



10 April 2019

**SolGold plc**  
**("SolGold" or the "Company")**  
**Cascabel Exploration Update**  
**Alpala 2019 Drilling Campaign**

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

**Highlights:**

- **2019 drilling campaign along the greater Alpala trend providing further growth to the Alpala deposit at Alpala NW, Trivinio, Alpala Western Limb and Alpala South.**
  - **189,984m of diamond drilling comprising 168 drill holes completed to-date on the Alpala Deposit, representing a further 56,408m of drilling completed since release of MRE#2 with 6,654m of recent drilling with assay results pending.**
- **Updates to in-house models, estimated from the additional 49,794m of assay results received since release of MRE#2, support expectations for additional resource growth across both indicated and inferred categories.**
- **Discoveries of previously unknown high grade (>1.5%CuEq) and medium grade (>0.7% CuEq) mineralisation intersected within existing low grade Inferred Resource areas at Alpala highlight ongoing upgrades to existing resource base at Trivinio (Hole 93), Alpala North (Hole 75), Alpala Northwest (Hole 86), and Alpala South (Hole 89).**
- **Drilling highlights:**
  - **Potential at Trivinio bolstered by Hole 93 intersection (862m @ 0.43% CuEq), 520m of which lies outside the existing Inferred Resource area.**
  - **Alpala North mineralisation remains open to the north, as shown by Hole 75 intersection (1918m @ 0.53% CuEq), 288m of which lies outside the existing Inferred Resource area.**
  - **Discovery of previously unknown QD10 source intrusion at Alpala Northwest, intersected in Hole 86 (318m @ 0.67% CuEq incl. 100m @ 1.34% CuEq), highlights potential for further significant resource extension as the 2019 drilling campaign continues.**
  - **Alpala South mineralisation remains open to the south and towards surface, as revealed by Hole 89 intersection (420m @ 0.61% CuEq).**
- **Geotechnical, hydrogeological and sterilisation drill testing commences at Cascabel, ahead of release of Preliminary Economic Assessment report.**



Nick Mather, Chief Executive Officer of SolGold, stated: **"The drilling campaign continues to deliver to our expectations with these latest results revealing previously unknown mineralisation and providing a clear indication of the growth potential that exists through the extension of the Alpala resource."**



## FURTHER INFORMATION

The Alpala Deposit is located in Northern Ecuador, lying upon 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 is a three-hour drive north of Quito, close to water, power supply and Pacific ports (**Figure 1**). SolGold holds an 85% registered and beneficial interest in ENSA (Exploraciones Novomining S.A.) which holds 100% of the Cascabel tenement.

SolGold is encouraged by recent resource upgrade drilling results, expected to further enrich the existing resource base at Alpala. The Company is also excited about resource extension drill hole results outside the previous resource area which promise further growth for the 2019 drilling campaign ahead.

### **Mineral Resource Extension & Upgrade – 2019 Drilling Campaign**

The 2019 drilling campaign at Cascabel is presently utilising 10 drilling rigs (Figures 2 and 3). The drilling fleet currently has three rigs focused on resource upgrade drilling (Rig 2,5, and 7), five rigs focussed on resource extension drilling (Rigs 3, 4 ,6 ,8, and 9) and two rigs focussed on geotechnical, hydrogeological and sterilisation drilling (Rigs 1 and 13).

A further two man-portable rigs (Rigs 14 and 15) are under final construction & upgrade phase at the HP Drilling workshops, and are scheduled to join the Cascabel drilling fleet in May 2019 to expedite geotechnical and hydrogeological drill testing, as well as ongoing monitoring programs.

Ongoing drilling, along the greater Alpala trend, is providing further growth to the Alpala Mineral Resource estimate at Alpala NW, Trivinio, Alpala Western Limb and Alpala South.

Recent drilling supports expectations for future resource growth across both indicated and inferred categories (**Figures 4 and 5**).

The current in-house database is built from 183,330m of drill core samples, the same number of rock-saw trench samples. This represents an additional 49,754m of diamond drilling since the release of the updated Mineral Resource Estimate of January 2019 ("MRE#2").

