

SolGold PLC Announces Business Update

11.03.2020 | [ACCESS Newswire](#)

BISHOPSGATE, March 11, 2020 - The Board of Directors of SolGold (LSE:SOLG)(TSX:SOLG) wishes to provide an update regarding a range of activities that the Company is currently progressing.

Alpala Pre-Feasibility and Proposed Feasibility Study Programs

The Company is pressing forward with work on the Pre-Feasibility Study (PFS) together with work streams to acquire further information for completion of the proposed Definitive Feasibility Study (DFS). Currently, subject to funding and land acquisition programs, these studies are scheduled for completion by Q3, 2020 for the PSF and by end Q1, 2021 for the DFS.

Work is currently focussing on eight main areas of investigation, being:

1. Completion and independent certification of MRE 3 expected within 4 weeks;
2. Geotechnical studies (ongoing and progressing towards DFS Standards);
3. Surface logistic facilities including identifying and securing suitable tailings dam disposal sites for the life of mine for the Alpala Project;
4. Port access and infrastructure for future copper concentrate production streams;
5. Power supply and hydro co-generation options;
6. Revised metallurgy studies and gold and copper concentrate marketing studies with a focus on development funding advances;
7. Alpala financial model evaluation settings, including selection of future Ecuadorean sovereign royalty rates, and taxation rates to account for Ecuadorean policies including rebates for in-country capital reinvestment programs and selection of various mine development funding strategies;
8. Social and Economic Impact Study finalisation to provide a basis for Ecuadorean assessment of the project impact nationally.

Financial Evaluation and Funding Discussions

SolGold is currently conducting discussions in respect of developing and securing a funding package (circa USD \$2.85 billion) for the development of the Alpala Project. This involves up to USD \$150 million in the shorter-term for two years funding for completion of the DFS at Alpala, and SolGold's 85% share of both pre-development costs and the longer-term development capital expenditure (circa \$2.7 billion per the PEA estimate).

Funding discussions for finalising the DFS and SolGold's share of pre-development costs are progressing encouragingly. If an agreement is reached, finalisation and settlement could take six to eight weeks.

For guidance, the longer-term development funding package (circa \$2.7 billion) is being negotiated and

targeted to be agreed with a range of financiers and third-parties on a conditional basis subject to (i) finalisation of the DFS including adoption of prescribed hurdles on measured inputs and outcomes from the DFS, (ii) permitting, and (iii) fiscal agreements (Exploitation Agreement and Investment Agreement) with the Ecuadorean Government.

The funding is targeted to involve debt packages backed by Sovereign Export and Import Credit facilities (supported by conditional concentrate off take agreements) plus equity raised from a corporate capital issue at development and targeted to be priced with reference to the NPV of the Alpala Project at DFS stage, and project related interests tied to copper and gold metal production.

Community and Social Programs

SolGold is continually developing its social and community programs around Alpala with a view to maximising employment for Ecuadoreans, creating, supporting and endorsing local Ecuadorean businesses and providing financial assistance and support for secondary and tertiary educational institutions (including universities and technical colleges). This strategy is also being applied to SolGold's regional exploration activity areas.

Regional Exploration Activities

SolGold is currently active in the field on its four regional exploration subsidiaries Carnegie Ridge Resources SA, Valle Rico Resources SA, Green Rock Resources SA and Cruz del Sol SA. Six drill targets (as outlined below) have been defined on major porphyry systems on the basis of mapping, soils, rock chip and channel sampling and geophysics.

Carnegie Ridge Resources Targets:

1. Rio Amarillo
2. Chical

Cruz del Sol Targets:

1. Timbara
2. La Hueca

GreenRock Resources Targets:

1. Porvenir
2. Santa Martha (Sharug)

Each of these project areas are 100% owned through SolGold's subsidiaries and are extensive, with the potential to hold greater metal endowment than Alpala.

