

SolGold PLC Announces Mineral Resource Estimate Update

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Alpala Deposit Mineral Resource Update Delivers Significant Tonnage Conversion to Measured Category

BISHOPSGATE, April 7, 2020 - The Board of Directors of SolGold (LSE:SOLG)(TSX:SOLG) is pleased to provide an independently verified update regarding the third Mineral Resource Estimate (MRE#3) for its flagship Alpala Porphyry Copper-Gold Deposit at the Cascabel Project in Northern Ecuador.

Alpala Deposit Mineral Resource Update

Following a further 83,650m of infill drilling since the previous Mineral Resource Estimate (MRE#2) reported in November 2018, the Company has been successful in delivering the conversion of considerable tonnages into the Measured Resource category, plus the addition of 1.6 Mt Cu, 2.5 Moz Au, and 92.2 Moz Ag (not previously estimated) to Measured plus Indicated Mineral Resources.

Increased drill hole density throughout the deposit has also yielded a dramatic increase in the confidence and economic viability of the Alpala Mineral Resource. The Mineral Resource is constrained within a 3D Underground Optimised Shape (UOS) and as a result a large percentage of the Mineral Resource is expected to be converted to Mineral Reserves following completion of the Pre-Feasibility Study ("PFS") currently underway.

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 supports early cash flows and accelerated pay back of initial capital as identified in the November 2019 Amended and Restated Preliminary Economic Assessment ("PEA")
- At a cut-off grade of 0.20% CuEq, applied for comparative purposes, the MRE#3 update has added 1.6 Mt copper, 2.5 Moz gold and 92.2 Moz silver (with silver not previously estimated) to Measured plus Indicated Mineral Resources providing a solid resource basis for the Company's forthcoming PFS

Mineral Resource: Measured plus Indicated Categories

Cut-off grade	Mt	Grade				Contained metal			
		CuEq (%)	Cu (%)	Au (g/t)	Ag (ppm)	CuEq (Mt)	Cu (Mt)	Au (Moz)	Ag (Moz)
0.21%	2,663	0.53	0.37	0.25	1.08	14.0	9.9	21.7	92.2

Note: Refer to notes on Table 1

High Grade Core: Measured plus Indicated Categories

Cut-off grade	Mt	Grade				Contained metal			
		CuEq (%)	Cu (%)	Au (g/t)	Ag (ppm)	CuEq (Mt)	Cu (Mt)	Au (Moz)	Ag (Moz)
0.80%	442	1.40	0.87	0.86	2.34	6.2	3.8	12.3	33.3

Note: Refer to notes on Table 1

References to figures and tables relate to the version visible in PDF format by clicking the link below

http://www.rns-pdf.londonstockexchange.com/rns/0302J_1-2020-4-7.pdf

Chief Executive Officer, Nick Mather commented, "We are delighted that, following a significant drilling effort at the Alpala Deposit, the Company has been able to release its third and improved Mineral Resource Estimate. This significantly increases our confidence that the economics identified in the PEA are achievable and are based on a bankable porphyry orebody. The increase in Measured and Indicated Resources, which contains almost 22 million ounces of gold and 92 million ounces of silver as a by-product, to about 10 million tonnes of copper, coupled with favourable metallurgy and concentrate quality provides a robust platform on which to base our forthcoming PFS.

Unrelated to MRE#3, we are highly encouraged by the recent comments made by Fernando Benalcázar, Vice Minister of Mines of Ecuador and his continued commitment to the mining sector. The re-opening of the cadastre will provide a huge platform for SolGold to further develop its ultimate goal of becoming a copper-gold major in Ecuador."

MRE#3 and the substantial conversion of resources into the Measured Mineral Resource category is a significant milestone for Alpala and further validates the deposit as a high-quality, probable low-cost, long-life and expandable mineral asset.

Technical Services Manager, Benn Whistler commented, "MRE#3 has delivered an additional 1.6 Mt copper, 2.5 Moz gold, and 92.2 Moz silver, not previously estimated, in the Measured plus Indicated categories at a cut-off grade of 0.21% copper equivalent. This is a very pleasing result considering that MRE#3 is more conservative than previous estimates as it has been carefully constrained within an Underground Optimised Shape or UOS, which effectively ensures the resource has reasonable prospects for eventual economic extraction by underground mass mining methods at the specified cut-off grade of 0.21% copper equivalent. This in conjunction with the high drill hole density achieved throughout the bulk of the deposit, means it is highly reasonable to expect a large percentage of the Mineral Resource may be converted to Mineral Reserves following completion of the PFS."

The future of porphyry exploration both globally and at Cascabel will be from deep exploration drilling from 2-3km depth, and the Alpala Deposit remains open at depth to the north and northwest where a large tonnage of unclassified material could be grown further as exploratory drilling progresses towards the Moran target."

The MRE#3 for the Alpala Porphyry Copper-Gold Deposit, comprises 2,663 Mt @ 0.53% CuEq in the Measured plus Indicated categories, which includes 1,192 Mt @ 0.72% CuEq in the Measured category and 1,470 Mt @ 0.37% CuEq in the Indicated category. The Inferred category contains an additional 544 Mt @ 0.31% CuEq. The MRE#3 within the Measured plus Indicated categories is more than sufficient to support all mine plan scenarios used in the Preliminary Economic Assessment ("PEA") released in May 2019.

The contained metal stands at 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.

The MRE#3 statement is presented in Table 1. The contents of the Mineral Resource, at various cut-off grades and categories, are tabulated and charted in Appendix 1.1 and 1.2.

1. 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.

2. 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.

3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by underground mass mining such as block caving.

4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

5. 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.

