SolGold PLC Announces Exploration Update - Porvenir Project

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First Drill Hole at Porvenir Still in Mineralised Porphyry System at 660m

BISHOPSGATE, October 5, 2020 - The Board of SolGold (LSE:SOLG)(SX:SOLG) is pleased to provide an update on Porvenir Project, held by Green Rock Resources S.A, a wholly owned and unencumbered subsidiary of SolGold.

Highlights

- Due to highly encouraging visual estimates from the first hole at Cacharposa (PDH-20-001) and growing potential for a large, strongly mineralised porphyry copper-gold system at Cacharposa, SolGold will plan a larger 50,000m drilling program, subject to ongoing positive results.
- PDH-20-001, the first drill hole at the Porvenir, at Cacharposa (formerly Target 15), has so far intersected over 644m of visual copper sulphide mineralisation, hosted by potassium-rich intrusions, as the hole continues towards a revised planned depth of at least 750m. Potassium-rich porphyry systems are the host for a number of Tier 1 porphyry copper-gold mines around the world.
- The dominant copper sulphide mineral observed in PDH-20-001 is chalcopyrite, and chalcopyrite mineralisation has been observed from 15.9m to the current depth of 660.3m. Detailed core logging, from the last reported depth of 491.0m, to a current logged depth of 619.0m, shows chalcopyrite percentages of up to an estimated 3.0 % by volume with associated porphyry style total quartz vein abundance of up to a measured 4.7 % by volume. Mineralisation from surface to 491m depth was previous described in announcement on 01 October 2020.
- PDH-20-001 was collared in mineralisation and central to coincident soil gold, copper, molybdenum and Cu:Zn anomalies, drilling at a dip of -55 degrees towards the east-southeast. The drill hole is testing the eastern limits of the system and the geology team interpret that PDH-20-001 hole is drilling across the upper periphery of the core of a large, strongly mineralised porphyry copper-gold system.
- The second drill hole will be drilled from the same location at a steeper angle of a planned -75 to -80 degrees and is targeted to more fully transect the core of the system.
- A second drill rig is planned to be mobilised to Cacharposa Creek later this month, and sited approximately 200m west-northwest of PDH-20-001 with a view to test the central and western portions of the system (Figure 2).
- Mineralisation in Cacharposa Creek is part of the Cacharposa Trend, a 1700m long northerly-trending mineralised corridor, up to 1000m wide, with scope for depth continuation of more than 600m. The mineralisation styles, size and geometry at Cacharposa are consistent with the surface exposure of a vertically extensive, well-preserved porphyry copper-gold system.
- Whilst mineralisation measured from PDH-20-001 is highly encouraging, the observations are of a preliminary nature. The visual mineralization observed has not yet been assayed, and the intensity of visual mineralisation should not be used to estimate grade or commercial viability at this stage. Assay results are expected to take not less than 3 weeks from submission.

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

http://www.rns-pdf.londonstockexchange.com/rns/1312B_1-2020-10-5.pdf

Benn Whistler, Technical Services Manager of SolGold said of the mineralisation discovered so far at

Cacharposa:

"The tenor of mineralisation intersected in the first hole at Cacharposa is very encouraging given the geological and alteration characteristics encountered so far indicate that we have not yet encountered the core of the system. Mineralisation extents remain open so far, and the potential for the discovery of even higher tenor mineralisation seems highly likely, with scope to grow the size of mineralisation beyond what was originally modelled. "

Nick Mather, CEO of SolGold re-iterated the significance of the discovery to SolGold:

"The Cacharposa discovery at Porvenir demonstrates the critical importance of regional exploration to SolGold's corporate strategy and to its shareholders. It justifies SolGold's objective to deliver further Tier 1 discoveries several times over, across SolGold's unique and extensive exploration pipeline of thirteen other 100% owned targets. These targets are covered by granted tenure, throughout the 700km length of three parallel and under-explored metallogenic copper-gold belts in the Ecuadorean sector of the prolific Andean Copper Belt. Ecuador could grow to become a major player in global copper and gold markets, and SolGold will be at the core of that objective."

"Clearly our blueprint of targeting and applying the Alpala geological, exploration and operational blueprint on a string of these targets is working. Progress at Porvenir will be a lot quicker and more efficient than at Alpala given our experience to date. We will apply the same blueprint to all of our targets. Delivery of SolGold's strategy will be transformational for Ecuador and we are building our board and management capabilities financially and operationally to deliver this objective."

Further Information

SolGold is continuing to pursue its strategy to become a tier 1 copper producing company through aggressive exploration of its extensive tenement portfolio in Ecuador. The first pass regional exploration program is fully funded until mid- to late-2021.

