



This discussion and analysis (this “MD&A”) is management’s assessment of the results and financial condition of SolGold plc (“SolGold” or the “Company”) for the quarter and nine months ended 31 March 2018 and should be read in conjunction with the Company’s unaudited interim condensed consolidated financial statements for the period ended 31 March 2018 and 2017 and the notes thereto. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

Management is responsible for the preparation of the financial statements and this MD&A. Unless otherwise stated, all amounts discussed in this MD&A are denominated in Australian dollars.

Mr James Gilbertson (CP, BSc. Geology, MSc. Mining Geology) of SRK Exploration Services is an independent “Qualified Person” (as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”)), responsible for the technical information reported herein, including verification of the data disclosed.

Mr Jason Ward (CP, B.Sc. Geol.), the Chief Geologist of the Company is a “Qualified Person” as defined in NI 43-101 and has reviewed and approved the technical information in this MD&A with respect to all of the Company’s properties.

The information included in this MD&A is as of 11 May 2018 and all information is current as of such date. Readers are encouraged to read the Company’s Regulatory News Service (“RNS”) announcements filed on the London Stock Exchange and on the System for Electronic Document Analysis and Retrieval (“SEDAR”) under the Company’s issuer profile at [www.sedar.com](http://www.sedar.com).

## DESCRIPTION OF BUSINESS

SolGold is a Brisbane, Australia based, dual LSE and TSX-listed (SOLG on both exchanges) 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. Cascabel, SolGold’s 85% owned “World Class” (Refer to [www.solgold.com.au/cautionary-notice/](http://www.solgold.com.au/cautionary-notice/)) flagship copper-gold porphyry project, is located in northern Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. Having fulfilled its earn-in requirements SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in Exploraciones Novomining S.A. (“ENSA”) and approximately 4.94% of TSX-V-listed Cornerstone Capital Resources Inc. (“Cornerstone”), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

SolGold’s 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.

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## RESULTS OF OPERATIONS

### *The quarter ended 31 March 2018 compared with the quarter ended 31 March 2017*

#### **OVERALL PERFORMANCE**

During the financial year ended 30 June 2017, SolGold announced an update to its strategy to become a globally important copper company by expanding the Company's copper-gold exploration portfolio in Ecuador. Accordingly, a comprehensive, nation-wide desktop study was undertaken by SolGold's independent experts resulting in 73 new licences being granted, leaving the Company with 7 exploration tenements in Australia, 74 exploration concessions in Ecuador and 2 exploration permits under application in the Solomon Islands as at 31 March 2018.

In October 2017, at the Mines and Money Americas Conference in Toronto, SolGold's Nicholas Mather won the award for the CEO of the Year - Exploration, Latin America. SolGold won the Exploration Award for Latin America, and Ecuador won the Country Award for Latin America. Each party then duly won the 2017 award for each respective category on a global basis at London Mines and Money on 30 November 2017.

#### **OPERATING RESULTS**

The Company incurred a loss before tax of A\$5,107,790 and loss per share of 0.3 cents per share for the quarter ended 31 March 2018 compared to a loss before tax of A\$5,466,132 and loss per share of 0.3 cents per share for the quarter ended 31 March 2017. Expenses incurred during the quarter ended 31 March 2018 were A\$5,465,932 compared to A\$5,465,986 for the quarter ended 31 March 2017. The movement in expenses quarter ended 31 March 2018 over the comparable quarter ended 31 March 2017 were due to a number of factors, the most notable of which are:

**Administration and consulting expenses** were A\$2,097,075 for the quarter ended 31 March 2018 compared to A\$1,175,271 for the quarter ended 31 March 2017. The increase in administration and consulting expenses of A\$921,804 is largely due to the following:

- Increase in regulatory and compliance expenditure of \$112,581 to the comparable quarter as a result of the Company being listed on both the main board of the London Stock Exchange and Toronto Stock Exchange as opposed to the London Alternative Investments Market in the comparable quarter. The Company completed its listing on the main board of the London Stock Exchange in October 2017. There has been an increase in compliance costs which include share registry, filing and audit fees as a result of the Company being listed on two exchanges.
- Increase in insurance costs of A\$163,782 as a result of additional insurance policies taken to protect the Company due to the growth in the Company's projects and operations.
- Increase in legal expenses of A\$190,800 due to the work performed by Canadian lawyers to complete the listing on the Toronto Stock Exchange.
- Increase in marketing, promotional and international travel expenses by A\$129,421 during the quarter ended 31 March 2018 as a result of increased profiling of the Company at industry conferences and roadshows.
- Increase in corporate office rental costs of A\$55,204 resulting from the London corporate office which was not in existence during the quarter ended 31 March 2017.

## OPERATING RESULTS (CONTINUED)

**Employee benefit expenses** increased by A\$137,586 to A\$447,842 for the quarter ended 31 March 2018 from A\$310,256 for the quarter ended 31 March 2017, due to the increase in number of administrative personnel in comparison to the prior quarter.

**Unrealised foreign exchange (gains)** increased by A\$3,205,360 to an unrealised foreign exchange gain of A\$41,994 for the quarter ended 31 March 2018 compared to an unrealised foreign exchange loss of \$A3,163,366 for the quarter ended 31 March 2017, as a result of the strengthening of the Australian dollar against the United States dollar. The Company holds most of its cash and cash equivalents in United States dollars and attempts to mitigate the impact of foreign currency movements by managing in United States dollars inflows and outflows.

**Share based payments expense** increased by A\$2,141,907 to A\$2,951,472 for the quarter ended 31 March 2018 compared to A\$809,565 for the quarter ended 31 March 2017. The expense recognised for the quarter ended 31 March 2018 represents the fair value of the 68,762,000 unlisted options to directors, employees and contractors spread over the appropriate portion of the vesting period. The options have a vesting period of 18 months and as at 31 March 2018 were not yet fully vested.