To date a current total of 189,984m of diamond drilling comprising 168 drill holes has been completed on the Alpala Deposit, including 109 drill holes (Holes 1-109), 36 daughter holes, 8 re-drills, and 17 over-runs. This represents a further 56,408m of drilling completed since the release of MRE#2. There are also outstanding assay results pending from 6,654m of recent drilling.

Discoveries of previously unknown high grade (>1.5%CuEq) and medium grade (>0.7% CuEq) mineralisation intersected within existing low grade Inferred Resource areas at Alpala highlight potential for upgrades to the existing resource base at Trivinio (Hole 93), Alpala North (Hole 75), Alpala Northwest (Hole 86), and Alpala South (Hole 89).

The potential for resource expansion at Trivinio is bolstered by Hole 93 intersection (862m @ 0.43% CuEq), 520m of which lies outside the existing Inferred Resource area.



Alpala North targets remain open to the north, as shown by Hole 75 intersection (1918m @ 0.53% CuEq), 288m of which lies outside the existing Inferred Resource area.

Discovery of previously unknown QD10 source intrusion at Alpala Northwest, intersected in Hole 86 (318m @ 0.67% CuEq incl. 100m @ 1.34% CuEq), highlights potential for further resource extension as the 2019 drilling campaign continues.

Alpala South mineralisation remains open to the south and towards surface, as revealed by Hole 89 intersection (420m @ 0.61% CuEq).

Geotechnical, hydrogeological and sterilisation drill testing has commenced at Cascabel, ahead of the release of the Preliminary Economic Assessment report.

### **January 2019 Mineral Resource Estimate**

In January 2019, an updated Alpala Deposit Mineral Resource Estimate ("MRE#2") and an independent 43-101 report on the Alpala Deposit was completed. MRE#2 was estimated from 133,576m of diamond drilling, and 2743m of rock-saw samples from 262 surface rock exposure trenches.

MRE#2, using a 0.2% CuEq cut-off grade, currently comprises:

- 2.05 Bt @ 0.60% CuEq in the Indicated category (8.4 Mt Cu and 19.4 Moz Au), and
- 900 Mt @ 0.35% CuEq in the Inferred category (2.5 Mt Cu and 3.8 Moz Au).

Within the deposit a medium-grade core exists, using a 0.45% CuEq cut-off grade, comprising:

- 810 Mt @ 1.03% CuEq in the Indicated category (5.4 Mt Cu, 15 Moz Au), and
- 150 Mt @ 0.65% CuEq in the Inferred category (0.7 Mt Cu and 1.2 Moz Au).

Using a 0.7% CuEq cut-off grade, MRE#2 comprises:

- 490 Mt @ 1.37% CuEq in the Indicated category (4.1 Mt Cu and 13.0 Moz Au), and
- 50 Mt @ 0.93% CuEq in the Inferred category (0.4 Mt Cu and 0.7 Moz gold Au).

A high-grade core forms the lower centre of the deposit, using a 0.9% CuEq cut-off grade, comprising

- 400 Mt @ 1.49% CuEq in the Indicated category (3.6 Mt Cu and 11.9 Moz Au), and
- 20 Mt @ 1.05% CuEq in the Inferred category (0.2 Mt Cu and 0.4 Moz gold Au).

The full 43-101 technical report entitled "A Technical Report on an Updated Mineral Resource Estimate for the Alpala Deposit, Cascabel Project, Northern Ecuador" can be found at the following link:

[http://www.solgold.com.au/wp-content/uploads/2019/02/Item-5-UK30157Alpala\\_MRE2\\_43-101\\_FinalPDF.pdf](http://www.solgold.com.au/wp-content/uploads/2019/02/Item-5-UK30157Alpala_MRE2_43-101_FinalPDF.pdf)



