



26 March 2018

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

**Cascabel Exploration Update**

**Strong Mineralisation Intersected at Aguinaga Confirms Major  
Copper-Gold Target**

**Alpala Deposit Extends Closer to Surface**

**Alpala Northwest Growing**

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

**HIGHLIGHTS:**

- **Aguinaga first drill hole (AGD-18-001) intersecting porphyry style veining and visible chalcopyrite and bornite mineralisation from 295m to current depth of 537m, with drilling continuing.**
- **Alpala drilling program discovering strongly mineralised extensions outside current inferred and indicated resource blocks along the southwestern margin of Alpala Central Deposit.**
- **Infill drilling within Alpala Central high-grade core predicted to significantly increase high grade resource tonnage.**

**FURTHER INFORMATION**

The Cascabel Project is located on 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 base is located at Rocafuerte in northern Ecuador, approximately three-hour drive north of Quito, close to water, power supply and Pacific ports (**Figure 1**). 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 tenement covering Alpala and Aguinaga currently being drilled, and numerous other untested targets.

Over 92,500m of drilling has been completed on the project. Currently, 12 drill rigs are active on site, with 11 Rigs drilling on the Alpala cluster (**Figure 2**), and one drilling at the Aguinaga prospect (**Figure 3**). The Cascabel drill program for 2018 comprises over 120,000m of planned drilling focussing on extending the Alpala Resource southwest, northwest and southeast, as well as further drill testing of the rapidly evolving Aguinaga prospect.

Commenting on progress, SolGold CEO Mr Nick Mather said, *"The current focus on drilling for extensions to the high-grade resource at Alpala is proceeding at pace and the mineralisation we are encountering supports this approach. A collateral outcome will of course be a likely increase in the overall resource size."*



*Rapid developments in block-cave mining efficiencies would further enhance the economic outlook for Alcala. We note, encouraging improvements in Capex, Opex and value for Newcrest's Wafi-Golpu block cave project in PNG, which augers well for the upcoming assessment of the Alcala Project.*

*The early intersection of strong porphyry style veining and strong visible copper sulphide mineralisation confirms Aguinaga as an important second resource target at Cascabel. The diagnostic relationship between magnetic, geochemical, resistivity and chargeability data suggests that Aguinaga may represent a significant copper gold porphyry system with the potential to deliver a step-change to the magnitude and value of the Cascabel project.*

*It obviously augers well for the untested targets at Moran, Tandayama-America, Parambas and Chinambicito."*

### **Aguinaga Drilling Program**

Drill hole 1 at Aguinaga is at a current depth of 537.4m, intersecting a quartz-diorite intrusion containing porphyry-style veins, visible chalcopyrite and trace molybdenite and bornite mineralisation from 295.3m depth as drilling continues (**Figure 4**). The intersection commences approximately 200m earlier than prognosed, and a horizontal plan distance some 100m northwest of the discovery outcrops, indicating a significant width to the mineralising system. The abundance of porphyry-type quartz veins, visual estimations of volume-percent chalcopyrite and the chalcopyrite-pyrite ratio increase down-hole and at the core of the system is yet to be encountered.

The quartz-diorite intrusion intersected is thought to represent the same intrusion that hosts the mineralisation discovered at surface which returned open-ended rock-saw channel sample results of 9.0m @ 1.01% Cu, and 0.79 g/t Au.

Hydrothermal wall-rock alteration assemblages observed in Hole AGD-18-001, indicative of a mineralisation system, have become increasingly high-temperature with depth, progressing from chlorite propylitic, through epidote-propylitic and actinolite-propylitic to potassic alteration at the current depth.

SolGold geologists are observing mineralisation increasing at depth and interpret that drilling is advancing towards higher temperature core of the Aguinaga porphyry system. Initial planned drill hole depth for AGD-18-001 is 1000m but may be extended, dependent on results.

### **Alcala Targetted Resource Additions**

Assay results from the initial 53,616m of drilling at Alcala were incorporated into the Alcala maiden Mineral Resource Estimate (MRE) completed in December 2017 and announced on 3 January 2018. A further 38,884m of drilling has been completed since development of the MRE, and major resource growth is expected for the coming year.

Highlights of recent assay results predicted to add significantly to the December 2017 Alcala Mineral Resource Estimate (MRE) are summarised in (**Table 1, following Figure 4 below**).

Further drilling intersections of visible copper sulphide mineralisation from recently completed holes, awaiting assay results at Alpala, include:

- Hole 37 (Alpala NW): 960 m of visual mineralisation from 1367m depth (assay results pending from 2028m to end of hole at 2547m).
- Hole 36-D1 (Alpala NW): 577m (open at depth) of visual mineralisation from 1646m depth.
- Hole 29-D5 (Alpala East): 205m of visual mineralisation from 1109m depth.
- Hole 42 (Alpala Central): 862m of visual mineralisation, including bornite, from 309m depth.
- Hole 43 (Alpala Central): 895m of visual mineralisation, including bornite, from 664m depth.