The operating variances for the period are:

For the quarter ended 31 March	2018 A\$	2017 A\$	Variance A\$
<b>Expenses</b>			
Exploration costs written-off	-	4,090	(4,090)
Administrative expenses	(5,465,932)	(5,470,076)	4,144
<b>Operating loss</b>	<b>(5,465,932)</b>	<b>(5,465,986)</b>	<b>54</b>
Finance income	358,142	-	358,142
Finance costs	-	(146)	(146)
<b>Loss before tax</b>	<b>(5,107,790)</b>	<b>(5,466,132)</b>	<b>358,342</b>
Tax (expense) benefit	(502,799)	1,546,457	(2,049,256)
<b>Loss for the period</b>	<b>(5,610,589)</b>	<b>(3,919,675)</b>	<b>(1,690,914)</b>
<b>Other comprehensive profit / (loss)</b>			
<i>Items that may be reclassified to profit and loss</i>			
Change in fair value of available for sale financial assets	(1,173,198)	2,563,206	(3,736,404)
Exchange differences on translation of foreign operations	(454,033)	(5,142,461)	4,688,428
<b>Other Comprehensive (loss) / profit , net of tax</b>	<b>(1,627,231)</b>	<b>(2,579,255)</b>	<b>(952,024)</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(7,237,820)</b>	<b>(6,498,930)</b>	<b>(738,890)</b>

### **OTHER COMPREHENSIVE INCOME (LOSS)**

For the quarter ended 31 March 2018, the Company had a total comprehensive loss of A\$7,237,820 compared to a total comprehensive loss of A\$6,498,930 for the quarter ended 31 March 2017. The increase in total comprehensive loss was due to the following:

**Change in fair value of available for sale financial assets** was a loss of A\$1,173,198, net of tax for the quarter ended 31 March 2018 compared to a gain of A\$2,563,206, net of tax for the quarter ended 31 March 2017. The change quarter on quarter represents the mark to market adjustments that the Company makes on its investment in Cornerstone. The share price of Cornerstone at 31 March 2018 was C\$0.23 per share compared to C\$0.28 per share at 31 December 2017 and C\$0.30 per share at 31 March 2017 compared to C\$0.17 per share at 31 December 2016.

**Exchange differences on translation of foreign operations** representing the gain or loss recognised on translating the Company's Ecuadorian subsidiaries (consisting of Exploraciones Novomining S.A., Carnegie Ridge Resources S.A., Cruz Del Sol S.A., Valle Rico Resources S.A. and Green Rock Resources S.A.) financial statements was a loss of A\$454,033 for the quarter ended 31 March 2018 compared to a loss of A\$5,142,461 for the quarter ended 31 March 2017. The average exchange rate used to translate the Ecuadorian subsidiary financial statements for the quarter ended 31 March 2018 from United States dollars to Australian dollars was 1.2744 compared to 1.3106 for the quarter ended 31 March 2017.

### **FINANCIAL POSITION**

Total assets at 31 March 2018 were A\$234,311,310 compared to A\$166,713,608 at 30 June 2017 representing an increase of A\$67,597,702 as a result of increased cash due to the private placement completed on 30 November 2017, the exercise of share options and the issue of shares to Newcrest Mining Ltd pursuant to top-up rights, offset by the continued exploration at the Company's flagship Cascabel project and initial exploration of the newly granted concessions in Ecuador and payments of corporate administrative and overhead expenses.

Current assets increased by A\$16,744,531 primarily as a result of the completion of the private placement (180,000,000 shares at £0.25) offset by funding the exploration programs at the Company's flagship Cascabel project and the newly granted exploration concessions in Ecuador.

Non-current assets increased by A\$50,853,171 mainly due to increases in intangible assets and property, plant and equipment offset by the decrease in available-for-sale securities. Deferred exploration assets (i.e. intangible assets) increased by A\$54,924,617 due predominantly to the exploration expenditure incurred at the Cascabel project during the period ended 31 March 2018. Investment in available-for-sale securities decreased by A\$7,134,092 representing the mark to market adjustments that the Company makes on its investment in Cornerstone.

Current and total liabilities at 31 March 2018 were A\$7,875,681 compared to A\$2,741,175 at 30 June 2017 representing an increase of A\$5,134,506. The change is due to the increased exploration activity in Ecuador resulting in additional rigs and metres drilled compared to the previous period.

### **FINANCINGS**

During the quarter ended 31 March 2018, the Company did not issue any additional equities.

## SELECTED FINANCIAL DATA

The following table provides selected annual financial information derived from the most recently completed financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the periods below:

Year ended 30 June	2017 A\$	2016 A\$	2015 A\$
<b>Operations</b>			
Loss for the year after tax	(4,499,972)	(5,723,122)	(4,238,661)
Total comprehensive income (loss) for the year	2,331,271	(4,483,698)	(5,125,505)
Total comprehensive income (loss) for the year attributable to:			
- Owners of the parent company	2,697,343	(4,383,728)	(5,258,040)
- Non-controlling interest	(366,071)	(99,970)	132,535
	2,331,271	(4,483,698)	(5,125,505)
Basic and diluted loss per share (cents per share)	(0.3)/(0.3)	(0.7)/(0.7)	(0.6)/(0.6)
<b>Balance Sheet</b>			
Working capital (deficit)	87,878,912	(8,220,663)	(1,865,711)
Total assets	166,713,608	43,500,102	32,696,986
Total liabilities	2,741,175	8,518,765	2,338,446
Distributions or cash dividends declared per share	Nil	Nil	Nil

The Company prepares its consolidated annual financial statements in accordance with IFRS EU which is considered to be in line with IFRS IASB.

## SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with 31 March 2018. Financial information is prepared in accordance with IFRS as issued by the IASB and is reported in Australian Dollars.

Quarter ended	31 Mar 2018 A\$	31 Dec 2017 A\$	30 Sep 2017 A\$	30 Jun 2017 A\$
Revenue	-	-	-	-
Loss for the quarter before tax	(5,107,790)	(3,920,140)	(5,838,413)	(2,791,189)
Net loss per share (cents per share)	(0.3)	(0.4)	(0.4)	(0.2)
Quarter ended	31 Mar 2017 A\$	31 Dec 2016 A\$	30 Sep 2016 A\$	30 Jun 2016 A\$
Revenue	-	-	-	-
Loss for the quarter before tax	(5,466,132)	(1,882,735)	(804,929)	(2,412,779)
Net loss per share (cents per share)	(0.3)	(0.1)	(0.1)	(0.3)

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## **EXPLORATION AND EVALUATION ASSETS**

Total capitalised expenditures on exploration and evaluation assets as at 31 March 2018 were A\$114,647,722 compared to A\$59,723,105 at 30 June 2017. Exploration expenditure of A\$54,924,617 was incurred during the nine months ended 31 March 2018 compared to A\$10,810,925 during the nine months ended 31 March 2017. An impairment charge of A\$1,877 (2017: A\$17,310) was recognised for exploration expenditure associated with tenements that were surrendered or lapsed in the nine-month period ended 31 March 2018.

### ***Cascabel Project (Ecuador)***

The Cascabel Project is located on the northern section of the prolific Andean Copper belt, 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 in northern Ecuador, approximately three hours' drive north of 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 tenement covering approximately 50km<sup>2</sup>, and subject to a royalty which may be purchased by SolGold for US\$4.0m at development decision. Following the preparation of a Feasibility Study by ENSA, Cornerstone - which currently holds a 15% interest in ENSA - will be obligated to contribute to the funding of ENSA.

At Cascabel, the benefits of the recent equity raisings over the past 12 months has exploration fully funded for the next year as drilling continues to expand the growing world class deposit at Alpala. A review of drilling results has identified world class intersections at updated metal prices, and geology model analysis is constantly improving drill targeting capabilities.

Drilling to date has not yet constrained the rich Alpala copper-gold deposit, and the deposit continues to grow with each drill hole. Approximately 100,000m of diamond drilling has been completed on the project to date.

Currently, 12 drill rigs are active on site, with 11 rigs drilling on the Alpala cluster, and one drilling at the Aguinaga prospect. The Cascabel drill program for 2018 comprises over 120,000m of planned drilling focussing on extending and infilling the Alpala Resource, as well as further drill testing of the Aguinaga prospect. Numerous other untested targets remain, namely at Trivinio, Moran, Cristal, Tandayama-America and Chinambicito, some of which will also be drilled in 2018. ENSA (Exploraciones Novomining S.A.) currently employs over 400 Ecuadorian workers and geoscientists, and 6 expatriate Australian geoscientists.

In January 2018, SolGold announced a maiden Mineral Resource Estimate (MRE) at Alpala, completed from 53,616m of drilling reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

The Alpala maiden mineral resource estimate totals a current 430 Mt @ 0.8% CuEq (at 0.3% CuEq cut off) in the Indicated category, and 650 Mt @ 0.6% CuEq (at 0.3% CuEq cut off) in the Inferred category; contained metal content of 2.3 Mt Cu in the Indicated category and 2.9 Mt Cu in the Inferred category; and contained metal content of 6.0 Moz Au in the Indicated category and 6.3 Moz Au in the Inferred category.

The higher-grade core of the deposit has a current 70 Mt @ 1.8% CuEq (1.2 Mt CuEq) at a 1.1% CuEq cut off in the Indicated category and 50 Mt @ 1.8% CuEq (0.8 Mt CuEq) at a 1.1% CuEq cut off in the Inferred category. If a 0.9% CuEq cut off is used, a further 50 Mt @ 1.0% CuEq (0.5 Mt CuEq) is added to the high-grade core in the Indicated category and 50 Mt @ 1.0% CuEq (0.5 Mt CuEq) is added in the Inferred category.

Assay results from the initial 53,616m of drilling at Alpala were incorporated into the Alpala maiden Mineral Resource Estimate (MRE) completed in December 2017 and announced on 3 January 2018. That meterage represents approximately 54% of the 100,000 metres currently drilled on the project at 31 March 2018. There remains strong potential for further growth from the more recent drilling results, and continued rapid growth of the deposit.

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**EXPLORATION AND EVALUATION ASSETS (CONTINUED)****Cascabel Project (Ecuador) (continued)**

Drilling to date indicates a true width of the mineralised envelope of up to 700 metres, a length in excess of 1,700 metres and over 1800 metres vertical extent from surface. The year ahead will see drilling along the Alpala trend expanding the existing Mineral Resource grade envelope. SolGold geologists are observing high grade (assayed) and highly mineralised extensions (currently not assayed) from drill core located outside of the current inferred and indicated resource blocks at Alpala Northwest and along the southwestern margin of the Alpala Deposit trend. Together with current infill drilling within the Alpala Central high-grade core, this is predicted to significantly increase high-grade resource tonnage.

Grade and tonnage curves supplied independently by SRK Consulting as part of the MRE, indicate potential for an initial 5-year high grade resource of 120Mt at 1.82% CuEq, as the Company continues to build upon its larger high-grade core of 220Mt @ 1.44% CuEq, purported to lead into extraction of the larger and still growing >1 Bt, 40Moz AuEq resource long term.