6. MRE is reported on 100 percent basis within an optimised shape as described below.

7. Figures may not compute due to rounding.

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

Drill hole spacing within the deposit, provides sufficient data to establish a high degree of geological confidence and grade continuity appropriate for the Mineral Resource, ranging from less than 60m in the central core, to 160m at the margins of the deposit, and up to 240m at the low-grade extremities of the deposit.

In total, 217,225m of drilling from 188 diamond drill holes and 3161.5m of rock-saw channel cuts from 262 surface rock exposure trenches has been incorporated in the MRE#3. A total of 227,961m of drilling has been completed on the Cascabel Project to date, with several holes completed outside the Alpala Resource area.

Block model grade estimation domains were established through the intersection of lithologies and concentric low, medium and high-grade grade zones (Appendix 2.1). Grade domains were developed based on modelling of copper equivalent (CuEq) grade and B-type quartz vein intensity using the following guidance criteria:

• Low grade - where CuEq is ‍0.15% and B vein intensity is ‍0.55%,

• Medium grade - where CuEq grade is ‍0.7% CuEq and B vein intensity is ‍4.1% and,

• High grade - where CuEq grade is ‍1.5% CuEq and B vein intensity is ‍9.4%.

The previous Mineral Resource Estimate (MRE#2) announced by SolGold in November 2018, was defined at a cut-off grade of 0.20% CuEq, and utilised a Copper Equivalent grade calculated using a Gold Conversion Factor of 0.63 ($\text{CuEq} = \text{Cu} + \text{Au} \times 0.63$), calculated from a copper price of US\$3.00/lb and a gold price of US\$1,300/oz. Gold and Copper assays were reported at 100% recovery and were directly converted from copper and gold assays.

The latest Mineral Resource Estimate (MRE#3) defined at a cut-off grade of 0.21% CuEq utilises a Copper

Equivalent grade calculated using a Gold Conversion Factor of 0.613 ([copper grade (%)] + [gold grade (g/t) x 0.613]), determined by a Net Smelter Return (NSR) calculation. Metal prices used were US\$3.40/lb for copper and US\$1,400/oz for gold. Copper Equivalency was calculated utilising copper and gold only.

Reasonable Prospects for Eventual Economic Extraction

The cut-off grade used for reporting was based on up to date third party metal price research, forecasting of long-term copper and gold prices, and a cost structure from PEA at Alpala. Costs include mining, processing and general and administration ("G&A"). Net Smelter Return ("NSR") includes metallurgical recoveries and off-site realization (treatment and refining charges) inclusive government royalties. Metal prices used were US\$3.40/lb for copper and US\$1,400/oz for gold.

A three-dimensional Underground Optimised Shape (UOS) shape was generated at the 0.21% CuEq cut-off grade. This shape maximized the tonnes above the cut-off while ensuring that all material was part of a minimum mining unit with geometry appropriate for a block cave (Appendix 2.2). These minimum mining dimensions for a block cave were defined in the PEA and as such, the resulting shape contains planned internal and edge dilution that the Qualified Person considers appropriate.

It should be noted that this shape is not described as a "mineable shape". Mining factors excluded in this analysis include but are not limited to; capital costs (non-mining, access and footprint establishment), regional pillars, footprint geometries, unplanned dilution and the time value of money. However, the shape does enclose a contiguous and appropriately diluted Mineral Resource that, by virtue of its grade and geometry, should be considered for inclusion within a mineable shape.

The Qualified Person considers that the reported Mineral Resource has reasonable prospects for eventual economic extraction by the block cave underground mining method at the specified cut-off grade. An assessment of whether the project as a whole is economically viable has not been made under this analysis. However, given the successful completion of the PEA it is considered reasonable to assume that it is economic.

Furthermore, the optimized shape contains a small amount of material that is not classified as a Mineral Resource but cannot be mined separately. This material is also reported in the Mineral Resource tabulation as "Planned dilution" in the interests of transparency.

As a result of the process described, a large percentage of the Mineral Resource could be converted to Mineral Reserves following completion of the PFS currently underway.

The estimate was prepared by Cecilia Artica SME Registered Member, Principal Geology Consultant of Mining Plus, who is designated as the "Qualified Person" as defined by Canadian National Instrument 43-101 for the Mineral Resource Estimate. Mrs. Artica has reviewed and approved the contents of this release. A technical report providing details of the estimate will be filed on SEDAR (www.sedar.com) within 45 days. As a result of the completion of MRE#3 and the impending release of the NI 43-101 technical report, the PEA will be effectively superseded by the MRE#3 technical report as the current technical report on the Alpala Project and should no longer be considered current.

SolGold is preparing a PFS for the development of the Alpala deposit. The Company has also initiated 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 Q3 2020 for the PFS and 2021 for the DFS.

SolGold's on site operations in Ecuador remain halted in an effort to reduce the potential transmissions of COVID-19 and continues to actively monitor all its employees. Health and safety are top priorities for the Company and 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

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.

Appendix 1.1: Alpala Deposit at various cut-off grades - March 2020

Appendix 1.2: Alpala Deposit; grade and tonnage curves - March 2020

Appendix 2.1: Example Long-section through the centre (Alpala Central) of the Deposit, looking West, and along the trend of the Alpala Intrusive Complex, showing the vertically extensive geometry and episodic emplacement of intrusions (A), and high, medium and low abundance veining zones (B).

Appendix 2.2: Example Long-section through the centre (Alpala Central) of the Deposit, looking West, and along the trend of the Alpala Intrusive Complex, showing high, medium and low grade zones (C), and MRE#3 block model blocks above the 0,21% CuEq cut-off grade, classification shells, and the Underground Optimised Shape (UOS) limit used for the estimate (D).

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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 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.

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 737 employees of whom 98% are Ecuadorean. 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 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.

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.

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 176,662,000 share options.

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 for more information. Follow us on twitter @SolGold_plc

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