## 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 Fellow of the Australasian Institute of Mining and Metallurgy, holds the designation FAusIMM (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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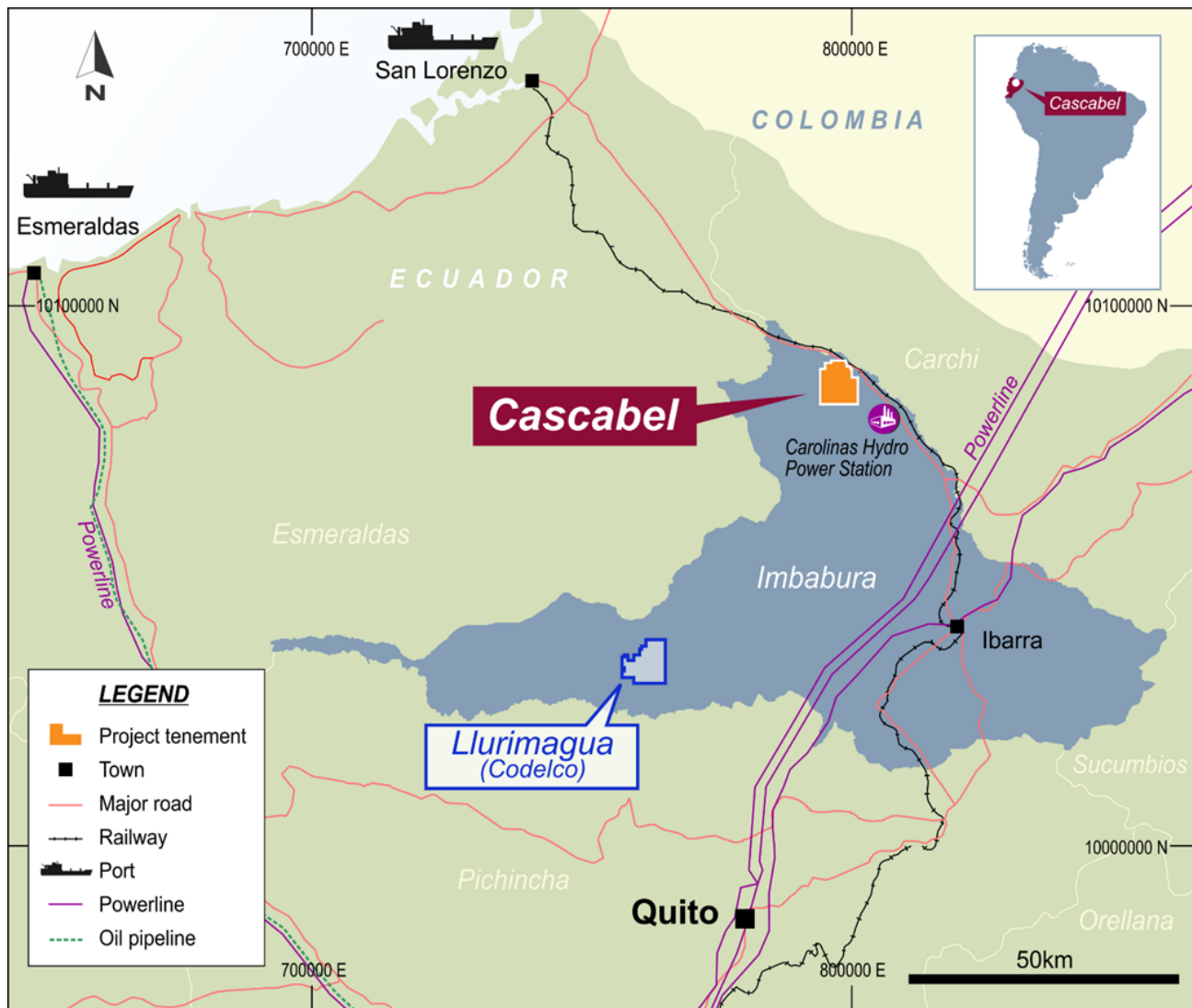
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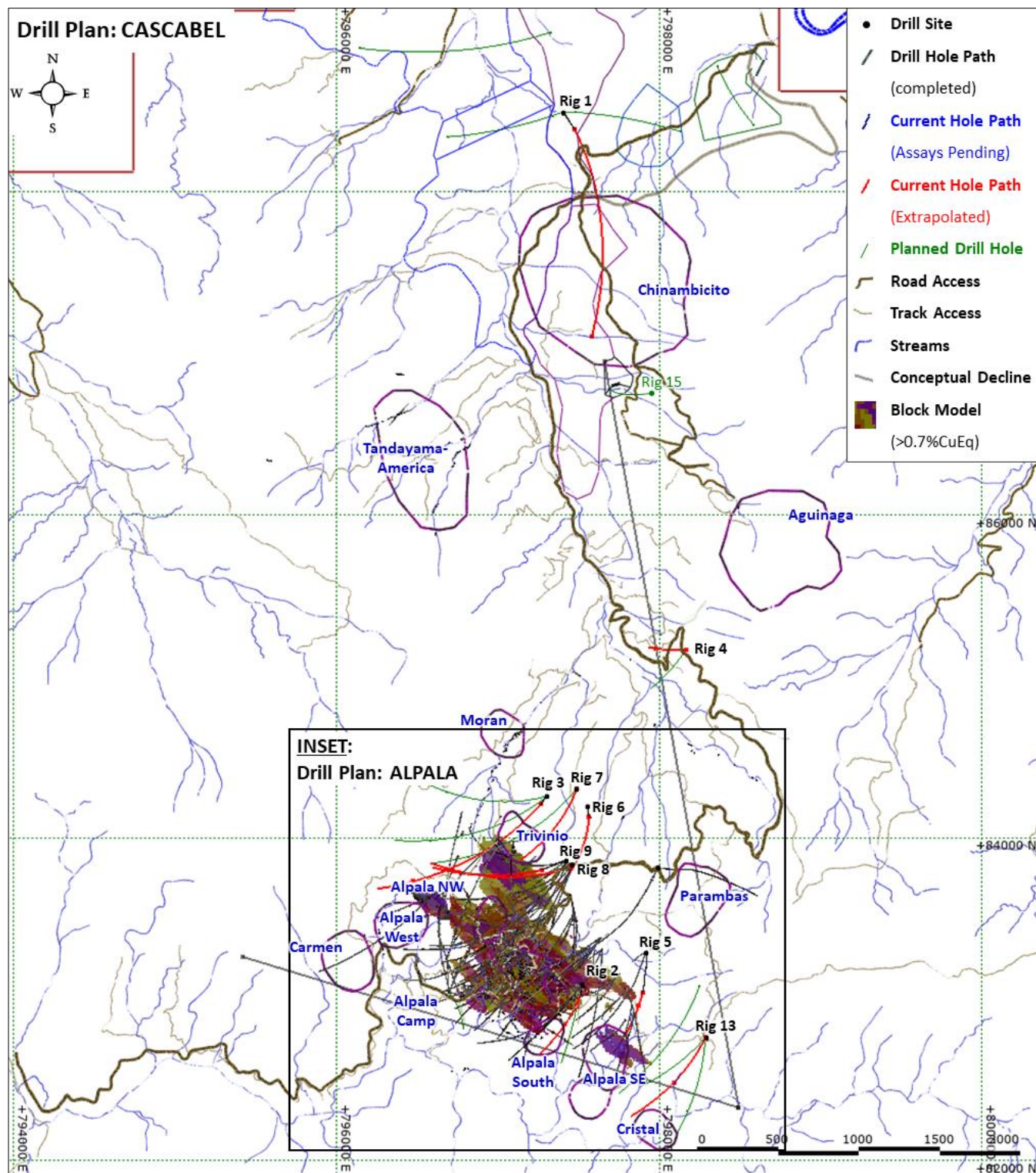
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**Figure 1:** Location of Cascabel project in Imbabura Province, northern Ecuador, highlighting the significant capital advantages held by the project, with proximity to ports, road infrastructure, hydro-electric power stations and the trans-continental power grid.