Drill hole 1 at Aguinaga was completed at 1000.3m depth on 11 March 2018, having intersected approximately 373m of porphyry-style veins, visible chalcopyrite and trace molybdenite and bornite mineralisation from 295.3m depth. Assay results for this hole remain pending. The mineralisation intersected in Hole 1 at Aguinaga is similar to that discovered at surface which lies approximately 300m in elevation above the mineralisation intersected in drill hole 1. This surface mineralisation returned an open-ended, rock-saw channel sample result of 9.0m @ 1.51% CuEq (1.01% Cu, 0.79 g/t Au).

SolGold geologists believe that the first drill hole at Aguinaga confirms the potential for a second large porphyry deposit at Cascabel, demonstrating a steeply-dipping, mineralising system that exceeds 320m in width, based on visual results of Hole 1 and surface exposures.

The abundance of porphyry-type quartz veins, visual estimations of volume-percent chalcopyrite and the chalcopyrite-pyrite ratio increase significantly within the interval of visual mineralisation discovered in Hole 1. SolGold does not believe that the core of the system has yet been encountered and further drilling will test depth extensions underneath Hole 1, with further targets identified by geophysical and geochemical modelling also remaining untested.

The continuation of the successful drilling campaign at Alpala has delayed the redeployment of a second drill rig to the Aguinaga site, but this is expected to take place once a suitable rig becomes available.

SolGold has drill tested 8 of 15 copper-gold targets delineated within the 50km<sup>2</sup> tenement, with the Alpala Porphyry Cluster being the primary focus to date. Untested satellite targets at Trivinio, Moran and Tandayama-America have matured to drill ready status with drill testing planned for 2018. Drill targeting studies are currently underway for satellite targets at Chinambicito, Alpala South, Parambas and Cristal, all expected to mature to drill ready status later in 2018.

Exploration activities during the three-month period ended 31 March 2018 included:

- Diamond drilling of holes 35 to 52 at Alpala, for a total of approximately 28,220m.
- Release of the Maiden Mineral Resource Estimate which was announced to the market on 3 January 2018.
- Petrography, Mineragraphy, Spectral alteration interpretation and analysis.
- Ongoing environmental management with strict adherence to guidelines provided by the Ministry of Environment.
- Submission of annual technical and environmental management reports.
- Lidar topographic control survey planning.
- Upgrade and expansion of the Alpala field camp and the Rocafuerte field office and core handling and storage facilities.

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**EXPLORATION AND EVALUATION ASSETS (CONTINUED)****Regional Concessions for 100% SolGold Subsidiaries (Ecuador)**

As at 31 March 2018 SolGold holds a 100% interest in 73 concessions through its Ecuadorian subsidiary companies, Carnegie Ridge Resources S.A., Cruz del Sol S.A., Green Rock Resources S.A. and Valle Rico Resources S.A. These concessions are located on the gold-rich northern section of the prolific Andean Copper belt which is renowned as the production base for nearly half of the world's copper.

In the past 3 months, exploration activity has continued at a rapid pace with 39 national geologists operating in ten field teams. Exploration activities have continued the initial evaluation of the SolGold regional concessions. Activities include stream sediment sampling, heavy panned concentrate collection and Anaconda-style mapping and rock chip sampling of all streams within each concession. Led by highly experienced senior geologists, field teams have made initial evaluation of 71% of all granted concessions. During the last 3 months, exploration activities have been transitioning to detailed follow-up mapping and rock chip sampling of priority areas. From the detailed follow-up work conducted, SolGold has currently identified a total of 8 priority projects. The next phase of exploration on these 8 prospects will include soil geochemistry, geophysics and drill testing.

SolGold has established experienced teams of social and environmental personnel focussed on obtaining government and community permissions to conduct advanced exploration activities for the priority exploration prospects.

Of the priority prospects, the most advanced are La Hueca, Porvenir, Blanca Nieves and Timbara.

**La Hueca**

The La Hueca Project is located in the south of Ecuador within the eastern Jurassic Belt, which contains the Fruta del Norte epithermal gold deposit (14 million ounces Au), the Mirador copper porphyry deposit (3 million tonnes Cu) and the Santa Barbara gold-(copper) porphyry deposit (8 million ounces Au).

Cruz del Sol field teams conducted extensive stream sediment and panned concentrate sampling throughout the La Hueca project. The geochemical results of this work have now delineated six porphyry copper targets situated along the contact between the Zamora batholith and volcanic rock units. Initially 4 main targets were identified along a 5km copper-rich porphyry corridor running through the eastern portion of the La Hueca project. Recently, two exciting new target areas have been discovered trending in a north western direction on the western portion of the project. Results indicate a large copper-rich porphyry system centred on a diorite complex. Elevated copper values are associated with quartz-magnetite-chlorite-chalcopryrite bands and quartz-chalcopryrite-bornite veins within diorite porphyry intrusions.

**Porvenir**

A stream sediment sampling program at the Porvenir Project initially delineated two geochemical anomalies within a larger 6km x 5.5km stream anomaly. These anomalous zones are known as the Derrumbo and Bartolo prospects. Detailed follow up mapping and rock chip sampling continue to locate additional mineralised outcrops at both the Bortolo and Derrumbo targets. Recent discoveries of new mineralised outcrops at the Bortolo prospect provide strong indications of a mineralised porphyry copper system. Copper mineralisation in outcrops consist of chalcopryrite with associated chalcocite – covellite – magnetite. Three main hydrothermal alteration facies can be distinguished at Porvenir:

- Early-stage alteration defined by magnetite-rich and sulphide poor zones with abundant epidote veinlets and disseminations;
- Chlorite –sericite alteration related to the main-stage of chalcopryrite mineralisation; and
- Late-stage, strong quartz-sericite-pyrite alteration.