Directors Intention to Acquire Further Shares

SolGold's Executive Board members Nicholas Mather and Jason Ward have both advised the Board of Directors that it is their intention to acquire further shares in SolGold in the next 30 days or in the next available capital raising subject to any applicable regulatory approvals or other restrictions.

By order of the Board

Karl Schlobohm

Company Secretary

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.

CONTACTS

Nicholas Mather

Tel: +61 (0) 7 3303 0665

[SolGold plc](#) (Chief Executive Officer) nmather@solgold.com.au

+61 (0) 417 880 448

Karl Schlobohm

Tel: +61 (0) 7 3303 0661

[SolGold plc](#) (Company Secretary)

kschlobohm@solgold.com.au

Ingo Hofmaier

Tel: +44 (0) 20 3823 2131

[SolGold plc](#) (GM - Project & Corporate Finance)
ihofmaier@solgold.com.au

Gordon Poole / Nick Hennis

Tel: +44 (0) 20 3757 4997

Camarco (Financial PR / IR)

solgold@camarco.co.uk

Andrew Chubb

Tel: +44 (0) 20 7907 8500

Hannam & Partners (Joint Broker and Financial Advisor)

solgold@hannam.partners

Ross Allister / David McKeown

Tel: +44 (0)20 7418 8900

Peel Hunt (Joint Broker and Financial Advisor)

solgold@peelhunt.com

James Kofman / Darren Wallace

Tel: +1 416 943 6411

Cormark Securities Inc. (Financial Advisor)

dwallace@cormark.com

Follow us on twitter @SolGold_plc

ABOUT SOLGOLD

SolGold is a leading exploration 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 data base 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.

Over 227,000m of diamond drilling has been completed on the project. The Cascabel exploration program is currently focussed on extending and upgrading the status of the Alpala resource, as well as further drill testing of the evolving Aguinaga prospect. Drill testing of the Trivinio target has commenced, whilst the numerous other untested targets, namely at Moran, Cristal, Tandayama-America and Chinambicito, are flagged for drill testing as overall program demands allow.

The 15 November 2018 Alpala MRE#2 update was estimated from 68,173 assays. Drill core samples were

obtained from a total of 133,576m drilled from 128 diamond drill holes, including 75 drill holes with 34 daughter holes, 8 redrills, and 11 over-runs. Full assay data was received from holes 1-67 while partial assay data was received from holes 68 to 75. In contrast, the December 2017 maiden MRE#1 was estimated from 26,814 assays obtained from 53,616m of drilling comprising 45 drill holes, including 10 daughter holes and 5 redrills.

The November 2018 Alpala updated Mineral Resource Estimate (MRE#2) totals a current:

- o 2,050 Mt @ 0.60% CuEq (at 0.2% CuEq cut-off) in the Indicated category, and
900 Mt @ 0.35% CuEq (at 0.2% CuEq cut-off) in the Inferred category.
- o Contained metal content of 8.4 Mt Cu and 19.4 Moz Au in the Indicated category.
- o Contained metal content of 2.5 Mt Cu and 3.8 Moz Au in the Inferred category.

Investors should consult the technical report dated 3 January 2019 for a detailed account of the assumptions on which these estimates were based as well as any known legal, political, environmental and other risks that could materially affect the development of the resources.

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.

The results of the Preliminary Economic Assessment (PEA) at Alpala were published on 20 May 2019, highlighting the following key aspects:

- . Net Present Value ("NPV") estimates range from US\$4.1bn to US\$4.5bn (Real, post-tax, @ 8% discount rate, US\$3.3/lb copper price, US\$1,300/oz gold price and US\$16/oz silver price) depending on production rate scenario.
- . Internal Rate of Return ("IRR") estimates range from 24.8% to 26.5% (Real, post-tax, US\$3.3/lb copper price, US\$1,300/oz gold price and US\$16/oz silver price) depending on production rate scenario.
- . Pre-production Capex estimated at approx. US\$2.4bn to US\$2.8bn, and total Capex including life of mine sustaining Capex of US\$10.1bn to US\$10.5bn depending on production rate scenario.
- . Payback Period on initial start-up capital - Range from 3.5 years to 3.8 years after commencement of production depending on production rate scenario.
- . Preferred Mining Method - Underground low-cost mass mining using Block Cave methods applied over several caves designed on two vertically extensive Lifts.

