



SolGold plc

Annual Information Form

September 27, 2018

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NOTICE TO INVESTORS

About this Annual Information Form

Certain capitalized terms and abbreviations used in this annual information form (this "AIF") shall have the meaning ascribed to such terms in the "*Glossary of Terms*".

References to the Company

Unless otherwise indicated or the context otherwise indicates, use of the terms "**Company**" and "**SolGold**" in this AIF refers to SolGold plc and its subsidiaries, or other entities controlled by them, on a consolidated basis.

Forward-Looking Information

This AIF contains certain statements which contain "forward-looking information" within the meaning of Canadian securities legislation (each a "**forward-looking statement**"). No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon. Forward-looking information is by its nature prospective and requires the Company to make certain assumptions and is subject to inherent risks and uncertainties. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "capable", "budget", "*pro forma*" and similar expressions are intended to identify forward-looking statements. Forward-looking statements include, among others, statements pertaining to:

- the Company's future operating and financial results;
- schedules and timing of certain projects and the Company's strategy for growth;
- projected revenues and the life of mines;
- anticipated cash needs and needs for additional financing;
- the Company's competitive position and its expectations regarding competition;
- treatment under governmental and other regulatory regimes and tax, environmental and other laws; and
- the Company's future plans with respect to exploration, development and, ultimately, production at its mineral properties.

The forward-looking statements within this document are based on information currently available and what management believes are reasonable assumptions. Forward-looking statements speak only as of the date of this AIF. In addition, this AIF may contain forward-looking statements attributed to third-party industry sources, the accuracy of which has not been verified by the Company.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements in this AIF, including, but not limited to, the following material factors:

- the speculative nature of mining operations;
- the ability of the Company to attract and retain qualified management to grow its business;

- fluctuations in mineral prices and currencies;
- the availability of acquisition opportunities and the availability of debt or equity financing necessary to complete such acquisitions;
- failure to complete future acquisitions;
- economic and market conditions;
- future financial needs and availability of adequate financing;
- laws governing the Company or the operators of properties where the Company holds interests;
- the Company's ability to make accurate assumptions regarding the valuation, timing and amount of payments in respect of properties in which it holds an interest;
- the production at or performance of properties where the Company holds interests;
- changes in estimates of mineral resources of properties where the Company holds interests;
- acquisition and maintenance of permits and authorizations, completion of construction and commencement and continuation of production at the properties where the Company holds interests; and
- publication of inaccurate or unfavourable research by securities analysts or other third parties.

Such factors are discussed in more detail under the heading "Risk Factors". New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

The forward-looking statements contained in this AIF are expressly qualified by the foregoing cautionary statements and are made as of the date of this AIF. Except as may be required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect events or circumstances after the date of this AIF or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Technical Information

The scientific and technical information contained in this AIF relating to the Company's mineral projects indicated herein is supported by the technical report for the Cascabel project in Ecuador (the "**Cascabel Project**") entitled "Technical Report on the Maiden Mineral Resource Estimate for the Alpala Deposit, Ecuador", dated February 16, 2018 and with an effective date of December 18, 2017, prepared by James Gilbertson, MCSM, CGeol of SRK Exploration Services Ltd. ("**SRK Exploration**") and Martin Pittuck, MSc, CEng, MIMMM, FGS and John Willis, BE(Met), PhD, MAusIMM(CP) of SRK Consulting (UK) Ltd. ("**SRK Consulting**") (the "**Cascabel Technical Report**").

The Cascabel Technical Report is subject to certain assumptions, qualifications and procedures described therein. Reference should be made to the full text of the Cascabel Technical Report, which has been filed with Canadian securities regulatory authorities pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators* ("**NI 43-101**") and is available for review under the Company's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com. The Cascabel Technical Report is not and shall not be deemed to be incorporated by reference in this AIF.

Where appropriate, certain information contained in this AIF updates information derived from the Cascabel Technical Report. Any updates to the scientific or technical information derived from the Cascabel Technical Report and any other scientific or technical information contained in this AIF was prepared by or under the supervision of Jason Ward ((CP) B.Sc. Geol.), the Chief Geologist of the Company. Mr. Ward is a "qualified person" for the purposes of NI 43-101.

Presentation of Financial Statements

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and are presented in Australian dollars.

Currency

Unless otherwise indicated, all references to "\$" or "C\$" in this AIF refer to Canadian dollars, all reference herein to "US\$" in this AIF refer to U.S. dollars, all references to "£" in this AIF refer to British pounds, and all references to "A\$" in this AIF refer to Australian dollars.

Exchange Rate Data

The following table sets forth the high and low exchange rates for one U.S. dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the closing rates provided by the Bank of Canada:

	Year Ended June 30 (C\$)		
	2018	2017	2016
High	1.331	1.374	1.456
Low	1.213	1.277	1.254
Rate at end of period ⁽¹⁾	1.317	1.302	1.292
Average rate for period ⁽²⁾	1.270	1.326	1.3258

(1) Represents the closing rate on the last day of trading of the respective period.

(2) Determined by averaging the closing rate for each day of the respective period.

The following table sets forth the high and low exchange rates for one British pound expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the closing rates provided by the Bank of Canada:

	Year Ended June 30 (C\$)		
	2018	2017	2016
High	1.837	1.777	2.094
Low	1.590	1.588	1.720
Rate at end of period ⁽¹⁾	1.736	1.690	1.720
Average rate for period ⁽²⁾	1.711	1.824	1.966

(1) Represents the closing rate on the last day of trading of the respective period.

(2) Determined by averaging the closing rate for each day of the respective period.

The following table sets forth the high and low exchange rates for one Australian dollar expressed in Canadian dollars for each period indicated, the average of the exchange rates for each period indicated and the exchange rate at the end of each such period, based upon the closing rates provided by the Bank of Canada:

	Year Ended June 30		
	(C\$)		
	2018	2017	2016
High	1.021	1.034	1.012
Low	0.959	0.966	0.918
Rate at end of period ⁽¹⁾	0.973	0.980	0.964
Average rate for period ⁽¹⁾	0.9843	0.983	0.966

(1) Represents the closing rate on the last trading day of the respective period.

(2) Determined by averaging the closing rate for each day of the respective period.

On September 26, 2018, the daily exchange rate for one U.S. dollar expressed in Canadian dollars as reported by the Bank of Canada, was \$1.2975. On September 26, 2018, the daily exchange rate for one British Pound expressed in Canadian dollars as reported by the Bank of Canada, was \$1.7094. On September 26, 2018, the daily exchange rate for one Australian dollar expressed in Canadian dollars as reported by the Bank of Canada, was \$0.9418.

CORPORATE STRUCTURE

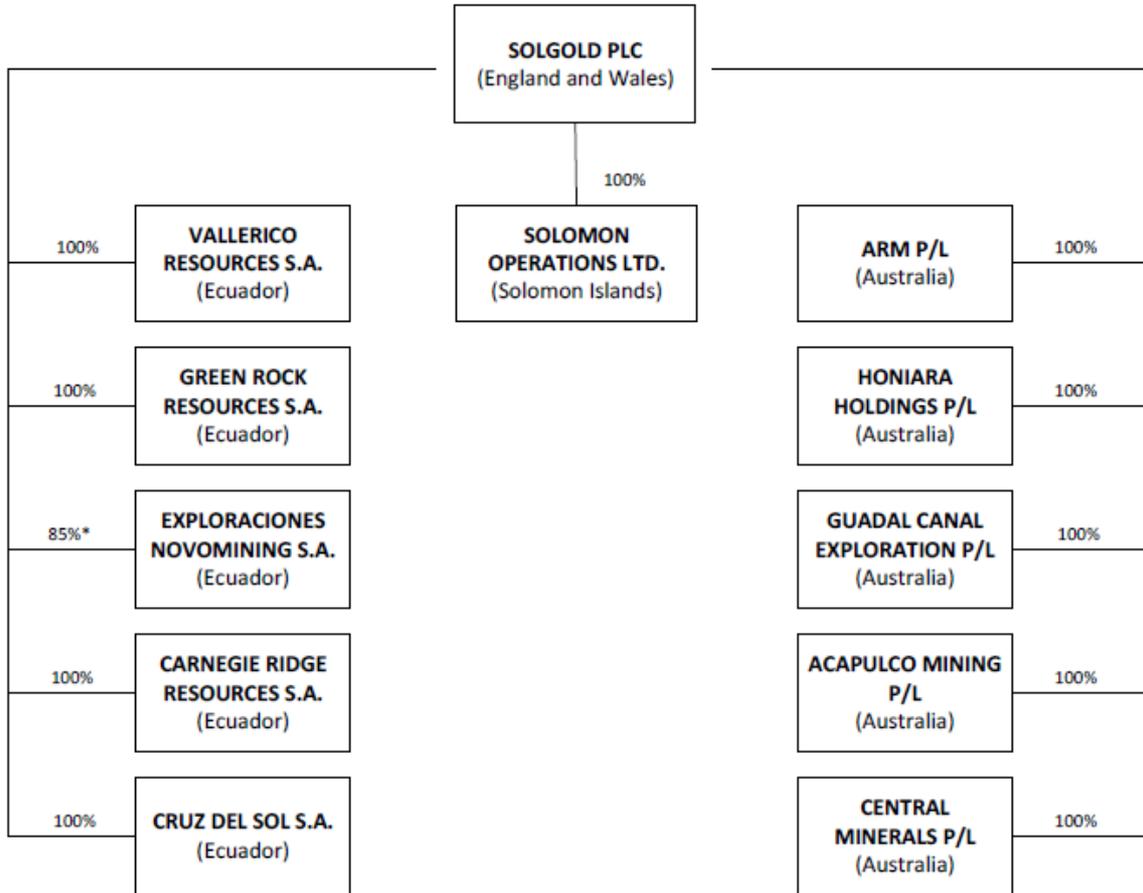
Name, Address and Incorporation

The Company was incorporated and registered in England and Wales on May 11, 2005 under the name "Solomon Gold Limited" pursuant to the *Companies Act 1985* (United Kingdom), as amended (the "UKCA"). On November 16, 2005, the Company was registered as a foreign company under Part 5B.2 of the *Corporations Act* (Australia) and was assigned Australian Registered Body Number 117 169 856. On December 22, 2005, the Company re-registered as a public limited company pursuant to the UKCA under the name "Solomon Gold PLC". On May 28, 2012, the Company changed its name to "SolGold plc". The Company was admitted for trading on the Alternative Investment Market of the London Stock Exchange (the "AIM") under the symbol "SOLG" from February 10, 2006 to October 5, 2017. On October 6, 2017, the ordinary shares in the capital of the Company (the "Ordinary Shares") were listed on the standard listing segment of the Official List of the United Kingdom Listing Authority, admission to trade on the Main Market of the London Stock Exchange (the "Main Market") under the symbol "SOLG" and simultaneously cancelled trading on AIM. The Ordinary Shares have traded on the TSX under the symbol "SOLG" since July 14, 2017. See "*Description of the Company's Business*", "*Description of Capital Structure*" and "*Risk Factors*".

The Company's registered office is located at c/o Locke Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB, United Kingdom. The Company's head office and principal place of business is located at Level 27, 111 Eagle Street, Brisbane, Queensland, Australia. The Company's telephone number is +61 7 3303 0660 and its website address is www.solgold.com.au.

Intercorporate Relationships

The material subsidiaries controlled by the Company, the jurisdictions of incorporation of those subsidiaries and the percentage of voting securities held, directly or indirectly, by the Company, are as follows:



* The Company holds 31,153,092 common shares of Cornerstone Capital Resources Inc. ("**Cornerstone**") (4.93% based on there being 632,469,351 shares of Cornerstone issued and outstanding as at June 30, 2018)**, the entity which holds an indirect interest in the remaining 15% interest in Exploraciones Novomining S.A. ("**ENSA**") through its Ecuadorian subsidiary, Cornerstone Ecuador S.A. ("**CESA**"). Accordingly, through the shares held in Cornerstone, the Company has a further approximate indirect interest in ENSA of 0.74%.

** This information, not being within the knowledge of the Company, is based on Cornerstone's public disclosure, which is available on SEDAR.

DESCRIPTION OF THE COMPANY'S BUSINESS

Business of the Company

SolGold is a Brisbane-based mineral exploration company that carries a diverse portfolio of exploration projects in Ecuador and Australia. SolGold has been focused on mineral exploration in the Andean copper belt in northern Ecuador since 2012. The Cascabel Project is SolGold's sole material project. As of the date of this AIF, the Company has made a number of announcements relating to copper and gold mineralization at the Alpala deposit, one of the mineral deposits at the Cascabel Project. See "*Cascabel Project*".

The Company currently holds interests in the following mineral projects:

Project	Location	Style	Ownership
CASCABEL	Ecuador	Cu-Au Porphyry	SolGold (85% interest)**
BLANCA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHICAL	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
RIO AMARILLO	Ecuador	Cu-Au Porphyry	100% owned
HELIPUERTO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AYANGASA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
COANGOS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
EL CISNE	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SAN SALVADOR	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
ZHUCAY	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
MACHOS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA HUECA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA FLORIDA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA HUECA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SANTA CRUZ	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHILLANES	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
PORVENIR	Ecuador	Cu-Au Porphyry	100% owned
SACAPALCA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SAN ANTONIO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SHARUG	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
TIMBARA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AGUSTIN	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
YATUBI	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AURORA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CARMEN	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
EL DESCANSO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SALINAS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CUMTZA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
RIO MIRA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHIMIUS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
TSAPA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CISNEROS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
YANGUZA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
VICTORIA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
NANGARITZA	Ecuador	Cu-Au Porphyry	100% owned
LOYOLA	Ecuador	Cu-Au Porphyry	100% owned
SALAMPE	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
RANNES	QLD Australia	Au-Ag Epithermal	100% owned
MT PERRY	QLD Australia	Au Mesothermal	100% owned
NORMANBY	QLD Australia	Cu-Au Porphyry	100% owned
CRACOW WEST	QLD Australia	Au Epithermal	100% owned
WESTWOOD	QLD Australia	PGE Layered Intrusion	100% owned
LONESOME	QLD Australia	Au Epithermal	100% owned

* The Company holds 31,153,092 common shares of Cornerstone (4.93% based on there being 632,469,351 shares of Cornerstone issued and outstanding as at June 30, 2018)**, the entity which holds an indirect interest in the remaining 15% interest in ENSA through its Ecuadorian subsidiary, CESA. Accordingly, through the shares held in Cornerstone, the Company has a further approximate indirect interest in ENSA of 0.74%.

** This information, not being within the knowledge of the Company, is based on Cornerstone's public disclosure, which is available on SEDAR.

See "*Other Mineral Projects*".

The success of the Company's exploration, evaluation and development of its mineral properties will be influenced by significant risks, including, but not limited to: project development, financial, economic, legal, operating in a political environment in an emerging market and fluctuations in commodity prices and currency exchange rates, varying levels of taxation. See "*Description of the Company's Business – Emerging Market Issuer*" and "*Risk Factors*".

History

The Company was incorporated on May 11, 2005, and its primary focus has since been to acquire, explore and, if appropriate, develop precious metal properties in Ecuador, the Solomon Islands and Australia. The following is a summary of the Company's development over the 3 most recently completed financial years.

Fiscal Year 2016

On October 2, 2015, the Company issued convertible note deeds to its substantial shareholders, DGR Global Limited ("**DGR Global**") and Tenstar Trading Limited ("**Tenstar**"), for funding of A\$1,250,000 and £500,000, respectively (the "**Convertible Note Deeds**"). The Convertible Note Deeds were subject to an interest rate of 9.5% per annum for a term of 12 months, with interest payable at the end of each calendar month. Any accrued and unpaid interest could be capitalised at the noteholder's election. The convertible notes (the "**Convertible Notes**") issued pursuant to the Convertible Note Deeds could also be converted in full or in part, at any time, into fully-paid Ordinary Shares at the higher of 1.75 pence or the price equal to 80% of the 5 trading day volume-weighted average prices ("**VWAP**") of the Ordinary Shares prior to the date of a notice of intention to convert.

On October 22, 2015, GMP Securities Europe LLP ceased its role as joint corporate broker of the Company.

On January 8, 2016, the Company entered into an engagement letter with Medea Capital Partners Ltd. (the "**Medea Engagement Letter**"), whereby Medea Capital Partners Ltd. ("**MCP**") agreed to act as a strategic consultant to the Company in respect of:

- an initial capital raising of £3,500,000 from MCP and MCP's clients ("**Phase 1**"); and
- subject to completion of Phase 1, a subsequent capital raising to fund a feasibility study for the Cascabel Project ("**Phase 2**").

In respect of Phase 1, the Company agreed to pay MCP a fee equal to 2% of the funds raised by equity securities issued to investors introduced by MCP. In addition, the Company agreed to issue such number of warrants exercisable for Ordinary Shares as equal the product of 2% of the amount of funds raised in Phase 1, divided by £0.01875 (which divisor will be the exercise price per warrant). The warrants are to be transferable, and are to have an exercise period of 3 years from issue.

In respect of Phase 2, the Company agreed to pay MCP the following fees:

- an amount of £1,500 per man-day of work undertaken by MCP (there being 3 MCP personnel that were to undertake work for the Company pursuant to the terms of the Medea Engagement Letter). The fees were to be paid in cash or in Ordinary Shares, at the Company's discretion;
- upon the execution of a Committed Term Sheet (as defined in the Medea Engagement Letter) with an investor, a fee equal to 0.5% of the funds to which the investor commits to provide (whether by way of the issue of equity or debt instruments). In addition, the Company shall issue such number of warrants to subscribe for Ordinary Shares as is equal to the product of 0.5% of the amount of funds raised, divided by an amount equal to 125% of the 30-day VWAP (which divisor will be the exercise price per warrant). The warrants are to be transferable, and have an exercise period of 3 years from issue; and

- a fee equal to 0.5% of the funds raised by the Company through the issue of either equity or debt securities. In addition, the Company agreed to issue such number of warrants to subscribe for Ordinary Shares as is equal to the product of 0.5% of the amount of funds raised, divided by an amount equal to 125% of the 30 day VWAP (which divisor will be the exercise price per warrant). The warrants are to be transferable, and have an exercise period of 3 years from issue.

In addition, the Company is to pay MCP's costs related to the engagement. The Medea Engagement Letter provides for the various fees outlined above to become payable if the Company undertakes a capital raising involving investors introduced by MCP within 12 months of the Medea Engagement Letter being terminated other than where MCP terminates without cause or SolGold terminates for a material breach of the Medea Engagement Letter by MCP or misrepresentation.

As of the date of this AIF, no money has been raised nor have any options to purchase Ordinary Shares of the Company ("**Options**") been issued by the Company pursuant to the Medea Engagement Letter.

On March 7, 2016, the Company announced that the Convertible Notes issued by the Company pursuant to the Convertible Note Deeds on October 2, 2015, together with interest accrued thereunder, were converted at 2.3 pence per Ordinary Share, being 80% of the 5-day VWAP prior to allotment. A total of 50,271,739 Ordinary Shares were issued to DGR Global and Tenstar from the conversion of all of the Convertible Notes.

In addition, a total of 2,142,457 Ordinary Shares were issued to DGR Global and Tenstar in lieu of interest due to them in connection with the Convertible Note Deeds. On the same day, DGR Global elected to convert a number of other loans it provided the Company, with an aggregate principal amount equal to approximately £805,803, into 35,034,896 Ordinary Shares at 2.3 pence per Ordinary Share. The issue price exceeded the VWAP over the period since October 2015, during which the loans were made. No interest had accrued on this amount.