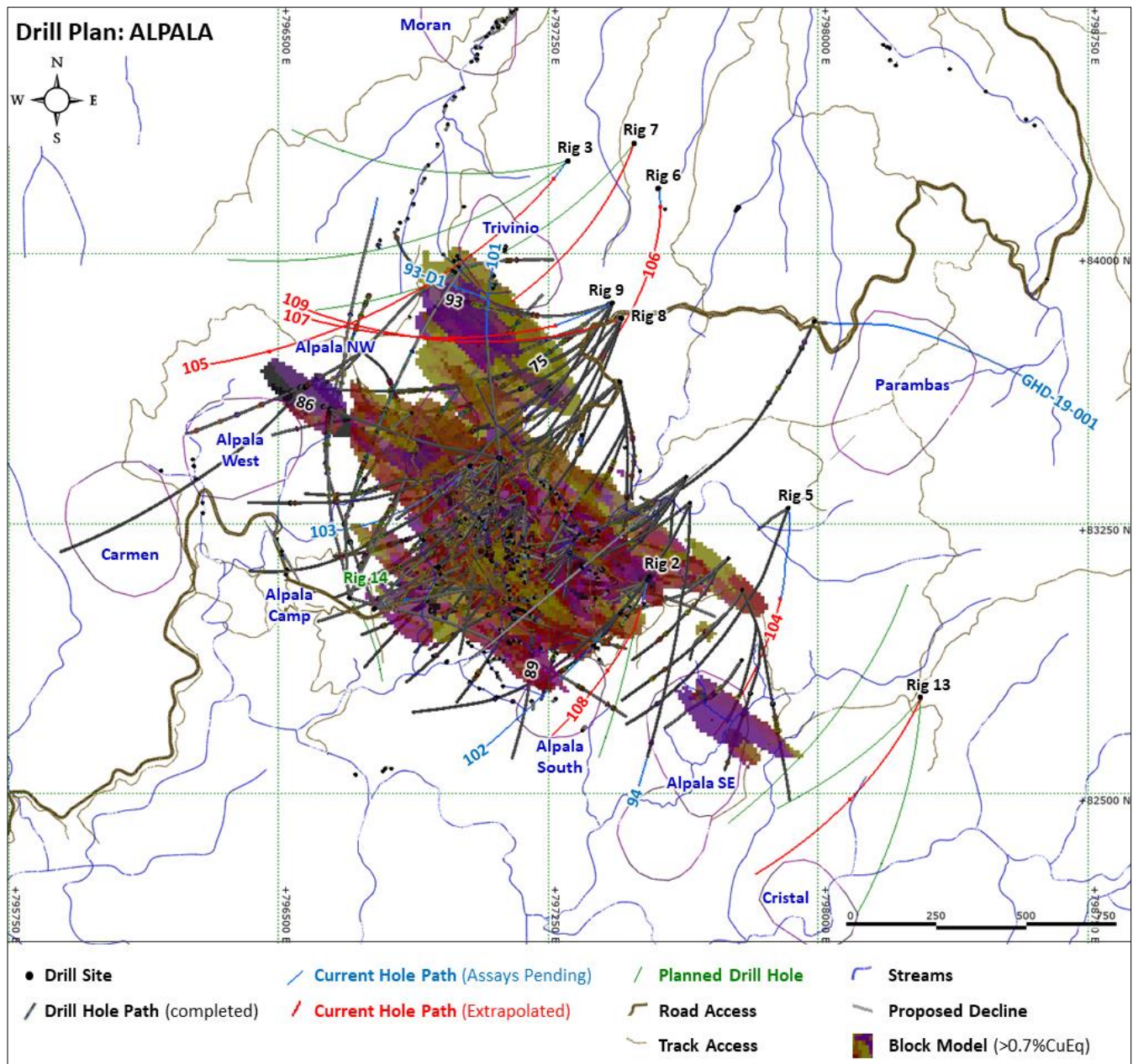


**Figure 2:** Plan view of the Cascabel property showing overview of the 2019 drilling campaign, presently utilising 10 drilling rigs. The drilling fleet currently has three rigs focused on resource upgrade drilling (Rig 2, 5, and 7), five rigs focussed on resource extension drilling (Rigs 3, 4, 6, 8, and 9) and two rigs focussed on geotechnical,