SolGold geologists are realising high grade extensions outside current inferred and indicated resource blocks along the southwestern margin of Alpala Central, and current infill drilling within the Alpala Central high-grade core is predicted to significantly increase the high-grade resource tonnage (**Figure 5**).

The maiden MRE included high-grade resources of 70Mt of indicated resources at 1.1% Cu and 1.3 g/t Au (1.8% Cu equivalent) and 50Mt of inferred resources at 1.1% Cu and 1.3 g/t Au (1.8% Cu equivalent), as outlined in further specific detail below.

	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
<b>Total &gt;0.3% CuEq</b>	<b>Indicated</b>	<b>430</b>	<b>0.5</b>	<b>0.4</b>	<b>0.8</b>	<b>2.3</b>	<b>6.0</b>	<b>3.4</b>
	<b>Inferred</b>	<b>650</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>2.9</b>	<b>6.3</b>	<b>4.0</b>

#### Tabulation of the 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.



A significant increase to the resource is expected over the coming year through further drilling, as exemplified by **Figure 5**.

### **Mature Satellite Targets**

SolGold has drill tested 7 of 15 copper-gold targets delineated within the 50km<sup>2</sup> tenement (**Figure 6**), with the Alpala Porphyry Cluster being the primary focus to date. Untested satellite targets at Moran and Tandayama-America have matured to drill ready status with drill testing planned for 2018. Drill targeting studies are currently underway for satellite targets at Chinambicito, Alpala South, Parambas and Cristal, all expected to mature to drill ready status in 2018.