As a result of the conversion of the Convertible Notes issued pursuant to the Convertible Note Deeds listed above, DGR Global's holdings increased from 87,850,773 Ordinary Shares to 152,532,214 Ordinary Shares (representing approximately 15.99% of the then issued and outstanding Ordinary Shares) and Tenstar's holdings increased from 122,050,411 Ordinary Shares to 144,818,062 Ordinary Shares (representing approximately 15.18% of the then issued and outstanding Ordinary Shares).

On May 13, 2016, the Company subscribed for 10,000,000 common shares of Cornerstone (the "**Cornerstone Shares**") in consideration for C\$500,000 aggregate in cash. Following the completion of the subscription, the Company held approximately 31,153,092 Cornerstone Shares or approximately 10.93% of the issued and outstanding capital of Cornerstone.

Fiscal Year 2017

On July 8, 2016, the Company announced that it had entered into a term sheet with Maxit Capital LP ("**Maxit Capital**") for a private placement for gross proceeds of up to US\$20,000,000, comprised of a subscription of up to 238,475,000 Ordinary Shares by Maxit Capital and any third parties designated by Maxit Capital or the Company.

On August 1, 2016, the Company announced that it had entered into a revised term sheet with Maxit Capital for a private placement for gross proceeds of up to US\$36,500,000, comprised of a subscription of up to 268,800,000 Ordinary Shares by Maxit Capital and any third parties designated by Maxit Capital or the Company, at US\$0.08 per Ordinary Share, for gross proceeds of US\$21,500,000 and an Option to purchase additional Ordinary Shares for up to a further US\$15,000,000.

On August 16, 2016, the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) entered into a share subscription agreement (the "**Maxit Subscription Agreement**") pursuant to which Maxit Capital subscribed for 12,501,565 Ordinary Shares at a price of US\$0.08 per Ordinary Share (the "**Initial Maxit Subscription**"). Under the Maxit Subscription Agreement, Maxit Capital was granted the right to nominate a director to be appointed as a director of the board of directors of SolGold (the "**Board**"), provided that Maxit Capital's percentage interest in the issued and outstanding Ordinary Shares did not, as a result of the voluntary sale of Ordinary Shares by Maxit Capital, fall below

a 1.02% interest. Certain fees were payable to Maxit Capital under the Maxit Subscription Agreement relating to: (i) the Initial Maxit Subscription; (ii) Maxit Capital's role in arranging the conversion by DGR Global of approximately US\$4,398,000 of debt into approximately 54,862,500 Ordinary Shares; and (iii) Maxit Capital's role in arranging the subscription for 181,687,500 Ordinary Shares by a number of other subscribers. These fees were satisfied by the Company through the issuances of 11,758,038 Ordinary Shares, 5,879,019 Options to purchase Ordinary Shares at 14 pence and 5,879,019 Options to purchase Ordinary Shares at 28 pence to Maxit Capital. For more information regarding the Maxit Subscription Agreement, see "*Maxit Subscription Agreement*".

On August 30, 2016, SolGold announced that it had entered into a conditional share subscription with Newcrest International Pty Ltd. ("**Newcrest International**"), a wholly-owned subsidiary of Newcrest Mining Limited ("**Newcrest Mining**"). The agreement provided for the investment by Newcrest International of US\$10,868,592 in exchange for 135,857,401 Ordinary Shares at US\$0.08 per Ordinary Share, subject to SolGold shareholder approval. Under the agreement (the "**Newcrest Subscription Agreement**"), subject to Newcrest International holding more than 10% of the share capital of SolGold, Newcrest International has a right (but not an obligation) to appoint a director to the Board. For more information regarding the Newcrest Subscription Agreement, see "*Newcrest Subscription Agreement*".

On September 9, 2016, the Company announced that, pursuant to the Maxit Subscription Agreement, Maxit Capital appointed Scott A. Caldwell to join the Board as a Non-Executive Director.

On September 22, 2016, the Company announced that it had received a superior investment proposal to the conditional share subscription with Newcrest International. The superior investment proposal was made by Maxit Capital, offering to either: (i) arrange a cash investment into SolGold at a price of US\$0.16 per Ordinary Share, for a total of US\$20,000,000; or (ii) jointly subscribe with Newcrest International for total proceeds to the Company of US\$33,000,000, whereby Newcrest International would subscribe for 10% of the capital of SolGold (10% then being 142,896,661 Ordinary Shares) at US\$0.16 per Ordinary Share for an aggregate of US\$22,863,000, and Maxit Capital and its clients would subscribe for 4.43% of the capital of SolGold (4.43% then being 63,353,338 Ordinary Shares) at US\$0.16 per Ordinary Share, for an aggregate of US\$10,137,000.

On September 26, 2016, the Company announced that, in response to the superior investment proposal made by Maxit Capital, the Company had entered into conditional agreements with Maxit Capital and Newcrest International for the subscription by Maxit Capital and Newcrest International for a total of US\$33,000,000, whereby Newcrest International would subscribe for 142,896,661 Ordinary Shares at US\$0.16 per Ordinary Share for an aggregate of US\$22,863,000, and Maxit Capital and its clients would subscribe for 63,353,338 Ordinary Shares at US\$0.16 per Ordinary Share for an aggregate of US\$10,137,000.

On October 10, 2016, in connection with the conditional agreements entered into with each of Maxit Capital and Newcrest International, the Company announced that it had received an alternative investment and earn-in proposal from BHP Billiton plc ("**BHP Billiton**") (by way of Minera Spence S.A. or a nominated affiliate) to acquire a 10% interest of SolGold for US\$30,000,000, at an implied price of US\$0.22 per Ordinary Share. The offer also included a right in favour of BHP Billiton to appoint a director to the Board and an earn-in to the Cascabel Project in favour of BHP Billiton, entitling BHP Billiton to acquire 70% of ENSA out of SolGold's 85% interest in ENSA in consideration for US\$275,000,000. The Company advised its shareholders that the Board (with Scott A. Caldwell abstaining) does not recommend the alternative investment and earn-in proposal from BHP Billiton, as it believes the proposal is not in the best interests of SolGold and its shareholders, and that it is not a superior proposal in comparison to the previously announced US\$33,000,000 financing with Maxit Capital and Newcrest International.

On October 11, 2016, the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) entered into a second tranche share subscription agreement (the "**Maxit Second Tranche Subscription Agreement**"), pursuant to which Maxit Capital subscribed for 10,347,089 Ordinary Shares at a price per Ordinary Share of US\$0.16 (the "**Maxit Second Tranche Subscription**"). Certain fees were payable to Maxit Capital under the Maxit Second Tranche Subscription Agreement relating to the Maxit Second Tranche Subscription and its role in arranging the subscription for 53,006,250 Ordinary Shares by a number of other subscribers. These fees were satisfied by the Company through the issue of 7,833,730 Ordinary Shares, 3,916,865 Options to purchase Ordinary Shares at 14 pence and 3,916,865 Options to purchase Ordinary Shares at 28 pence to Maxit Capital. For more information, see "*Maxit Second Tranche Subscription Agreement*".

On October 14, 2016, following shareholder approval, the Company issued a total of 63,353,339 Ordinary Shares at US\$0.16 per Ordinary Share, for an aggregate of US\$10,136,534 to Maxit Capital and clients of Maxit Capital.

On October 17, 2016, following shareholder approval, the Company issued a total of 142,896,661 Ordinary Shares at US\$0.16 per Ordinary Share for an aggregate of US\$22,863,466 to Newcrest International.

On January 31, 2017, the Company issued and allotted 100,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein). The allotment to Newcrest International was priced at 29.9 pence per Ordinary Share, based on a 10-day VWAP.

On March 1, 2017, the Company issued and allotted 240,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein). The allotment to Newcrest International was priced at 38.4 pence per Ordinary Share, based on a 10-day VWAP.

On March 3, 2017, the Company announced that, pursuant to the Newcrest Subscription Agreement, Newcrest International appointed Craig Jones to join the Board as a Non-Executive Director. Mr. Jones' appointment was ratified at the Company's annual general meeting on July 28, 2017.

On March 21, 2017, the Company entered into an administrative services agreement with DGR Global (the "**Administration Services Agreement**"), whereby DGR Global agreed to provide administration services to SolGold from time to time, in exchange for a service fee in the amount of \$30,000 per month. For more information, see "*Administration Services Agreement*".

On May 30, 2017, the Company announced that it was granted 38 mineral concessions across Ecuador, totalling at least 128,760 km². The granted concessions form 14 project areas over individual porphyry systems: Rio Amarillo; Chillanes; San Antonio; Salinas, Salampe, Yatubi; Agustin; Sharug; Porvenir; Helipuerto; Blanca; Sacapala; Timbara; PIÑAS; Chical and Rio Mira. These new concessions are all located on the Andean copper belt and are 100% indirectly owned by the Company, through the Company's Ecuadorian subsidiary companies.

On June 19, 2017, Scott Caldwell resigned from his position as a Non-Executive Director of the Company.

On June 22, 2017, the Company announced the completion of its offering of 78,889,080 Ordinary Shares at 41 pence per Ordinary Share to raise gross aggregate proceeds of US\$41,230,000 (the "**June 2017 Offering**"). Newcrest International subscribed for US\$40,000,000 Ordinary Shares under the June 2017 Offering, which increased Newcrest International's holding to 219,772,271 Ordinary Shares, representing 14.54% of the then issued and outstanding share capital of the Company. For more information, see "*Newcrest Subscription Agreement*".

On June 23, 2017, the Company entered into a consultancy agreement (the "**Samuel Consultancy Agreement**") with Samuel Capital Pty Ltd. ACN 078 336 044 ("**Samuel**"), a company associated with Nicholas Mather, chief executive officer ("**CEO**") and Managing Director of the Company, pursuant to which Samuel is engaged as an independent contractor to the Company. For more information, see "*Samuel Consultancy Agreement*".

Fiscal Year 2018

In July 2017, the Board adopted a share incentive plan (the "**Share Incentive Plan**"). The Share Incentive Plan was approved by shareholders at the Company's annual general meeting on July 28, 2017. For more information, see "*Options to Purchase Securities – Share Incentive Plan*".

On July 14, 2017, the Company commenced trading on the Toronto Stock Exchange ("**TSX**") under the trading symbol "SOLG".

On July 21, 2017, the Company announced its intention to apply for admission to list its Ordinary Shares on the standard listing segment of the Official List of the United Kingdom Listing Authority, admission to trade on the Main Market and cancellation of trading on the AIM.

On July 28, 2017, the Company passed a resolution that generally and unconditionally authorizes the directors of the Company to exercise all the powers of the Company to allot Ordinary Shares in the Company or grant rights to subscribe for or to convert any securities into Ordinary Shares up to a maximum aggregate nominal amount of £6,000,000. This authority will expire at the earlier of: (a) the conclusion of the next annual general meeting of the Company; and (b) October 28, 2018. Notwithstanding the foregoing, if before the expiry of this authority, the Company makes an offer or agreement which would or might require securities to be allotted after such expiry, the directors of the Company may allot the securities in pursuance of such an offer or agreement as if the authority conferred had not expired. This resolution revokes and replaces all unexercised authorities previously granted to the directors of the Company to allot shares or grant rights for or to convert any securities into shares, but without prejudice to any allotment of shares or grants of rights already made, offered or agreed to be made pursuant to such authorities.

On July 28, 2017, the Company passed a special resolution that authorizes the directors of the Company to allot equity securities, up to the aggregate nominal amount of £6,000,000, without requiring that such equity securities first be offered to existing shareholders pro rata to their holdings. This authority will expire at the earlier of: (a) the conclusion of the next annual general meeting of the Company; and (b) October 28, 2018. Notwithstanding the foregoing, if before the expiry of this authority, the Company makes an offer or agreement which would or might require securities to be allotted after such expiry, the directors of the Company may allot the securities in pursuance of such an offer or agreement as if the authority conferred had not expired.

On August 11, 2017, the Company issued and allotted 690,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein). The allotment to Newcrest International was priced at 38.16 pence per Ordinary Share, based on a 10-day VWAP.

On August 18, 2017, the Company announced that it expects this admission to trade on the Main Market and simultaneous cancellation of trading on AIM to occur on October 6, 2017, subject to receipt of the necessary approvals.

On August 29, 2017, the Company announced that it was granted 21 mineral concessions across totaling 249,608 hectares in addition to those granted in May 2017. The granted concessions form an additional 6 project areas over individual porphyry systems: Ayangasa; Coangos; El Cisne; Zhucay; Machos and La Hueca. These new concessions are 100% owned by the Company, through the Company's Ecuadorian subsidiary companies.

On October 2, 2017, the United Kingdom Listing Authority approved the Company's prospectus to list its Ordinary Shares on the Main Market.

On October 6, 2017, the Ordinary Shares commenced trading on the Main Market under the symbol "SOLG" and simultaneously cancelled trading on the AIM.

On November 8, 2017, the Company announced that it had entered into an agreement with a syndicate of underwriters led by National Bank Financial Inc. and Canaccord Genuity Corp. (the "**Underwriters**"), pursuant to which the Underwriters agreed to purchase, on a bought deal private placement basis, 180,000,000 Ordinary Shares at a price of 25 pence (C\$0.42) per Ordinary Share, for aggregate gross proceeds of £45,000,000 (C\$75,600,000) (the "**November 2017 Private Placement**").

In connection with the November 2017 Private Placement, the Company and the Underwriters entered into an underwriting agreement dated November 30, 2017 (the "**November 2017 Underwriting Agreement**"). Certain fees were payable to the November 2017 Underwriting Agreement relating to the November 2017 Private Placement and the role the Underwriters played in the offering of 180,000,000 Ordinary Shares. These fees were satisfied by the Company through the payment of cash equal to 3.0% of the aggregate gross proceeds from the sale of Ordinary Shares in connection with the November 2017 Private Placement.

In connection with the November 2017 Private Placement and pursuant to Newcrest International's Top-Up Right (as defined herein) under the Newcrest Subscription Agreement, Newcrest International subscribed for 26,172,000 Ordinary Shares.

On November 30, 2017, the Company announced the closing of the November 2017 Private Placement. The Company used the gross proceeds from the November 2017 Private Placement for exploration and studies to advance its Cascabel Project, regional exploration in Ecuador, working capital and general corporate purposes.

On January 3, 2018, the Company announced the results of maiden mineral resource estimate ("**MRE**") for the Alpala deposit at the Cascabel Project.

On January 30, 2018, the Company announced the results of its annual general meeting held on the same date, pursuant to which the shareholders of the Company approved, among other things, the amendment of the Company's Articles to reflect the transition of the Company from the AIM to the Main Market and to make certain other updates.

On May 1, 2018, the Company announced the appointment of James Clare to join the Board as a Non-Executive Director and the appointment of Eduardo Valenzuela as Study Manager of the Company.

Events Subsequent to Fiscal Year 2018

On July 2, 2018, the Company disclosed the sale of 850,000 Ordinary Shares at a price of 21.25 pence per Ordinary Share for aggregate gross proceeds of £180,625, by The Mather Foundation Limited, a Philanthropic Auxiliary Foundation Trust Fund, of which the Company's CEO, Nicholas Mather, is a Director. The sale represented less than 1% of the total shareholdings associated with Mr. Mather in the Company.

On July 5, 2018, the Company announced the grant of 21,250,000 Options to the Company's key employees of the Company exercisable at 40 pence, expiring on July 4, 2020, and the grant of 250,000 Options to a third party as part of their services contract exercisable at 60 pence, expiring on July 4, 2021.

On September 5, 2018, the Company announced that it was informed by BHP Billiton that as a result of the purchase of Ordinary Shares from Guyana Goldfields Inc., BHP Billiton acquired an interest in 103,125,000 Ordinary Shares representing approximately 6.1% of the Company's issued share capital as at such date.

Corporate Strategy

The Company's corporate strategy is to:

- create wealth for its shareholders by exploring, discovering and defining inventories of, but not limited to, copper and gold metal;
- primarily focus on copper and gold, taking up the growth potential and increasing global demands;
- target regions with high-grade deposits;
- target lower-scale exploration opportunities to enable low cost entry into mineral projects and prospects;
- focus on a disciplined and systematic approach to exploration;
- maximize shareholder funds on "in the ground" exploration expenditure as a proportion of the total budget in order to generate high-quality results;
- secure additional exploration projects by applying for new tenements and/or farm-in style agreements;
- undertake an on-going review of potentially "value accretive" opportunities that are presented to the Company from time to time;

- respect the communities and environment in which it operates; and
- maintain a strong focus on health and safety for employees and contractors.

SolGold aims to capitalize on the growth potential for copper where global urbanization increases copper demand. The Company is focused on two types of metals: copper and gold. At the same time, SolGold seeks to continue its commitment to corporate social responsibility, which includes its commitment to: (i) the health and safety of its employees and contractors; and (ii) to the environmental sustainability of the communities in which it conducts exploration. The Company aims to maintain its outstanding safety record and to ensure that its employees are properly trained and use planned and controlled safety procedures. In addition, the Company intends to continue expanding its environmental and social management programs which were first established in 2012.

SolGold strives to build strong community relations with the communities at the Cascabel Project, and sponsors a number of community enterprises as well as engages in environmental monitoring studies and rehabilitation programs.

Exploration Strategy

At the Cascabel Project, the benefits of corporate deals with Newcrest Mining and Maxit Capital were realised with exploration fully funded for coming years as drilling continued to expand the Alpala deposit. A review of drilling results has clarified significant 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.

The Company delivered a maiden inferred mineral resource estimate on the Cascabel Project and is currently directing drilling capability and operations currently to the collection of necessary data to complete a prefeasibility assessment by end 2018.

The Company's exploration strategy includes the following elements:

- capitalization of the Company's history of successful discoveries of mineral resources;
- detailed due diligence of project opportunities;
- a disciplined approach to the evaluation of projects to generate exploration datasets, that may include some of all of the following exploration activities: (i) geological mapping; (ii) stream, soil and rock chip geochemical sampling; and (iii) geophysical surveying;
- generation of robust drill targets testing mineralization deposit models based on multiple exploration datasets; and
- drill testing targets to define potentially economic mineral resources that the Company may develop to the feasibility study stage.

SolGold has experience at both the operational management and the Board level to define and develop mineral resources from discovery through to feasibility and development. SolGold hopes to remain engaged in project generation globally, targeting tectonically fertile areas and countries which have potential to experience growth in the next mining upturn, as well as streamlining the development of its assets in Australia.

In Ecuador, the Company seeks to acquire high-grade projects, advance the Cascabel Project and obtain additional tenements.

At the Cascabel Project, the Company aims to continue realising benefits from its corporate transactions with Newcrest Mining and Maxit Capital, as the Company's exploration spreads beyond the Alpala deposits. A review of drilling

results has clarified high-grade intersections at updated metal prices, and geology model analyses continue to improve drill targeting capabilities.

SRK Exploration was commissioned to qualify complex geological modelling and to draft the Cascabel Technical Report which covers the Alpala deposit. The Alpala deposit is larger than previously understood by SolGold management. The Cascabel Technical Report provides a maiden mineral resource estimate at the Alpala deposit, prepared in accordance with NI 43-101. The maiden mineral resource estimate uses approximately 53,616 m of drilling information from 45 drill holes including 10 wedged daughter holes, representing the logged and sampled core for which assay results have been received as of December 18, 2017.