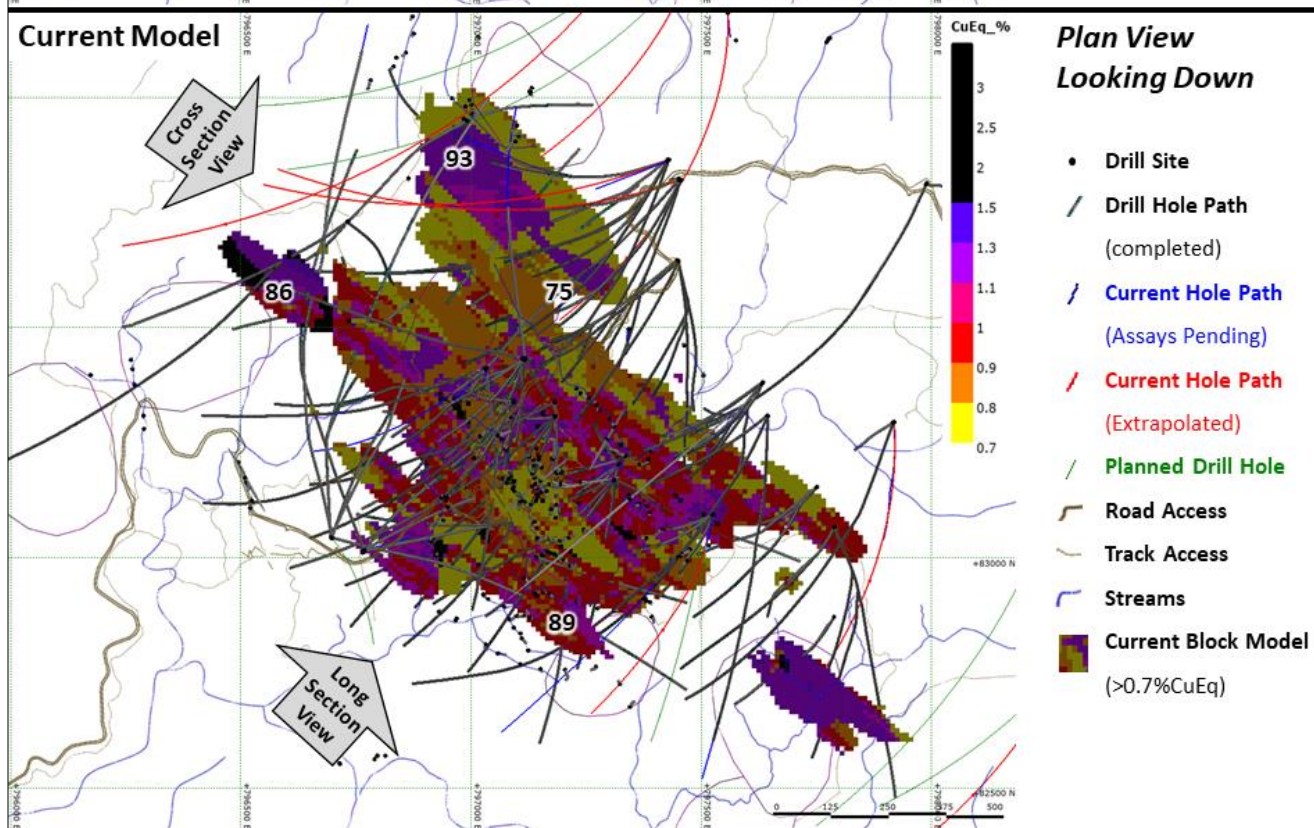
