



22 May 2020

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

## **NI 43-101 Technical Report on an Updated Mineral Resource Estimate for the Alpala Deposit, Cascabel Project, Northern Ecuador**

The Board of SolGold (LSE and TSX code: SOLG) is pleased to announce the filing on SEDAR of independent NI 43-101 Technical Report completed by Mining Plus, entitled:

"Cascabel Property NI 43-101 Technical Report Alpala Mineral Resource Estimation April 2020 Effective date: 11 November 2019".

### **Highlights of the latest Alpala Mineral Resource at 0.21% CuEq cut-off grade:**

- **Mineral Resource of 2,663 Mt @ 0.53% CuEq for 9.9 Mt Cu, 21.7 Moz Au and 92.2 Moz Ag in the Measured plus Indicated categories**
- **Mineral Resource of 544 Mt @ 0.31% CuEq for 1.3 Mt Cu, 1.9 Moz Au and 10.6 Moz Ag in the Inferred category**
- **High-grade core of 442 Mt at 1.40% CuEq for 3.8 Mt Cu, 12.3Moz Au and 33.3 Moz Ag in the Measured plus Indicated categories**
- **MRE#3 update has added 1.6 Mt copper, 2.5 Moz gold and 92.2 Moz silver to Measured plus Indicated Mineral Resources (at a cut-off grade of 0.20% CuEq, applied for comparative purposes)**

### **Further Information**

Mining Plus was commissioned by SolGold to prepare a Mineral Resource Estimate ("MRE") and subsequent Technical Report for the Alpala Porphyry Copper-Gold-Silver Deposit in the Cascabel Property (the Property) in Northern Ecuador. SolGold is a leading exploration company focussed on the discovery, definition and development of world-class copper-gold deposits. SolGold is listed on the Toronto Stock Exchange (TSX) and the London Stock Exchange (LSE). The Alpala resource, the subject of the NI 43-101 Report and this announcement, is wholly contained within the Cascabel Licence. The Cascabel licence is wholly owned by Exploraciones Novamining S.A. ("ENSA"). SolGold holds an 85% legal and beneficial interest in ENSA.

The MRE, with an effective date of 11 November 2019, has been reported in accordance with the Canadian National Instrument 43-101 ("NI 43-101") Standards for Disclosure for Mineral projects. The estimation process followed the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" (CIM, 2019). Mining Plus employee, Mrs Cecilia Artica takes Qualified Person ("QP") responsibility for the MRE.

The Alpala Deposit, at a cut-off grade of 0.21% Cu equivalent (CuEq), comprises 2,663 Mt at 0.53% CuEq in the Measured plus Indicated categories, which includes 1,192 Mt at 0.72% CuEq in the Measured category and 1,470 Mt at 0.37% CuEq in the Indicated category (**Table 1**). The Inferred category contains an additional 544 Mt at 0.31% CuEq.

Cut-off grade	Mineral Resource category	Mt	Grade				Contained metal			
			CuEq (%)	Cu (%)	Au (g/t)	Ag (ppm)	CuEq (Mt)	Cu (Mt)	Au (Moz)	Ag (Moz)
0.21	Measured	1,192	0.72	0.48	0.39	1.37	8.6	5.7	15.0	52.4
	Indicated	1,470	0.37	0.28	0.14	0.84	5.5	4.2	6.6	39.8
	<b>Measured + Indicated</b>	<b>2,663</b>	<b>0.53</b>	<b>0.37</b>	<b>0.25</b>	<b>1.08</b>	<b>14.0</b>	<b>9.9</b>	<b>21.7</b>	<b>92.2</b>
	Inferred	544	0.31	0.24	0.11	0.61	1.7	1.3	1.9	10.6
	<i>Planned dilution</i>	5	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0

- Mrs. Cecilia Artica, SME Registered Member, Principal Geology Consultant of Mining Plus, is responsible for this Mineral Resource statement 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 0.21% copper equivalent calculated using [copper grade (%)] + [gold grade (g/t) x 0.613] as discussed above. Metal prices used were US\$3.40/lb for copper and US\$1,400/oz for gold.
- The Mineral Resource is considered to have reasonable prospects 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) as required by NI 43-101.
- MRE is reported on 100 percent basis within an optimised shape as described below.
- Figures may not compute due to rounding.

**Table 1:** Alpala Deposit Mineral Resource Estimate Statement, March 2020.

The MRE comprises a contained metal content of 9.9 Mt Cu and 21.7 Moz Au in the Measured plus Indicated categories, which includes 5.7 Mt Cu and 15.0 Moz Au in the Measured category, and 4.2 Mt Cu and 6.6 Moz Au in the Indicated category. The Inferred category contains an additional 1.3 Mt Cu and 1.9 Moz Au.

To the best of Mining Plus's knowledge, there are no environmental, permitting, legal, title, tax, socio-economic, market, political or other relevant factors that would affect the Mineral Resource Estimate presented in the Technical Report.

The NI 43-101 technical report on the updated Mineral Resource Estimate for the Alpala Deposit can be found at the following link:

<https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00043090>

SolGold is preparing a Pre-Feasibility Study ("PFS") for the development of the Alpala deposit. The Company has initiated work on the PFS together with work streams to acquire further information for completion of the proposed Definitive Feasibility Study ("DFS"). Currently, subject to funding, land acquisition programs and the current impacts the Company is facing from the COVID-19 global pandemic, these studies are scheduled for completion by the end of 2020 for the PFS and early 2021 for the DFS.

