SolGold PLC Announces Cascabel Project Update

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Drilling Underway at the Tandayama-America Porphyry Copper-Gold Target, Cascabel

BISHOPSGATE, December 10, 2020 - The Board of SolGold (LSE:SOLG)(TSX:SOLG) is pleased to provide an update on its Cascabel Project, held by Exploraciones Novomining S.A, an 85% owned subsidiary of SolGold.

Highlights

- Drilling has now commenced at the Tandayama-America porphyry copper-gold target, Cascabel utilising 2 diamond drill rigs as part of the ongoing Cascabel Feasibility Drilling Program.
- The Tandayama-America target is considered a significant porphyry target characterised by coincident Cu-Mo-Au soil geochemical highs centred upon outcropping mineralisation in the Tandayama and America creeks.
- Rock-saw channel sampling over surface exposure in Tandayama Creek returned a significant assay result of 37m @ 0.25%CuEq (0.15Cu, 0.18 Au).
- The Tandayama-America target remained untested previously due to the high demand of drilling rigs at the Alpala Deposit.
- Rig 5 is drilling the first hole at Tandayama-America, TAD-20-001, and is at a current depth of 258m. Drilling has intersected visible chalcopyrite copper sulphide mineralisation from 55m depth, with additional visible molybdenite and sphalerite mineralisation occurring from 199m depth.
- Rig 6 is drilling the second hole at Tandayama-America, TAD-20-002, and is at a current depth of 104m. Drilling has intersected visible chalcopyrite mineralisation from 44m depth, including trace visible bornite from 68m depth.

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

http://www.rns-pdf.londonstockexchange.com/rns/1961I_1-2020-12-10.pdf

SolGold Technical Services Manager, Benn Whistler, commenting on today's update said:

"We have always been interested in the drill targets at Tandayama-America, however the prioritisation of the Alpala Resource and Feasibility Drilling Programs has seen this target scheduled to form part of the Cascabel Feasibility Sterilisation Drilling Program now underway.

The Tandayama soil copper and molybdenum anomalies are two of the largest anomalies on the project. The rock-saw channel assay results from surface exposures in Tandayama Creek returned a moderate intercept of 37m @ 0.25%CuEq and if this exposure represents an intra-mineral intrusion there remains potential for drill testing to intersect earlier, richer intrusions. At this stage mineralisation does appear to be increasing down hole which bodes well as both drill holes enter the area of combined cu-mo-au soil anomalism."

Further Information

The Alpala Deposit is located on the Cascabel property within the Imbabura province of northern Ecuador, approximately 100km north of the capital city of Quito and approximately 50 km north-northwest of the provincial capital, Ibarra. The Alpala deposit occurs upon 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 is a three-hour drive north of Quito, close to water, power supply and Pacific ports (Figure 1).

SolGold holds an 85% registered and beneficial interest in ENSA (Exploraciones Novomining S.A.) which holds 100% of the Cascabel tenement.

Drilling targets within the Cascabel concession comprise a cluster of Eocene aged porphyry deposits and prospects which include:

- The world class Alpala deposit, incorporating several targets defined along The Greater Alpala Trend including Alpala Central, Alpala NW, Trivinio, Alpala Western Limb, Alpala SE, and Alpala South),
- The Aguinaga Porphyry Copper-Gold Deposit,
- Chinambicito and Parambas porphyry Copper-Gold prospects, and
- Untested porphyry targets at Tandayama-America, Moran and Upper Moran (Figure 2).

Drilling has now commenced at the Tandayama-America porphyry copper-gold target, Cascabel utilising diamond drill rigs 5 and 6 of the Cascabel fleet, as part of the ongoing Cascabel Feasibility Sterilisation Program (Figure 3).

Rig 5 is drilling the first hole at Tandayama-America, TAD-20-001, and is at a current depth of 258m. Drilling has intersected visible chalcopyrite copper sulphide mineralisation from 55m depth, with additional visible molybdenite and sphalerite mineralisation occurring from 199m depth.

Rig 6 is drilling the second hole at Tandayama-America, TAD-20-002, and is at a current depth of 104m. Drilling has intersected visible chalcopyrite mineralisation from 44m depth, including trace visible bornite from 68m depth (Figure 4).

The Tandayama-America target is considered a high-quality porphyry target characterised by coincident Cu, Mo, Au, CuZn ratio, and MoMn ratio soil geochemical highs centred upon outcropping mineralisation in Tandayama and America creeks (Figure 5).

Rock-saw channel sampling over surface exposure in Tandayama Creek returned a significant assay result of 37m @ 0.25%CuEq (0.15Cu, 0.18 Au), where B-type porphyry quartz veins hosting chalcopyrite mineralisation were discovered at surface (Figure 6).

The Tandayama-America target remained untested previously due to the high demand of drilling rigs at the Alpala Deposit.

Figure 1: Location of Cascabel project in Imbabura Province, 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: Drilling targets within the Cascabel concession comprise a cluster of Eocene aged porphyry deposits and prospects which include the untested porphyry targets at Tandayama-America, Moran and Upper Moran.

Figure 3: Drill plan at the Tandayama-America Porphyry Copper-Gold Target, Cascabel Drilling showing planned and actual drill holes over background soil Mo anomalism. Two diamond drill rigs are now active as part of the ongoing Cascabel Feasibility Sterilisation Program. Rig 5 is drilling the first hole at Tandayama-America, TAD-20-001, and is at a current depth of 210m, whilst Rig 6 is drilling the second hole at Tandayama-America, TAD-20-002, and is at a current depth of 60m.

Figure 4: Selected drill core example of visible chalcopyrite-pyrite mineralisation, including trace visible bornite, at 68.8m depth in TAD-20-002.

Figure 5: The Tandayama-America target is characterised by coincident Cu, Mo, CuZn ratio and MoMn ratio soil geochemical highs centred upon outcropping mineralisation in Tandayama and America creeks.

Figure 6: Rock-saw channel sampling over surface exposure in Tandayama Creek returned a significant assay result of 37m @ 0.25%CuEq (0.15Cu, 0.18 Au). This work was completed in mid-2016 as part of routine exploration on the tenement where B-type porphyry quartz veins hosting chalcopyrite mineralisation were discovered at surface.

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 700 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 2,084,113,494 fully-paid ordinary shares and 112,275,000 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 down-hole drilling intercepts and 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 downhole intersections are not well constrained. Drill hole one was inclined -55degrees towards the east, and the interpreted trend of the Cacharposa Intrusive Complex and its associated porphyry copper-gold mineralisation is subvertical, dipping approximately 85-90 degrees to the west. The true width of down-hole intersections reported are therefore expected to be approximately 55-60% of the down-hole lengths.

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 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. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, risks relating to the ability of exploration activities (including assay results) to accurately predict mineralization; errors in management's geological modelling; capital and operating costs varying significantly from estimates; the preliminary nature of visual assessments; delays in obtaining or failures to obtain required governmental, environmental or other required approvals; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets; inflation; the global economic climate; fluctuations in commodity prices; the ability of the Company to complete further exploration activities, including drilling; delays in the development of projects; environmental risks; community and non-governmental actions; other risks involved in the mineral exploration and development industry; the ability of the Company to retain its key management employees and skilled and experienced personnel; and those risks set out in the Company's public documents filed on SEDAR at www.sedar.com. 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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