### **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.), the Chief Geologist of the Company. Mr Ward is a Member of the Australasian Institute of Mining and Metallurgy, holds the designation MAusIMM (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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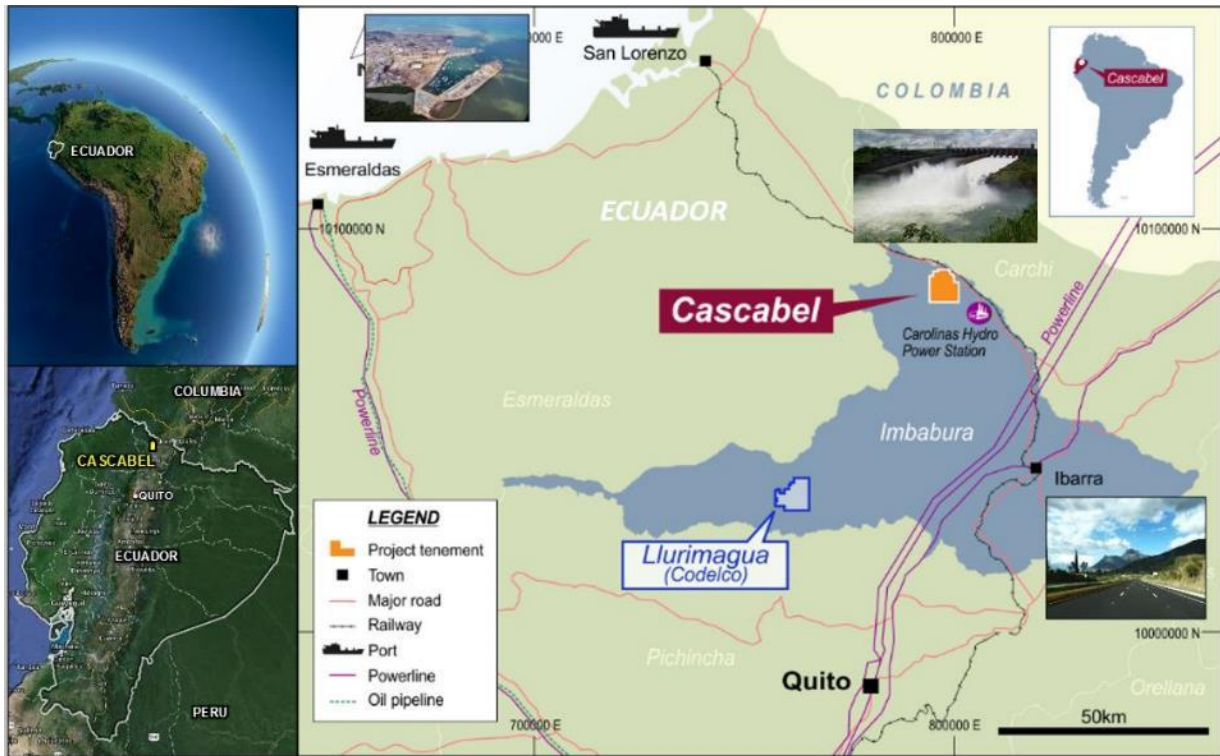
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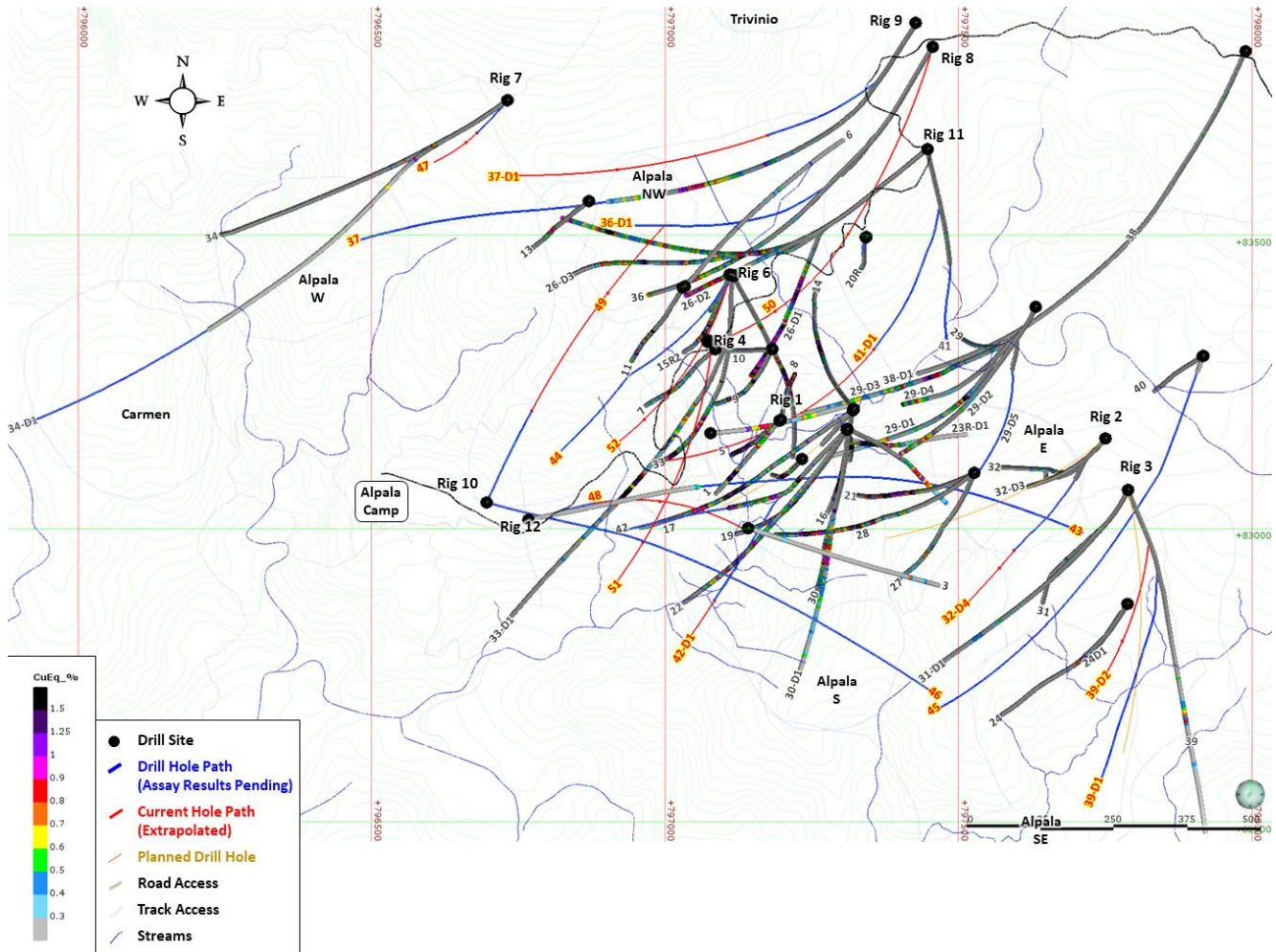
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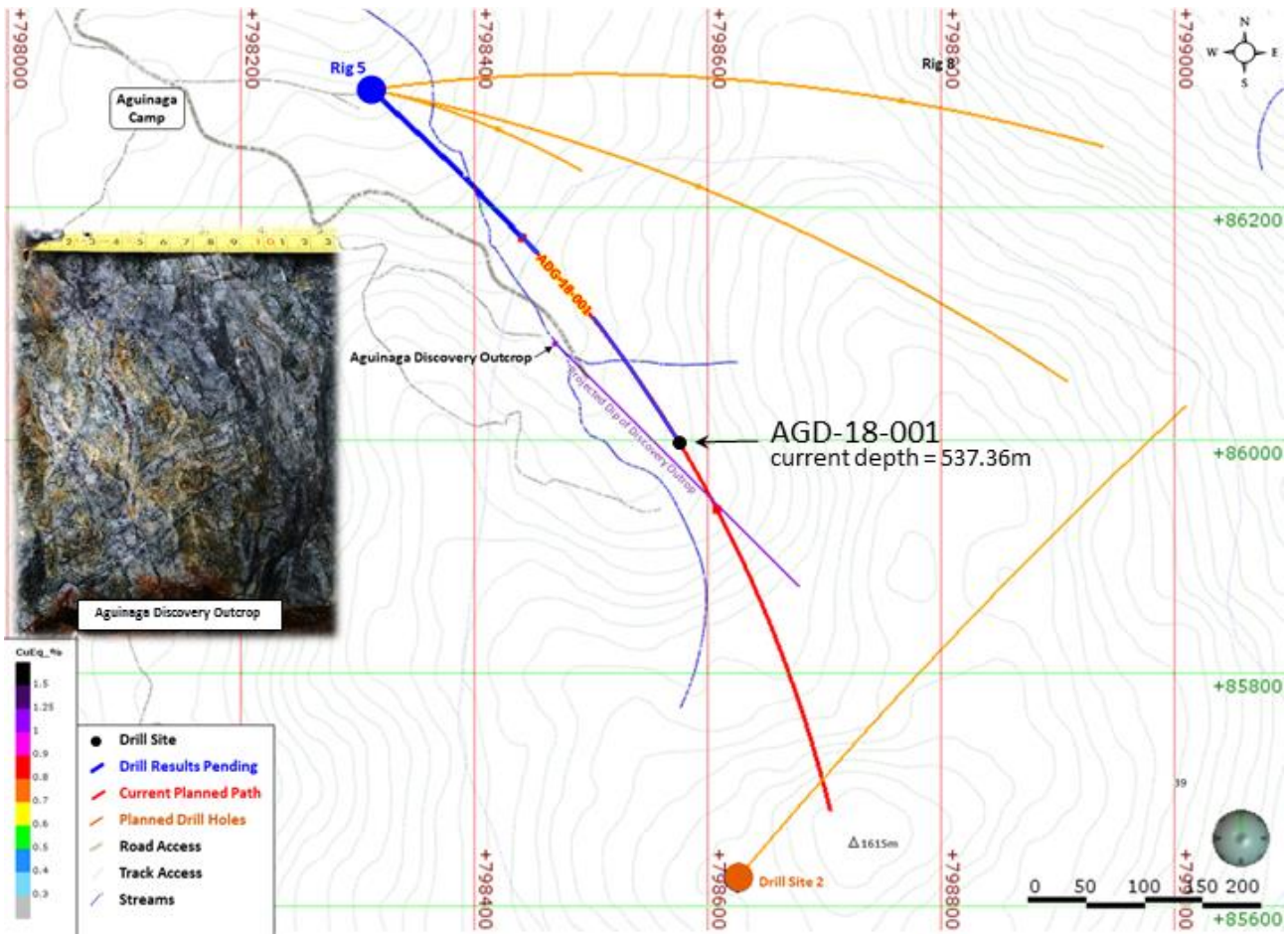
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