



16 June 2017

SolGold plc
(“SolGold” or the “Company”)
Capital Raising of USD\$41.23m at 41p per Share

**Cascabel Project Further Endorsed by Newcrest Mining
Limited in USD\$40m Placement**

The Board of Directors of SolGold are pleased to announce a placing of 78,889,080 new ordinary shares at 41p per share to raise USD\$41,230,000. The total includes a placement of USD\$40m to Newcrest International Pty Ltd, a subsidiary of Newcrest Mining Limited, an existing 10% shareholder of SolGold. The new investment by Newcrest is estimated to take their shareholding position in SolGold to 219,772,271 shares representing 14.54% of the enlarged share capital.

In addition, USD\$1,230,000 has been placed with Ecuadorian investors further endorsing the Cascabel Project and SolGold’s innovative pan-Ecuadorian copper-gold porphyry exploration strategy.

As part of securing this placement, SolGold has agreed to a revision to the subscription agreement with Newcrest Mining Ltd to include an anti-dilutionary right to participate in any new equity raisings for a period of 12 months at a level of 14.54%. After this 12 month term, the terms of the original subscription agreement with Newcrest dated 30 August 2016 continue, providing Newcrest with anti-dilutionary rights at a 10% level until 30 August 2019.

The agreement also provides that Newcrest agrees to support certain transactions including change of control transactions in SolGold which are recommended by the Board, supported by an independent evaluation, and by not less than 60% of the Company in acceptances or at a General Meeting of shareholders.

Commenting on the agreement, SolGold’s CEO Mr Nick Mather said: *“The arrangement with Newcrest, particularly in the area of technical liaison over the past 6 months since their original investment into SolGold, has been pleasingly smooth and the SolGold Board and management are encouraged by this further endorsement of the technical merits & management’s commitment to the Cascabel project, SolGold’s exploration strategy across Ecuador and SolGold’s interests generally.*

The placing is at a 15.5% premium to yesterday’s (15/06/17) closing price and a 12.3% discount to SolGold’s peak share price of 46.75p on 26 May 2017.

The funds raised will be used for the continued exploration of the Cascabel Project, general working capital and SolGold’s pan Ecuadorean exploration strategy.

SolGold’s application for listing on the TSX will be considered by the Listing Committee of the TSX on Wednesday 21 June 2017, and the LSE Main Board listing application is well advanced.



Related Party Transaction

The placing of new shares to Newcrest (and amendment to the anti-dilution clause) is a related party transaction, under Rule 13 of the AIM Rules for Companies. For the purposes of Rule 13, the Independent Directors of SolGold (being Nicholas Mather, Brian Moller, John Bovard, Dr. Robert Weinberg and Scott Caldwell) consider, having consulted with the Company's nominated adviser, SP Angel Corporate Finance LLP, that the proposed issue of new shares to Newcrest is fair and reasonable insofar as the shareholders of the Company are concerned.

Total Voting Rights

Application will be made for the admission of 78,889,080 new shares to trading on AIM ("Admission"). Following admission of the new Ordinary Shares, the Company's enlarged issued share capital will comprise 1,511,195,685 shares with voting rights. The Company has no shares held in Treasury. This figure of 1,511,195,685 shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Admission is expected to occur on or around Friday 23 June 2017.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

By order of the Board
Karl Schlobohm
Company Secretary

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NOTES TO EDITORS



SolGold is a Brisbane, Australia based, AIM-listed (SOLG) copper gold exploration and future development company with assets in Ecuador, Solomon Islands and Australia. SolGold's primary objective is to discover and define world-class copper-gold deposits. The Board and Management Team have substantial vested interests in the success of the Company as shareholders as well as strong track records in the areas of exploration, mine appraisal and development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical and modelling techniques and the guidance of porphyry copper and gold expert Dr Steve Garwin.

SolGold was shortlisted as a nominee for the Mining Journal Explorer Achievement Award for 2016. The Company announced USD54m in capital raisings in September 2016 involving Maxit Capital LP, Newcrest International Ltd and DGR Global Ltd, all undertaken at substantial premiums to previous raisings and SolGold has circa USD30 million in available cash to continue the exploration and development of its flagship Cascabel Project.

Coincident with those capital raisings, Mr Scott Caldwell (CEO of TSX-listed Guyana Goldfields Inc) joined the SolGold Board on 9 September 2016. Mr Caldwell is a mining engineer with over 30 years of experience building and operating gold and base metal mines worldwide, including USA, Canada, Russia, Zimbabwe, Chile and Indonesia and was in 2016 recognised as CEO of the year for South-American resource companies.

