



15 October 2018

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

SolGold Raises £45m at 45p per share from BHP

Highlights:

- **BHP Billiton Holdings Limited (BHP) to subscribe for 100 million shares at 45p to raise £45m (USD \$59.2 million).**
- **BHP to have anti-dilution rights for a period of two years in respect of all capital issues to maintain a 10% interest in SolGold provided BHP does not drop below a 10% shareholding level in SolGold.**
- **BHP to have a right to appoint a Director to the SolGold Board provided BHP does not drop below a 10% shareholding level in SolGold.**
- **BHP will, for a period of two years, support the recommendations of the Board of Directors in respect of SolGold Board composition.**
- **BHP will, for a period of two years, support the recommendations of the SolGold Board in respect of any shareholder approvals required in connection with any change of control transaction involving the Cascabel Project or SolGold, provided it is supported by an Independent Expert appointed by the SolGold Board and 60% of SolGold shareholders (disregarding BHP's shares) accept or approve the transaction.**
- **BHP agrees to a standstill in respect of SolGold under certain circumstances for a period of two years and, subject to certain exceptions, cannot acquire further shares in SolGold above a threshold of 246,634,271 shares, without SolGold consent.**
- **BHP agrees, for a period of two years (subject to certain exemptions), not to discuss any change of control transaction of SolGold with third parties without SolGold consent.**
- **BHP agrees, for a period of two years, to provide SolGold, in certain circumstances with a right of first offer in the event that BHP wishes to dispose of its acquired shares.**

The Board of Directors of SolGold PLC (**SolGold** or the **Company**) is pleased to announce that SolGold has today entered an agreement with BHP Billiton Holdings Limited (**BHP**) pursuant to which BHP will subscribe for 100 million shares at 45p to raise £45m (US \$59.2 million) (**The Placement**) on terms and conditions contained within a share subscription agreement (**BHP SSA**).

Following completion of The Placement, which will occur on 19 October 2018, BHP's interest in SolGold will increase to 203.125 million shares or **11.18%** of SolGold's undiluted issued capital. BHP currently holds 103.125 million shares in SolGold.

The Placement pricing represents an approximate 30% premium to the last 20 days volume weighted average price (VWAP) and a 27.8% premium to the closing price for SolGold on LSE on Monday 15 October 2018.



Focus on Cascabel

The funds raised will substantially be used for funding of the Cascabel Project in 2019 including a concerted focus on the further expansion of the Alpala resource, completion of the preliminary economic analysis currently underway and pre-feasibility studies currently targeted for end 2019.

BHP rights under the BHP SSA

Nominee Director

Under the BHP SSA, BHP will have, subject to holding at least 10% of the share capital of SolGold, a right (but not an obligation) to appoint a Director to the Board of Directors of SolGold.

Anti dilution at 10%

For a period of two years, provided BHP continues to hold at least 10% of the shares in SolGold, if BHP's holding falls below 10% as a result of the issue of new shares by SolGold, BHP will have anti-dilution rights to subscribe for further shares to maintain its holding to 10% of the undiluted share capital of SolGold.

SolGold Rights under the BHP SSA

Board recommendations

BHP has agreed for a period of two years to follow the recommendations of the Board of Directors of SolGold which are supported by an independent expert appointed by the SolGold Board of Directors to opine in respect of any proposed change of control transactions in respect of the SolGold share capital or its assets, and in circumstances where it is demonstrable that holders of 60% of SolGold shares (disregarding BHP) voting at a meeting or lodging acceptances are supportive of the particular formal proposal. BHP has also agreed, for a period of two years, to support capital change resolutions put to SolGold shareholders at SolGold's AGM affecting authorised capital limits and pre-emption waivers under the LSE rules, in the event that 60% of the votes validly cast at a meeting of SolGold shareholders approve the same and the pre-emption waivers are within certain limits.

Anti Collusion

BHP has agreed, for a period of two years (subject to certain exemptions), not to discuss a change of control transaction of SolGold or an acquisition of additional shares in SolGold above the minimum permitted threshold without SolGold consent.

Standstill

Subject to permitted exclusions, BHP has agreed not to acquire further shares in, or make an offer for, SolGold for a period of two years. Permitted exclusions to this provision include:

- a right for BHP to acquire up to 246,634,271 shares in SolGold (not counting shares acquired by way of certain permitted acquisitions);
- a right to make an offer to acquire SolGold provided such offer has been first approved and recommended to shareholders by the Board of SolGold.

The standstill in respect of SolGold ceases in the event that a third party makes an offer to acquire SolGold.



Right of First Refusal

BHP has also agreed for a period of two years to provide SolGold with a right of first offer in the event that BHP wishes to dispose of its acquired shares in SolGold to NCM.

Commenting on the Agreement with BHP, SolGold CEO Mr Nick Mather said: ***"SolGold is pleased to have entered this agreement with BHP. We believe that the Alpala project is one of the five best undeveloped copper projects in the world. SolGold is intent on taking an aggressive path to the development of this exciting project and BHP's investment is welcome."***

The strong premium paid and the US\$59.2m in funds raised means we can get on with the task of getting to feasibility. SolGold believes that the terms of BHP's investment are favourable to SolGold in the context and will allow SolGold to continue to deliver value to its shareholders."

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 by the "Mines and Money" Forum 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 and gold-rich 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. SolGold has 86 geologists, of which 25% are female, on the ground in Ecuador looking for copper and gold.

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 within the Cascabel concession in northern Ecuador, an approximately three hour drive on sealed highway north of Quito, close to water, power supply and Pacific ports.

Alpala has produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as exemplified 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 50km². 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.

Over 145,000m of diamond drilling has been completed on the project. With numerous rigs currently active on the project, SolGold produces up to approximately 10,000m of core every month. The Cascabel drill program is currently focussed 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 Alcala 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 meterage and will produce a revised resource statement addressing the evident growth in the size of the deposit at the conclusion of the current Alcala drill programme. Investors should consult the technical report dated 18 December 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 Alcala 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 Alcala 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 copper and gold 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, several 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 1,716,387,454 fully-paid ordinary shares, 21,450,000 share options exercisable at 28p; 21,250,000 share options exercisable at 40p and 47,012,000 share options exercisable at 60p.

See www.solgold.com.au for more information. Follow us on twitter [@SolGold_plc](https://twitter.com/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 25-70%.

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.ivanhoeamines.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.

	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
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

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.