

May 22, 2018

SolGold Plc. - (TSX:SOLG)

SolGold Enhances Previous Discovery in Ecuador

Impact: Positive

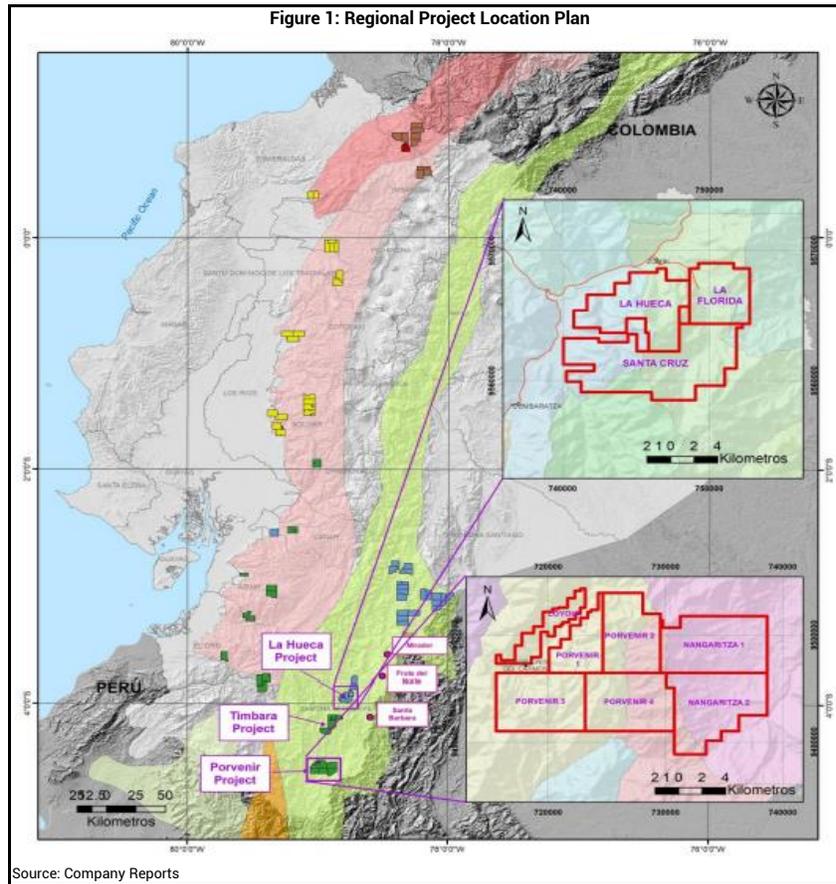
SolGold has provided an exploration update at its La Hueca, Timbara and Porvenir Project concessions covering 60km of strike along Ecuador's Southern Jurassic porphyry corridor.

- **Two new target zones at La Hueca project**
- **Projects located along the same belt hosting Fruta del Norte**
- **Current market value does not properly reflect Solgold's exploration potential in Ecuador**

In our view, the SolGold's current valuation (0.041/lb vs. peers at 0.032/lb CuEq) does not properly reflect the exceptional nature of the meaningful exploration upside at the company's portfolio of exploration projects in Ecuador.

Two new target zones at La Hueca project. After announcing the discovery of a new corridor of porphyry Cu-Au mineralization at the company's 100% owned La Hueca project in October 2017, follow-up prospecting has led to the identification of new mineralized outcrops. Two target zones (Targets 5 & 6) have been discovered on the western side of the La Hueca project, which includes the channel chip sampling of the mineralized outcrop at Target 5 returning an intersection of 17.3 m grading 3.87% Cu and 0.46 g/t Au. Technical teams have also located new mineralized outcrops extending over ~1.5km x 1km at the Porvenir project.

Projects located along the same belt hosting Fruta del Norte. The La Hueca, Porvenir and Timbara projects are interpreted to occur in a southern porphyry corridor with the company currently holding a land tenure covering 60km of strike along this corridor. These projects are hosted in the southern part of Ecuador's eastern Jurassic Belt, which contains the Fruta del Norte epithermal gold deposit (14 Moz Au), the Mirador porphyry copper deposit (6.6 Blb Cu) and the Santa Barbara porphyry gold-copper deposit (8 Moz Au and 1.1 Blb Cu).



Current market value does not properly reflect SolGold's exploration potential in Ecuador. The company currently has a maiden resource of 16.18 Blbs CuEq (0.3% CuEq cut-off) at its Cascabel project. SolGold trades at C\$0.041/lb versus peers at C\$0.032/lb. Considering the upside at the company's portfolio of exploration assets in Ecuador, we view the premium as warranted, and unlikely to fully account for its full potential. Looking ahead, we believe the planned PEA for Cascabel, along with what is likely to be a steady stream of exploration results from Ecuador, to likely expand the valuation gap to peers.

Company Information: SolGold plc (TSX:SOLG)																																																																						
SolGold is focused on the riches of the North Andean Copper Belt in Ecuador. The Company has announced several world class intersections of continuous copper and gold mineralisation from its flagship project Cascabel. The company is also exploring a further 3,200km ² of new ground within Ecuador. Over the next five years the Company plans to drill the Cascabel Project's impressive porphyry copper-gold targets. The company recently announced a maiden mineral resource estimate for the Cascabel project of 1.08 Bt grading 0.68% CuEq.																																																																						
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Sources: RCKS, Capital IQ, Thomson Reuters, Company Reports

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Company Name	Ticker Symbol	Disclosures
SolGold Plc.	TSX:SOLG	1,2,3,4

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