The Porvenir Project is in Southern Ecuador, some 100 km north of the Peruvian border (Figure 1). The project is situated within the eastern most metallogenic portion of the Ecuadorian sector of the Andean Copper Belt which hosts several of the world's largest and most significant copper and gold deposits in Columbia, Ecuador, Peru, Argentina and Chile, including the Fruta Del Norte gold project owned by Lundin Gold, approximately 100km to the north-northeast.

Drilling commenced at the Cacharposa Target (Cacharposa), within the Porvenir Project area on 15th September 2020 as part of a planned 8,000m initial drilling program. The initial drilling program is part of a larger 16 month 50,000m planned drilling program at Porvenir, up to December 2021.

PDH-20-001 has so far intersected over 644m of visual copper sulphide mineralisation, hosted by potassium-rich intrusions. PDH-20-001 continues towards a revised planned depth of at least 750m.

Visible copper sulphide mineralisation has been observed from 15.9m to the current depth of 660.3m. The dominant copper sulphide mineral observed to date is chalcopyrite, an important ore-forming copper sulphide mineral containing 34.5% copper. Pyrite and molybdenite are also common.

Detailed core logging, from the last reported depth of 491.0m, to a current logged depth of 619.0m, shows chalcopyrite percentages of up to an estimated 3.0 % by volume with associated porphyry style total quartz vein abundance of up to a measured 4.7 % by volume.

Geological and rock-alteration vectors drawn from surface rock-saw and drill core observations, including an increasing chalcopyrite to pyrite ratio with depth beneath the discovery outcrop, suggest that more intense copper mineralisation can be reasonably expected deeper, and in the targeted core of the system.

PDH-20-001 was collared in mineralisation and approximately 200m north of the centre of coincident soil

gold, copper, molybdenum and Cu:Zn anomalies, drilling at a dip of -55 degrees towards the east-southeast (Figure 2). PDH-20-001 is testing the eastern limits of the system and the geology team interpret that PDH-20-001 hole is drilling across the upper periphery of the core of a large, strongly mineralised porphyry copper-gold system. SolGold's exploration team is highly encouraged by the tenor of mineralisation in what is interpreted to represent an intersection peripheral to the centre of a highly mineralised porphyry copper-gold system.

The second drill hole will be drilled from the same location as PDH-20-001, at a steeper angle of a planned -75 to -80 degrees and is targeted to more fully transect the targeted core of the system.

A second drill rig is planned to be mobilised to Cacharposa Creek later this month and sited approximately 230m west-northwest of PDH-20-001 with a view to test the central and western portions of the system (Figure 2). Future drill holes aim to intersect two main northwest and northeast trending vein sets at Cacharposa, and may exceed the planned lengths should mineralization continue at depth.

Porphyry copper and gold deposits, hosted by potassium-rich intrusions, can often contain bornite in the core of the system and SolGold's program will vector towards potential higher-grade, bornite-bearing, core zones at Cacharposa as further drilling progresses.

PDH-20-001 is testing below outcropping surface mineralisation in Cacharposa Creek that returned an open-ended rock-saw channel assay result of 147.8m @ 0.69% CuEq (0.43 g/t Au, 0.37% Cu) including, 82.63m @ 1.08% CuEq (0.71 g/t Au, 0.55% Cu). The results exhibit an approximate 1:1 copper (%) to gold (g/t) ratio and an approximate 1:1 copper to gold ratio is also expected from drill core assays.

The mineralisation discovered at Cacharposa is part of a 1700m long, northerly-trending mineralised corridor, up to 1000m wide (Figure 2). The mineralisation style, and geophysical and geochemical footprints, in conjunction with the 3D MVI magnetic modelling and 3D geochemical modelling at Cacharposa are consistent with surface exposure of a well-preserved porphyry copper-gold system with scope for depth continuation of more than 600m. Encouragingly, mineralisation continues to be intersected in PDH-20-001 outside the current 3D model limits, which demonstrates that size of the system is not restricted to the limits of these models. (Figure 3).

The combined presence of visual epidote veining, molybdenum mineralisation and potassic K-feldspar-biotite-magnetite alteration suggest that PDH-20-001 hole is drilling across the upper periphery of the core of this porphyry copper-gold system. These are characteristic features of the upper periphery of the core of SolGold's Alpala Deposit and many porphyry copper-gold systems globally.

SolGold's surface mapping, pitting and trenching programs are underway to identify additional mineralised outcrops underneath vegetation and soil cover outside the Cacharposa Creek exposures.

Selected examples of mineralisation encountered in PDH-20-001 so far are shown in Figures 4 to 6.