Additional porphyry copper-gold targets within the Cascabel Project require significant further drill testing, with supplementary drilling anticipated for resource definition at additional targets.

The drilling program was accelerated during the year with the mobilisation of an additional 8 drill rigs, increasing the drill fleet from 4 to 12 deep hole directional diamond drill rigs, producing approximately 30 m per day per rig. The bolstered drilling fleet numbers along with of custom drilling fluid programs, and the use of sediment removal and directional drilling techniques has resulted in cost per metre reduction of over 40% during the year.

During 2017/2018, the Cascabel Project drilling fleet completed approximately 112,300 m of drilling, with 81,700 m completed at the Alpala deposit and approximately 3,600 m at the Aguinaga prospect.

At the Alpala deposit, the drilling program has focused on delineating the geometry and geological character of the Alpala deposit. Understanding of the Alpala system and global porphyry systems has provided additional knowledge that the Company is applying in the exploration of other targets in the Cascabel Project as well as targets at regional projects.

Drilling assay results from Holes 28 to 55R were received during the 2017/2018 year, with assay results from infill drilling at the Alpala deposit reveals a far more robust high-grade core than previously modelled, and major growth is expected in a second updated mineral resource estimate at the Alpala deposit later in December 2018.

Drilling assay results from Holes 28 to 55R were received during the 2017/2018 year, with assay results from infill and extension drilling at the Alpala deposit revealing a far more robust deposit than previously modelled, as exemplified (for example) by resource extension drill holes 33, 37, 42 and 49, and by infill drill Holes 41-D1, 41-D1-D2, 43, 55R and 57.

Hole	Assays Copper Equivalent (CuEq)	Description
Hole 33	824 m @ 0.80%, including 576 m @ 0.93%, and 170 m @ 1.48%	Resource extension – Western Lobe
Hole 37	842 m @ 0.44%, including 198 m @ 0.74%	Resource extension – Alpala NW
Hole 42	728 m @ 1.06%, including 388 m @ 1.44%, and 254 m @ 1.78%	Resource extension – Western Lobe
Hole 49	850 m @ 0.66%, including 444 m @ 0.83%, 268 m @ 1.12%, and 120 m @ 1.57%	Resource extension – Alpala NW and Trivinio
Hole 41-D1	756 m @ 0.82%, including 386 m @ 1.19%, and 252m @ 1.53%	Resource infill – Alpala Central
Hole 41-D1-D2	853 m @ 0.91%, including 582 m @ 1.18%, 340 m @ 1.54%, 146 m @ 2.32%	Resource infill – Alpala Central
Hole 43	898 m @ 0.76%, including 478 m @ 1.02%, and 160m @ 1.56%	Resource infill and Extension – Alpala Central
Hole 55R	1,062 m @ 1.02%, including 548 m @ 1.36%, and 220 m @ 2.07%	Resource infill – Alpala Central

Hole	Assays Copper Equivalent (CuEq)	Description
Hole 57	832 m of visible copper sulphide mineralisation, including 304m of intense visible copper sulphide mineralisation	Assay results pending

Drill hole intercepts have been updated to reflect current commodity prices, using a data aggregation method, defined by Cu equivalent cut-off grades and reported with up to 10 m internal dilution, excluding bridging to a single sample. Cu equivalent grades are calculated using a gold conversion factor of 0.63, determined using an updated copper price of US\$3.00 per pound and an updated gold price of US\$1,300 per ounce. True widths of down hole intersections are estimated to be approximately 25% to 50%.

Geologists expect significant increase in the grade, extent and continuity of the resources in a second mineral resource estimate including a significant increase in the high-grade core tonnage and grade. This expectation is based on better understanding of the Alpala deposit through observations achieved from higher density drilling. Drilling continues to demonstrate strong mineralisation in drill holes outside the current inferred and indicated resource blocks along with strong assay results from infill drilling within the existing core of the Alpala deposit.

Geological activities undertaken during the 2017/2018 reporting period were focused on refining drill targets at the Alpala deposit and its satellite prospects at the Cascabel Project. This work included geological, structural and spectral alteration mapping, in conjunction with soil gridding, auger mapping, 3D IP geophysics, mineragraphic and petrographic studies, as well as geological and geochemical 3D modelling.

At the Aguinaga prospect, SolGold continues drill testing the 5 targets identified at the Aguinaga prospect. The drilling program is in its initial stages with 5 holes completed, totaling approximately 3,600 m. To date, drilling has intersected zones of strongly mineralised host rock, intra-mineral dykes, and late dykes and breccias. The mineralisation source intrusion is yet to be encountered. The initial drilling at the Aguinaga prospect has thus far demonstrated a vertical column to the mineralising system of more than 600 m, and a width of approximately 320 m over a length exceeding 700 m.

Country wide generative work was initiated in 2012 to acquire top quality projects in this emerging mining country. While this work continues, SolGold has emerged as the largest concession holder in Ecuador. SolGold subsidiaries currently hold 72 granted tenements for approximately 3,200 km², in addition to the Company's Cascabel Project. These tenements cover the targets previously identified in the study of potential prospective porphyry centres throughout the northern Andean copper belt in Ecuador. Teams of the Company's geologists are on the ground throughout Ecuador conducting initial baseline data collection and identifying prospective targets for follow-up exploration.

Over the past year, first pass reconnaissance mapping, stream sediment geochemistry, and detailed geological mapping over target areas has rapidly covered most of the 72 concessions. Based on the results of this initial exploration, a list of 10 priority targets have been identified for second phase exploration. The 10 priority projects are: Blanca, Rio Amarillo, La Hueca, Cisne Loja, Porvenir, Timbara, Chillanes, Salinas, Sharug and El Cisne. Ongoing exploration will focus on advancing these priority projects, through detailed geological mapping, soil geochemistry and geophysical surveys (where necessary), with a view to progress to drill testing as soon as permissions are in place.

Initial mapping campaigns have been very encouraging with widespread areas of hydrothermal alteration identified which are considered highly prospective for porphyry and epithermal style mineralisation. Initial rock chip samples taken of altered outcrops have returned values as high as 12% Cu. Regional geology teams are commencing systematic stream sediment sampling and panned concentrate programs over the prospective tenements. From the stream and panned concentrate results, gridded soil programs will be planned to identify targets to be drilled in due course.

In the Solomon Islands, SolGold has streamlined its in-country presence after drill testing reduced the prospectivity for economic resources at the Fauro, Koloula and Malakuna tenements. No further exploration work was carried out on these tenements. The aforementioned tenements, along with all other tenements in the Solomon Islands (including the Kuma and Mbetilonga tenements), were subsequently relinquished.

SolGold, through its wholly owned subsidiary ARM, has since subsequently re-applied for the Kuma and Mbetilonga prospecting licences. During the year, the Kuma project in Guadalcanal has re-emerged as a significant porphyry copper-gold target upgraded by recent geochemical and spectral work by Guadalcanal Exploration Pty Ltd. While the Board does not believe that there is any reason that the Kuma project application will not be granted, there can be no guarantee that this will be the case.

In Australia, drill testing of porphyry style copper-gold mineralisation at the Normanby project, in northern Queensland commenced in early July 2017. A total of 518 m of RC drilling from 7 RC drill holes and 89.2 m of diamond coring from 1 drill holes was completed at the time of writing. 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 remain pending.

A reassessment of the range of other projects held in Queensland resulted in definition of detailed work programs that will be put in place as exploration funds become available.

Emerging Market Issuer

Ecuadorian Properties

In order to hold and maintain good title in its Ecuadorian property interests, the Company and its subsidiaries must comply with all laws and regulations concerning the granting and governing of mineral licences, including, amongst others:

- payment of the annual licence fees and reclamation fund fee;
- submission of exploration / mining work plans and reports;
- compliance with occupational health and safety requirements; and
- protection of the environment.

Similarly, the Company and its subsidiaries must comply with any common practices of the state authorities and/or courts of Ecuador (for example, maintaining regular channels of communication and attendance at regular meetings as requested from time to time). Failure to comply with any statutory or practical requirements could trigger suspension of the mining activities or revocation of the mineral licences held by the offending subsidiaries.

The Company also has a syndicated insurance policy in place for political risk insurance through the Company's global insurance broker. If the policy is triggered by a relevant event, it will entitle the Company to reimbursement to the extent of its expenditure on the project. The policy has recently been extended to a maximum of US\$100 million in coverage and expires in September 2020.

Legal Right to Conduct Operations

The current Ecuadorian legislative regime requires that a mining corporation and the Ecuadorian Government enter into an exploitation contract prior to the exploitation of natural resources. Under Ecuadorian law, any mineral resources existing above or below ground are owned by the state. In order to undertake mineral surveys, or exploration/exploitation activities, the Company (or its subsidiaries) must obtain certain exploration and/or mining licences from the relevant authorities in Ecuador. In order to validly hold the relevant licences, the legal entities must be established and registered as taxpayers in Ecuador. Additionally, any business activity intended to be carried out by an entity under a mineral licence must be recorded in the company charter, and state registration certificate, of that entity prior to the commencement of the business activity.

See "*Cascabel Project – Mineral Rights in Ecuador*"

Licences

The following subsidiaries of the Company have been validly established under the laws of Ecuador, are registered as taxpayers and hold the following mineral licences in Ecuador:

- ENSA;
- Carnegie Ridge Resources S.A.;
- Green Rock Resources S.A.;
- Cruz del Sol S.A.; and
- Valle Rico Resources S.A.

These subsidiaries currently hold the mineral concessions in Ecuador set forth in the following table:

Name of Concession	Name of Subsidiary	Location (Province)
CASCABEL	ENSA	Imbabura
AGUSTIN 1	Valle Rico Resources S.A.	Los Rios
AGUSTIN 2	Valle Rico Resources S.A.	Cotopaxi
AGUSTIN 3	Valle Rico Resources S.A.	Cotopaxi
AURORA 1	Valle Rico Resources S.A.	Esmeraldas
AURORA 2	Valle Rico Resources S.A.	Esmeraldas
AYANGASA 1	Cruz del Sol S.A.	Morona Santiago
AYANGASA 2	Cruz del Sol S.A.	Morona Santiago
BLANCA	Carnegie Ridge Resources S.A.	Carchi
CARMEN	Green Rock Resources S.A.	Azuay
CHICAL 1	Carnegie Ridge Resources S.A.	Carchi
CHICAL 2	Carnegie Ridge Resources S.A.	Carchi
CHICAL 3	Carnegie Ridge Resources S.A.	Carchi
CHILLANES	Green Rock Resources S.A.	Chimborazo
CHIMIUS	Cruz del Sol S.A.	Morona Santiago
CHIMIUS 2	Cruz del Sol S.A.	Morona Santiago
CHIMIUS 3	Cruz del Sol S.A.	Morona Santiago
CISNEROS	Cruz del Sol S.A.	Morona Santiago
COANGOS	Cruz del Sol S.A.	Morona Santiago
COANGOS 2	Cruz del Sol S.A.	Morona Santiago
CUMTZA 1	Cruz del Sol S.A.	Morona Santiago
CUMTZA 2	Cruz del Sol S.A.	Morona Santiago
EL CISNE	Cruz del Sol S.A.	Morona Santiago
EL CISNE 1A	Green Rock Resources S.A.	Azuay
EL CISNE 1B	Green Rock Resources S.A.	Azuay
EL CISNE 2A	Green Rock Resources S.A.	Loja
EL CISNE 2B	Green Rock Resources S.A.	Loja
EL CISNE 2C	Green Rock Resources S.A.	Loja

Name of Concession	Name of Subsidiary	Location (Province)
EL DESCANSO 1A	Valle Rico Resources S.A.	Santo Domingo de los Tsachilas
EL DESCANSO 1B	Valle Rico Resources S.A.	Pichincha
HELIPUERTO	Cruz del Sol S.A.	Morona Santiago
HELIPUERTO 2	Cruz del Sol S.A.	Morona Santiago
HELIPUERTO 3	Cruz del Sol S.A.	Morona Santiago
HELIPUERTO 4	Cruz del Sol S.A.	Morona Santiago
LA FLORIDA	Cruz del Sol S.A.	Zamora Chinchipe
LA HUECA	Cruz del Sol S.A.	Zamora Chinchipe
LOYOLA	Green Rock Resources S.A.	Zamora Chinchipe
MACHOS 1	Cruz del Sol S.A.	Zamora Chinchipe
MACHOS 2	Cruz del Sol S.A.	Zamora Chinchipe
NANGARITZA 1	Green Rock Resources S.A.	Zamora Chinchipe
NANGARITZA 2	Green Rock Resources S.A.	Zamora Chinchipe
PORVENIR 1	Green Rock Resources S.A.	Zamora Chinchipe
PORVENIR 2	Green Rock Resources S.A.	Zamora Chinchipe
PORVENIR 3	Green Rock Resources S.A.	Zamora Chinchipe
PORVENIR 4	Green Rock Resources S.A.	Zamora Chinchipe
RIO AMARILLO I	Carnegie Ridge Resources S.A.	Imbabura
RIO AMARILLO II	Carnegie Ridge Resources S.A.	Imbabura
RIO AMARILLO III	Carnegie Ridge Resources S.A.	Imbabura
RIO MIRA	Carnegie Ridge Resources S.A.	Carchi
SACAPALCA 1	Green Rock Resources S.A.	Loja
SACAPALCA 2	Green Rock Resources S.A.	Loja
SALAMPE	Valle Rico Resources S.A.	Los Rios
SALINAS	Valle Rico Resources S.A.	Los Rios
SALINAS 1	Valle Rico Resources S.A.	Bolívar
SALINAS 2	Valle Rico Resources S.A.	Bolívar
SALINAS 3	Valle Rico Resources S.A.	Bolívar
SALINAS 4	Valle Rico Resources S.A.	Bolívar
SAN ANTONIO	Green Rock Resources S.A.	Cañar
SAN SALVADOR	Cruz del Sol S.A.	Morona Santiago
SANTA CRUZ	Cruz del Sol S.A.	Zamora Chinchipe
SHARUG	Green Rock Resources S.A.	Azuay
SHARUG 2	Green Rock Resources S.A.	Azuay
TIMBARA	Green Rock Resources S.A.	Zamora Chinchipe
TIMBARA 2	Green Rock Resources S.A.	Zamora Chinchipe
TIMBARA 3	Green Rock Resources S.A.	Zamora Chinchipe
TIMBARA 4	Green Rock Resources S.A.	Zamora Chinchipe
TSAPA	Cruz del Sol S.A.	Morona Santiago
VICTORIA	Cruz del Sol S.A.	Morona Santiago
YANGUZA	Cruz del Sol S.A.	Morona Santiago
YATUBI I	Valle Rico Re850./sources S.A.	Bolívar

Name of Concession	Name of Subsidiary	Location (Province)
YATUBI II	Valle Rico Resources S.A.	Los Rios
ZHUCAY	Cruz del Sol S.A.	Cañar

As at the date of this AIF, neither the Company nor any of its subsidiaries are aware of any restrictions or conditions currently imposed (or likely to be imposed) by the government of Ecuador which may affect their business operations in Ecuador. Ecuador regulations have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Other Regulatory Matters

The Company has engaged local legal counsel with specific expertise in the applicable regulatory areas to advise it on required regulatory approvals. The Company's local legal counsel in Ecuador has delivered a title opinion to the Company and the Board regarding the Company's and its subsidiaries' right to conduct business in Ecuador.

Risks of Corporate Structure - Foreign Subsidiaries

The Company has incorporated and maintains subsidiaries as they are relevant to the jurisdictions in which the Company undertakes its operations and enables the Company's compliance with its corporate and commercial obligations within each of the legal frameworks of those countries. The Company maintains the subsidiaries as separate operating entities to limit the Company's liability for its operations and business across multiple jurisdictions, to diversify risk and allow for greater diversification and increased efficiencies. The Company has implemented a system of corporate governance, internal controls over financial reporting, and disclosure controls and procedures that apply at all levels of the Company and its subsidiaries. These systems are overseen by the Board, and implemented by the Company's senior management.

The Company's corporate structure has been designed to ensure that the Company controls, or has a measure of direct oversight over, the operations of its subsidiaries. With the exception of ENSA, the Company's subsidiaries are 100% beneficially owned, controlled or directed, directly or indirectly, by the Company. ENSA is 85% owned by the Company. The Company, as the ultimate shareholder, has internal policies and systems in place which provide it with visibility into the operations of its subsidiaries, including its subsidiaries operating in emerging markets, and the Company's management team is responsible for monitoring the activities of the subsidiaries.

The Company, directly or indirectly, controls the appointments of all of the directors of its subsidiaries. The directors of the Company's subsidiaries are ultimately accountable to the Company as the shareholder appointing him or her, and the Board and senior management. As well, the annual budget, capital investment and exploration program in respect of the Company's mineral properties are established by the Company.

Further, signing officers for subsidiary foreign bank accounts are either employees of the Company or employees of the subsidiaries. In accordance with the Company's internal policies, all subsidiaries must notify the Company's corporate treasury department of any changes in their local bank accounts including requests for changes to authority over the subsidiaries' foreign bank accounts. Monetary limits are established internally by the Company as well as with the respective banking institution. Annually, authorizations over bank accounts are reviewed and revised as necessary. Changes are communicated to the banking institution by the Company and the applicable subsidiary to ensure appropriate individuals are identified as having authority over the bank accounts.

In addition, the Board is able to cause each subsidiary to transfer funds to the Company to fund the expenses of the Company, including the salary of its officers, director fees, legal fees or the costs of any investigation that the Board or the Audit and Risk Management Committee may need to undertake in order to comply with their fiduciary obligations to the Company.

In order to legally remove the directors and officers of each of the Company's subsidiaries, the corporate laws of Ecuador, Australia and the Solomon Islands would need to be complied with, as applicable, based on the jurisdiction of incorporation of such subsidiary as well as the constitution of each such subsidiary. The directors (if any) and

officers can be removed by the passing of a resolution of the shareholders at a general meeting in Ecuador. The directors can be removed by the passing of an ordinary resolution of the shareholders at a general meeting in Australia and the Solomon Islands and the officers of the Company's subsidiaries in Australia and the Solomon Islands can be removed by way of an ordinary directors' resolution. To the best knowledge of the Company, the Company and all of the subsidiaries of the Company are in compliance with all foreign investment regulations in Ecuador.

The Company's books and records are located at the principal office of the Company. The minute books, corporate seal (if applicable) and records of each subsidiary of the Company are held in: (a) in the case of the Ecuadorian subsidiaries, at Tovar ZVS Spingam, AV.12 De Octubre N26-97 Y Lincoln, Edificio Torre 1492, Oficina 1505, Quito Ecuador; and (b) in the case of all other subsidiaries at Level 27, 111 Eagle Street, Brisbane, Queensland, Australia.

The Company confirms that there are no material agreements that involve any of the subsidiaries of the Company that have not been identified as a material contract of the Company and that could reasonably be considered a material contract if the Company itself were a party to the agreement. A "material change" in the business, operations or capital of the subsidiaries of the Company would be regarded as a material change for the Company.

See "*Risk Factors – The Company is subject to foreign exchange risks relating to its foreign subsidiaries*".

Management Experience in Foreign Jurisdiction

Nicholas Mather (Managing Director and CEO), Brian Moller (Chairman), Craig Jones (Non-Executive Director), James Clare (Non-Executive Director) and Priy (Priyanka) Jayasuriya (Chief Financial Officer ("CFO")) have experience conducting business in Ecuador.

