SolGold PLC Announces Cascabel Update: Tandayama-Américа Maiden Resource

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LONDON, October 19, 2021 - The Board of Directors of SolGold (LSE:SOLG)(TSX:SOLG) is pleased to provide an independently verified update regarding a Mineral Resource Estimate ("MRE") for its Tandayama-América ("TAM") porphyry copper-gold deposit at the Cascabel project in northern Ecuador.

The TAM deposit lies approximately 3km north of the Alpala deposit.

The Alpala deposit comprises 2,663 Mt at 0.53% CuEq [1] in the Measured plus Indicated categories and contained metal content of 9.9 Mt Cu, 21.7 Moz Au and 92.2 Moz Ag [2] at the Company's Cascabel project, held by Exploraciones Novomining S.A. ("ENSA"), an 85% owned subsidiary of SolGold.

SUMMARY OF TANDAYAMA-AMERICA MINERAL RESOURCE ESTIMATE

Total Mineral Resource of 233.0Mt @ 0.33% CuEq [3] containing 0.53Mt Cu and 1.20Moz Au in the Indicated category, plus 197.0Mt @ 0.39% CuEq containing 0.52Mt Cu and 1.24Moz Au in the Inferred category.

Mineral Resource Statement: Effective date 26 August 2021

Mining Method	Cut-off Grade (CuEq %)	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
				Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16	Indicated	201.0	0.22	0.16	0.33	0.45	1.06	0.66
		Inferred	61.8	0.25	0.30	0.44	0.16	0.59	0.27
Underground	0.28	Indicated	32.0	0.26	0.14	0.35	0.08	0.14	0.11
		Inferred	135.2	0.27	0.15	0.37	0.37	0.65	0.50
Total Indicated			233.0	0.23	0.16	0.33	0.53	1.20	0.77
Total Inferred			197.0	0.27	0.20	0.39	0.52	1.24	0.77

Notes:

1. Dr Andrew Fowler, MAusIMM CP(Geo), 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 cut-off grades that are applied according to the mining method where 0.16 % CuEq applies to potentially open-pittable material and 0.28 % CuEq applies to material potentially mineable by underground bulk mining methods.
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit or underground bulk mining such as block caving as described below.
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. The underground portion of the Mineral Resource is reported on 100 percent basis within an optimized shape as described below.

7. Figures may not compute due to rounding.

- Potentially open pittable Mineral Resources comprise 201.0Mt @ 0.33% CuEq in the Indicated category, plus 61.8Mt @ 0.44% CuEq in the Inferred category, at a cut-off grade of 0.16% CuEq.
- Potentially open pittable Mineral Resources include a higher-grade near-surface zone containing 10.6Mt @ 0.41% CuEq and 5.2Mt @ 0.45% CuEq.
- Mineral Resources potentially mineable by underground bulk mining methods comprise 32.0Mt @ 0.35% CuEq in the Indicated category, plus 135.2Mt @ 0.37% CuEq in the Inferred category, at a cut-off grade of 0.28% CuEq.
- Drilling continues and an update to the TAM resource base is planned.

SolGold's Interim CEO Keith Marshall commented on the work being advanced at Cascabel:

"The TAM deposit adds further copper and gold mineralisation to Alpala's large metal inventory at the Cascabel project. The resource offers optionality and the potential to generate economic ore earlier which will complement the high-grade Alpala underground ore.

The maiden MRE is based on assays from the first 18 holes. Drilling has continued at the TAM deposit during the estimation process and visual mineralisation from Holes 19-30 suggest potential for future resource growth in the southeast quarter of the open pit optimised shape and particularly in the east and southeast depth extensions of the underground optimised shape where the highest grade mineralisation encountered thus far remains open".

[1] Alpala Copper Equivalency (CuEq) was calculated (assuming 100% recovery of copper and gold) using a Gold Conversion Factor of 0 613 (CuEq = Cu + Au x 0.613), calculated from a nominal copper price of US$3.40/lb and a gold price of US$1,400/oz.

[2] See "Cascabel Property NI 43-101 Technical Report, Alpala Porphyry Copper-Gold-Silver Deposit - Mineral Resource Estimation, January 2021" with an Effective date: 18 March 2020 and Amended Date: 15 January 2021 (the "Amended Technical Report"), filed at www.Sedar.com on January 29, 2021.

[3] TAM Copper Equivalency (CuEq) was calculated (assuming 100% recovery of copper and gold) using a Gold Conversion Factor of 0 751 (CuEq = Cu + Au x 0.751), calculated from an updated nominal copper price of US$3.30/lb and a gold price of US$1,700/oz.