Full results and all details of the PEA are available in the Company's market release of 20 May 2019.

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

CAUTIONARY NOTICE

News releases, presentations and public commentary made by [SolGold plc](http://www.solgold.com.au) (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 of the updated Mineral Resource Estimate, released in November 2018, are summarised in Table B attached.

The updated Mineral Resource Estimate was completed from 133,576m of drilling, comprising 128 diamond drill holes, including 75 drill holes, 34 daughter holes, 8 re-drills, and 11 over-runs, and represents full assay data from holes 1-67 and partial assay data received from holes 68-75. 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.

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 25-70%.

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	¹ 469Mt @ 0.95g/t Au; 14.3Moz Au
LOS SULFATOS	2007	Cu, Mo	Chile	Advanced Exploration	Underground	² 1.2Bt @ 1.46% Cu & 0.02% Mo; 17.5Mt Cu
BRUCEJACK	2008	Au	Canada	Development/Construction	Open Pit	³ 15.6Mt @ 16.1 g/t Au; 8.1Moz Au
KAMOA-KAKULA	2008	Cu, Co, Zn	Congo (DRC)	Feasibility - New Project	Open Pit & Underground	⁴ 1.3Bt @ 2.72% Cu; 36.5Mt Cu
GOLPU	2009	Cu, Au	PNG	Feasibility - New Project	Underground	⁵ 820Mt @ 1.0% Cu, 0.70g/t Au; 8.2Mt Cu, 18.5Moz Au
COTE	2010	Au, Cu	Canada	Feasibility Study	Open Pit	⁶ 289Mt @ 0.90 g/t Au; 8.4Moz Au
HAIYU	2011	Au	China	Development/Construction	Underground	⁷ 15Moz Au
RED HILL-GOLD RUSH	2011	Au	United States	Feasibility Study	Open Pit & Underground	⁸ 47.6Mt @ 4.56 g/t Au; 7.0Moz Au
XILING	2016	Au	China	Advanced Exploration	Underground	⁹ 383Mt @ 4.52g/t Au; 55.7Moz Au

Source: after MinEx Consulting, May 2017

¹ Source: <http://www.mining?technology.com/projects/la?colosa>

² Source: <http://www.angloamerican.com/media/press?releases/2009>

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

⁴ Source: <https://www.ivanhoemines.com/projects/kamoa?kakula?project/>

⁵ Source:
http://www.newcrest.com.au/media/resource_reserves/2016/December_2016_Resources_and_Reserves_Statement.p

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

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

⁸ Source: https://mrdata.usgs.gov/sedau/show?sedau.php?rec_id=103

⁹ Source: 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.

Grade	Resource	Tonnage	Grade	Contained Metal				
Category	Category	(Mt)	Cu (%)	Au (g/t)	CuEq (%)	Cu	Au (Moz)	CuEq (Mt)
						(Mt)		
Total >0.2% CuEq	Indicated	2,050	0.41	0.29	0.60	8.4	19.4	12.2
	Inferred	900	0.27	0.13	0.35	2.5	3.8	3.2

Table B: Alpala Mineral Resource Estimate updated effective 16 November 2018.

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 16 November 2018.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

SOURCE: [SolGold plc](#)

View source version on accesswire.com:

<https://www.accesswire.com/580098/SolGold-PLC-Announces-Business-Update>

Dieser Artikel stammt von [Rohstoff-Welt.de](#)

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/346462--SolGold-PLC-Announces-Business-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2025. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).