For officers with limited experience conducting business in Ecuador, in order to facilitate such individuals familiarizing themselves with: (i) the laws and legal/operational requirements of Ecuador; and (ii) the local business culture and practices in Ecuador, including differences in banking systems and controls as between Ecuador and the jurisdiction(s) they are familiar with, the Company has taken the following measures:

- The Company has considered facilitating visits of such individuals to Ecuador as well as the material project of the Company;
- The Company has engaged English-speaking legal counsel in Ecuador, which has prepared a title opinion in English, relating to the Company's Ecuadorian properties. Individuals are able to reach out to such legal counsel; and
- There is active communication among and between directors and officers and management and directors and officers able to share their experiences conducting business in Ecuador and regular updates on current events and business in Ecuador is shared among directors and officers.

Of the Board, Nicholas Mather (Managing Director and CEO) and Craig Jones (Non-Executive Director) have visited Ecuador and the Cascabel Project. The members of the Board are able to discuss with local management in Ecuador on a regular basis via teleconference/telephone.

Language Proficiency

The primary language of Ecuador is Spanish. Jason Ward (In Country Manager) is fluent in Spanish. Nicholas Mather (Managing Director and CEO), Brian Moller (Chairman) and Priy (Priyanka) Jayasuriya (CFO) speak limited Spanish.

All members of the Company's local management team in Ecuador also speak proficient English. In addition, all members of the Company's management team, all members of the Board and all relevant Company advisors, including the Company's legal advisor in Ecuador, speak English fluently and as such, there is no language barrier that will need to be overcome. All Board meetings are conducted in English and all material documents relating to the Company and its subsidiaries that are provided to the Board have either been prepared in English or have been translated to English, if applicable. Given the foregoing, the Company has determined that a formal communication plan is not necessary.

Difficulty in Enforcing Judgements

All of the Company's subsidiaries and assets are located outside of Canada. Accordingly, it may be difficult for investors to enforce within Canada any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable Canadian securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws. Certain directors and officers of the Company, including the Managing Director and CEO, reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. The Company has adequately addressed the risk of the Company's mind and management being domiciled outside of Canada in terms of an investor's ability to exercise statutory rights and remedies under Canadian securities law by setting this fact out by appointing Bennett Jones LLP as their agent for service of process. In the event a judgment is obtained in a Canadian court against one or more of the Company's directors or officers for violations of Canadian securities laws, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law claims in original actions instituted in Ecuador. Courts in this jurisdiction may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

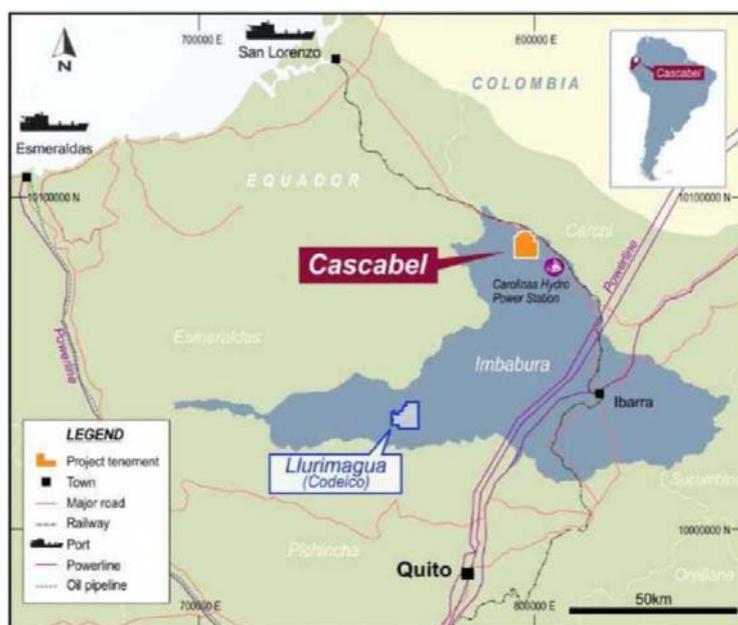
CASCABEL PROJECT

ENSA holds a 100% ownership interest in the Cascabel Project. SolGold holds approximately a 85.74% ownership in the Cascabel Project, comprised of: (i) its 85% ownership interest in ENSA; and (ii) its investment in Cornerstone of 31,153,092 shares in Cornerstone (4.93% based on there being 632,469,351 shares of Cornerstone issued and outstanding as at June 30, 2018 (this information, not being within the knowledge of the Company, is based on Cornerstone's public disclosure, which is available on SEDAR)), the entity which holds the remaining 15% ownership interest in ENSA through its Ecuadorian subsidiary, CESA, which amounts to a further indirect interest in ENSA of approximately 0.74%.

Location and Access

The Cascabel Project is located within the Imbabura province of northern Ecuador, approximately 100 km north of the capital Quito and 50 km north-northwest of the provincial capital, Ibarra. The northern border of the Cascabel Project lies approximately 20 km south of the Colombia-Ecuador border, and 75 km southeast of San Lorenzo, located on Ecuador's pacific coast.

The Cascabel Project is accessible from the City of Quito, located in Ecuador. International flights regularly arrive and depart from Mariscal Sucre International airport, 18 km east of Quito, from major airline carriers. From Quito, the Cascabel Project is accessible by sealed roads, travelling initially to Ibarra (approximately 100 km). Ibarra is connected to the northern margin of the licence (approximately 90 km) via the Ibarra-San Lorenzo (E10) road that runs along the Rio Mira river valley. Driving time to the Cascabel Project camp at Rocafuerte is approximately 3 hours. Access to the main exploration prospects within the Cascabel Project licence is via a series of 4 by 4 accessible tracks and hiking trails from the main highway just outside the towns of San Pedro and Rocafuerte. The distance from Rocafuerte to the Alpala camp is approximately 12 km and takes approximately 45 minutes on dirt tracks.



Mineral Tenure

As of June 2016, the concession had an area of 49.8 km², consisting of a single licence (Claim ID 402288). The Ecuador mining cadastre classifies the licence as an "advanced exploration" licence for metallic minerals, with gold listed as the primary commodity. The licence was initially issued to a subsidiary (Santa Barbara Copper & Gold S.A., "SBCG") of Santa Barbara Resources Ltd. ("Santa Barbara") on January 12, 2007. SBCG was subsequently sold to Cornerstone in July 2011 via a subsidiary called ENSA. In May 2012, the Company entered into a joint venture with Cornerstone to explore the Cascabel Project. The current licence was granted in March 2011 and is valid for 25 years.

Payment Obligations and Royalties

As part of the sale of the property by Santa Barbara in 2012, an option to purchase 2% of the net smelter return (the "NSR") royalty has been retained by Santa Barbara. This option allows for the purchase of 1% NSR royalty for US\$1,000,000 within 3 months of the completion of a bankable feasibility report, and a further 1% NSR royalty for US\$3,000,000 within 3 months of a decision made by the owners to mine the projects. Since the dissolution of Santa Barbara in 2015, this option has been held by an agent.

Licences and Authorisations

No additional permits beyond the granted mining concession and environmental licence are required to undertake exploration within the Cascabel Project. An extension to the current exploration licence was granted in 2016 to allow drilling on the Aguinaga deposit.

Environmental Considerations

Exploration and mining activities in Ecuador are subject to provisions of the *Mining Act, 2009* (Ecuador), as amended (the "**Mining Act**"). Under the Mining Act, the holders of mining concessions must obtain and submit environmental studies to prevent, mitigate, control and repair the environmental and social impact resulting from such activities. The Environmental Department of the Ministry of Energy and Mines is responsible for the approval of the environmental studies of the Cascabel Project. According to the Environmental Regulation for Mining Activities, the required environmental studies are:

- Environmental Impact Preliminary Evaluation (EIPA), which is a general environmental study that describes the environmental components, project activities, potential environmental effects, and planned prevention, correction, and/or mitigation measures.
- Environmental Impact Assessment (EIA), which is a detailed, multidisciplinary technical study that identifies and evaluates the potential negative environmental effects and details specific preventative or corrective measures for the effects.
- Environmental Audit (EA), which provides a means of assessing and controlling the measures proposed in the EIA and legal framework.

In August 2013, an environmental licence for advanced exploration including drilling was issued by the Ecuadorian Ministry of Environment.

Mineral Rights in Ecuador

Mining in Ecuador is mainly governed by the Mining Act and the *General Regulation of the Mining Act* (Ecuador), as amended (the "**GRMA**"). The Mining Act and GRMA recognise, regulate and classify mining activities depending on production levels, namely: (i) large-scale mining; (ii) medium-scale mining; (iii) small-scale mining; and (iv) artisanal mining.

To conduct exploration in Ecuador, a mining licence must be granted by the Ministry of Mines and registered with the respective mining registry managed by the Agency for Regulation and Control of Mining (Agencia de Regulacion y Control Minero) ("**ARCOM**"). The term of a mining licence is 25 years, and is renewable for similar periods upon request by the licence holder. Once the licence has been granted, exploration may be conducted for a 4 year term, which is identified as the initial exploration period.

The holder of the licence is entitled to request a further 4 year period from the Ministry of Mines, to proceed with advanced exploration. At that point, a portion of the exploration licence must be relinquished, although there is no legislated minimum amount that must be relinquished. The Ministry of Mines will process this application, provided the applicant has met the minimum investment commitment during the initial exploration stage, and submitted a plan of activities and minimum expenditures contemplated under the advanced exploration stage.

Mining companies are subject to a windfall tax on extraordinary income equivalent to 70% of the gross amounts obtained from the sale of minerals at a higher price than the base price established in the Mining Exploitation Contract.

The holder of the licence is also subject to other taxes, payments and contributions such as: (i) income tax – 22% of profits; (ii) labour profit sharing tax – 15% (12% to the State and 3% to employees in the case of large-scale mining, and 10% to the State and 5% to employees in the case of medium- and small-scale mining); (iii) value added tax – 14%; (iv) municipal taxes and contributions, social security contributions; and (v) annual conservation fee that the holder of the licence shall pay for each mining hectare by March each year. This equates to 2.5% of the government mandate "basic salary", currently US\$366, per hectare of the mining licence for the initial exploration period (this doubles to 5% of the basic salary per hectare for the advanced exploration and economic evaluation periods, and doubles again to 10% during the operational phase of the mining licence).

In addition to the taxes outlined above, the holder of the licence must pay to the State a royalty of no less than 5% of the value of all sales, and no more than 8% for the sale of gold, silver and copper (large-scale mining). For medium- and small-scale mining, the royalty payable is 4% and 3% respectively, while artisanal mining is not subject to royalties.

The holder of a mining licence has an easement over the surface land in order to duly exercise its mining rights. The rights emanating from this easement include, among others, the right to occupy certain areas for construction required for mining activities, as well as rights related to waterways, railways, landing strips, ramps, transport belts, and electrical installations. The easement must be registered in the mining registry managed by the ARCOM. The owner of the surface land is entitled to receive payment from the holder of the mining licence for the easement granted. In

certain cases, the easement rights, including terms and conditions, are expressly agreed to in contracts executed between the holder of the concession and the owner of the surface land. If no agreement is reached, ARCOM may order the creation of the easement and determine the mandatory payments due to the owner of the land. It is the understanding of the authors of the Cascabel Technical Report that SolGold holds all required permits and easements to operate across the Alpala deposit.

Project History

The Cascabel Project has had many operators over the years. Below is an itemized summary of historical exploration conducted and any relevant productions at the Cascabel Project:

Dates	Operator	Activity Details
1980 to 1984	General Director of Geology and Mines	The first exploration undertaken over the Cascabel Project and surrounding areas was through an initiative of the General Director of Geology and Mines called the Noroccidente project. This project targeted the mineral resources in the northern provinces of Carchi in Esmeraldas and Imbabura. Exploration work involved 1:500,000 scale regional geology mapping and the collection of 822 stream sediment samples which were analysed by atomic absorption spectroscopy ("AAS") for gold ("Au"), silver ("Ag"), copper ("Cu"), zinc ("Zn") and lead ("Pb"). This work identified 10 anomalies, including the Junín Cu-Mo porphyry mineral property currently owned by Empresa Nacional Minera del Ecuador ("Enami"). The National Government of Ecuador signed a technical assistance agreement with the Government of Belgium to undertake exploration work over each of the anomalies detected, including the Parambas river (partly located within in the Cascabel Project) and to expand regional exploration. The Cascabel Project was originally named the Parambas project.
1984 to 1985	The Belgian Mission and the Ecuadorian Institute of Mining (the "INEMIN")	A cooperative agreement between the Belgian Mission and INEMIN resulted in geological, geochemical and geophysical investigations being carried out for volcanogenic massive sulphide and porphyry Cu mineralisation. This exploration covered the Cascabel Project and surrounding areas. Stockworks, veins and disseminated sulphides and sulphosalts were discovered over a number of sites. Only the Junín, Parambas (Cascabel Project) and Zarapullo occurrences were deemed to have economic potential.
1986	INEMIN and the Rio Tinto Zinc Corporation ("RTZ")	Through an agreement between INEMIN and RTZ, selected samples collected from previously determined anomalies from the Parambas and Morán rivers, and their extensions were reanalysed using inductively coupled plasma ("ICP") for 29 elements. The samples had been historically collected during exploration projects sponsored by the United Nations and with technical assistance from the United Kingdom and cooperation with Belgium. Some exploration and sampling to the west of Junín (outside of the current Cascabel Project licence area) was undertaken and additional samples were collected for analysis by RTZ. A database was compiled containing 9,120 samples.
1988 to 1991	Lumina Gold Corp. (formerly Odin Mining and Exploration Ltd.)	Lumina Gold Corp. (formerly Odin Mining and Exploration Ltd.) conducted limited stream sediment sampling in the Cascabel Project and surrounding areas. Anomalous Cu, Pb, Zn and Ag results were obtained in an area controlled by mainly propylitic alteration. Despite this, Lumina Gold Corp. did not continue its work and the licence was returned to the Government of Ecuador.
1991 to 1997	Japan International Cooperation Agency of the	Detailed exploration studies were conducted by JICA in Junín area proximal, but not including, the Cascabel Project and discovered porphyries that intrude the Apuela batholith and concluded that the mineralization is

Dates	Operator	Activity Details
	Metal Mining Agency of Japan ("JICA")	associated with zones of sericitic alteration and facies of granodioritic porphyries. Using the available geological data, preliminary mineral resource estimates were made for Junín which indicated 982 Mt at 0.89% Cu, 0.04% Mo and 0.01 g/t Au with a 0.4% Cu cut- off grade. Whilst not adjacent, the Junín deposit is regionally in the same belt of mineralisation as the Cascabel Project. The author of the Cascabel Technical Report cautions that mineral resource estimates are not mineral reserve estimates and do not have demonstrated economic viability.
1998 to 2000	Government of Ecuador	Under the Mining Development and Environmental Control Project along the western Cordillera, the Government of Ecuador collected 15,175 stream sediment samples. Samples were analysed by ICP for 38 elements. Spatial and geochemical analysis of this data led to the definition of geochemical provinces within the western Cordillera. The Parambas sector, which contains the Cascabel Project, was considered as a Cu-Pb-Zn-Ag-Au epithermal deposit, consisting of irregular veins in an area of propylitic alteration and locally siliceous. The mineralization may be related to the volcanic activity of the San Juan de Lachas unit.
2008 to 2011	SBCG	SBCG, a private company, applied for the Cascabel Project licence from the Government of Ecuador, along with other concessions. In 2008, SBCG submitted an environmental impact study to the Ministry of the Environment.
2011 to 2012	ENSA	Cornerstone, through ENSA, purchased the Cascabel Project from SBCG in February 2011 and conducted regional geochemical exploration and reconnaissance mapping programmes. This work identified widespread Cu-Au-Mo-Pb-Zn-Ag geochemical anomalism in the Parambas, Cristal and Cachaco catchments, and discovered porphyry-related stockwork veins in the Alpala, Moran, Tandayama and America Creeks. In May 2012, SolGold, entered into a joint venture with Cornerstone to explore the Cascabel Project.

Geological Setting

Regional Geology

The accretionary terranes around the Cascabel Project are considered to hold significant potential for hosting economic porphyry systems due to the combination of terrane accretion and compressional tectonics, shallow subduction, crustal scale sutures and calc-alkaline magmatism.

At the regional scale, the Cascabel Project lies within the western tectonic realm (the "WTR") of Ecuador and Colombia and within the cordillera occidental of northern Ecuador. The WTR of Ecuador and Colombia comprise the 3 composite terrane assemblages: (i) the Pacific assemblage ("PAT"); (ii) the Choco arc; and (iii) the Caribbean. Within the PAT, there are 3 terranes, from east to west: (i) Romeral ("RO"); (ii) Dagua-Pinon ("DAP"); and (iii) Gorgona ("GOR"). The DAP terrane is correlated with the Pinon and Macuchi terranes of western Ecuador.

Complete characterization of the terranes of the WTR, including their exact boundaries and times of collision with the continent, is not well known. However, all litho-tectonic terranes of the WTR contain fragments of Pacific oceanic plateaus, aseismic ridges, intra-oceanic island arcs and/or ophiolites (i.e. obducted oceanic crust). All terranes were developed in or on oceanic basement and all are allochthonous with respect to continental South America. In the PAT, the RO terrane contains ultramafic complexes, ophiolite sequences and oceanic sediments of probable Jurassic to early Cretaceous age. The RO terrane is traced southward into Ecuador where it underlies the western margin of the Cordillera Real and much of the Inter-Andean depression beneath extensive Miocene, Pliocene and recent volcanic cover. To the west of the RO terrane, the DAP terrane, the Cascabel Project is dominated by basaltic rocks of tholeiitic midoceanic ridge basalts affinity and sequences of flyschoid siliciclastic sediments (including chert, siltstone and

greywacke). These are accreted fragments of oceanic crust, aseismic ridges and oceanic plateaus. Several I-type calc-alkaline batholiths and plutons ranging from tonalitic to granodioritic composition and of Palaeocene to Miocene age intrude the DAP terrane along its entire length. These are the plutons that are responsible for porphyry mineralisation within the DAP terrane, and host the Junín and Cascabel Project porphyry deposits. The GOR terrane lies further west, mostly offshore. It comprises a more recently accreted oceanic plateau.

The tectonic building blocks that comprise the northwest margin of South America are bound by north-northeast-trending crustal-scale faults or sutures. Strike-slip structures are the dominant structural pattern. In the vicinity of the Cascabel Project, the principal terrane boundary is the Cauca-Pujili fault system, which forms the suture between the RO and DAP terranes. This is a major fault system which in detail comprises several strands, some of which pass near or through the Cascabel Project (e.g., the Toachi fault). In Colombia, the Cauca fault system is well exposed for much of its length, and where its kinematics are that of a dextral strike-slip fault. The fault is poorly exposed in northern Ecuador due to Pliocene and Quaternary volcanic and sedimentary cover in the inter-Andean depression, however, the presence of ophiolite along the extension of this fault zone (i.e., the Pujili fault) southwest of Quito attests to its role as a major terrane suture. In northern Ecuador, the Cauca fault is referred to as the Pujili fault.