Both government and community permissions have been received that allow the next exploration phase to begin. An auger soil program over both the Bortolo and Derrumbo targets has already commenced.

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## **EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

### **Regional Concessions for 100% SolGold Subsidiaries (Ecuador)(continued)**

#### Timbara

The Timbara Project is also located within the eastern Jurassic Belt. Initial stage geochemical sampling and reconnaissance mapping has located promising mineralised outcrops. In particular, a bornite rich vein within a 25m wide zone of quartz – hematite fractures and veining. Samples of the vein returned best results of **28.89% Cu**. Detailed follow up of the first pass stream and rock geochemistry anomalies is planned for next quarter.

#### Blanca Nieves

The Blanca Nieves Project is located in Ecuador's Northern Eocene Belt immediately north of the Cascabel concession that hosts SolGold's flagship Cascabel copper-gold deposit. Large copper gold deposits of similar age elsewhere in the Andes include Escondida (47 Mt Cu), El Salvador (12 Mt Cu), Collahuasi (40 Mt Cu) and Alpala – Cascabel (SolGold).

High grade epithermal style gold mineralisation has been identified over an interpreted 10km long NW trending structural corridor linking both the Nieves and Blanca concessions.

Results from rock chip samples collected during stream reconnaissance at the Blanca Nieves Project include:

- 79.2 g/t Au, 0.98 % Cu, >100g/t Ag, >1% Zn Nieves
- 6.7 g/t Au, 0.15% Cu, 59 g/t Ag Nieves
- 18.75 g/t Au Cielito vein – Blanca
- 17.05 g/t Au Cielito vein – Blanca

Detailed follow up mapping and rock chip sampling is continuing, and permissions have recently been received to advance to next phase exploration activities.

### **Queensland Projects (Australia)**

The group holds 6 major project areas in Queensland at Normanby, Rannes, Mt Perry, Cracow West, Westwood and Lonesome.

The Normanby Project is located at the southern margin of eastern Australia's densest cluster of million-ounce gold deposits, the nearest of which is the Mt. Carlton Au-Ag mine, located 40km to the northwest of Normanby.

In Australia, drill testing of porphyry style copper-gold mineralisation at the Normanby Project, in northern Queensland was completed. A total of 518m of RC drilling from 7 RC drill holes and 89.2m of diamond coring from 1 drill holes was completed. A significant vertical mineralised structure was intersected in holes MFT19, and MFT17, and a separate shallow dipping zone of mineralisation was also discovered in holes MFT24 and MFT014. Assay results returned the following highlights;

- 14m @ 5.3 g/t Au from 58m depth (MFT019)
- 28m @ 1.1 g/t Au, from 40m depth, including 10m @ 2.3 g/t Au (MFT020)
- 28m @ 1.2 g/t Au from surface (MFT022)

Regional-scale stream sediment and rock chip sampling has identified numerous anomalous areas, including the Mt Crompton breccia pipe that require follow up work over the coming year.

### **Solomon Islands Projects**

In the Solomon Islands, SolGold has continued negotiations with landowners to obtain access to the project areas at Kuma and Mbetilonga. Currently the Company is awaiting award of these two tenements.



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## **EXPLORATION OUTLOOK**

The focus of the Company during the financial year ending 30 June 2018 will be to continue exploration on its Cascabel project in Ecuador and continue carrying out reconnaissance field mapping and rock chip sampling programs as well as evaluating several mineralised outcropping targets over the 73 new tenements granted to SolGold's four Ecuadorian subsidiaries.

### ***Cascabel Project (Ecuador)***

SolGold has drill tested 8 of 15 copper-gold targets delineated in the 50 km<sup>2</sup> tenement with a focus on Alpala and Aguinaga. The remainder of the targets, including Trivinio, Moran, and Tandayama-America are scheduled for testing in 2018 once a suitable drill rig becomes available. Over 120,000 metres of drilling is planned over the 2018 year at Cascabel. Currently drill testing of Alpala Northwest, Alpala Central and Aguinaga targets is underway.

There remains strong potential for further growth in the Alpala resource from pending assay results from recent drilling, conversion of current inferred to indicated mineral resources, and discovery of additional mineralisation in unclosed areas.

Drilling at Alpala continues to extend the high-grade mineralisation (which is expected to also extend the high-grade resources) along the southwestern margin of the Alpala Central Deposit. Infill drilling within the high-grade core of the Alpala Central Deposit is expected to significantly increase the high-grade resource tonnage.

Extension drilling at Alpala Northwest continues to intersect strongly mineralised extensions as drill testing expands mineralisation toward Trivinio. Trivinio drill testing scheduled to commence over the coming quarter.

Aguinaga's first drill hole (AGD-18-001) confirms the potential for a second large porphyry deposit at the Cascabel project. The continuation of the successful drilling campaign at Alpala has delayed the redeployment of a second drill rig to the Aguinaga site, but this is expected to take place once a suitable rig becomes available.

Ecuador is undergoing a transformation with significant improvements to infrastructure, including five key sea ports, over 10,000km of new highways, and 10 new hydroelectric projects. These infrastructure improvements are sure to afford the project enormous capital advantages as it moves toward feasibility over the coming years. Completion of a new access road to Alpala Camp via the village of Santa Cecilia in co-operation between the provincial government and the local community is providing vital operational advantages to the project.

SolGold has appointed a PEA (Preliminary Economic Evaluation) Study Manager and commenced Preliminary Economic Evaluation of the project. Final evaluation reporting is targeted for completion by end 2018.

