

SolGold PLC Announces Cascabel Pre-Feasibility Study

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Pre-Feasibility Study supports long-life, high-value Cascabel project

BISHOPSGATE, April 20, 2022 - The Board of Directors of SolGold (LSE:SOLG)(TSX:SOLG) is pleased to announce the results of the Pre-Feasibility Study ("PFS") for the Cascabel project, held by Exploraciones Novomining S.A. ("ENSA"), an 85% owned subsidiary of SolGold.

The PFS confirms the Cascabel project's world class, Tier 1 potential to be a large, low-cost, and long-life mining operation that is based on achievable, proven, and tested mining and processing assumptions. Once constructed, Cascabel is expected to be a top 20^[1] South American copper & gold mine benefiting from a high-grade core, advantageous infrastructure and an increasingly investor friendly government. The mine is expected to produce a clean copper-gold-silver concentrate, to be sold to Asian and European smelters as part of a project construction financing package.

KEY HIGHLIGHTS

- Ø Estimated US\$5.2bn pre-tax Net Present Value ("NPV") and 25.3% Internal Rate of Return ("IRR")
- Ø Estimated US\$2.9bn after-tax NPV, 19.3% IRR and 4.7 year payback period from start of processing^{[2], [3], [4], [5]}
- Ø After-tax NPV would be US\$4.1bn (US\$7.9bn pre-tax) and IRR 23.4% (30.5% pre-tax) at current spot commodity prices^[6]
- Ø Estimated average production^[7] of 132ktpa of copper, 358kozpa of gold and 1Mozpa of silver - 212ktpa copper equivalent ("CuEq")^[8] - with peak^[9] copper production of 210ktpa (391ktpa CuEq⁸)
- Ø Initial project Life-of-Mine ("LOM") All-In-Sustaining Cost ("AISC") of US\$0.06/lb of copper, placing Cascabel well within the first decile of the copper industry cost curve¹
- Ø On achieving nameplate capacity, average of approximately 190ktpa of copper, 680kozpa of gold and 1.3Mozpa of silver (>330ktpa CuEq⁸) over initial 5 years at an average negative AISC of US\$(1.38)/lb
- Ø Estimated pre-production capital expenditure of US\$2.7bn for the initial cave development, first process plant module and infrastructure
- Ø Initial Mineral Reserve of 558Mt containing 3.3Mt Cu @ 0.58%, 9.4Moz Au @ 0.52g/t and 30Moz Ag @ 1.65g/t over an initial 26-year mine life
- Ø Potential mine life upside in excess of 50 years following initial LOM^[10]
- Ø Annual after-tax free cash flow ("FCF") to average US\$740m^{5, 7}, peaking at over US\$1.6bn^{5, 9}
- Ø Average annual EBITDA^[11] of nearly US\$1.2bn^{5, 7}, peaking at over US\$2.4bn^{5, 9}

Ø Additional optimisations being progressed for a PFS Addendum planned for completion in H2 CY22

Ø Cascabel project Definitive Feasibility Study ("DFS") planned for completion in H2 CY23

Ø SolGold will host a PFS presentation on 20 April 2022 at 9:30am London time. Please register at:
<https://www.investormeetcompany.com/solgold-plc/register-investor>

SolGold's MD & CEO, Darryl Cuzzubbo, commented on the PFS:

"I am extremely pleased to announce the results of the pre-feasibility study for the proposed Cascabel mine in Ecuador. In essence, it supports what we have believed all along - that this project is no ordinary mining asset. Cascabel will be a significant, multi-decade and very low cost producer of copper that can help enable Ecuador's emergence as the next copper frontier at a time when the world needs copper the most as we transition to a net zero carbon emissions future."

This project is economically attractive and based upon assumptions that we believe can be delivered upon. There is further upside that will be explored over the coming months and the next phase of the project as we seek the necessary Government approvals to move into early works and execution.

Such a project will create over 6,000 indirect and direct jobs, not to mention will bring significant royalty and tax revenue benefiting all Ecuadorians."

SolGold's Chair of the Cascabel Project Steering Committee, Keith Marshall, commented on the PFS:

"I am very encouraged with the pre-feasibility study. It offers, what I consider to be, a robust but flexible solution for the development of the underground mine at Cascabel. The study focused on the "right sizing" of the project, with the objective of reducing the technical and execution risk. It also provides a straightforward approach to mining the deposit that optimises selectivity, without compromising any of the resource and maintaining optionality."

I am confident that the study lays the solid groundwork for the next steps in the Cascabel project. I am particularly looking forward to progressing the study work and being able to expand our operational activities in Ecuador."

Former CEO and now Non-Executive Director and a direct and indirect shareholder with 12.9% of SolGold Nick Mather said:

"The various upsides at Cascabel offered by additional mineralised porphyry systems still being outlined and assessed, potential for additional production and treatment plant capacity, refinements to the mine plan, continued low cost of capital and what I see as the opportunity for long run higher copper prices as the world electrifies, suggest that this project indeed has considerable further upside to be evaluated."

More importantly, SolGold's comprehensive exploration footprint and ongoing exploration success will, in my view, establish not just one project of significance but a string of them throughout Ecuador, defining a globally important copper province and the potential to have a significant impact on Ecuador's economy. In a world of visionary enterprise looking to address escalating metal demand to facilitate global electrification and limit global warming to 2°C in an economically, socially and environmentally just manner, SolGold's position is unique."

Click or paste the following link on to your web browser to view the full announcement.
http://www.rns-pdf.londonstockexchange.com/rns/6712I_1-2022-4-19.pdf

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