Subduction-related calc-alkaline magmatism of tonalitic to quartz dioritic composition affected the DAP terrane between 44 and 13 million years ago ("Ma") (Piedrancha, Rio Santiago, Apuela, Anchicaya batholiths and the Arboledus stock), as well as the RO terrane (Suarez, Piedrasentada and San Cristobal plutons in southern Colombia). This magmatism in northern Ecuador and southern Colombia is characterised by the lack of a well-developed arc and with erratic pluton distribution. This suggests a low-angle subduction environment, conducive to compression and porphyry mineralisation. There is a general eastward migration of magmatic focus from the DAP terrane to the RO terrane, suggesting final approach of the GOR oceanic plateau as subduction progressively shallowed due to the increasingly buoyant nature of crust entering the subduction zone.

In addition to the long history of transpressive compression in the Cascabel Project, as recorded by the docking of the RO, DAP and GOR terranes, more recent cause for ongoing tectonic compression (a crucial component for forming porphyry systems) is the shallow buoyant subduction of the Carnegie ridge (post-8 Ma), whose eastward subducted projection extends beneath the Ecuador-Colombia border and underlie the area of the Cascabel Project.

Local Geology of the Cascabel Project

The Cascabel Project lies along the western foothills of the western Cordillera. The Cauca-Pujili fault zone is defined by the series of sub-parallel structures located midway between Otavalo and the Apuela batholith. The Toachi fault is a major structure that is sub-parallel to the Cauca-Pujili fault zone, and is mapped near the El Corazon deposit on the southwest side of the Apuela batholith. The mapped extension of the northeast-trending Toachi fault, to the northeast of the Apuela batholith, runs through the Cascabel Project and several kilometers west of Chical.

Magmatism in northern Ecuador is typified by the lack of a well-developed volcanic arc and with erratic pluton distribution consistent with shallow subduction systems. There is a crude migration of the focus of magnetism from west to east reflecting post-Eocene shoaling of the subducting Farallon plate. The northwestern granodiorite batholith is believed to be of the Cretaceous age and may have been emplaced in the DAP terrane prior to its docking against the mainland. In contrast, the Apuela batholith (which hosts the Junín porphyry deposit) is of the Miocene age, and the intrusive complexes south of the Cascabel Project, and at Chical, are also interpreted to be Miocene age. This belt of Miocene age intrusives extends into southern Colombia and hosts the porphyry deposits at Piedrasentada-Dominical (Miocene), El Tambo (Miocene) and Piedrancha (Eocene).

The Apuela batholith sits astride the Toachi fault and likely intruded along the fault plane. This structure is consequently inferred to penetrate to or near the base of the crust, facilitating mid-to-upper crustal emplacement of batholiths, including the Apuela batholith. The Apuela batholith comprises a nested series of intrusives that include quartz porphyry, granodioritic porphyries and diorite porphyry, all of which are different intrusive facies of the larger composite batholith.

The principal deposits and prospects of various regions in the Cascabel Project are summarized as follows:

Region	Description of Principal Deposits and Prospects
Junín to Enami	Porphyry Cu-Mo (982 Mt at 0.89% Cu, 0.04% Mo, 0.01 g/t Au – Inferred, 0.4% Cu cut-off grade).
Cuellaje	Pb-Zn-Ag occurrence near the east border of the Apuela batholith is related to a porphyry Cu system.
El Corazon to Skeena Resources (50%)	Epithermal Au, Ag and Cu vein system and siliceous hydrothermal breccias.
Rio Amarillo	Au, Ag and Cu occurrence related to epithermal veins and porphyritic intrusions. A Cu skarn is reported at Rio Amarillo.

The authors of the Cascabel Technical Report caution that these prospects do not necessarily constitute the same deposit style or mineralisation behaviour as seen at the Alpala deposit, but rather illustrate the overall mineralisation prospectivity of the region. Further, the authors of the Cascabel Technical Report caution that mineral resource estimates are not mineral reserve estimates and do not have demonstrated economic viability.

The Cascabel Project lies within an area of andesitic volcanoclastics which suggest that an andesitic volcanic centre occurred somewhere proximal to the Cascabel Project. This is corroborated by the principal host sequence mapped by Cornerstone at the Cascabel Project, which comprises andesitic volcanoclastic. The geology of the Cascabel Project on the north side of the Toachi fault comprises a series of relatively small to modest size stocks. These smaller stocks together with the abundance of andesitic pyroclastics, suggest that the relics of an andesitic stratovolcanic centre are preserved in and around the Cascabel Project, north of the Toachi fault. In contrast, to the south of the Toachi fault, the intrusives are more extensive and this suggests that a deeper level of erosion has exposed this batholith at deeper levels. The authors of the Cascabel Technical Report note that these observations suggest that there may be a differential level of erosion to the north and south of the Toachi fault.

Structural mapping by Cornerstone at the Cascabel Project as well as interpretation by the author of more regional digital elevation model data within the 5 km area of interest reveal a series of 4 major northwest-trending faults. These second-order northwest-trending structures are likely to exhibit important controls on mineralisation at the Cascabel Project, where they control the northwest-trending zone of argillic alteration, and also further south where regional stream sediment Au anomalism appears to be crudely controlled by northwest-trending structures. The authors of the Cascabel Technical Report note that third-order north-northwest-trending structures may play an important role in localising mineralisation.

Alpala Deposit Geology

The Alpala group is a roughly northwest trending porphyry cluster located in the south of the Cascabel Project and has been the primary focus for exploration under SolGold, hosting most of the drilling to date. The diamond drilling has defined a north-westerly-trending, steeply north-east-dipping, dyke-stock complex of diorite to quartz diorite intrusions that extends more than 1,900 m northwest by 800 m northeast and exceeds 1,800 m in height.

Lithology

The intrusions are typically equigranular to sub-porphyritic, hornblende-bearing intrusions of Eocene (Bartonian) age and are hosted by a sequence of andesitic volcanoclastic rocks, lavas and volcano-sedimentary rocks. A total of 6 major phases of intrusion have been defined by geologists of the Company on the basis of composition and relative timing-relationships with porphyry-related vein-stages from observations at surface and within the drill core. Each of these subsequent intrusions have either introduced mineralising fluids into the Alpala system, remobilised existing mineralisation or contributed to localised overprinting and destruction of the pre-existing mineralisation.

The D10 diorite to microdiorite forms the first phase of intrusive activity introduced into the volcanic host rocks, guided along steeply dipping fault networks orientated northwest, north-northwest and less commonly, northeast. The D10 intrusions are interpreted to have been emplaced pre- mineralisation but nevertheless contain significant intersections of mineralisation, overprinted by later stages of intrusive activity.

The QD10 quartz diorite forms dyke-like structures, intruded along the same structure network as the D10, cross cutting or jacking apart the D10 intrusions. The QD10 is thickest in the core of the deposit, at depths of around 1,400 m below the surface from where it forms dykes extending upwards. The QD10 has been identified as an early stage main mineralising phase of intrusion and is the main copper and gold bearing lithology. The highest grade drill intersections are found in the QD10.

The D15/IM stock & QD15 dykes are the intra-mineralisation diorite and quartz diorite lithologies. Although these intrusions have been interpreted to play a minor role in introducing mineralising fluids into the system, both the IM and the QD15 may have contributed to significant remobilisation of mineralisation. The IM in particular, is the most extensive intrusive lithology in the Alpala deposit and forms an extensive plutonic stock at the base of the deposit with multiple finger-like structures persisting into the shallow extents of the deposit and significantly disrupting the continuity of the mineralised D10 and QD10.

The D20/LM and QD20/LM QO form late-mineralisation diorite stock and dyke intrusions which have not been found to carry any significant grade and postdate and cross cut mineralisation.

The geometry of the various lithologies and intrusive bodies at Alpala is now quite well understood and has been modelled from the completed drilling demonstrating 3D continuity. A series of later stage post mineralisation barren intrusions have also been identified as well as an extensive zone of hydrothermal brecciation along the northern flank of the deposit. Minor intersections of mineralisation have been identified within the breccia, attributed to clasts of mineralised diorite incorporated within the brittle deformation.

The authors of the Cascabel Technical Report have undertaken 3D geological modelling of the Alpala lithologies based on the lithological logging, cross sectional and bench plan diagrams from SolGold and with guidance from SolGold's technical team.

Porphyry-Relating Veining

The porphyry-related vein types and paragenesis at the Alpala deposit indicate a systematic progression in time and have been described by SolGold using the nomenclature as follows:

- Early-stage, minor and wavy AB-type quartz veins deficient in sulphide minerals are followed by magnetite (M) veinlets.
- Planar and through-going, B-type quartz veins cross-cut the early vein types and consist of quartz-magnetite-chalcopyrite. At least two stages of B-type veins are recognised at the Alpala deposit, with magnetite more abundant in early B1 veins and chalcopyrite more common in the later B2 veins. The B-type veins contain the majority of the Cu and Au in the deposit.
- Chalcopyrite-rich, C-type veins contain rare to minor bornite and cross-cut earlier vein types. The C-type veins contain significant amounts of metal but constitute a small volume-portion of the drill-core.
- D-type veins with quartz-sericite-pyrite selvages contain chalcopyrite, minor bornite and locally, molybdenite. Many of the later vein stages exploit and re-open earlier vein stages. A Re-Os date on molybdenite in a D-type vein that cuts a late-mineralisation diorite dike indicates 38.6 ± 0.2 Ma (2σ).

Early-formed hydrothermal magnetite occurs within early AB- and B1-type veins, and as monomineralic veinlets, disseminated grains and replacements of hornblende. Magnetite is variably converted to metallic haematite and pyrite in the upper part of the deposit where chlorite-epidote altered intrusions and volcanoclastic rocks are moderately to strongly affected by feldspar-destructive alteration.

Mineralization

Mineralisation is seen across the 6 main intrusive bodies and the porphyry-related vein types to a varying degree. The earliest formed sulphide mineral observed in drill-core consists of bornite in B-type veins. Chalcopyrite most

commonly forms after, and surrounds, cubic and massive pyrite in B2, C- and D-type veins. It also occurs in anhydrite-rich veins and B-type veins that have been re-opened by later vein types. Late-stage bornite is in textural equilibrium with pyrite and chalcopyrite in C- and D-type veins, which suggests that these later-stage veins formed at a lower temperature and a higher sulphidation state than chalcopyrite in early-stage B-type veins. The bulk of the Cu mineralisation is hosted within the B-veins with chalcopyrite-rich, C-type sulphide veins containing accessory bornite, which also contain significant amounts of metal and may be associated with elevated Au grades. Mineralising fluids are believed to have been introduced during the emplacement of the QD10 and to a less extent the QD15 intrusive. These defined two broad mineralising events at Alpala.

These vein intensities are recorded by SolGold during core logging and allow for the correlation with the final assay grades. Using predefined regular ranges the correlation appears to be very strong until around 2.0% Cu thereby illustrating the importance of B-veins to the mineralising system and how B-vein intensities can be used as an analogy for the mineralisation boundaries during modelling. SRK has undertaken 3D geological modelling of the Alpala mineralisation based on the sample assay information and B & C vein intensity logging provided by SolGold as well as guidance from SolGold's technical team. For a summary of the main conclusions from the petrographic studies conducted on the Alpala deposit, please see Section 6.3.5 of the Cascabel Technical Report.

Alteration

The best observed alteration can be seen in the surface trenches conducted by SolGold. Here vein densities are sufficiently high that the sericitic (illitic) vein selvages merge and result in the entire rock mass being argillic-altered, completely overprinting precursor chlorite or epidote that may have characterised any high temperature propylitic alteration. The exposures of stockwork veins are strongly oxidised at surface, although relic sulphides are observed in some samples. In core, B and C-type veins are spatially associated with intrusions that show variable feldspar-destructive, sericite-chlorite+clay overprinting of biotite-actinolite and chlorite-epidote alteration mineral assemblages. Late-stage, pyritic anhydrite is a common vein constituent as it is deposited over a wide range of temperatures and re-opens earlier vein stages. Spectral analysis on surface and auger samples has defined a number of surface phyllic and kaolinite-dickite centres across the Alpala group.

Structural Geology

The structural model for the Alpala targets is in its early stages. Geochemical and geophysical data suggest that the intrusive centres are aligned at the confluence between northwest trending deep seated structures and northeast and north-trending structural corridors that cross the Cascabel Project. Drill core orientation and subsequent structural measurements further indicate that veining is also aligned to this trend. It also highlights that the central regions are offset into a north-easterly direction suggesting that the Central cluster at the Alpala deposit is located on a junction between these two structures. The late stage post mineralisation D20 dyke also intrudes along this northeast structure.

Deposit Types

Similar to the composite terrane across South America, the WTR hosts multiple porphyry systems. These are hosted within a linear belt that extends from southern Chile right through to Ecuador and beyond. These bodies host large concentrations of Cu and numerous deposits are in active mining operation. This geological setting is associated with the following mineral deposit types:

- Porphyry Cu: Related to the early stages of magmatism;
- Epithermal Au, low- and high-sulphidation: Associated with volcanic regions above porphyry systems; and
- Polymetallic skarn: Related to hydrothermal fluid flow from granite stocks through pervious, reactive limestone.

The mineralisation observed at surface and in the drill core at the Alpala deposit is considered as a classic porphyry Cu and Au system and exploration has been designed with this interpretation in mind.

Porphyry Copper Systems

Porphyry systems are major metalliferous sources and can host a number of different deposits. These include porphyry deposits centred on the parent intrusion, and skarns (Cu and more distal Pb/Zn and/or Au), carbonate replacement and sediment hosted Au with increasing distances from the parent intrusion. High sulphidation epithermal deposits may also occur within the lithocaps. Cu porphyry mineralization forms as sequences of quartz-bearing veinlets and disseminated wall rock between vein sets. These tend to define large tonnage, low grade bodies of Cu ± Au ± Mo.

Porphyry Cu systems tend to be Mesozoic or Cenozoic in age and hosted in linear belts related to composite plutons and convergent plate boundaries either within continental magmatic arcs or island arcs in association with subduction zones or post-collision volcanism. This type of deposit forms at relatively shallow depths of 1 km to 4 km and relate to fluid supply to magma chambers forming vertical elongate stocks or dyke swarms. Several discrete stocks are often emplaced in one area resulting in clusters or structurally controlled alignments comprising several generations of intermediate to felsic porphyry intrusions. In terms of host rock alteration, porphyry Cu deposits tend to be upwardly zoned from barren to early sodic-calcic, potassic, chlorite-sericite and finally to advanced argillic. Progressive cooling in the system often results in a characteristic overprinting of these alteration assemblages in a process termed as telescoping.

The Andean porphyry belt is a well-documented linear belt that hosts many known Cu porphyry deposits as well as epithermal concentrations of Au, Cu and Ag. The belt extends from southern Chile and Argentina in the south to Ecuador and Colombia in the north. Within this metallogenic belt, these porphyry and epithermal deposits are often located at the intersection between belt and intra-arc fault zones. The majority of these deposits formed during the Miocene; the same era as the intrusive stock-works within the Cascabel Project.

Exploration

This section summarises the work completed by the Company and its partners within the Cascabel Project as at the effective date of the Cascabel Technical Report. On a whole, exploration has been focused on the Cascabel Project as well as specific targeting of a number of the priority prospects within the Cascabel Project.

Recent exploration at the Cascabel Project began with the acquisition of the project by Cornerstone from SBCG in 2011. Cornerstone expanded on preliminary exploration carried out in the 1980s by carrying out reconnaissance mapping alongside stream-sediment, panned concentrate and rock chip sampling campaigns from June 2011 to July 2011. The early Cornerstone exploration identified Cu-Au-Mo and Pb-Zn-As rock chip anomalies, as well as Cu-Mo-Au stream sediment anomalies, while concluding that Cu was consistently anomalous and that a high proportion of rock chip samples contain > 1 g/t Au.

The Company assumed technical management of the Cascabel Project following the signing of an earn-in agreement with Cornerstone in April 2012, and the first systematic exploration commenced at the Cascabel Project in May 2012. The Company's exploration began with reconnaissance rock chip and channel sampling in conjunction with multi-element soil geochemistry studies taking in approximately 3,000 samples across 30 km². A heli-borne magnetic survey was conducted in November 2012 across the 50 km² licence. Following the receipt of an environmental licence in August 2013, drilling commenced at the Alpala deposit in September 2013. As at the effective date of the Cascabel Technical Report, 63,500 m of drilling across 45 holes has been completed at the Alpala deposit. In August 2014 a deep penetration 3D IP Orion survey was conducted in over a 15 km² area of the Cascabel Project.

Licence-wide Geochemical Samplings

Amongst the first exploration techniques employed on the Cascabel Project were geochemical sampling of steam sediment, soil and rock, which built on historical programmes.

In order to support the soil geochemical sampling programmes, an orientation survey was carried out from August 2012 to January 2013. This survey involved the collection of 6 samples per sample site, with 2 samples from each of the A, B and C soil horizons, for a total of 1,420 soil samples. The two samples collected from each horizon enabled sieving to two size fractions for analysis: -80 mesh and -230 mesh. Each sieved fraction was dissolved in the laboratory

using the same four-acid digestion prior to analysis. Based on the orientation soil results, the conclusion reached was that the C-horizon yielded the greatest contrast between anomaly and background, and that the C-horizon should be targeted in future soil sampling campaigns at the Cascabel Project. Following the results of this orientation survey C-horizon samples were taken on a 200 m by 100 m grid from August 2014 and sieved to -80 mesh in the laboratory. The grid was later in-filled to a density of 100 m by 100 m over priority areas until February 2016. The samples were collected on a grid trending 045°, principally orthogonal to the strike of the dominant structures in the Cascabel Project area. Soil samples were principally collected by hand auger from a depth of 1 m to 2 m.

Between 2012 and 2016, almost 3,300 soils samples were collected over the Cascabel Project area producing coincident Mo, Au, and Cu/Zn ratio in soil anomalies across a number of inferred porphyry centres. TerraSpec™ analysis of the coarse residues from soil samples was undertaken to assist in mapping hydrothermal alteration mineral in zones of variable clay-mica alteration. This technique worked especially well at the Alpala cluster, where it identified zoned neutral- to acid-alteration assemblages over an area of 2.5 km by 1 km. This zoning with respect to the discovery outcrop was interpreted to indicate proximal illite (phengite), passing upwards and outwards through kaolinite into dickite and pyrophyllite. This distribution of hydrothermal alteration deduced from the soils was inferred to represent the structurally controlled roots of a lithocap above the Alpala porphyry system(s).

Licence-wide Geological Mapping

Building on past 1:10,000 scale mapping of the project area, the Company's field teams continued to perform 1:500 scale, "Anaconda" style geological mapping over the tenement area and updates to the local geology map remain ongoing. This mapping targets the identification of alteration styles as well as porphyry vein style mineralization in outcrops. The process is limited by the degree of cover and the deep tropical weathering experienced across the region.

Licence-wide Magnetics

A helicopter-borne magnetics and radiometric survey was flown over the entire Cascabel Project tenement in November 2012, using a line spacing of 100 m. The flight lines were oriented north-south. The reduced to the pole images from this data identified a magnetic high / low complex that is broadly coincident with the >1.4 ppm Mo soil anomaly that is centred on the Alpala cluster.

Exploration at Alpala

Alpala is the most advanced of the Cascabel Project prospects and has been the subject of geological mapping, soil and rock geochemical sampling and heli-borne geophysical surveys. Exploration work quickly included detailed trenching and channel sampling of the exposed mineralisation within the Alpala creek system and the current core drilling programme. Exploration has extended out along strike to incorporate areas of Alpala Northwest and Alpala Southeast.