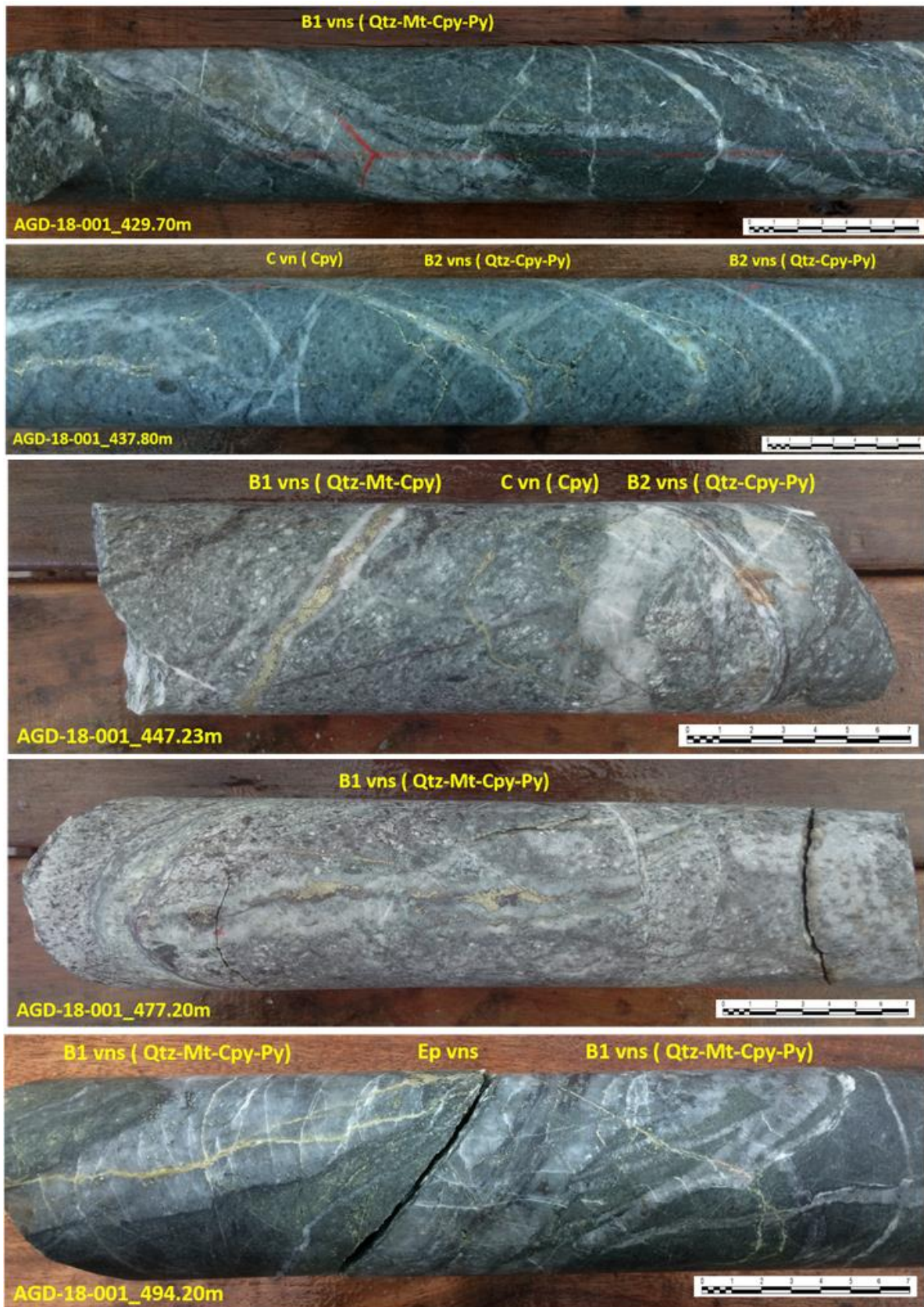
**Figure 1:** Location of Cascabel project in northern Ecuador, highlighting the significant capital advantages held by the project, with proximity to ports, road infrastructure, hydro-electric power stations and the trans-continental power grid.