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

http://www.rns-pdf.londonstockexchange.com/rns/4393P_1-2021-10-18.pdf

FURTHER INFORMATION

The TAM deposit lies approximately 3km north of the Alpala deposit, at the Cascabel project, held by ENSA, an 85% owned subsidiary of SolGold. The project area lies within the Imbabura province of northern Ecuador approximately 100 km north of the capital city of Quito and approximately 50 km north-northwest of the provincial capital, Ibarra (Figure 1).

On the 26 August 2021, a data cut-off was applied to the TAM dataset for the purposes of Mineral Resource Estimation. The TAM maiden MRE dataset comprised 17,535m of diamond drilling from holes 1-23, 458m of surface rock-saw channel sampling from 72 outcrops, and 14,566m of final assay results from holes 1-18 (Figure 2).

To date a total of 22,216m has been completed at the TAM deposit, with drill holes 26-30 currently underway utilising four diamond drilling rigs. Assay results from Holes 19-25, and 27 are pending.

The TAM MRE is constrained within a three-dimensional ("3D") Open Pit Optimised Shape ("OP") and an

Underground Optimised Shape ("UOS"), whereby the UOS "daylights" into the floor of the OP (Figure 3).

The estimation of Cu and Au was confined within 3D estimation domains which were based on the combination of two 3D wireframe interpretations:

- Grade Shell Interpretation: Low-, Medium- and High-Grade shells equating to CuEq cut-off grades of 0.15%, 0.30% and 0.45% respectively.
- Lithological Interpretation: Modelling of seven rock groups, comprising "D10" (Pre-Mineral Diorite Host Rock), "EM" (Early-Mineral Quartz Diorite and Diorite), "IBX" (Intra-Mineral Intrusive Breccia), "IM" (Intra-mineral Quartz Diorite and Diorite), "LM" (Late-mineral Diorite), "PM" (Post-mineral Quartz Diorite and Diorite), "V" (Pre-Mineral Volcanic Host Rocks), and "SOI" (soil and oxidised rock).

The TAM deposit shares the same geological and structural setting as the Alpala deposit. Mineralisation is hosted within a complex of middle to late-Eocene (Bartonian) hornblende-bearing diorites, quartz diorites and intrusive breccias that intrude volcanic host rocks to form a complex of stocks, dykes, and breccia pipes.

The trend of mineralisation throughout the TAM deposit is defined by a northwest (315?) trending intrusive complex inclined steeply (78?) towards the northeast. Surface mapping data was supported by structural measurements taken from orientated drill core provided data from 127 intrusive contacts and 3062 B-type quartz veins.

Copper and gold mineralisation is intimately associated with porphyry style B-type quartz-chalcopyrite veins and stockworks, centred upon an early-mineral causal quartz-diorite intrusion (QD10), and cut by a series of intra-mineral, late-mineral and post-mineral stocks dykes and breccias of diorite, hornblende diorite, and quartz diorite.

Intrusions have emplaced episodically such that each subsequent intrusion has introduced mineralising fluids (and subsequent arrays of mineralised veins) into the TAM system, and/or remobilising and enriching existing mineralisation or contributed to localised overprinting of pre-existing mineralisation.

The geological character of the porphyry stocks / dykes encountered through drilling to date indicate a well-preserved porphyry system with significant potential for greater depth extent. Individual mineralised porphyry dykes are observed to have emplaced within a vertical column of over 1,000m.

The full size and tenor of the TAM system has not yet been tested. Mineralisation remains open to the south and east and at depth. Further surface geochemical anomalies to the east of the current drilling area require drill testing.

Reasonable Prospects for Eventual Economic Extraction

The cut-off grades used for reporting have been based on up to date third party metal price research, forecasting of Cu and Au prices, and a cost structure from mining studies currently being reviewed. Costs include mining, processing and general and administration ("G&A"). Net Smelter Return ("NSR") includes metallurgical recoveries and off-site realisation (TC/RC) including royalties and utilising metal prices of Cu at US$3.30/lb and Au at US$1,700/oz.

Cut-off grades have been developed independently for open pit mining methods and underground bulk mining methods. The cut-off grade for potentially open pittable material has been calculated at 0.16% CuEq using a copper equivalency factor of 0.632, while the cut-off grade for material potentially mineable by a bulk underground mining method such as block caving has been calculated at 0.28% CuEq using a copper equivalency factor of 0.654.