### ***New Concessions for 100% SolGold Subsidiaries (Ecuador)***

The primary focus of exploration in the coming three months will be on advancing all priority projects to the next phase of exploration involving auger soils, rock channel sampling and targeted geophysical surveys. Ridge and spur auger soil programs have commenced on both the Porvenir and Blanca Nieves projects. The results of these second exploration phase activities will help delineate future targets to be drill tested. Environmental and Social teams are beginning work on the requirements for drill permitting on the eight priority projects.

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## **EXPLORATION OUTLOOK (CONTINUED)**

### **Queensland Projects (Australia)**

A helicopter supported Electro-magnetic geophysical survey is in planning over the main tenement block at the Rannes Au-Ag deposit, approximately 40km northwest of Biloela, in order to test for conductive and/or resistive bodies that may indicate mineralisation lying underneath adjacent extensive cover sequences.

The Company continues to follow up the numerous anomalous areas identified through the regional-scale stream sediment and rock chip sampling program, including the Mt Crompton breccia pipe at the Normanby project. A reassessment of the range of other projects held in Queensland resulted in the definition of detailed work programs that will be put in place as exploration funds become available. Joint venture opportunities are being sought for these projects.

### **Solomon Islands project**

The Company is currently awaiting the grant of licences at Kuma and Mbetilonga. If successful in obtaining the licences, the Company will commence fieldwork at the Kuma and Mbetilonga projects. Desktop studies conducted to date have defined a number of porphyry style geochemical anomalies centred on the upper portions of the Kuma lithocap, while several strong copper anomalies remain untested at Mbetilonga. Access agreements are being negotiated for both concessions and field programs comprising Anaconda style geological mapping are planned for the coming year as well as reprocessing of existing airborne magnetic data in 3D to define drill targets.

## **LIQUIDITY AND CAPITAL RESOURCES**

At 31 March 2018 the Company had cash and cash deposits of A\$105,108,799, an increase of A\$15,796,056 from A\$89,312,743 as at 30 June 2017.

Cash expenditure (before financing activities) for the nine months ended 31 March 2018 was A\$59,955,796 (2017: A\$17,487,142). During the nine months ended 31 March 2018, cash of A\$78,406,209 (2017: A\$63,339,546) was received from the issue of shares via a private placement, exercise of options and “top-up” rights and A\$nil (2017: A\$852,736) received as unsecured short-term borrowings. Accordingly, the net cash inflow of the Company for the nine month period ended 31 March 2018 was A\$15,692,338 (2017: inflow of A\$46,609,779).

Cash of A\$49,265,275 (2017: A\$12,596,102) was invested by the Company on exploration expenditure during the nine-month period ended 31 March 2018.

The Company has no history of revenues from its operating activities and the Company has financed its activities by raising capital through equity issuances or debt. Given the nature of the Company’s current activities, it will remain dependent on equity and/or debt funding in the short to medium term until such time as the Company becomes self-financing from the commercial production of mineral resources.

### **OUTSTANDING SHARE DATA**

The Company was authorised to issue 2,020,000,000 ordinary shares at 31 March 2018 of which 1,696,245,686 were outstanding at 31 March 2018 and at the date of the report, 11 May 2018. At 31 March 2018 and at the date of the report, the Company had outstanding options to purchase an aggregate of 88,353,768 ordinary shares with exercise prices ranging from £0.14 to £0.60 per share and expiry dates ranging from 17 October 2018 and 8 August 2020.



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## **CONTINGENCIES**

A 2% net smelter royalty is payable to Santa Barbara Resources Limited, which was the previous owner of the Cascabel tenements. These royalties can be bought out by paying a total of US\$4 million. Fifty percent (50%) of the royalty can be purchased for US\$1 million 90 days following the completion of a feasibility study and the remaining 50% of the royalty can be purchased for US\$3 million 90 days following a production decision.

In the event Cornerstone's equity interest in ENSA is diluted below 10%, Cornerstone's equity interest will be converted to a half of one percent (0.5%) interest in a Net Smelter Return and SolGold will have right to purchase the Net Smelter Return for US\$3.5 million at any time.

## **TRANSACTIONS WITH RELATED PARTIES**

Transactions with related parties are disclosed in Note 9 to the 31 March 2018 unaudited interim condensed consolidated financial statements. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The figures noted below are for the nine month period ended 31 March 2018 with comparative figures for the nine months ended 31 March 2017.

The Company had a commercial agreement with Samuel Capital Ltd ("Samuel") for the engagement of Nicholas Mather as Chief Executive Officer and Executive Director of the Company. For the nine-month period ended 31 March 2018 A\$300,000 was paid or payable to Samuel (2017: A\$341,667). The total amount outstanding at 31 March 2018 was A\$ nil (31 March 2017: A\$ nil, 30 June 2017 A\$26,725).

SolGold plc has a standing Administration and Services Agreement with DGR Global Ltd, an entity associated with Nicholas Mather (a Director) and Brian Moller (a Director) whereby DGR Global Ltd has agreed to provide certain services including the provision by DGR Global Ltd of its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities ("Services"). In consideration for the provision of the Services, the Company shall reimburse DGR Global Ltd for any expenses incurred by it in providing the Services. DGR Global Ltd was paid A\$270,000 (2017: A\$270,000) for the provision of administration, management and office facilities to the Company during the half year. The total amount outstanding at 31 March 2018 is A\$30,000 (31 March 2017: A\$ nil, 30 June 2017 A\$22,011). The administration services agreement expires on 21 March 2019.

Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim Lawyers. Hopgood Ganim were paid A\$216,408 (2017: A\$328,932) for the provision of legal services to the Company during the nine-month period ended 31 March 2018. These services were based on normal commercial terms and conditions. The total amount outstanding at 31 March 2018 is A\$4,421 (31 March 2017: A\$53,287, 30 June 2017 A\$92,350).

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management relating to consulting fees and share-based payments for the quarters ended 31 March 2018 and 2017 are as follows:

	Salary A\$	Other Benefits <sup>1</sup> A\$	Pensions A\$	Total Remuneration A\$
<b>Three months ended 31 March 2018</b>				
<b>Directors</b>				
Nicholas Mather	100,000	1,198,599	-	1,298,599
Brian Moller	27,500	171,228	-	198,728
Robert Weinberg	17,500	102,737	-	120,237
John Bovard	17,500	102,737	-	120,237
Craig Jones	17,500	102,737	-	120,237
Other Key Management Personnel <sup>2</sup>	376,549	982,650	12,303	1,371,503
<b>Total paid to Key Management Personnel</b>	<b>556,549</b>	<b>2,660,689</b>	<b>12,303</b>	<b>3,229,541</b>

<sup>1</sup> Other Benefits represents the fair value of the share options granted during the period based on either the Black-Scholes model or Monte Carlo Simulation considering the effects of the vesting conditions.

<sup>2</sup> Other Key Management Personnel consist of the aggregated remuneration of Karl Schlobohm (Company Secretary), Priy Jayasuriya (Chief Financial Officer), Jason Ward (Chief Geologist), Benn Whistler (Technical Geologist) and Lazaro Roque-Albelo (Latin Affairs Manager).

	Basic Annual Salary A\$	Other Benefits <sup>1</sup> A\$	Pensions A\$	Total Remuneration A\$
<b>Three months ended 31 March 2017</b>				
<b>Directors</b>				
Nicholas Mather	241,667	-	-	241,667
Brian Moller	12,500	-	-	12,500
Robert Weinberg	12,500	-	-	12,500
John Bovard	12,500	-	-	12,500
Scott Caldwell	12,500	-	-	12,500
Craig Jones	4,167	-	-	4,167
Other Key Management Personnel <sup>2</sup>	271,976	508,869	14,441	795,286
<b>Total paid to Key Management Personnel</b>	<b>567,809</b>	<b>508,869</b>	<b>14,441</b>	<b>1,091,119</b>

<sup>1</sup> Other Benefits represents the fair value of the share options granted during the period based on either the Black-Scholes model or Monte Carlo Simulation considering the effects of the vesting conditions.

<sup>2</sup> Other Key Management Personnel consist of the aggregated remuneration of Karl Schlobohm (Company Secretary), Priy Jayasuriya (Chief Financial Officer), Jason Ward (Chief Geologist), Benn Whistler (Technical Geologist) and Lazaro Roque-Albelo (Latin Affairs Manager).

During the quarter, A\$12,303 employer's superannuation contribution costs (2017: A\$14,441 were paid in respect of remuneration for key management personnel).



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## **FINANCIAL INSTRUMENTS AND RELATED RISKS**

The Company's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. A summary of the major financial instrument risks and the Company's approach to management of these risks are highlighted below.

### **Credit Risk**

The Company is exposed to credit risk primarily from the financial institutions with which it holds cash and cash deposits. The Company's cash and cash deposits are held with Australian, Ecuadorian and Solomon Island financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in other receivables and prepayments is manageable.

### **Foreign Currency Risk**

The Company transacts a significant portion of its business in US dollars, which is the currency of Ecuador, and therefore is subject to foreign exchange risk on US dollar receivables, trade payables and cash balances. The Company attempts to mitigate these risks by managing its US dollar inflows and outflows and maintaining a significant portion of its cash and cash deposits in US dollars. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk.

### **Liquidity Risk**

The Company has no source of operating cash flow to fund its exploration projects and is dependent on raising funds in capital markets from a variety of eligible private, corporate and fund investors, or from interested third parties (including other exploration and mining companies) which may be interested in earning an interest in the exploration project. The success or otherwise of such capital raisings is dependent upon a variety of factors including general equities and metals market sentiment, macro-economic outlook, project prospectivity, operational risks and other factors from time to time.

### **Other Price Risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices of gold, copper and other metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company believes that both commodity and equity price movements can have a substantial effect on the market value of the Company's investments.

### **Interest Rate Risks**

The Company's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve months' maximum duration. The Company's cash and cash deposits may fluctuate in value depending on the market interest rates and time to maturity of the instruments.

Debt is initially recognised at fair value. Subsequent to initial recognition these financial liabilities are held at amortised cost using the effective interest rate method.

## **SUBSEQUENT EVENTS**

On 1 May 2018, Mr James Clare has been appointed as a Non-Executive Director to the SolGold Board of Directors. Mr Clare is a partner at Bennett Jones LLP, one of Canada's leading corporate law firms. He is a corporate and securities lawyer with extensive experience in the mining sector both domestically and internationally. He was extensively involved with SolGold's TSX listing process and provides ongoing legal and corporate advice to the Company in relation to its Canadian regulatory and business matters. Mr Clare also currently acts as a Non-Executive Director of PJX Resources Inc, Riverside Resources Inc and Spanish Mountain Gold Ltd.

### **OFF-BALANCE SHEET ARRANGEMENTS**

At 31 March 2018, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

The significant judgements and estimates used in the preparation of these interim condensed consolidated financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities and earnings within the next financial reporting periods include:

#### ***Impairment and reversal of impairment of deferred exploration assets***

Deferred exploration assets are tested for impairment at the end of each reporting period if in management's judgement there is an indicator of impairment. If there are indicators, management performs an impairment test on the major assets within this balance.