**Figure 2:** Drill Hole Plan along the greater Alpala area, showing copper equivalent assay results, current drill holes depth and intervals awaiting assay results indicated in **blue** and current hole path projections shown in **red**. Planned drill holes are shown in **light orange**.



**Figure 3:** Drill Hole Plan over Aguinaga prospect, showing copper equivalent assay results, current drill holes depth and intervals awaiting assay results indicated in **blue** and current hole path projections shown in **red**. Planned drill holes are shown in **light orange**.



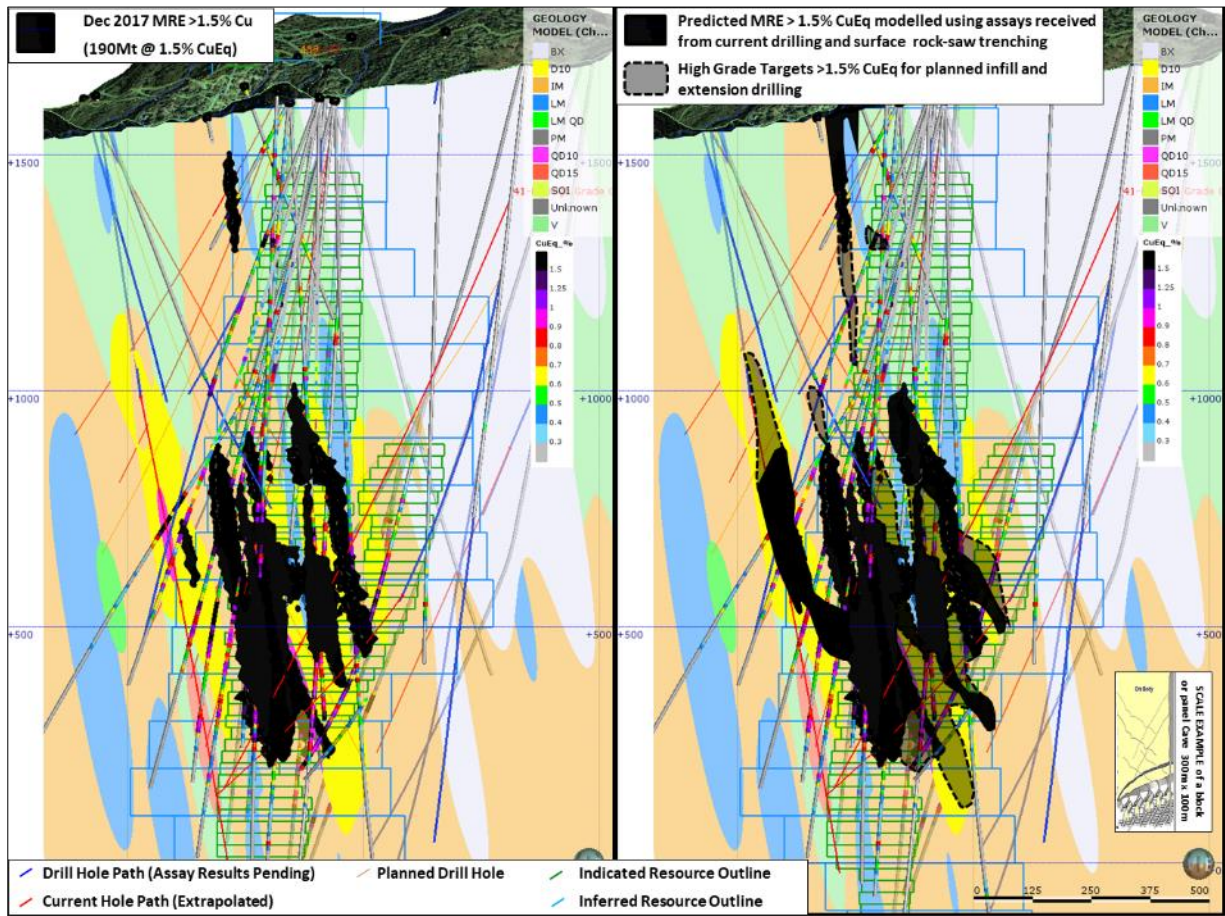
**Figure 4:** Selected examples of mineralisation observed in Aguinaga drill hole AGD-18-001 to date.



