



15 December 2022

**SolGold plc**  
("SolGold" or the "Company")  
**Letter to Shareholders**

**Dear SolGold Shareholders,**

I am writing to you on behalf of the SolGold Board of Directors with respect to the Company's forthcoming AGM and the resolutions the Company is seeking approval for therein.

The Company has undergone several changes in recent months including new strategic endorsements through the accretive US\$50 million Osisko royalty financing and recently closed US\$36 million placing of shares that included Jiangxi Copper (Hong Kong) Investment Company Limited ("Jiangxi"). Additionally, Mr. Scott Caldwell was appointed as Interim Chief Executive Officer ("CEO").

The Board remains focused on maximising value for all shareholders and our top priority is to allocate our human and capital resources efficiently to unlock this value.

The 2022 AGM Agenda is purposed to empower and enable the Board and Executive Management to further implement the Company's strategy and deliver substantial value to all shareholders.

It is important that all shareholders vote to support the Board's unanimous recommendations in respect of all the resolutions.

In addition to the Notice of Meeting, I would like to provide supplementary information to assist your assessment of the 2022 AGM Agenda.

**Board of Directors**

The Board has made significant advancements in recent years by increasing and diversifying its skillset. In the mining industry, it is essential to have industry leading experts as well as investment and finance expertise on the Board. Starting this year, all directors are to be elected on an annual basis in accordance with the UK Corporate Governance Code.

Non-Executive Directors, Mrs. Elodie Grant and Mr. Kevin O'Kane have advised the Board that they will not seek re-election at the upcoming AGM.

Recently appointed independent Non-Executive Director, Mr. Dan Vujcic, becomes Chair of the Audit & Risk Committee and Remuneration Committee. Independent Non-Executive Director, Ms. Maria Amparo Albán, becomes the Chair of the HSEC Committee. The Chairman, Liam Twigger, will become Chair of the Nominations Committee. The Board and Nominations Committee will commence a process to fill the independent Non-Executive Director positions with a view to further improve Board independence and diversity. The Board intends to continue to work towards full compliance with the Code, whilst maintaining the valuable intellectual property around geology and exploration activities.

In order to maintain the skills and experience at the Board level of the Company, it is critical that you vote for the re-election of all Directors as recommended by the Board in the Notice of AGM and Information Circular.



### **Auditors' opinion**

The auditors have formed an opinion on the financial statements and raised the existence of a material uncertainty over funding. Whilst, such opinion and events are not uncommon in the mining industry, due to the nature of the projects, the Company has since raised gross proceeds of US\$86 million through the Osisko royalty and equity financing that included Jiangxi. Support from these world class partners is a testament to the world class nature of the Cascabel project.

Concerns over the Company's financial status and its ability to continue its exploration and work programs are no longer valid.

The Board recommends that all shareholders approve the financial statements presented at the meeting.

### **Compensation**

The remuneration report presented for shareholder approval pertains to our previous CEO, Mr. Darryl Cuzzubbo's compensation. We have taken on-board our shareholders views and reviewed our executive pay. Scott Caldwell's remuneration as Interim CEO will consist of a nominal annual base salary of US\$200,000 which is significantly lower than his predecessor and will include performance-based equity awards to further align his interests with all shareholders. Upon the closing of the Cornerstone merger transaction, Mr. Caldwell will own 18,587,500 SolGold shares.

The Company intends to continue to improve its compensation structure and disclosure to further align executive compensation to performance and market practice whilst remaining attractive.

### **Financial Authorisations**

As in previous years, we have put forth capital issuance authorisations to provide flexibility with respect to financing sources. We acknowledge some of our stakeholders' views on these authorisations and ask for the support of all our shareholders in order to successfully pass these proposals.

SolGold is in a pivotal stage of its progression as a leading exploration company. The Company has secured the financing required to further advance and de-risk the Cascabel project and pursue attractive exploration targets while being focused on reducing costs. With Mr. Caldwell's leadership, the Board's skills and expertise to oversee the execution through the announced Strategic Review, we are on the way to unlocking shareholder value.

In light of the elements aforementioned and the commitment to continue to improve governance practices and maximise shareholder value, the Board unanimously recommends that shareholders vote in favour of all resolutions.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Liam Twigger", is positioned above the printed name and title.

**Liam Twigger**  
**Chairperson of SolGold Plc**