Optimisation was completed in two stages, with the open pit optimisation initially applied to the block model, and the remaining material was then considered for underground optimisation.

The open pit optimisation was completed using the conventional Lerchs-Grossman optimisation routine

implemented in Whittle software, and the revenue factor one pit was selected for reporting the Mineral Resource. The QP considers that the open pit portion of the reported Mineral Resource has reasonable prospects for eventual economic extraction at the specified cut-off grade.

Subsequently, a three-dimensional Underground Optimised Shape was generated using Datamine™ software at a cut-off grade of 0.28% CuEq. Block Cave and Sub-Level Cave mining methods were considered during the optimisation. The final UOS maximises 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 of 120 m length by 120 m width by 200 m height. These minimum mining dimensions for a block cave are consistent with mining studies and the resulting shape contains planned internal and edge dilution that the QP considers appropriate.

It is noteworthy that the UOS is not described as a "mineable shape". Mining factors excluded from 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. As such, the QP considers that the underground portion of 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.

Figure 1: Location of TAM, Alpala and Aguinaga deposits at the Cascabel project.

Figure 2: Drill plan at the TAM deposit, looking down, showing TAM maiden MRE dataset of diamond drill holes 1-23, and surface rock-saw channel samples from 72 outcrops. A total of 14,566m of final assay results from holes 1-18 were utilised. Holes 1-18 display downhole CuEq assay grades, whilst holes 19-23 (black) were utilised for geological data.

Figure 3: Section view, looking northwest, with unlimited window thickness, showing the "OP" and "UOS" optimisation shapes (top left), with Inferred and Indicated wireframe overlay (top right), with high- and medium-grade wireframe overlays (bottom left) and with high- and medium- and low-grade wireframe overlays (bottom right). The Low-, Medium- and High-Grade shells are modelled utilising CuEq cut-off grades of 0.15%, 0.30% and 0.45% respectively.

Figure 4: Example drill section, looking northwest through the centre of the drilling area, with a window thickness of 150m showing surface CuZn geochemistry anomalism and limits of drilling data indicated by black outline. Sections show modelled geology (left) and modelled grade (right) at the TAM deposit. Low-, Medium- and High-Grade shells equate to CuEq cut-off grades of 0.15%, 0.30% and 0.45% respectively. Geological units modelled are abbreviated as follows: D10 (Pre-Mineral Diorite Host Rock), EM (Early-Mineral Quartz Diorite and Diorite), IBX (Intra-Mineral Intrusive Breccia), IM (Intra-mineral Quartz Diorite and Diorite), LM (Late-mineral Diorite), PM (Post-mineral Quartz Diorite and Diorite), V (Pre-Mineral Volcanic Host Rocks).

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.

Information in this report relating to the Mineral Resource Estimate was reviewed by Dr Andrew Fowler. Dr Fowler is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and has in excess of 20 years' experience in Mineral Resource Estimation, open pit mining, underground mining and mineral exploration. He is an independent Qualified Person for the purposes of the relevant LSE and TSX Rules. Dr Fowler consents to the inclusion of the information in the form and context in which it appears.

By order of the Board
Dennis Wilkins
Company Secretary

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Certain information contained in this announcement would have been deemed inside information.

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 aggressively exploring the length and breadth of this highly prospective and gold-rich section of the Andean Copper Belt which is currently responsible for c40% of global mined copper production.

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 800 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.

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 2,293,816,433 fully paid ordinary shares and 105,125,000 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.

Alpala Copper Equivalency (CuEq) was calculated (assuming 100% recovery of copper and gold) using a Gold Conversion Factor of 0.613 (CuEq = Cu + Au x 0.613), calculated from a nominal copper price of US$3.40/lb and a gold price of US$1,400/oz.

TAM Copper Equivalency (CuEq) was calculated (assuming 100% recovery of copper and gold) using a Gold Conversion Factor of 0.751 (CuEq = Cu + Au x 0.751), calculated from an updated nominal copper price of US$3.30/lb and a gold price of US$1,700/oz.

TAM underground resources were estimated using a Copper Equivalency (CuEq) calculated from estimated costs, including mining, processing and general and administration (G&A), whereby Net Smelter Return (NSR) includes metallurgical recoveries and off-site realisation (TCRC) including royalties, and utilising the updated nominal copper price of US$3.30/lb and a gold price of US$1,700/oz to produce a Gold Conversion Factor of 0.654 (CuEq = Cu + Au x 0.654).

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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".

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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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