SolGold's field operations are currently on care and maintenance due to COVID-19 social isolation rules and respect for communities in the area in an effort to reduce the potential transmission of the virus. The Ecuadorian mining authorities have requested the Company's plans for re-activation of operations, pending the full agreement from local county authorities. SolGold continues to actively monitor all its employees as health and safety are top priorities for the Company. SolGold will continue supporting its employees and local communities where possible in their efforts to curtail the spread of the virus.

By order of the Board,  
Karl Schlobohm  
Company Secretary



## 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 Persons:

Information in this report relating to the exploration results is based on data reviewed by Mr Jason Ward ((CP) B.Sc. Geol.), the Chief Geologist 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. Information in this report relating to the Mineral Resource Estimate was reviewed by Mrs Cecilia Artica MSc. Mrs Artica is a Registered Member of The Society for Mining Metallurgy and Exploration and has in excess of 20 years' experience in Mineral Resource Estimation and mineral exploration. She is an independent Qualified Person for the purposes of the relevant LSE and TSX Rules. Mrs Artica consents to the inclusion of the information in the form and context in which it appears.

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## ABOUT SOLGOLD

SolGold is a leading resources company focussed on the discovery, definition and development of world-class copper and gold deposits. In 2018, SolGold's management team was recognised by the "Mines and Money" Forum as an example of excellence in the industry and continues to strive to deliver objectives efficiently and in the interests of shareholders. SolGold is the largest concession holder by land mass, and most active explorer in Ecuador and is aggressively exploring the length and breadth of this highly prospective and gold-rich section of the Andean Copper Belt.

The Company operates with transparency and in accordance with international best practices. SolGold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact.

### ***Dedicated stakeholders***

SolGold employs a staff of 700 employees of whom 98% are Ecuadorian. This is expected to grow as the operations expand at Alpala, and in Ecuador generally. 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 database to enable the delivery of ore grade intersections from nearly every drill hole at Alpala. SolGold has 86 geologists, of whom 30% are female, on the ground in Ecuador exploring for economic copper and gold deposits.

### ***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 the capital Quito, close to water, power supply and Pacific ports.

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 minority equity owner in ENSA is required to repay 15% of costs since SolGold's earn in was completed, from 90% of its share of the 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 convert to a 0.5% NSR royalty which SolGold may acquire for US\$3.5m.

### ***Advancing Alpala towards development***

The resource at the Alpala deposit boasts a high-grade core which is targeted to facilitate early cashflows and an accelerated payback of initial capital. SolGold is currently assessing financing options available to the Company for the development of the Alpala mine following completion of the Definitive Feasibility Study.

Mineral Resource Estimate #3:

- Mineral Resource of 2,663 Mt @ 0.53% CuEq for 9.9 Mt Cu, 21.7 Moz Au and 92.2 Moz Ag in the Measured plus Indicated categories.



- Mineral Resource of 544 Mt @ 0.31% CuEq for 1.3 Mt Cu, 1.9 Moz Au and 10.6 Moz Ag in the Inferred category

#### ***SolGold's Regional Exploration Drive***

SolGold is using its successful and cost-efficient blueprint established at Alpala, 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.

The Company wholly-owns four other subsidiaries active throughout the country that are now focussed on thirteen 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 compared to Alpala.

SolGold is listed on the London Stock Exchange and Toronto Stock Exchange (LSE/TSX: SOLG). The Company has on issue a total of 1,923,321,033 fully-paid ordinary shares and 185,162,000 unlisted options exercisable at various prices ranging from 25p to 60p and expiring between July 2020 and November 2024.

#### ***Quality Assurance / Quality Control on Sample Collection, Security and Assaying***

SolGold operates according to its rigorous Quality Assurance and Quality Control (QA/QC) protocol, which is consistent with industry best practices.

Primary sample collection involves secure transport from SolGold's concessions in Ecuador, to the ALS certified sample preparation facility in Quito, Ecuador. Samples are then air freighted from Quito to the ALS certified laboratory in Lima, Peru where the assaying of drill core, channel samples, rock chips and soil samples is undertaken. SolGold utilises ALS certified laboratories in Canada and Australia for the analysis of metallurgical samples.

Samples are prepared and analysed using 100g 4-Acid digest ICP with MS finish for 48 elements on a 0.25g aliquot (ME-MS61). Laboratory performance is routinely monitored using umpire assays, check batches and inter-laboratory comparisons between ALS certified laboratory in Lima and the ACME certified laboratory in Cuenca, Ecuador.

In order to monitor the ongoing quality of its analytical database, SolGold's QA/QC protocol encompasses standard sampling methodologies, including the insertion of certified powder blanks, coarse chip blanks, standards, pulp duplicates and field duplicates. The blanks and standards are Certified Reference Materials supplied by Ore Research and Exploration, Australia.

SolGold's QA/QC protocol also monitors the ongoing quality of its analytical database. The Company's protocol involves Independent data validation of the digital analytical database including search for sample overlaps, duplicate or absent samples as well as anomalous assay and survey results. These are routinely performed ahead of Mineral Resource Estimates and Feasibility Studies. No material QA/QC issues have been identified with respect to sample collection, security and assaying.

Reviews of the sample preparation, chain of custody, data security procedures and assaying methods used by SolGold confirm that they are consistent with industry best practices and all results stated in this announcement have passed SolGold's QA/QC protocol.

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, successful completion of the NSR Financing, future gold stream financing, resource estimates, the lifting of travel-related COVID-19 restrictions, results of exploration activities, development of the Alpala project, future funding participation by Cornerstone, future budgets to complete a feasibility study and re-activation of operations . 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: timing of the lifting of COVID-19 related-related restrictions, satisfactory completion of site visit due diligence by Franco-Nevada, the ability to complete future financings on terms acceptable to SolGold, 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.