Over 500 rock chip and grab samples have been taken across the Alpala deposit to identify and define the surface mineralization and geology ahead of further, more detailed channel sampling. A programme of channel sampling was conducted across Alpala deposit in 2012 and 2013, resulting in 702 samples from 84 channels. These have focused on the surface expression of the intense B-veining and alteration observed within the Alpala creek system. After marking out a roughly 5 cm wide channel along the base of these outcrops in such a way to ensure continual sampling, a 5 cm deep channel is cut with the use of a rock saw to ensure that consistent samples are taken. Samples were taken on average every 2 m although the final sample lengths varied from 0.35 m to 2.7 m. Samples were bagged and provided with individual sample numbers.

At the Alpala deposit, most of the sample channels have been along drainages over an area of approximately 250 m by 200 m of erosional exposures of quartz stockwork veins. Zones of moderate-to-high density sheeted and stockwork quartz veining are associated with higher grades. The highlights of these trenches are summarized below:

TH46	45.64m at 0.81 g/t Au and 0.59% Cu
TH56A	56.93m at 1.16 g/t Au and 0.34% Cu
TH57	45.50m at 0.46 g/t Au and 0.25% Cu

TH64A	54.73m at 0.21 g/t Au and 0.17% Cu
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These channel results provided an inferred margin of a mineralised porphyry system and allowed the Company to plan the first targeted core drillholes into the Alpala deposit. The authors of the Cascabel Technical Report are of the opinion that the samples collected are representative of weathered, surface mineralisation, are of sufficient quality and have not introduced any bias. Three-dimensional inversion modelling of the interpreted intrusives at the Alpala deposit and the surrounding prospects, based on the helicopter flown magnetic data across the Cascabel Project has also been conducted by the Company.

Drilling

Following the granting of the environmental licence on August 27, 2013, SolGold commenced diamond drilling at the Cascabel Project on September 1, 2013, utilising man-portable rigs contracted to Hubbard Perforaciones ("HP"). Initial drilling focussed on intersecting the down-dip extension of outcropping sheeted and stockwork "B" type quartz veins in Alpala creek. This first phase of drilling involved 19 diamond core holes drilled over a 700 m by 250 m area. The first phase of drilling concluded on May 31, 2016. Following a review and interpretation period, the Company commenced with a second phase of drilling on October 18, 2016.

As at the effective date of the Cascabel Technical Report, drilling was being conducted through 11 drilling rigs sourced from HP (7 rigs), Titeline Drilling PTY LTD (2 rigs) and Hy-tech Drilling LTD (2 rigs). With these, the Company has deployed a sediment removal unit to separate material from the fluids to ensure optimum drilling conditions and the use of Devico directional drilling to allow for wedging and multiple daughter holes. These drill rigs, muds and directional drilling were all administered by the Company's own mud specialist and independent drill foreman. As at the effective date of the Cascabel Technical Report, a total of 45 holes were completed or were in progress (including re-drills).

Phase 1 Drilling

From September 2013 to May 2016, 23,670.04 m from 19 drillholes (including two re-drills) were completed using man-portable rigs. These were positioned directly above the Alpala creek outcrops targeting the Alpala Central anomaly defined by the geochemical and geophysical results. Drillhole inclination angles between -60 to -87° provided relatively steep intersection angles into the near vertical Alpala body. Initial results indicate that a mineralised Cu: Au porphyry system exists at depth and that this mineralisation may be distinct from the sheeted vein system seen at surface. Further drilling focused on expanding the known mineralisation at Alpala along strike, both towards the northwest and southeast (the Alpala cluster). This first phase of drilling concluded on May 31, 2016. For more information regarding the details regarding the drilling conducted in the first phase of drilling as at the effective date of the Cascabel Technical Report, see Section 9.2 of the Cascabel Technical Report.

Phase 2 Drilling

The Company has subsequently commenced a second phase of drilling on October 18, 2016, which is still ongoing. The Company's aim for its second phase of drilling has been to further define the extent of the mineralisation at Alpala and into the northwest and southeast extensions, to allow for a maiden mineral resource estimate to be calculated. For more information regarding the details regarding the drilling conducted in the second phase of drilling as at the effective date of the Cascabel Technical Report, see Section 9.3 of the Cascabel Technical Report.

This second phase of drilling has involved multiple drill contractors and the use of a Devico directional drilling instrument to allow for multiple daughter holes to be drilled from each drill site. Earlier drillholes typically produced steep intersections into the Alpala deposit, which is, in the opinion of the authors of the Cascabel Technical Report, not uncommon during early drilling of a body the shape and form of a porphyry deposit at such a depth. Having now employed the Devico device, the Company has been able to wedge daughter holes off parent holes to create more favourable intersection angles and reducing meterage in unmineralised material. As confidence in the model increases, the authors of the Cascabel Technical Report are of the opinion that the Company will be able to employ more targeted and directed drilling to further inform the model.

Sampling and Analysis

The following outlines the sample preparation and assay procedures and protocols employed by the Company. Sampling and analysis conducted by SBCG is not discussed below or in the Cascabel Technical Report.

Sample Preparation

All drillcore were processed at the drill site, Alpala field camp and the Rocafuerte core facility. Following completion of the onsite analytical processes, samples were selected, cut and collected from the drillcore before being transported to one of 3 analytical laboratories for analysis. The authors of the Cascabel Technical Report found that the drill sample preparation, chain of custody and security procedures used by the Company during its exploration campaigns as at the effective date of the Cascabel Technical Report were adequate and consistent with industry best practices and suitable for a project at this level of exploration, and observed the following protocols and methods:

- **Geotechnical Logging:** Geotechnical logging of the core is conducted at the Rocafuerte core yard located at located approximately 12 km north of the Alpala field camp. All geotechnical data are directly entered to the projects acQuire database using custom data entry forms.
- **Geological Logging:** Initially, a spear tool was used to mark the bottom of core, and has subsequently been replaced with a Reflex ACT III Ezi-Ori system. Orientation is marked onto the core with a permanent marker along with up- or down-hole arrows whilst it was still contained within the triple-tube. Where possible, core is re-orientated during logging and structures measured as dip/dip direction using a core orientating "rocket launcher" device. The rocket is aligned with the collar azimuth and dip, and later mathematically corrected once survey data has been received. All logging data are manually input into Excel spreadsheets before collation and import to the projects acQuire digital database. This data is automatically validated on import and periodically audited by the Company's geologists. Geological logging onto standardised paper logs is conducted at the main exploration camp at Rocafuerte. This includes standard geological factors such as lithology, texture and grain size.
- **Core Photography:** Core photographs were taken systematically on both wet and dry core either at the drill site or the Alpala field camp to show the state and quality of the drillcore prior to logging and sampling. Photographs of cut core are not systematically taken.
- **Specific Gravity Analysis:** Specific gravity analysis was historically conducted on roughly 10 cm pieces of whole core taken every core box, but has subsequently been moved to half core, with one piece taken every 25 m. The density of samples were measured using a wax sealed method immersed in water. Cores were sawed orthogonally to provide smooth ended core-cylinders, before being placed into a small drying oven for 10 to 12 hours. Cores were then weighed to provide mass of dried, unwaxed core in air. Dried core was then coated in wax, before a second measurement of the mass of waxed core in air. Waxed core was then submerged in water and re-weighed to provide mass of submerged, waxed core. Specific gravity was then calculated using the assumed density of paraffin wax of 0.914 g/cm^3 . The current project database contains 3,878 specific gravity measurements.
- **Sample Selection and Mark-up:** Prior to cutting and collection of samples, all cores are marked up for sampling. A standard sampling interval of 2 m was selected by the Company, although smaller samples were used in significant zones ($\geq 25 \text{ cm}$) of massive sulphide. In these situations, the massive sulphide zone was sampled to its margins, and the sampling interval returned to even number depth intervals (e.g. 2 m, 4 m, 6 m, etc.) as soon as possible after the interval. All core was submitted for assay.
- **Core Sawing:** Before cutting, all core is marked up by a geologist or competent core technician, ensuring that representative half core was created. Two petrol driven core saws are operated at the Rocafuerte exploration camp, alongside the logging facility. All core is split longitudinally. Following splitting, all core is returned to the core trays prior to being selected for sampling. Intervals of highly broken core that may have been washed away by the water supply are wrapped in plastic and/or masking tape to increase the retention of

finer. Intervals of extremely broken or fragmented core or clay rich core were left in the core tray without sawing, and split during sampling by cleaver and spatula.

- Sample Collection: Half core is sampled, including coarse and fine rock fragments. Where there is significant fine material, a trowel is used to ensure that no less than 50% of the fines were included in the sample. All material is placed into high strength plastic sample bags, which are in turn placed into calico sample bags. Sample numbers are written on the exterior of the calico bags with a waterproof marker, and a corresponding barcoded plastic sample ticket placed into each bag.
- Magnetic Susceptibility Analysis: Following sampling of the core, magnetic susceptibility measurements are taken of the half core samples over the length of each hole at 2 m intervals. All measurements were taken using a KT-10 magnetic susceptibility metre manufactured by Terraplus.
- Sample Security: Samples were packaged on site by the Company and dispatched periodically to one of the three assaying laboratories via two sample preparation laboratories in either Cuenca or Quito through the history of the drilling programme. Sample security and dispatch forms are completed for each shipment documenting the number and type of samples to be received by the laboratory. A Company driver transports the samples to either the ACME preparation laboratory in Cuenca (ACME or Met-Solve assaying), or the ALS preparation laboratory in Quito (ALS assaying).

Channel samples taken with the use of a rock saw are collected at either 1 m or 2 m intervals, bagged and labelled using the same procedures as detailed for drill core above.

Sample Analysis

The authors of the Cascabel Technical Report found that the analytical procedures used by the Company during its exploration campaigns as at the effective date of the Cascabel Technical Report were adequate and consistent with the generally accepted industry best practices.

The assaying of drill core and channel samples collected during the Company's exploration programmes has been performed by one of 3 independent accredited laboratories that have been commissioned by the Company: (i) ACME, Vancouver, (ii) ALS Geochemistry, Lima; and (iii) Met-Solve, British Columbia. All soil samples for the Cascabel Project have been submitted to the ACME Laboratory. Current rock, channel and drill core samples are to be submitted to ALS.

At the ACME Laboratory in Cuenca, all rock, channel and drill core samples are prepared using standard rock preparation procedures (ACME Code: R200-250/PRP70-250) including crushing (1 kg to ≥ 70 % passing 10 mesh (2 mm)), splitting (split to 250 g) and pulverising (≥ 85 % passing 200 mesh (75 μm)). Prepared samples were then assayed by ACME Laboratories in Vancouver using three methods: (1) Au by lead collection fire assay with AAS on a 30 g sample (FA430/G601); (2) Multi-acid digest inductively coupled plasma – emission spectrometry finish for 35 elements on a 0.25 g aliquot (MA300/1E); and (3) Multi-acid digest ICP with ES finish for 23 elements on a 0.25 g aliquot (MA370/7TD) (for over limits Ag, Cu, Pb and Zn samples). Method MA300 is only partial for some S-, Cr- and Ba-bearing minerals and some oxides of Al, Hf, Mn, Sn, Ta and Zr. Volatilisation during fuming may result in some loss of As, Sb and Au. Soil samples submitted to ACME undergo SS80 preparation (dry at 60°C; sieve 100 g to -80 mesh), followed by AQ201 Aqua Regia 1:1:1 digestion ICP-MS analysis for 36 elements.

Samples sent to ALS Laboratories in Quito were prepared by crushing (CRU-31), logging (LOG-22), weighing (LOG-24), pulverisation of 1 kg to 85% passing 75 μm (PUL-32) and splitting (SPL-21), before being transferred to a new sample bag (TRA-21) and re-weighed. Prepared samples are then dispatched to ALS Lima, Peru for assaying. Two methods were used for analysis of all rock, channel and drill core samples by ALS: (i) 4 acid digest ICP with MS finish for 48 elements on a 0.25 g aliquot (ME-MS61); (ii) 4 acid digest ICP with AES finish for 33 elements on a 0.25 g aliquot (ME-ICP61); (iii) Aqua-regia digest ICP with MS finish for 51 elements on a 0.5 g aliquot (ME-MS41); (iv) Au by lead collection fire assay with AAS finish on a 30 g sample (Au-AA23); (v) Au by lead collection fire assay with gravimetric finish on a 30 g sample (GRA-21); (vi) Ag by aqua-regia digestion and AAS finish on a 0.5 g sample (Ag-AA46); (vii) Cu by aqua-regia digestion with AAS finish on a 0.5 g sample (Cu-AA46) (Over limits Cu);

and (viii) Cu by four acid digestion and AAS finish on a 0.4 g sample (Cu-AA62) (Over limits Cu). Data reported from an aqua-regia digestion should be considered as representing only the leachable portion of the particular analyte. Additionally, some samples submitted to ALS Laboratories have been scanned for hyperspectral mineralogy, combining TerraSpec®, 4HR scanning and aiSIRISTM interpretation (HYPPKG).

Samples submitted to Met-Solve laboratories first undergo sample preparation at the ACME Laboratory in Cuenca as detailed above. Samples are dispatched to Met-Solve laboratories in Langley, British Columbia, Canada for assay by three methods: (i) Au by lead collection fire assay with AAS finish on a 30g sample (FAS-111); (ii) 4 acid digest ICP with atomic emission spectrometry or MS finish on a 0.2 g aliquot with a 0.2 g aliquot (IMS-230/ICF-6Cu – Ore grade); and (iii) nickel sulphide collection fire assay with ICP-MS or AES finish (NAA300).

Data Verification

Data Verification by SolGold

The Company routinely undertakes data verification as part of its on-going exploration programme. Verifications completed include validation for all tabulated data, including collar and down-hole survey, sampling information, assay and lithology interval data. Validation of sample results from the latest phase of drilling uses standards, blanks and duplicate samples inserted routinely into each batch submitted to the laboratory to a percentage of roughly 8.4%. Further information about the quality assurance and quality control ("QAQC") samples inserted into the Alpala sample stream is available in Section 11.1 – *Verifications by SolGold* of the Cascabel Technical Report.

It is the opinion of the authors of the Cascabel Technical Report that a routine QAQC programme has been implemented by the Company to monitor on-going quality of the analytical database. This programme is set out for all geologists in a standard sampling protocols document and involves insurance of:

- Certified Blanks – every 50th sample and at the start of every drillhole;
- Certified Reference Material ("CRMs") – a selection of 7 CRMs sourced from CDN Resource Laboratories Ltd., Canada, and Ore Research & Exploration, Australia – inserted every 50th sample; and
- Field Duplicates – two sets of ¼ core are sampled and inserted as every 30th sample.

Since the commencement of drilling at the Cascabel Project, the Company has introduced 7 different CRMs into the analysis sample stream, sourced from CDN Resource Laboratories Ltd. (Canada) and Ore Research & Exploration (Australia). A total of 562 standards have been inserted into the sample stream as at the effective date of the Cascabel Technical Report. The certified limits for the respective standards and the results of the standard check samples are set out in Section 11.1.1 – *Sample Quality Assurance and Quality Control Programmes* of the Cascabel Technical Report.

Certified blank material sourced from CDN Resource Laboratories Ltd., Canada and Ore Research & Exploration, (Australia), has been inserted into the sample stream at a frequency of approximately 2.3%. The majority of blanks used were pulped, but more recently coarse blanks were introduced (OREAS C27c). A total of 658 blanks have been inserted into the sample stream at Alpala. The certified limits for the blank material are set out in Section 11.1.1 – *Sample Quality Assurance and Quality Control Programmes* of the Cascabel Technical Report.

For intervals of core assigned as a field duplicate sample, two ¼ core samples are submitted concurrently to serve as the pair. As at the effective date of the Cascabel Technical Report, 840 field duplicates have been collected at an average of around 20 per hole, and a frequency of approximately 2.9% of the sample stream. The authors of the Cascabel Technical Report note that there is a good correlation between the parent and field duplicate assay results for Cu and Au. The limited outliers do not generally come from the same sample (i.e., both Cu and Au poorly correlate between the parent and duplicate sample), with Au more commonly showing significant differences. The limited outliers within duplicates is considered to be a reflection of the geological variability and (resultant) heterogeneity of the mineralisation in the drill core, especially with respect to Au.

Data Verification by SRK

In accordance with international best practices, Mr. James Gilbertson from SRK Exploration and Mr. Martin Pittuk of SRK Consulting visited Alpala between October 26, 2017 to October 31, 2017, accompanied by Mr. Benn Whistler of the Company. The purpose of the site visit was to: (i) review the digitalization of the exploration database and validation procedures; review exploration procedures; define geological modelling procedures; (ii) examine drill core; (iii) interview project personnel; and (iv) collect all relevant information for the preparation of a revised mineral resource model and the compilation of the Cascabel Technical Report. During the visit, particular attention was given to the treatment and validation of historical drilling data. The site visit was also aimed at investigating the geological and structural controls on the distribution of the gold mineralisation in order to aid the construction of three dimensional gold mineralisation domains.

The authors of the Cascabel Technical Report reviewed the data collection methodologies during the technical site visit, and reviewed the assay and geology database provided by the Company. Assessment of the current QAQC data indicates the assay data for the drilling and sampling to date has appropriate accuracy and precision. The authors of the Cascabel Technical Report also concluded that the move to ALS laboratories has improved the sampling precision. The authors of the Cascabel Technical Report have recommended that the sample QAQC programme be extended to increase insertion frequency to 15%, and that the following be employed:

- CRMs, blanks and duplicates are inserted in a randomised approach (i.e., not at regular intervals);
- Coarse blanks are continued to be inserted;
- Pulp duplicates inserted as well as field duplicates;
- A copper blank is inserted to assess potential copper contamination in samples;
- Additional periodic checks that assay programmes are employed where stored pulps are selected in a way that honours the original statistical spread of assays and are re-assayed at a separated umpire laboratory; and
- QAQC is assessed on a batch-by-batch basis when results are received, and problems flagged and addressed with the assay lab immediately.

The authors of the Cascabel Technical Report's database validation suggests that the Company's approach is reasonable and appropriate. Notwithstanding this, the authors of the Cascabel Technical Report recommend that, batches affected by the early poor performance of the CDN CRMs are re-assayed to confirm the original assay values. These samples should be dispatched with new OREAS CRM, as these have been shown to perform well.

The authors of the Cascabel Technical Report are of the opinion that all data is of sufficient quality for inclusion in a mineral resource estimate.

Mineral Processing and Metallurgical Testing

In August 2014, preliminary metallurgical studies were conducted by Bureau Veritas Commodities Canada Ltd., Inspectorate Metallurgical Division in Vancouver on 3 composite samples taken from drillhole CSD-13-005 at Alpala. The 3 composite samples have been selected from increasing depth intervals. Metallurgical testwork was undertaken in order to study the recovery of Cu and Au in the 3 composite samples. The samples were selected to represent higher-grade intersections and were prepared from coarse rejects. The coarse reject samples were recovered from the ACME sample preparation laboratory in Cuenca, Ecuador, riffle split, packaged and exported to Vancouver. The results and laboratory comments included below have been extracted from the summary report "Metallurgical Testing of Samples from the SolGold Cascabel Porphyry Cu-Au Project in Ecuador", produced by the Inspectorate Metallurgical Division in August 2014.