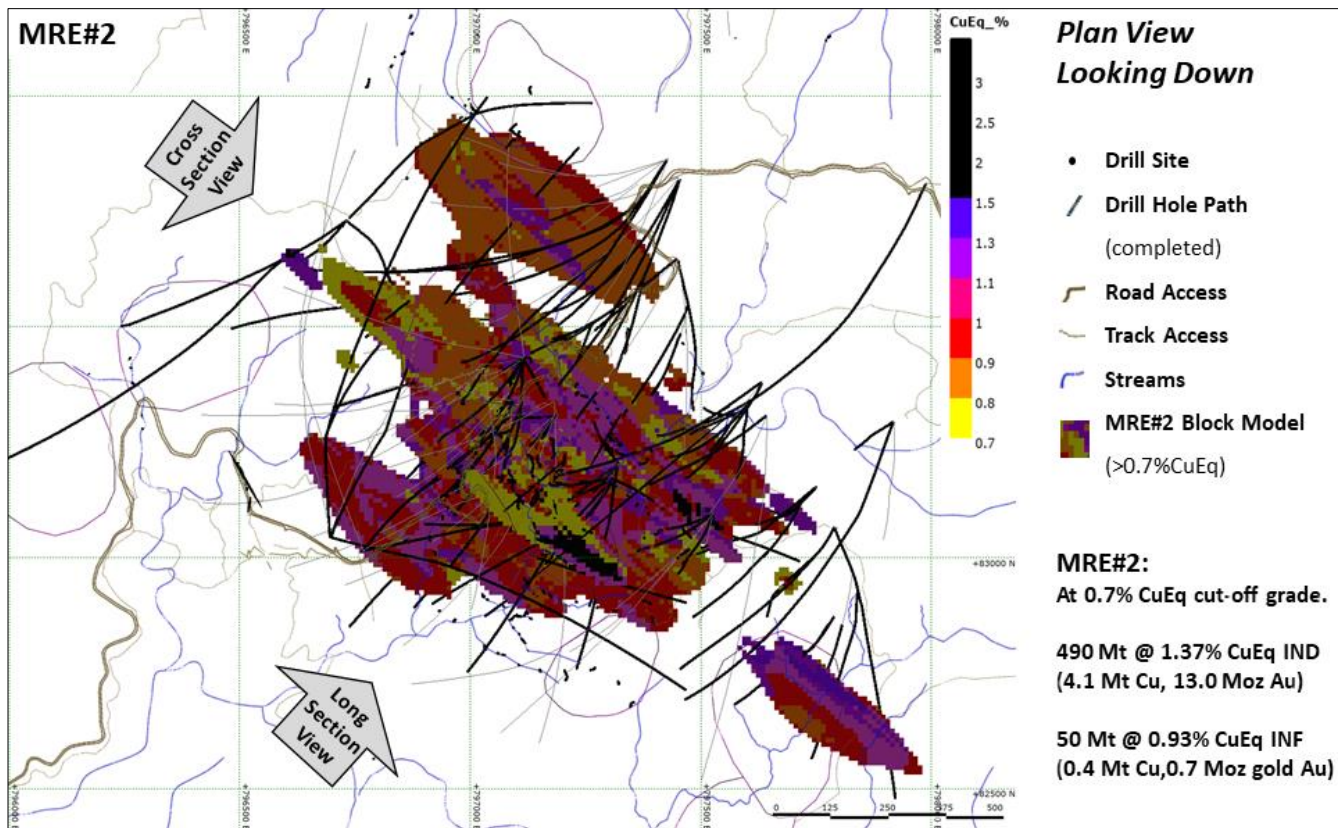


