

SolGold Company Update

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Company Update

BISHOPSGATE, October 25, 2023 - The Board of Directors of SolGold (LSE:SOLG)(TSX:SOLG) is pleased to provide an update regarding the Company's activities and ongoing initiatives following the merger with [Cornerstone Capital Resources Inc.](#) ("Cornerstone") consolidating 100% of the world-class Cascabel Project.

Key Milestones & Initiatives

- Strategic Review Progressing - Focused on Value Maximization
- Discussions ongoing with highly credible groups at different stages of their review
- Over 20 active CAs in place with over 5 site visits already conducted
 - Secured Funding to Ensure Strong Balance Sheet
- US\$86 million raised through the 2022 royalty investment by Osisko Gold Royalties Ltd and equity financing, which included [Jiangxi Copper Company Ltd.](#)
- Work plans funded for FY 2024 - no additional financing required in the near-term
 - Key Management Alignment with Shareholders
- Scott Caldwell and Chris Stackhouse appointed as CEO and CFO, respectively
- Low annual base salary of US\$200,000 for the CEO and CFO; equity compensation tied to higher share prices to be "in-the-money" ensuring full alignment with shareholders
- Meaningful personal investments by management in SolGold shares
 - Organizational Optimization
- Nearly 70% reduction in group headcount - 282 in September 2023 vs. 894 in FY 2022
- Significant reduction in spend achieved with a continuous focus on lowering costs
- SolGold CEO Scott Caldwell relocated to Ecuador to lead operations in the country
 - Key Contract Terms for Cascabel Exploitation Agreement with the Government of Ecuador
- The Exploitation Agreement covers a renewable 33-year period
- Based on a lower corporate income tax rate of 20% (previously 25%) during the project life, sliding scale royalty of 3-8% depending on the mineral and its price ("EA Royalty")

- Advance royalty payment of US\$75 million is deductible against the EA Royalty and payable in equal instalments over three years only when the operator starts construction of the concentrator (i.e., only when major construction of the project is underway)

- Advancing & De-Risking Cascabel - Select Next Steps

- Development Stage Exploration Permit for Early Works

- Amended Investment Protection Agreement

- Permitting/Environmental and Social Impact Assessment

- Phased Approach internal study being advanced with a revised pre-feasibility study expected to demonstrate a lower risk path for Cascabel with reduced capital intensity

Scott Caldwell, SolGold's CEO and President of SolGold Ecuador, commented:

"Since being appointed to a leadership role at SolGold, we have made tremendous progress to ensure a strong balance sheet, improve our operational focus and advance the strategic review. With the unwavering support of the Board, I have now implemented a hard reset within the organization, placing accountability to all stakeholders as a core principle. SolGold is now in its best position ever and we remain fully committed to ensuring that all shareholders are rewarded for funding the world-class Cascabel discovery.

Our top priority is to continue advancing the ongoing strategic review. Cascabel is undeniably recognized as a significant strategic asset with a high-quality resource. I firmly believe Cascabel will one day become a multigenerational mine and a substantial contributor to the Ecuadorian economy. Consequently, external groups evaluating the project are being very diligent in their review as they progress through various stages in their internal processes. In parallel, we continue to advance and de-risk Cascabel to position it as a turn-key asset."

Strategic Review Update

The SolGold Board, with its advisors, continues to advance the previously announced Strategic Review. As previously disclosed, the Strategic Review includes, among other things, evaluating and pursuing value-enhancing opportunities for the Company.

The Company is in discussions with a number of highly credible groups who are at different stages of their review with interest in Cascabel and/or SolGold's Ecuadorian exploration portfolio. There are over 20 active confidentiality agreements ("CAs") in place and over 5 groups have already completed site visits with a number of follow-up visits being scheduled. It is very clear through this review that Cascabel is recognized as a world-class asset of significance, with parties being very diligent in their review given the size and potential scale of the asset.

No Near-Term Funding Required

The Company is expected to be well funded for FY 2024 work plans due to optimization efforts implemented to date to focus spending on core activities utilizing the funding secured in 2022.

While no additional funding is required at this time, there has been interest in the block of SolGold shares acquired indirectly through the Cornerstone transaction (the "Subsidiary Shares"). There is no need to place the Subsidiary Shares at this time, and depending on the outcomes of the Strategic Review, there may be no need to place the Subsidiary Shares in the future. At the appropriate time, a determination will be made regarding the future of the Subsidiary Shares.

Recent Trading

As part of our ongoing shareholder engagement efforts, we have had numerous discussions with institutional and retail shareholders. Most of our shareholders are long-term investors with only a small percentage actively trading. Over the past six months, the average daily traded volume was only 0.1% of the SolGold shares outstanding. To put this in perspective, on average, it would take over 10 full trading days to trade only 1% of SolGold shares (assuming the same shares are not being recycled). Given our shareholder concentration impacting the illiquidity of our shares, an immaterial amount of shares traded has a relatively material impact on our share price. Similar to last year when an institution sold down its position and impacted the share price for over 6 months, in the past months another institution is understood to be liquidating their market positions which includes SolGold.

Outlined below are the holdings of our major shareholders and CEO:

Reported Holdings (Over 3%) & CEO	Number of Shares	% of Outstanding Shares
BHP Billiton Holdings Limited	310,965,736	10%
Newcrest Mining Limited	309,309,996	10%
DGR Global Ltd	204,151,800	7%
Jiangxi Copper Company Ltd.	180,753,608	6%
Cornerstone / SolGold Canada Inc.	157,141,000	5%
Maxit Capital LP / D. Bob Sangha	153,366,663	5%
Tenstar Trading Limited	121,002,393	4%
Nicholas Mather (Director)	89,746,710	3%
Scott Caldwell (CEO)	19,407,244	1%
Total	1,545,845,150	51%

Mr. Caldwell also commented:

"As a dedicated long-term shareholder since 2016, I too am disappointed in our current share price even though the Company is currently in the strongest position it has ever been. It is important to note that the immaterial level of trading activity in our shares that has corresponded with a decline in our share price does not reflect the intrinsic value of our underlying assets. I firmly believe the fundamental value of our shares far exceeds their current market price, and I am fully committed, alongside the SolGold team, to ensuring a successful outcome."

This announcement was approved for release by Scott Caldwell - CEO.

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ABOUT SOLGOLD

SolGold is a leading resources company focused on the discovery, definition and development of world-class copper and gold deposits and continues to strive to deliver objectives efficiently and in the interests of shareholders.

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.

SolGold is listed on the London Stock Exchange and Toronto Stock Exchange (LSE/TSX: SOLG).

See www.solgold.com.au for more information. Follow us on twitter @[SolGold_plc](https://twitter.com/SolGold_plc)

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