A brief description of the origin, geology and mineralogy of each sample has been summarized in the table below:

Composite	Description
1	Composite 1 consists of 24 contiguous, 2 m long samples from CSD-13-005. The composite sample covers the interval of 802 m to 850 m depth from surface with a calculated average grade of 0.94 g/t Au, 0.99 g/t Mo and 1.03% Cu and a total bulk sample weight of 73.52 kg. The composite sample consists predominantly of early (pre-, possibly syn-, mineralisation) porphyritic quartz diorite with intermediate argillic and potassic alteration.
2	Composite 2 consists of 24 contiguous, 2 m long samples from CSD-13-005 selected over the interval of 934 m to 982 m depth from surface. Calculated average grade of the sample is 0.57 g/t Au, 5.83 g/t Mo and 0.67% Cu and a total bulk sample weight of 72.49 kg. The sample consists predominantly of fine grained, equigranular to sub-porphyritic, with pre-, possibly early mineral intrusion, diorite with intermediate argillic and potassic alteration.
3	Composite 3 consists of 24 contiguous, 2 m long samples from CSD-13-005 selected over the interval of 1,098 m to 1,146 m depth from surface. Calculated average grade of the sample is 2.35 g/t Au, 4.07 g/t Mo and 1.87% Cu and a total bulk sample weight of 71.54 kg. The composite sample consists predominantly of early, pre-, possibly syn-, mineral, medium grained diorite with sub-porphyritic texture. Alteration is intermediate argillic and potassic.

Test Work Program Overview

The program tested 3 composite samples of various grades and mineralogy as described above and included sample preparation, head assay, mineralized material hardness, grindability, flotation test work and mineralogy. A summary of the test work (after Cornerstone) is summarized in the table below:

Test	Details	Comment
Sample Receipt and Inventory	Check inventory of samples submitted	Check samples against client list and air-dry
Sample Preparation	Samples crushed, mixed and riffle split	Head assay aliquots riffle split from the main sample
Head assay	Inductively coupled plasma mass spectrometry	Assayed for Cu, Au, sulphur, 30-element and whole rock analysis
Bond Mill Work Index	Bico-Braun laboratory mill	Hardness
Test Grinds	Three tests on each composite for varying grinding times	Develop a grind time versus P80 sizing curve
Rougher Flotation Kinetics	Scoping level flotation tests on each composite at 3 grind sizes to establish a grind versus recovery basis	Products analysed for Cu, Au and sulphur
Rougher Flotation Optimization	Using optimum grind size and flotation times from the kinetic testing, 4 additional rougher tests to be conducted	Using various pH and reagent schemes
Cleaner Flotation	Using the optimum grind and rougher kinetics parameters, a 3 stage cleaner circuit test with and without regrind	Products analysed for Cu, Au and sulphur
Size by Assay Analysis	Rougher scavenger tailings to be screened to 7 size fractions and undergo screen by assay	Each fraction assayed for Cu, Au and sulphur to calculate metal and mineral distribution
Mineralogy	Particle Mineral Association study using QEMSCAN (if required)	Mineral composition and deportment, associations, liberation characteristics, effect of primary grind, and size elemental mineral analysis

Summary of Test Results

A summary of the head assay results is presented in the table below:

Head Assays

Composite 1			Composite 2			Composite 3		
Au g/t	% Cu	% S	Au g/t	% Cu	% S	Au g/t	% Cu	% S
1.08	1.05	2.43	0.54	0.67	5.95	2.21	1.8	7.57

The authors of the Cascabel Technical Report note that Composite 2 is of a grade similar to that of the mineral resource, and therefore that Composites 1 and 3 are somewhat (Composite 1) and significantly (Composite 3) higher in grade than the mineral resource average grade.

Three different grind sizes were produced from each composite to establish grind versus recovery. Timed rougher concentrates were collected and assayed from the rougher kinetic flotation. A conventional reagent scheme using lime to pH 9.0, potassium amyl xanthate and methyl isobutyl carbinol as frother were employed.

Test No	Composite	Grind P80 (µm)	% Weight Pull	Rough Concentrate Assay			% Rougher Recovery		
				Au g/t	% Cu	% S	Au	Cu	S
F1	1	128	16.0	5.72	6.18	9.1	91.6	96.5	62.9
F2	1	94	16.5	5.62	6.06	9.3	91.7	96.6	63.1
F3	1	74	17.0	7.98	5.80	9.3	94.2	96.8	63.7
F4	2	120	20.0	2.71	3.30	18.5	93.1	96.5	91.3
F5	2	96	18.7	2.35	3.45	19.1	91.5	96.9	60.05
F6	2	78	18.4	2.51	3.57	20.0	91.9	96.9	61.0
F7	3	136	23.2	8.26	8.01	23.8	94.0	98.0	74.1
F8	3	94	21.9	9.49	8.24	26.2	95.0	98.7	74.3
F9	3	72	21.6	9.62	8.62	26.7	95.3	98.8	74.7

Following the rougher circuit test work, it was found that a finer grind did not improve grade or recovery and identified that a coarser primary grind may be acceptable. Additionally, the authors of the Cascabel Technical Report noted that good Cu and Au rougher recovery results were obtained from all 3 composites.

Rougher Flotation Optimization Testing

Using an optimum grind size and flotation times from the kinetic testing, additional rougher tests were conducted by the authors of the Cascabel Technical Report including studies using different reagent schemes and frother dosages. The details of the rougher circuit testing conducted have been summarized in the table below:

Test	Composite	Rougher Circuit Testing Details
F10	1	Coarse grind. pH increase from natural (8.1 – 8.3) to 10.0
F13	1	Coarse grind, natural pH, collector dosage lower PAX80 to 65g/t A3418 40 to 30g/t
F16	1	Same as F1, continued with cleaner flotation testing
F11	2	Coarse grind. pH increase from natural (8.1 – 8.3) to 10.0
F14	2	Coarse grind, natural pH, collector dosage lower PAX80 to 65g/t A3418 40 to 30g/t
F17	2	Same as F4, continued with cleaner flotation testing
F19	2	Same as F17, continued with cleaner flotation testing
F12	3	Coarse grind. pH increase from natural (8.1 – 8.3) to 10.0
F15	3	Coarse grind, natural pH, collector dosage lower PAX80 to 65g/t A3418 30 to 20g/t
F18	3	Same as F7, continued with cleaner flotation testing
F20	3	Same as F18, continued with cleaner flotation testing

The results of the rougher flotation optimization have been summarized in the table below:

Test No	Composite	Grind P80 (µm)	% Weight Pull	Rough Concentrate Assay			% Rougher Recovery		
				Au g/t	% Cu	% S	Au	Cu	S
F10	1	131	14.7	6.25	7.58	11.2	90.7	95.9	63.6
F13	1	129	11.6	8.21	8.23	12.3	92.3	94.2	58.6
F16	1	129	12.2	7.55	8.10	11.8	90.9	95.7	61.0
F11	2	121	18.4	2.69	3.51	19.6	91.0	96.0	60.1
F14	2	123	17.3	2.30	3.76	21.1	92.3	95.6	59.7
F17	2	127	17.3	3.46	3.8	19.3	93.6	95.2	57.7
F19	2	128	15.6	3.64	4.04	21.5	92.4	94.9	58.2
F12	3	131	21.6	9.36	8.06	25.7	94.8	97.9	73.7
F15	3	129	20.8	10.90	7.84	28.3	95.7	97.2	75.1
F18	3	138	20.0	8.91	8.41	27.4	94.1	97.2	74.2
F20	3	130	19.2	13.29	9.24	28.0	95.5	97.3	73.3

Cleaner Circuit Testing

Using the optimum grind and rougher kinetics parameters, a 3 stage cleaner circuit test was conducted both with and without a regrind. The details of the cleaner circuit testing have been summarized in the table below:

Test	Composite	Cleaner Circuit Testing Details
F10	1	No regrind, natural (8.1 – 8.3), two cleaning stages
F17	2	No regrind, natural (7.8 – 7.9), two stages cleaning
F19	2	Regrind rougher concentrate to P80 = 33µm, natural (7.6 – 7.8), two cleaning stages
F18	3	No regrind, natural (7.7 – 7.8), two stages cleaning
F20	3	Regrind rougher concentrate to P80 = 43µm, natural (7.7 – 7.8), two cleaning stages

The results of the cleaner circuit test work on the concentrates have been summarized in the table below:

Test	Comp	Ro. Con.			Regrind	2 nd Cleaner Concentrate				Cleaner Circuit Recover %			Total Circuit % Recovery		
		Au g/t	Cu %	P80= µm		% Wt	Au g/t	Cu %	S %	Au	Cu	S	Au	Cu	S
F16	1	7.6	8.1	22	No	3.9	21.2	21.1	30.2	89.1	83.1	81.8	81.0	79.5	49.9
F17	2	3.5	3.8	70	No	7.2	7.6	7.5	37.3	93.4	84.3	82.5	87.4	80.3	47.6
F19	2	3.6	4.0	33	Yes	5.4	9.7	10.5	46.6	91.0	88.8	74.2	84.1	84.3	43.2
F18	3	8.9	8.4	128	No	13.1	13.1	12.0	39.2	96.0	92.8	93.3	90.3	90.2	69.2
F20	3	13.3	9.2	34	Yes	7.3	29.8	20.3	41.6	84.9	83.4	56.3	81.1	81.1	41.3

Tests F16, F17 and F18 did not use a regrind. The authors of the Cascabel Technical Report observed that the rougher concentrate from Composite 1 was very fine grained and produced a reasonable final concentrate grade without any regrinding, which is considered to be a function of the mineralogy present in that composite.

The authors of the Cascabel Technical Report also noted that Composite 3 also produced a good grade (>20% Cu) concentrate following regrinding, however the concentrate grade achieved for Composite 2, even after regrinding, was not high. Given the preliminary nature of this testwork, there should be scope for improvement in both grade and recovery from further optimisation, although noting the observations from the mineralogy of very fine chalcopyrite inclusions in pyrite and gangue minerals, "typical" porphyry cleaner stage recoveries may not be possible.

Mineral Resource Estimate

The mineral resource statement presented in the Cascabel Project represents the maiden MRE prepared for the Alpala deposit in accordance with NI 43-101. The MRE has been estimated using generally accepted "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines (2014) of the Canadian Institute of Mining ("CIM"). The MRE was prepared using some 53,616 m of drilling information from 45 drill holes including wedged daughter holes. The MRE represents the logged and sampled core for which assay results that were received from the lab as of December 18, 2017.

3D Lithological Modelling

Based on the genetic understanding of the Alpala deposit and the drill core logs prepared by the Company, the authors of the Cascabel Technical Report developed a 3D model of the multi-phase intrusions. Most of the intrusion phases have a similar dominant dip and strike to each other, and this was used to elongate the wireframes to ensure that intersections from adjacent drill holes joined correctly and that the extensions of the model beyond the drilled area were pushed in an appropriate direction. For each intrusion wireframe, the shape was fine-tuned using manually digitised polylines to connect neighbouring intersections where necessary and to ensure successful realisation of the multiple thin steep dipping dyke interpretation and to manage the often very low drilling intersection angles.

No attempt has been made to model the alteration assemblages at this stage. There are very few post mineralisation faults encountered in the drillcore, none of those encountered lie on the same plane and therefore no attempt was made to model any post mineralisation faulting. The majority of core is fresh rock, therefore there was no need to model weathering domains; the thin layer of soils logged at surface currently has not been modelled.

Mineralisation Modelling

The intensity of mineralised veining is stronger inside of and in proximity to the mineralising intrusions but also stronger near the steep dipping structures that provided the original pathways for the intrusions, for some distance above the dyke tips. Veining is also noted to be focussed in the parting planes at the contacts of intrusions with each other and the host volcano-sedimentary rocks. As a result of the arrangement of different intrusion lithologies and the pre-existing structures affecting the source and propagation of mineralisation, there was generally a concentric zonation of Cu and Au grades with the higher grade core, centred on the remnant early intrusions, fingering upward into the overlying host rocks.

Mineralisation domains have been developed based on concentric modelling of vein intensity and Cu equivalent ("CuEq") grade calculated using $[Cu \text{ grade } (\%)] + [Au \text{ grade } (g/t) \times 0.6]$ based on the following general criteria:

- low grade - where CuEq exceeds 0.15%;
- medium grade - where B vein intensity exceeds 4% or CuEq grade exceeds 0.7%; and
- high grade - where CuEq grade exceeds 1.5%.

The geological model domains produced by the authors of the Cascabel Technical Report are a combination of the lithologies and the concentric grade zones so that the original concentric grade distribution can be modelled as well

as the later low grade dykes and breccias which overprint this. The low grade mineralised domain defines a lobate-lens shape with a 1,900 m strike extent dipping sub-vertically to the northeast with a width of up to 800 m; it spans a 1,850 m vertical interval from the relatively small mineralised outcrop at around 1,650 masl to the current base of mineralisation at -200 masl. The mineralisation has a distinct keel plunging 25° to the northwest.

Block Model and Grade Estimation

A block model encapsulating the entire model has 40 m by 40 m by 40 m blocks for grade estimation and 5 m by 5 m by 5 m minimum sub-blocks for domain boundary definition. A multi-pass kriging routine was used; most classified blocks were estimated in the first pass using search radii in the plane of the deposit ranging from 70 m to over 200 m depending on variography results per domain. The search strategy ensured all blocks in the model were assigned grades and densities.

Grade Capping Test

A check estimate using capped grades was completed to confirm that the MRE is not materially biased by the highest grades and that they are well supported in their respective domains. Only a minor number of samples per domain were considered to be outliers and capped, representing <1 % of total composite samples. Due to the negligible differences between estimates and immaterial impact of using grade caps, no grade capping was used.

Density Estimation

Specific gravity analysis has been undertaken using a wax method on selected sections of whole core approximately 10 cm in length. The current project database contains 3,878 specific gravity measurements which have been composited into 2,661; 10 m composite samples and used to inform the tonnage estimation.

Mineral Resource Classification

Block model tonnage and grade estimates have been classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves. Mineral resource classification is typically a subjective concept considering the confidence in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should ideally integrate these concepts to delineate contiguous areas with similar resource classification.

Overall the low and medium grade domains have very good continuity but the high grade domains are relatively smaller scale and more variable in terms of drillhole spacing with respect to their size. Some high grade features are well defined by several drillhole intersections allowing confident interpretation of true thickness, dip extent and strike continuity.

In some areas of the model the existence of high grade features or their proportions with respect to medium grade mineralisation are less well demonstrated. In these areas there is lower confidence in the thickness, extents and exact orientation of the high grade features as a result of fewer or singular intersections, wider intersection spacing or shallow intersection angles. Where high grade features have been modelled albeit with lower confidence, the model in the vicinity has been classified as Inferred.

Indicated

Indicated mineral resources are constrained to the core of the drilled area in contiguous areas containing several intersections spaced up to 150 m apart horizontally, the outer perimeter has been drawn between 50 m and 75 m from the drill holes in such areas. The Indicated classification shows reasonable continuity for both mineralisation and geological wireframes. In these volumes, the authors of the Cascabel Technical Report has reasonable to good confidence in the suitability of the model for long term mine planning. The authors of the Cascabel Technical Report consider there to be reasonable potential to extend the Indicated mineral resource with carefully targeted infill drilling.

Inferred

Inferred mineral resources are assigned to contiguous areas which contain several intersections spaced approximately 200 m apart horizontally with the perimeter drawn between 100 m and 150 m from the intersections. Inferred status have been assigned where the authors of the Cascabel Technical Report have reasonable to low confidence in geological geometry, continuity and the block grade estimates. Inferred status has also been applied to isolated high grade features that require further infill drilling to improve confidence in their geometry and continuity. The Inferred parts of the model have been carefully distinguished from Indicated parts of the model by delineating areas on level plans to provide infill and extension drilling targets. The method includes consideration of the fact that high grade features in the deposit are generally smaller in scale than the medium and low grade areas. The authors of the Cascabel Technical Report consider there to be a reasonable expectation that infill drilling in the Inferred mineral resource areas will result in Indicated mineral resources.

Alpala Classification

Data quality, drill hole spacing and the interpreted continuity of grades controlled by the mineralisation domains have allowed the authors of the Cascabel Technical Report to classify portions of the deposit in the Indicated and Inferred mineral resource categories. No Measured classification has been applied at this time. The authors of the Cascabel Technical Report have drawn classification outlines on multiple level plans to limit and classify the MRE.

Cut-off Grade

A cut off grade of 0.3% CuEq was used for the mineral resource statement. The copper equivalent calculation is displayed below and is based on long-term metal prices and assumes equal metallurgical recovery for Cu and Au: $CuEq = (Cu \text{ grade } (\%)) + (Au \text{ grade } (g/t) \times 0.6)$.

The selected cut-off grade compares well with other large-scale underground copper-gold miners and developers who have published mineral resource statements in recent years. This value also agrees with a first principals calculation based on long-term market forecast metal prices (with a 30% uplift which is commonly done in the industry for when stating mineral resources as opposed to mineral reserves) using operating costs derived from a peer group review, smelter terms based on assuming clean concentrate and 90% metal recovery based on reviewing typical industry values and preliminary mineralogy work for Alpala.

Mineral Resource Statement

The authors of the Cascabel Technical Report produced the MRE statement using the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves. The MRE uses a cut off grade of 0.3% which the authors of the Cascabel Technical Report consider appropriate given the reasonable prospects for economic extraction by underground mass mining such as block caving. Further, the statement has high grade splits, mainly representing the high grade core most prevalent at the base of the deposit suggesting an opportunity for early extraction of higher grade material. The MRE is presented on a 100% basis and has an effective date of December 18, 2017.

	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
>1.1% CuEq	Indicated	70	1.1	1.3	1.8	0.7	2.8	1.2
	Inferred	50	1.1	1.3	1.8	0.5	1.9	0.8
0.9 - 1.1% CuEq	Indicated	50	0.7	0.5	1.0	0.3	0.9	0.5
	Inferred	50	0.7	0.5	1.0	0.4	0.9	0.5
0.3 - 0.9% CuEq	Indicated	310	0.4	0.2	0.5	1.2	2.3	1.6
	Inferred	550	0.4	0.2	0.5	2.0	3.5	2.6
Total >0.3% CuEq	Indicated	430	0.5	0.4	0.8	2.3	6.0	3.4
	Inferred	650	0.4	0.3	0.6	2.9	6.3	4.0

Notes:

- (1) Mr. Martin Pittuck, MSc, CEng, MIMMM, FGS, Is responsible for this mineral resource estimate and is an "independent qualified person" as such term is defined in NI 43-101.
- (2) The mineral resource is reported using a cut-off grade of 0.3% Cu equivalent calculated using [Cu grade (%)] + [Au grade (g/t) x 0.6].
- (3) The mineral resource is considered to have reasonable potential for eventual economic extraction by underground mass mining such as block caving.
- (4) Mineral resources are not mineral reserves and do not have demonstrated economic viability.
- (5) The mineral resource statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
- (6) The MRE is reported on 100 percent basis.

Mineral Reserve Estimate

No mineral reserve estimates have been generated from any of the prospects at the Cascabel Project as at the effective date of the Cascabel Technical Report.

Mining Operations, Processing and Recovery Operations

There are no mining, processing or recovery operations being conducted at the Cascabel Project as at the effective date of the Cascabel Technical Report.

Infrastructure, Permitting and Compliance

Other than the roads connecting the project site to Quito and onwards to the coast, there is no infrastructure at the Cascabel Project.