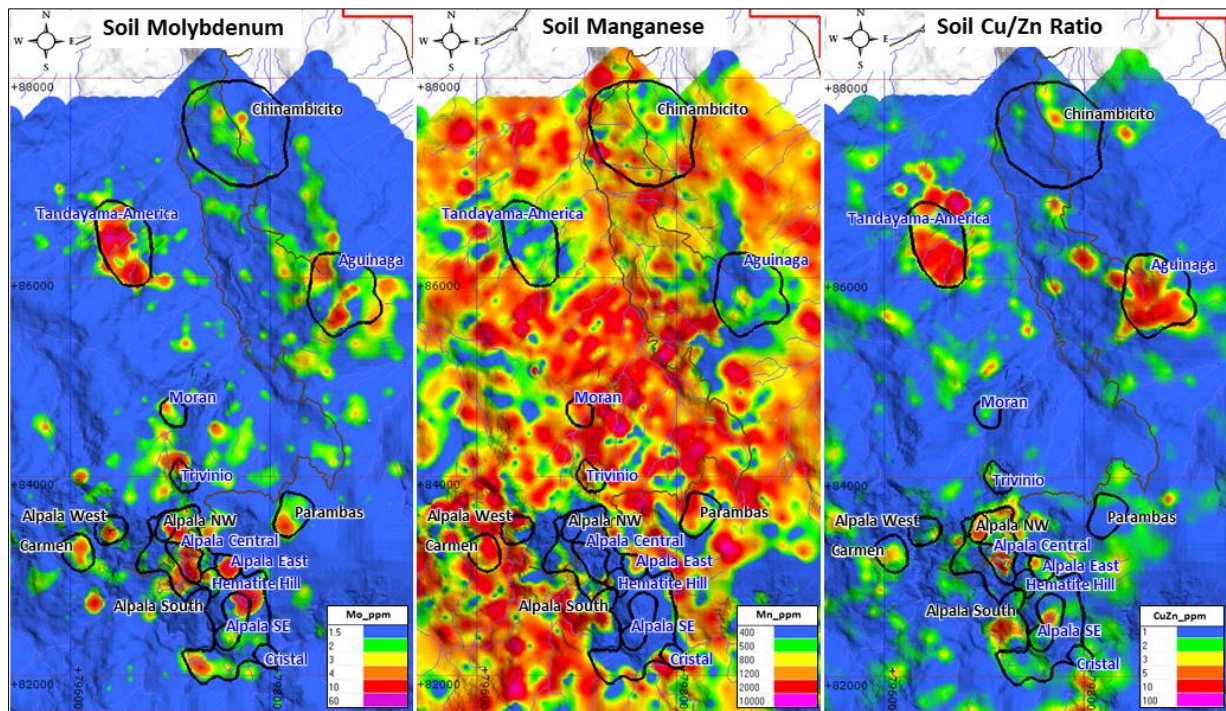
Hole ID	DepthFrom m	DepthTo m	Interval m	CuEq %	Cu %	Au g/t	Cut-off (CuEq%)	m% (CuEq)	Comment
CSD-17-026-D3	900	2000	<b>1100</b>	<b>0.54</b>	<b>0.41</b>	<b>0.21</b>	0.20	594.0	bulk halo
	1062	1226	<b>164</b>	<b>0.76</b>	<b>0.54</b>	<b>0.35</b>	0.50	124.6	
	1756	1980	<b>224</b>	<b>0.75</b>	<b>0.60</b>	<b>0.24</b>	0.40	168.0	
CSD-17-029	938	1436	<b>498</b>	<b>0.34</b>	<b>0.28</b>	<b>0.10</b>	0.20	169.3	bulk halo
	1084	1134	<b>50</b>	<b>0.60</b>	<b>0.49</b>	<b>0.17</b>	0.40	30.0	
CSD-17-029-D2	1148	1632	<b>484</b>	<b>0.49</b>	<b>0.36</b>	<b>0.20</b>	0.30	237.2	bulk halo
	1184	1330	<b>146</b>	<b>0.74</b>	<b>0.51</b>	<b>0.37</b>	0.50	108.0	
CSD-17-029-D3	914.4	1645.01	<b>730.61</b>	<b>0.45</b>	<b>0.33</b>	<b>0.19</b>	0.10	328.8	bulk halo
	1144	1638	<b>494</b>	<b>0.53</b>	<b>0.38</b>	<b>0.24</b>	0.20	261.8	
	1462	1586	<b>124</b>	<b>0.50</b>	<b>0.37</b>	<b>0.21</b>	0.40	62.0	
CSD-17-030	532	1304	<b>772</b>	<b>0.62</b>	<b>0.48</b>	<b>0.22</b>	0.30	478.6	bulk halo
	658	1158	<b>500</b>	<b>0.71</b>	<b>0.55</b>	<b>0.25</b>	0.50	355.0	
	904	1048	<b>144</b>	<b>0.93</b>	<b>0.72</b>	<b>0.33</b>	0.70	133.9	
CSD-17-033	736	1560	<b>824</b>	<b>0.80</b>	<b>0.54</b>	<b>0.42</b>	0.10	659.2	bulk halo
	850	1426	<b>576</b>	<b>0.93</b>	<b>0.61</b>	<b>0.51</b>	0.40	535.7	
	792	1026	<b>234</b>	<b>0.87</b>	<b>0.64</b>	<b>0.37</b>	0.50	203.6	
	1164	1426	<b>262</b>	<b>1.15</b>	<b>0.68</b>	<b>0.75</b>	0.50	301.3	
	1218	1388	<b>170</b>	<b>1.48</b>	<b>0.81</b>	<b>1.07</b>	0.70	251.6	
CSD-17-033-D1	732	1336	<b>604</b>	<b>0.73</b>	<b>0.51</b>	<b>0.34</b>	0.10	440.9	bulk halo
	1040	1186	<b>146</b>	<b>1.71</b>	<b>1.09</b>	<b>0.99</b>	0.30	249.7	
	1048	1154	<b>106</b>	<b>2.13</b>	<b>1.31</b>	<b>1.29</b>	1.00	225.8	
CSD-17-035	580	900	<b>320</b>	<b>0.60</b>	<b>0.45</b>	<b>0.24</b>	0.30	192.0	
	634	838	<b>204</b>	<b>0.69</b>	<b>0.52</b>	<b>0.28</b>	0.30	140.8	
	676	836	<b>160</b>	<b>0.76</b>	<b>0.56</b>	<b>0.31</b>	0.50	121.6	
CSD-17-036	1398	2004.7	<b>606.7</b>	<b>0.61</b>	<b>0.45</b>	<b>0.25</b>	0.20	370.1	bulk, halo, open at depth
	1490	1844	<b>354</b>	<b>0.81</b>	<b>0.59</b>	<b>0.34</b>	0.30	286.7	
	1494	1806	<b>312</b>	<b>0.87</b>	<b>0.64</b>	<b>0.37</b>	0.35	271.4	
	1494	1598	<b>104</b>	<b>1.40</b>	<b>0.99</b>	<b>0.65</b>	0.50	145.6	
CSD-17-037	1380	2028	<b>648</b>	<b>0.37</b>	<b>0.17</b>	<b>0.48</b>	0.20	311.0	open at depth, assays below 2028m pending
	1644	1842	<b>198</b>	<b>0.55</b>	<b>0.30</b>	<b>0.74</b>	0.40	146.5	pending
	1908	2028	<b>120</b>	<b>0.37</b>	<b>0.14</b>	<b>0.46</b>	0.40	55.2	open at depth, assays below 2028m pending
	1494	1598	<b>104</b>	<b>1.40</b>	<b>0.99</b>	<b>0.65</b>	0.50	145.6	
CSD-17-039	1038	1204	<b>166</b>	<b>0.42</b>	<b>0.27</b>	<b>0.24</b>	0.20	69.7	
	1054	1148	<b>94</b>	<b>0.55</b>	<b>0.35</b>	<b>0.31</b>	0.30	51.7	
	1062	1142	<b>80</b>	<b>0.60</b>	<b>0.38</b>	<b>0.34</b>	0.40	48.0	
CSD-18-029-D4	996	1176.49	<b>180.49</b>	<b>0.50</b>	<b>0.36</b>	<b>0.22</b>	0.30	90.2	open at depth
	1104	1176.49	<b>72.49</b>	<b>0.80</b>	<b>0.54</b>	<b>0.41</b>	0.50	58.0	open at depth
	1124	1176.49	<b>52.49</b>	<b>0.90</b>	<b>0.59</b>	<b>0.50</b>	0.70	47.2	open at depth