hydrogeological and sterilisation drilling (Rigs 1 and 13).



**Figure 3:** Plan view of the greater Alpala area showing current and planned hole paths and highlighting the positions of recent significant intercepts achieved in holes 93, 75, 86, and 89, over current in-house block model showing blocks with estimated grades of >0.7% Cu<sup>Eq</sup>.

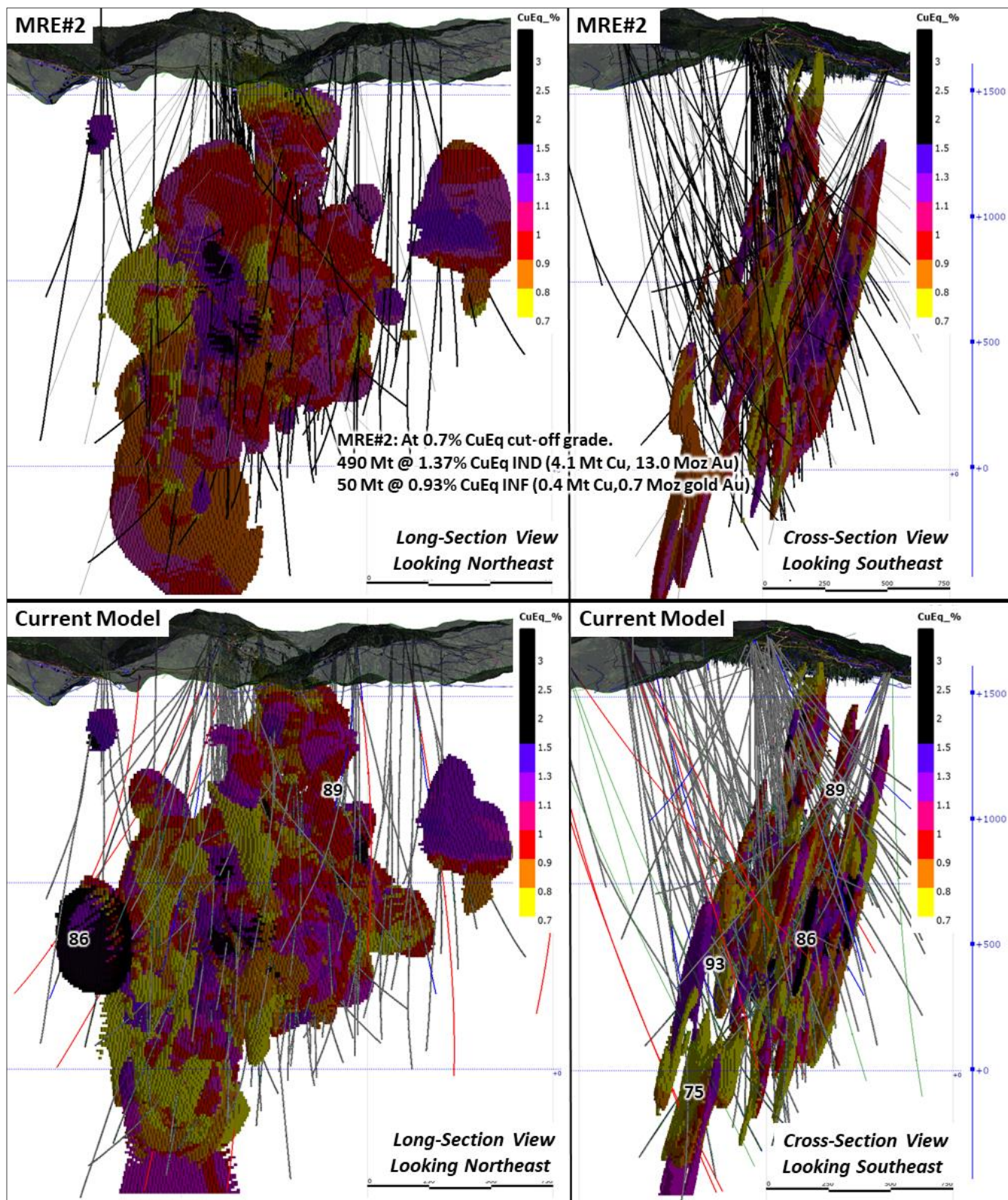






**Figure 4:** Plan view of the Alpala Deposit, highlighting recent holes 93, 75, 86, and 89, and showing estimated resource growth since release of updated Alpala Mineral Resource Estimate (MRE#2) in January 2019.





**Figure 5:** Long-section and cross-section views of the Alpa Deposit, highlighting recent holes 93, 75, 86, and





89, and showing estimated resource growth since release of updated Alpala Mineral Resource Estimate (MRE#2) in January 2019.