Impairment reviews for deferred exploration costs are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, typically when one of the following circumstances apply:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

#### ***Fair value of share based payments***

Determining the fair value of share-based payments involves estimates of interest rates, expected life of options, share price volatility and the application of a Binomial option-pricing model. The Binomial option-pricing model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Share options granted vest in accordance with the ESOP. The valuation of share based compensation is subjective and can impact profit and loss significantly. Several other variables are used when determining the value of share options using the Binomial valuation model:

- Dividend yield: The Company has not paid dividends in the past because it is in the exploration stage and has not yet earned any significant operating income. Also, the Company does not expect to pay dividends in the foreseeable future. Therefore, a dividend rate of 0% was used for the purposes of the valuation of the share options.

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***Fair value of share based payments (continued)***

- **Volatility:** The Company uses historical information on the market price to determine the degree of volatility at the date when the share options are granted. Therefore, depending on when the share options were granted and the period of historical information examined, the degree of volatility can be different when calculating the value of different stock options.
- **Risk-free interest rate:** The Company used the interest rate available for government securities of an equivalent expected term as at the date of the grant of the share options. The risk-free interest rate will vary depending on the date of the grant of the share options and their expected term.

***CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS******New standards and interpretations not yet adopted***

The Company has elected not to early adopt the following revised and amended standards, which are not yet endorsed in the EU. The list below includes only standards and interpretations that could have an impact on the consolidated financial statements of the Company.

***IFRS 9 Financial instruments***

The complete standard has been issued in July 2014 including the requirements previously issued and additional amendments. The new standard replaces IAS 39 and includes a new expected loss impairment model, changes to the classification and measurement requirements of financial assets as well as to hedge accounting. The new standard becomes effective for financial years beginning on or after 1 January 2018. The Company will assess the impact on its consolidated financial statements.

***IFRS 15 Revenue from contracts with customers***

The new standard was issued in May 2014 and establishes the principles for the disclosure of useful information in the financial statements in respect of contracts with customers. The new standard becomes mandatory for financial years beginning on or after 1 January 2018. The effect will be assessed and disclosure will be made once the Company has assessed the impact of applying IFRS 15. However as the Company currently does not generate revenue there is no significant impact expected.

***IFRS 16 Leases***

The new standard was issued in January 2016 replacing the previous leases standard, IAS 17 Leases, and related Interpretations. IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases for the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as either operating or finance as is required by IAS 17 and, instead, introduces a single lessee accounting model requiring a lessee to recognise assets and liabilities for all leases unless the underlying asset has a low value or the lease term is twelve months or less. This new standard applies to annual reporting periods beginning on or after 1 January 2019 subject to EU endorsement. The Company will review its arrangements in place in order to evaluate the potential impact of the new standard.

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***RISKS AND UNCERTAINTIES***

Resource exploration is a speculative business and involves a high degree of risk. There is no certainty that the expenditures made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. Capital expenditures to bring a property to a commercial production stage are also significant. There is no assurance the Company has, or will have, commercially viable ore bodies. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the risks to the Company, recognising that it may be exposed to other additional risks from time to time:

- General geological risks
- Title risk
- Permitting risk in Ecuador
- Dependence on key management personnel
- Volatility of commodity prices
- Project development risks
- Currency fluctuations
- Land access risks including social licence to operate
- Environmental risks
- Geopolitical, regulatory and sovereign risk

The Company is diligent in minimising exposure to business risk, but by the nature of its activities and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties materialise, or should underlying assumptions prove incorrect, then actual results may vary materially from those described on forward-looking statements.

***MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS***

The Board of Directors carries out its responsibility for the interim condensed consolidated financial statements primarily through the audit committee which is comprised of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

***ADDITIONAL INFORMATION***

Additional information relating to the Company is available on the SEDAR under the Company's issuer profile at [www.sedar.com](http://www.sedar.com) and can be found on the Company's website at [www.solgold.com.au](http://www.solgold.com.au).



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## **FORWARD-LOOKING STATEMENTS**

Certain statements contained in this MD&A may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. All statements in this MD&A, other than statements of historical fact, that address future events, developments or performance that SolGold expects to occur including management's expectations regarding SolGold's growth, results of operations, estimated future revenues, requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue estimates, future demand for and prices of commodities, business prospects and opportunities and outlook on gold and currency markets are forward-looking statements. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates will be realized. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions or variations (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, the performance of the assets of SolGold, the realization of the anticipated benefits deriving from SolGold's investments and transactions and the estimate of gold equivalent ounces to be received in 2017. Although SolGold believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of SolGold, and are not guarantees of future performance and actual results may accordingly differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in the prices of the commodities; fluctuations in the value of currency of Canada, Australia and the United Kingdom; regulatory changes by national and local governments, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries where properties in which SolGold holds interest are located; risks related to the operators of the properties in which SolGold holds interests; business opportunities that become available to, or are pursued by SolGold; continued availability of capital and financing and general economic, market or business conditions; litigation; title, permit or license disputes related to interests on any of the properties in which SolGold holds interest; development, permitting, infrastructure, operating or technical difficulties on any of the properties in which SolGold holds interest; risks and hazards associated with the business of exploring, development and mining on any of the properties in which SolGold holds interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest or other uninsured risks. The forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which SolGold holds interest by the owners or operators of such properties in a manner consistent with past practice; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property in which SolGold holds interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. For additional information on risks, uncertainties and assumptions, please refer to the AIF of SolGold filed on SEDAR at [www.sedar.com](http://www.sedar.com) which also provides additional general assumptions in connection with these statements. SolGold cautions that the foregoing list of risk and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. SolGold believes that the assumptions reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. SolGold undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.