Option").

In terms of repayment, SolGold shall receive 90% of Cornerstone's share of earnings or dividends from ENSA or the Tenement to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that would have otherwise been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed.



The investments by Newcrest for 14.54% of SolGold endorses Ecuador as an exploration and mining destination, the management team at SolGold, the dimension, size and scale of the growing Alpala deposit, and the prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, logistics are important competitive advantages offered by the project.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km², along with an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and other targets at Aguinaga, Parambas, Tandayama-America, Moran and Chinambicito.

SolGold has completed over 63,000m of drilling and expended over USD69M in Ecuador, which includes Cascabel exploration, regional exploration, corporate costs and investments into Cornerstone. This has been accomplished with a workforce of up to 260 Ecuadorean workers and geoscientists, and 6 expatriate Australian geoscientists. The results of 60 holes drilled (including re-drilled holes, daughter holes and current holes) and assayed to date have 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.

The average grade of all metres drilled to date on the project, including non-mineralised intersections, currently stands at 0.30% copper and 0.24 g/t gold. Intensive diamond drilling is planned for the next 12 months with 12 drill rigs expected to be operational by early 2018, targeting over 120,000m of drilling in 2018.

Cascabel is characterised by fifteen (15) identified targets, "World Class" drilling intersections over 1km in length at potentially economic grades, and high copper and gold grades in richer sections, as well as logistic advantages in location, elevation, water supply, proximity to roads, port and power services; and a progressive legislative approach to resource development in Ecuador.

SolGold has drill tested 5 of 15 copper-gold targets delineated in the 50km² tenement with a focus on Alpala.

Further drill testing at Alpala will focus on:

- Extending and infilling the Alpala Central area with Rigs, 1, 6 and 5.
- Expanding the system at Alpala Northwest and Trivinio with Rigs 8, 9, 10, 11, and 12.
- Testing extensions of the system at Alpala Southeast with Rigs 2, 3, and 4.
- Testing geochemical and magnetic targets at Alpala West and Carmen with Rig 7.

There are currently 11 drilling rigs active at Alpala. The Cascabel drilling fleet will expand to 12 drills with the arrival of a large track mounted drill rig (Rig 12) during the last week of December 2017.

The Alpala deposit is open in multiple directions and the mineralised corridor marked for drill testing of the greater Alpala cluster occurs over a 2.2km strike length from Trivinio in the northwest to Cristal in the southeast. The mineralised corridor is known to be prospective over up to 800m width.

The remainder of the targets are scheduled for testing in 2018, subject to ongoing technical assessment, and completion of ground magnetic modelling and Spartan Orion deep IP surveys.

The Company is currently planning further metallurgical testing and completion of an independent Preliminary Economic Assessment and Pre-Feasibility Studies at Cascabel. SolGold is investigating both



high tonnage open cut and underground block caving operations, as well as a high grade / low tonnage initial underground development towards the economic development of the copper gold deposit/s at Cascabel.

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%.

Following a comprehensive review of the geology and prospectivity of Ecuador, SolGold and its subsidiaries have several applications for additional exploration licences in Ecuador over a number of promising porphyry copper gold targets throughout the Country.

SolGold, through its 4 subsidiary companies, has 100% ownership of 77 granted concessions throughout Ecuador. Each subsidiary company has technical teams, led by experienced senior geologists, on the ground prospecting granted tenements and collecting baseline data, whilst regional geophysics surveys are being planned. Significant copper occurrences have been identified at numerous projects to date, including La Hueca, Machos, Rio Armarillo, Sharug, Porvenir and Timbara.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects, with drill testing of the Normanby project planned for the coming quarter. Joint venture agreements are being investigated for a joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

SolGold retains interests in its original theatre of operations, Solomon Islands in the South West Pacific, where the 100% owned, but as yet undrilled, Kuma prospect on the island of Guadalcanal exhibits surface lithocap characteristics which are traditionally indicative of a large metal rich copper gold intrusive porphyry system. SolGold intends in the future to apply intellectual property and experience developed in Ecuador to target additional "World Class" copper gold porphyries at Kuma and other targets in Ecuador and the Solomon Islands.

SolGold is based in Brisbane, Queensland, Australia. The Company is listed on the LSE and TSX, with both exchanges using the ticker code: SOLG, and currently 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.

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. The Alpala Maiden Mineral Resource Estimate (MRE) across both Indicated



and Inferred classifications totals a current 1.08 Bt @ 0.68% CuEq (7.4 Mt CuEq) at 0.3% CuEq cut off, some 40% of which is in the Indicated category (by tonnage). Contained metal content totals a current 5.2 Mt Cu and 12.3 Moz Au, some 45% of which is within the Indicated category (by contained metal).

The higher grade core of the Alpala Deposit has a current 120 Mt @ 1.8% CuEq (2.0 Mt CuEq) at a 1.1% CuEq cut off, some 60% of which is in the Indicated category (by tonnage). A further 100 Mt @ 1.0% CuEq (1.0 Mt CuEq) is added to the high grade core if a 0.9% CuEq cut off is used, some 50% of which is in the Indicated category (by tonnage).

The Mineral Resource Estimate was completed from 53,616m of drilling, approximately 84% of 63,500m metres drilled to date. 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.

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	¹ 469Mt @ 0.95g/t Au; 14.3MOz Au
LOS SULFATOS	2007	Cu,Mo	Chile	Advanced Exploration	Underground	² 1.2Bt @ 1.46% Cu and 0.02% Mo; 17.5Mt Cu
BRUCEJACK	2008	Au	Canada	Development/Construction	Open Pit	³ 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	⁴ 1.34Bt @ 2.72% Cu; 36.5 Mt Cu
GOLPU	2009	Cu,Au	PNG	Feasibility - New project	Underground	⁵ 820Mt @ 1.0% Cu, 0.70g/t Au; 8.2Mt Cu, 18.5Moz Au
COTE	2010	Au,Cu	Canada	Feasibility Study	Open Pit	⁶ 289Mt @ 0.90 g/t Au; 8.4MOz Au
HAIYU	2011	Au	China	Development/Construction	Underground	⁷ 15Moz Au
RED HILL-GOLD RUSH	2011	Au	United States	Feasibility Study	Open Pit & U/ground	⁸ 47.6Mt @ 4.56g/t Au; 7.0MOz Au
XILING	2016	Au	China	Advanced Exploration	Underground	⁹ 383Mt @ 4.52g/t Au; 55.7MOz Au

Source: after MinEx Consulting, May 2017

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

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

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

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

⁵ Source: http://www.newcrest.com.au/media/resource_reserves/2016/December_2016_Resources_and_Reserves_Statement.pdf

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

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

⁸ Source: https://mrdata.usgs.gov/sedau/show-sedau.php?rec_id=103

⁹ Source: 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.