Mr Craig Jones also joined the SolGold Board on 3 March 2017, nominated to the Board of SolGold by Newcrest Mining, a 10% shareholder in SolGold. Mr Jones is a Mechanical Engineer and is currently the Executive General Manager Wafi-Golpu (Newcrest-Harmony MMJV). He has held various senior management and executive roles within the Newcrest Group, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects, and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr Jones worked for Rio Tinto.

Cascabel, SolGold's 85% owned "World Class" flagship copper-gold porphyry project, is located in northern Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and approximately 11% of TSX-V-listed Cornerstone Capital Resources ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

The investment by Newcrest into 10% of SolGold, and investment into SolGold by Guyana Goldfields, Maxit Capital and its clients, endorses Ecuador as an exploration and mining destination, the management team at SolGold, the dimension, size and scale of the growing Alpala, and the prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, logistics are important competitive advantages offered by the project.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km², along with an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets.

SolGold has completed over 39,000m of drilling and expended over USD45.6M on the program, which includes corporate costs and investments into Cornerstone. This has been accomplished without lost time injury or environmental incident, employing a workforce of up to 176 Ecuadoreans workers and geoscientists and 6 expatriate Australian geoscientists. The results of 26 holes drilled (including re-



drilled holes) and assayed to date have produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as indicated by Hole 12 (CSD-16-012) returning 1560m grading 0.59% copper and 0.54 g/t gold including, 1044m grading 0.74% copper and 0.54 g/t gold. The average grade of all metres drilled to date on the project currently stands at 0.32% copper and 0.27 g/t gold. Intensive diamond drilling is planned for the next 12 months with 10 drill rigs expected to be operational by early 2018, targeting over 90,000m of drilling per annum.

Cascabel is characterised by fifteen (15) identified targets, "World Class" drilling intersections over 1km in length at potentially economic grades, and high copper and gold grades in richer sections, as well as logistic advantages in location, elevation, water supply, proximity to roads, port and power services; and a progressive legislative approach to resource development in Ecuador. To date, SolGold has drill tested 4 of the 15 targets, being Alpala Northwest, Alpala Central, Hematite Hill, and Alpala Southeast. Currently drill testing of Alpala Northwest, Alpala Central and Alpala Southeast targets is underway, with drill testing of the Aguinaga target planned for August 2017.

The Alpala deposit is open in multiple directions and the mineralised corridor marked for drill testing of the greater Alpala cluster occurs over a 2.2km strike length from Trivinio in the northwest to Cristal in the southeast. The mineralised corridor is known to be prospective over approximately 700m width. High priority targets within the Alpala cluster, at Moran approximately 700m to the north, and at Aguinaga approximately 2.3km north east, are closely modelled by 3D MVI magnetic signatures that currently encompass over 15Bt of magnetic rock. Based on a strong spatial and genetic relationship between copper sulphides and magnetite, this body of magnetic rock is considered to be highly prospective for significant copper and gold mineralisation, and requires drill testing.

SolGold is focussing on extending the dimensions of the Alpala deposit including Hematite Hill, Alpala South East, Cristal, Alpala Northwest and Trivinio before completing a resource statement and drill testing of the other key targets within the Cascabel concession at Aguinaga, Tandayama-America, Alpala West, Carmen, Alpala East, Moran, Parambas, and Chinambicito.

The Company is currently planning further metallurgical testing and completion of an independent Pre-Feasibility Study at Cascabel. SolGold is investigating both high tonnage open cut and underground block caving operations, as well as a high grade / low tonnage initial underground development towards the economic development of the copper gold deposit/s at Cascabel.

Drill hole intercepts have been updated to reflect current commodity prices, using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion factor of 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. True widths of down hole intersections are estimated to be approximately 25-50%.

Following a comprehensive review of the geology and prospectivity of Ecuador, SolGold and its subsidiaries have also applied for additional exploration licences in Ecuador over a number of promising porphyry copper gold targets throughout the Country. SolGold is negotiating external funding options which will provide the Company with the ability to have some of these projects fully funded by a third party while focussing on Cascabel.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects, with drill testing of the Normanby project planned for the coming



quarter. Joint venture agreements are being investigated for a joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

SolGold retains interests in its original theatre of operations, Solomon Islands in the South West Pacific, where the 100% owned, but as yet undrilled, Kuma prospect on the island of Guadalcanal exhibits surface lithocap characteristics which are traditionally indicative of a large metal rich copper gold intrusive porphyry system. SolGold intends in the future to apply intellectual property and experience developed in Ecuador to target additional "World Class" copper gold porphyries at Kuma and other targets in Ecuador and Argentina.

SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's AIM Market in 2006, under the AIM code 'SOLG' and currently has a total of 1,432,306,605 ordinary shares issued, together with 33,975,884 options exercisable at 28p and 11,975,884 options exercisable at 14p.