**Data Aggregation Method:** Intercepts reported using copper equivalent cutoff grades with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 50m. Gold Conversion Factor of 0.63 calculated from a copper price of US\$3.00/lb and a gold price US\$1300/oz. True widths of downhole interval lengths are estimated to be approximately 25% to 50%.

**Table 1:** Recent assay results predicted to add significantly to existing December 2017 Alpala Mineral Resource Estimate.



**Figure 5:** Cross-section, looking north, through the high grade core of the Alcala Central deposit, showing copper equivalent assay results, intervals awaiting assay results shown in blue, current hole path projections shown in thick red and upcoming planned hole paths shown in thin red. Geological models used to domain grade distribution for Mineral Resource Estimates are dynamically updated at the Cascabel geology department, shown here, with overlay of existing MRE >1.5% grade shell (LEFT), and predicted high grade CuEq >1.5% grade model (RIGHT). SolGold geologists are realising high grade extensions outside the current inferred and indicated resource blocks along the southwestern margin of the Alcala deposit; current infill drilling within the Alcala Central high-grade core is predicted to significantly increase high-grade resource tonnage.



**Figure 6:** Location of 15 porphyry targets within the Cascabel concession, shown over molybdenum, manganese and Cu-Zn ratio soil anomalies. To date, five of these targets have been drill tested at Alpa Central, Alpa NW, Alpa SE, Alpa East and Alpa West.



## 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 USD90m in available cash to continue the exploration and appraisal of its flagship Cascabel Project, and with which to conduct regional exploration programs on its 73 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 Joint Venture). 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/](http://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. Having fulfilled its earning requirements, SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in ENSA (Exploraciones Novomining S.A.) 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.

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, and logistics are important competitive advantages offered by the project. 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.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km<sup>2</sup>, along with an additional 9km<sup>2</sup> of Induced Polarisation and 14km<sup>2</sup> Magnetotelluric “Orion” surveys over the Alpala cluster and other targets at Aguinaga, Parambas, Tandayama-America, Moran and Chinambicito.

SolGold has completed over 92,500m of drilling and expended over USD90M 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 all holes drilled 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. Intensive diamond drilling is planned for the next 12 months with up to 12 drill rigs operational.

SolGold has drill tested 5 of 15 copper-gold targets delineated in the 50km<sup>2</sup> tenement with a focus on Alpala. Further drill testing at Alpala will focus on:

- Extending and infilling the Alpala Central area.
- Expanding the system at Alpala Northwest and Trivinio.
- Testing extensions of the system at Alpala Southeast.
- Testing geochemical and magnetic targets at Alpala West and Carmen.

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. A number of targets are scheduled for testing during 2018, subject to ongoing technical assessment, and completion of ground magnetic modelling and Spartan Orion deep IP surveys.

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** within the Cautionary Statement. 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 continued rapid growth of the deposit.

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 extensive concession areas 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 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. 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.

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

*Source: after MinEx Consulting, May 2017*

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

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

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

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

<sup>5</sup> *Source:* [http://www.newcrest.com.au/media/resource\\_reserves/2016/December\\_2016\\_Resources\\_and\\_Reserves\\_Statement.pdf](http://www.newcrest.com.au/media/resource_reserves/2016/December_2016_Resources_and_Reserves_Statement.pdf)

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

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

<sup>8</sup> *Source:* [https://mrdata.usgs.gov/sedau/show-sedau.php?rec\\_id=103](https://mrdata.usgs.gov/sedau/show-sedau.php?rec_id=103)

<sup>9</sup> *Source:* [http://www.chinadaily.com.cn/business/2017-03/29/content\\_28719822.htm](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
<b>Total &gt;0.3% CuEq</b>	<b>Indicated</b>	<b>430</b>	<b>0.5</b>	<b>0.4</b>	<b>0.8</b>	<b>2.3</b>	<b>6.0</b>	<b>3.4</b>
	<b>Inferred</b>	<b>650</b>	<b>0.4</b>	<b>0.3</b>	<b>0.6</b>	<b>2.9</b>	<b>6.3</b>	<b>4.0</b>

**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.