PDH-20-001 has intersected a number of different mineralised intrusive phases and mineralisation styles, exhibiting a wide range of porphyry style veining. The complex multi-phase nature of mineralisation observed in PDH-20-001 is considered favourable to the development of a significant system.

The Cacharposa target is characterised by coincident Cu, Mo, Au and Cu:Zn soil anomalies that lie central to a magnetic high and zone of Mn-depletion in soil (Figure 7). These styles of ground RTP magnetics and geochemical signatures at Cacharposa are characteristic of porphyry copper and copper-gold deposits globally.

The size and strength of geochemical anomalies and the zoning of the hydrothermal alteration assemblages at Cacharposa are inferred to indicate a well-preserved porphyry copper-gold system that extends from surface and beyond the current depth of drilling, to more than 600m below surface.

Planning and logistical work is underway to ramp up drilling by mobilising an additional five drill rigs to site as

quickly as COVID19 restrictions allow. The second drill machine is planned to arrive late October.

While visual measurements and observations of drill core are extremely encouraging and SolGold believe provide initial validation of the prospectivity of Cacharposa at Porvenir, readers are strongly cautioned that the information in this press release is of a preliminary nature and the visual mineralization observed has not yet been assayed. The intensity of visual mineralisation should not be used to estimate grade or commercial viability at this stage.

Figure 1: Location plan showing Porvenir Project in Southern Ecuador, highlighting the locations of the Cacharposa and Alpala porphyry deposits.

Figure 2: Cacharposa Mineralised Corridor plan view of the Cacharposa Target (formerly Target 15) showing the zone of interpreted coincident soil gold, copper, molybdenum and Cu:Zn anomalies. The current hole path is shown in blue with planned drill hole paths shown in red. Future drill-holes, aim to intersect two main northwesterly and northeastly-trending vein sets at Cacharposa, and may exceed the planned lengths should mineralization continue at depth. Additional drill-holes to those shown, will be planned to extend mineralisation to the south, north and other directions dependant on drill results.

Figure 3: PDH-20-001 cross-section slice looking north-northeast (window thickness 100m). The current hole path is shown in blue with planned drill hole paths shown in red. Future drill-holes, aim to intersect two main northwest and northeast trending vein sets at Cacharposa, and may exceed the planned lengths should mineralization continue at depth. The mineralisation and hydrothermal alteration intersected so far in PDH-20-001 shows good correlation between down hole geology and 3D magnetic- and geochemical-models.

Figure 4: Selected drill-core examples from 450- 510m showing disseminated and vein-controlled chalcopyrite mineralisation.

Figure 5: Selected drill-core examples from 510- 590m showing disseminated and vein-controlled chalcopyrite mineralisation.

Figure 6: Selected drill-core examples from 590- 640m, showing disseminated and vein-controlled chalcopyrite mineralisation.

Figure 7: Ground reduced-to-the-pole (RTP) magnetics and geochemical signatures at Cacharposa are characteristic of global porphyry copper and copper-gold deposits. The RTP magnetics exhibit a central magnetic high surrounded by an annular magnetic low (Top Left). Soil Molybdenum geochemistry shows a broad high nested within the magnetic feature (Top Centre) and exhibits good inverse correlation with soil Manganese (Top Right). The coincidence of soil Copper, Gold and Cu:Zn geochemical anomalies (Bottom Left, Centre and Right) are classic signatures of porphyry copper-gold deposits.

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 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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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 over 600 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 over 80 geologists 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^2. 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$3.5million.

Advancing Alpala towards development

The resource at the Alpala deposit contains a high-grade core which will be targeted to facilitate early cashflows and an accelerated payback of initial capital. SolGold is currently progressing its Pre-Feasibility Study and is fully funded through to development decision following the Net Smelter Royalty Financing with Franco-Nevada Corp. for US$100million. Franco-Nevada will receive a perpetual 1% NSR interest from the Cascabel licence area.

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 2,072,213,495 fully-paid ordinary shares and 113,175,000 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.

The data aggregation method for calculating Copper Equivalent (CuEq) for rock-saw channel sampling intervals are reported using copper equivalent (CuEq) cut-off grades with up to 10m internal dilution, excluding bridging to a single sample and with minimum intersection length of 50m.

Copper Equivalent is currently calculated (assuming 100% recovery of copper and gold) using a Gold Conversion Factor of 0.751 (CuEq = Cu + Au x 0.751), calculated from a current nominal copper price of US$3.30/lb and a gold price of US$1700/oz. True widths of rock-saw channel sampling interval lengths are estimated to be 100% considering the sub-vertical nature of intrusions at Porvenir Project.

See www.solgold.com.au for more information. Follow us on twitter @SolGold plc

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Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as

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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.

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