Infrastructure in the region and throughout Ecuador is generally accessible, with road access, power and water all readily available in the local area. A major highway (highway E10) connects the cities of Ibarra and San Lorenzo runs along the northern margin of the property, and further highways provide links between Ibarra and the capital Quito. Power generation in Ecuador is dominated by hydro-electric, with 18 power plants across the state. Currently, 8 new hydroelectric dams are under construction in Ecuador, with the first completed in April 2016. Once fully operational, this power station is set to generate 1,500 MW, with Ecuador aiming for 86% of electricity needs to be met by hydropower in 2020. A small hydroelectric site is located at Carolinas to the south east of the licence. Its current design capacity is unknown.

The authors of the Cascabel Technical Report were informed that the Company holds all necessary permits to conduct their exploration programmes. The Company initiated its environmental and social management programmes in 2012. The environmental licence for the Cascabel Project required for drilling was received from the Environmental Ministry on August 27, 2013. Since 2013, the Company has continued to expand and build on those programmes. As at the effective date of the Cascabel Technical Report, the Company has assigned US\$722,000 to social and environmental works, which equates to 1% of the Company's total exploration budget of US\$65.7 million. Additional environmental licences will be required ahead of any future mine development and operation.

OTHER MINERAL PROJECTS

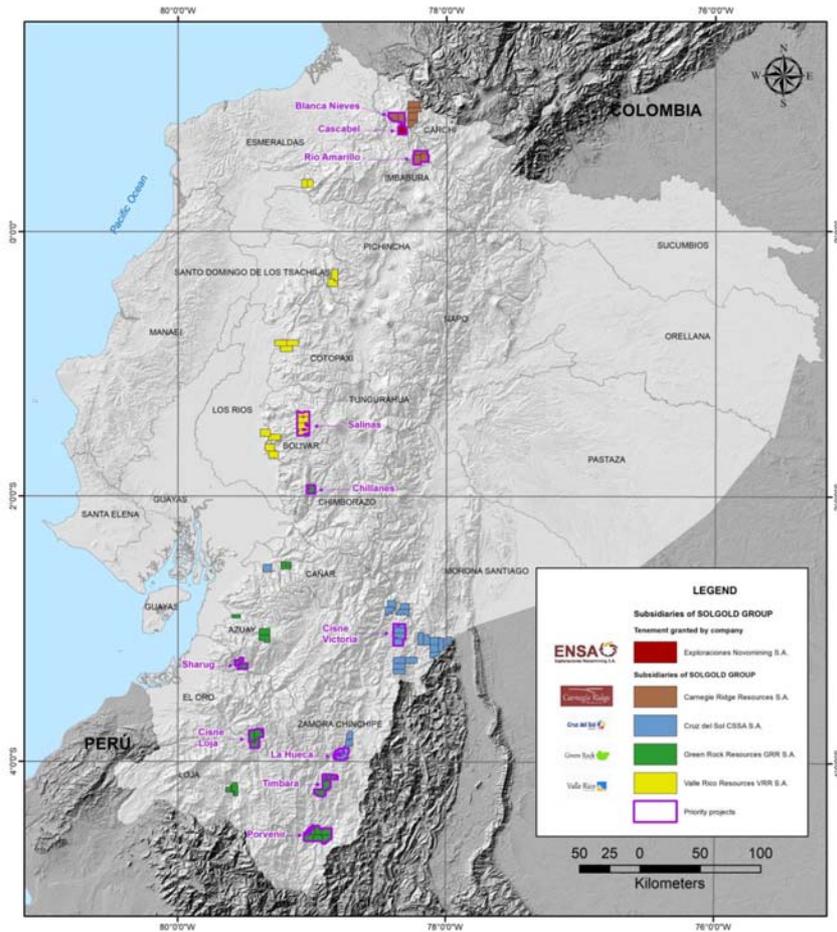
The Company's interest in various other mineral projects are as follows:

Project	Location	Style	Ownership
BLANCA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHICAL	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CARCHI	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHICAL	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned

Project	Location	Style	Ownership
RIO AMARILLO	Ecuador	Cu-Au Porphyry	100% owned
HELIPUERTO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AYANGASA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
COANGOS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
EL CISNE	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SAN SALVADOR	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
ZHUCAY	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
MACHOS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA HUECA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA FLORIDA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LA HUECA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SANTA CRUZ	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHILLANES	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
CHIMBORAZO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
PIÑAS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
PORVENIR	Ecuador	Cu-Au Porphyry	100% owned
SACAPALCA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SAN ANTONIO	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
SHARUG	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
TIMBARA	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AGUSTIN	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
LOS RIOS	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
AGUSTIN	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
YATUBI	Ecuador	Cu-Au Porphyry & Au Epithermal	100% owned
RANNES	QLD Australia	Au-Ag Epithermal	100% owned
MT PERRY	QLD Australia	Au Mesothermal	100% owned
NORMANBY	QLD Australia	Cu-Au Porphyry	100% owned
CRACOW WEST	QLD Australia	Au Epithermal	100% owned
WESTWOOD	QLD Australia	PGE Layered Intrusion	100% owned
LONESOME	QLD Australia	Au Epithermal	100% owned

Ecuador

A comprehensive, nation-wide desktop study has been undertaken by the Company's independent experts to analyse the available regional topographic, geological, geochemical and gravity data over the prospective magmatic belts of Ecuador, with the aim of understanding the controls to copper-gold mineralization on a regional scale. The Company has delineated and ranked regional exploration targets for the potential to contain significant copper-gold deposits. As a result of this study, the Company formed and initially funded, four new 100% owned subsidiary companies in Ecuador; Carnegie Ridge Resources S.A., Green Rock Resources S.A., Cruz del Sol S.A. and Valle Rico Resources S.A. These subsidiaries currently hold 72 mineral concessions over approximately 3,200 km².



Blanca Project

- Location: Charchi province, Northern Ecuador
- Ownership: SolGold holds 100% ownership though Carnegie Ridge Resources S.A.
- Tenement Area: 1 concession (Blanca) over 97 km²
- Primary Targets: Epithermal gold

The Blanca project is located in northern Ecuador on the northern Eocene belt of the Andean copper belt, immediately north of the Cascabel Project concession that hosts the Alpala copper-gold deposit. SolGold holds a 100% interest in the Blanca project through its Ecuadorian subsidiary company, Carnegie Ridge Resources S.A.

High grade 'Bonanza' style epithermal gold mineralisation has been identified over an interpreted 10 km long northwest-trending structural corridor of the Blanca concession. The Blanca epithermal gold veins are situated in a previously unrecognised corridor of gold mineralisation highlighting the under explored potential of the Ecuadorian section of the Andean copper-gold belt.

A ridge and spur auger soil program is underway traversing the projected trend of the epithermal structural corridor. Following the results of the geochemical sampling program, a targeted geophysical survey will be planned, and priority targets refined to drill ready status.

In the Blanca concession, sampling of the intermediate sulphidation 'Cielito' vein and outcropping veins in surrounding drainages returned 72.3 g/t Au, 18.75 g/t Au, 17.05 g/t Au and 4.93 g/t Au hosted in volcanics and volcanic breccias showing weak quartz-pyrite-illite and chlorite-sericite alteration.

La Hueca Project

<u>Location:</u>	Zamora Chinchipe province, Southern Ecuador
<u>Ownership:</u>	SolGold holds 100% ownership though Cruz del Sol S.A.
<u>Tenement Area:</u>	3 concessions, 150 km ²
<u>Primary Targets:</u>	Copper-gold porphyry

Teams conducted extensive stream sediment and panned concentrate sampling throughout the La Hueca project. The geochemical results of this work delineated 5 porphyry copper targets situated along the contact between the Zamora batholith and volcanic units. The results delineate a copper rich porphyry corridor running through the La Hueca project.

Target 6 has returned strong copper, gold and molybdenum anomalism over a large area 1.25 km by 1.0 km. The discovery is significant due to k-feldspar, secondary biotite, and chlorite-sericite hydrothermal alteration intensity, and the presence of chalcopyrite, molybdenite and bornite. A- and B-type quartz veins are also present at variable density. Geochemical high Cu-Mo results are significant, and they are dispersed over an extensive area.

A program of gridded auger soil sampling is underway at Target 6 to further delineate drilling targets. Further reconnaissance, detailed mapping, and sampling and trenching is planned, prior to refining targets for drill testing.

Porvenir Project

<u>Location:</u>	Zamora Chinchipe province, Southern Ecuador
<u>Ownership:</u>	SolGold holds 100% ownership though Green Rock Resources S.A.
<u>Tenement Area:</u>	244 km ²
<u>Primary Targets:</u>	Copper-gold porphyry

A stream sediment sampling program at the Porvenir project delineated two geochemical anomalies within the larger 6 km by 5.5 km stream anomaly at the Derrumbo and Bartolo prospects.

The Company's geologists have identified mineralised outcrops which extend over some 1.5 km by 1 km with chalcopyrite up to 7% and lesser covellite up to 1%, chalcocite up to 2%, bornite up to 1%, malachite up to 3% and pyrite. New mineralised outcrops identified in the Porvenir project that are rich in chalcopyrite, chalcocite, covellite, bornite (copper sulphide minerals) and malachite (copper carbonate mineral).

A program of ridge and spur auger soil sampling is currently underway with initial auger soil results having identified a 2.5 km by 2 km zone of strong copper anomalism. Initial multi element soil geochemistry is delineating a strongly zoned porphyry copper target with copper in soil values of up to 0.42% Cu. Follow up mapping has confirmed mineralisation in outcrop and auger soil programs are continuing and infill programs are planned to delineate drill targets. Geophysical surveys are also planned over the Bartolo and Derrumbo prospects.

Cisne Loja Project

<u>Location:</u>	Loja province, Southern Ecuador
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Ownership: SolGold holds 100% ownership though Green Rock Resources S.A.

Tenement Area: 3 concessions, 146 km²

Primary Targets: Epithermal gold and silver

First pass stream sediment surveys have identified several large areas of strong gold mineralisation across the tenement. Recent follow up of gold anomalies has led to the discovery of outcropping epithermal style alteration and mineralisation over an area of 2.5 km by 1.5 km with several episodes of quartz veining.

Numerous areas of epithermal quartz veins with alteration exhibiting silica-kaolinite-quartz clay assemblages together with vuggy quartz, indicate an intermediate to low sulphidation epithermal environment.

SolGold has had field teams on the ground conducting reconnaissance stream and rock chip sampling, mapping and prospecting at the three Cisne Loja concessions since December 2017. Streams over a 6 km by 4 km zone draining the area of interest revealed gold and magnetite indicating the prevalence of the copper gold mineralised porphyries in the area.

Geological mapping of these anomalies defined alteration and quartz veining over an area of 2.5 km by 1.5 km. These were outcropping, epithermal style alteration and mineralisation with multiple episodes of quartz veining evident. Rock chip samples have returned gold and silver results greater than 1 g/t Au with a best rock chip sample of 15.25 g/t Au and 23.6 g/t Ag.

Further detailed mapping, sampling and trenching is planned along with a geophysical survey, prior to drill testing.

Timbara Project

Location: Zamora Chinchipe province, Southern Ecuador

Ownership: SolGold holds 100% ownership though Green Rock Resources S.A.

Tenement Area: 4 concessions (Timbara 1, Timbara 2, Timbara 3 and Timbara 4), 152 km²

Primary Targets: Copper-gold porphyry

At Timbara 1 prospect, outcropping porphyry style mineralisation occurs as northeast trending narrow quartz veins containing pyrite, chalcopyrite, covellite and bornite hosted within granodiorite intrusive.

At Timbara 2 prospect fine-grained diorite contains abundant stockworks of porphyry style quartz-chalcopyrite veins and magnetite veinlets characterised by intense propylitic chlorite alteration. Mineralisation is represented by up to 3% chalcopyrite, 2% bornite, and 1% chalcocite, with traces of malachite and native Cu.

At Timbara 3 prospect, reconnaissance mapping has located a 25 m wide zone of quartz-hematite veining including localised bornite rich veining. Other outcrops identified show significant exposed 5 m thick quartz veins containing pyrite, chalcopyrite, bornite, and minor chalcocite. Peripheral to these mineralised zones, host rocks contain abundant magnetite veinlets cut by quartz veins containing chalcopyrite, magnetite, pyrite and minor chalcocite.

Rio Amarillo Project

Location: Imbabura province, Northern Ecuador

Ownership: SolGold holds 100% ownership though Carnegie Ridge Resources S.A.

Tenement Area: 3 concessions, 123 km²

Primary Targets: Copper porphyry

Two main prospects have been identified in both Rio Armarillo 1 & 2; Chillanes and the Pugaran prospects.

Chillanes consists of an extensive lithocap with surrounding strong stream sediment anomalies. The lithocap measures approximately 2.4 km by 2.4 km. It consists of crackle and hydrothermal breccias, with silca-clay and advanced argillic alteration, typical of the upper levels of a porphyry system.

Pugaran hosts abundant B-type veins and zones of strong copper mineralisation. It represents a 250 m long outcrop of copper mineralisation consisting of B-type veins with pyrite, chalcopyrite, chalcocite and bornite. K-alteration overprinted by phyllic alteration.

The next stage of exploration at Rio Armarillo project will start with detailed auger soil program over the Chillanes lithocap in Rio Armarillo 2 concession and geophysical surveys covering the entire project, to enable drill target selection.

Chillanes Project

Location: Bolivar/Chimborazo province, Central Ecuador

Ownership: SolGold holds 100% ownership though Green Rock Resources S.A.

Tenement Area: 48 km²

Primary Targets: Copper-gold porphyry

Stream sediment geochemical sampling has returned the highest copper results from any SolGold project in Ecuador with best results including 1,140 ppm Cu and 1,110 ppm Cu. Detailed follow up mapping and rock chip sampling is continuing with the best rock chip assay returned to date of 1.42% Cu.

Hydrothermal alteration consists of phyllic alteration with abundant chalcopyrite and pyrite with lesser chalcocite and bornite mapped in outcrop.

Following the completion of initial anaconda mapping, a program of auger soil geochemistry will be carried out to delineate priority drill targets.

Salinas Project

Location: Bolivar province, Southwest Ecuador

Ownership: SolGold holds 100% ownership though Valle Rico Resources S.A.

Tenement Area: 4 concessions, 189 km²

Primary Targets: Gold-silver-copper epithermal

The Salinas project represents a high sulphidation epithermal Ag-Au-Cu with indications of a nearby Cu-Au porphyry system.

Mineralisation is hosted in structurally controlled hydrothermal volcanic breccias. A hypogene covellite-energite-chalcocite- arsenopyrite paragenesis of phases in the hydrothermal breccia suggests a nearby larger Cu-Au porphyry system.

Valle Rico will focus on exploring for both epithermal and porphyry systems at the Salinas project. Along with continuing to drill test the mineralised epithermal breccias, Valle Rico will carry out regional prospecting to identify porphyry targets.

Sharug Project

<u>Location:</u>	Azuy province, Southwest Ecuador
<u>Ownership:</u>	SolGold holds 100% ownership though Green Rock Resources S.A.
<u>Tenement Area:</u>	2 concessions, 52 km ²
<u>Primary Targets:</u>	Copper-gold porphyry

New diorite outcrops located in the Sharug project, in the Sharug 2 concession. The alteration and mineralisation observed is indicative of a potential porphyry copper gold system. Hydrothermal alteration consists of chlorite, sericite and secondary biotite.

The quartz vein stockwork has a preferential direction northeast-southwest. The fine stockwork veinlets comprise magnetite, pyrite and disseminated chalcopyrite.

Mineralisation is observed with up to 1.5% pyrite, 0.2% chalcopyrite, traces bornite, native copper traces, with chalcopyrite up to 1% in mafics with abundant secondary biotite. Tourmaline veins with chalcopyrite have also been identified and assays are pending.

Cisne Victoria Project

<u>Location:</u>	Morana Santiago province, South-eastern Ecuador
<u>Ownership:</u>	SolGold holds 100% ownership though Cruz del Sol S.A.
<u>Tenement Area:</u>	170 km ²
<u>Primary Targets:</u>	Copper-gold porphyry

Numerous prospects have been discovered during SolGold's initial geochemical stream sampling. Significant alteration and mineralisation has been identified that is indicative of a potentially significant porphyry system.

Best results include a 7 m continuous channel chip sample that returned: 7m @ 2.28% Cu, 0.73 g/t Au, 8.83 g/t Ag.

Initial first pass exploration is continuing to define the extent of the copper mineralisation and locate new prospects.

Australia

In Queensland, Australia, the Company has identified the following 4 major project areas: (i) Mount Perry; (ii) Normanby; (iii) Rannes; and (iv) Cracow West. SolGold continues to hold tenements across central and southeast Queensland, through its wholly owned subsidiaries, Central Minerals Pty Ltd and Acapulco Mining Pty Ltd. Central Minerals Pty Ltd currently holds 4 exploration permits as follows: EPM 25300 (Rannes project), EPM 19639 (Goovigen consolidated), EPM 18760 (Westwood), and EPM 18032 (Cracow West). Acapulco Mining Pty Ltd. currently holds exploration permits at EPM 19410 (Normanby) and EPM 25245 (Mount Perry).

A total of 3,423 m of RC and diamond drilling was completed during the year across the Company's Queensland projects, and a versatile time domain electromagnetic ("VTEM") airborne geophysics survey was completed over the main tenement areas in June 2018. The VTEM survey tested for conductive and/or resistive bodies that may indicate mineralisation lying underneath adjacent extensive cover sequences.

Mount Perry Project

<u>Location:</u>	130 km northwest of Gympie, Queensland, Australia
<u>Ownership:</u>	SolGold holds 100% ownership interest through Acapulco Mining Pty Ltd.
<u>Tenement Area:</u>	64 granted sub-blocks (circa 205km ²)
<u>Primary Targets:</u>	High grade, lode gold deposits and possible gold porphyry deposits

The Mount Perry mineral field located approximately 100 km southwest of Bundaberg (Queensland, Australia) and comprises epithermal to mesothermal veins that cluster around mineralized porphyry intrusions and associated breccia bodies.

Two diamond holes (total 567.4 m) and two shallow RC percussion holes (59 m) were drilled to test a potential porphyry target postulated as the feeder for now abandoned high grade underground mines in the New Moonta area. The drilling was completed early July 2018.

Drilling has identified chalcopyrite and molybdenum mineralisation consistent with and indicative of a porphyry system. Both holes intersected a copper/molybdenum mineralised monzonite porphyry, and were terminated in mineralisation. Assay results remain pending.

Should assays results offer encouragement, deeper drilling is planned to continue in this area, including the vicinity of the Red Hill breccia pipe where very shallow drilling has intersected gold and copper grades (4 m @ 5.7 g/t Au).

Normanby Project

<u>Location:</u>	120 km northwest of Mackay, Queensland, Australia
<u>Ownership:</u>	SolGold holds 100% ownership interest through Acapulco Mining Pty Ltd.
<u>Tenement Area:</u>	60 granted sub-blocks (circa 192 km ²)
<u>Primary Targets:</u>	Cu-Au porphyry deposits and batholith associated gold vein deposits

The Normanby project is located at the southern margin of eastern Australia and is 120 km northwest of Mackay, Queensland, Australia.

The quartz vein gold copper systems at Normanby occur in shear zones along a diorite – granite contact. The field extends for several kilometers to the west beyond the current sampling, into flatter areas with a partial gravelly cover. Recently prospectors have been recovering nuggets from near the old workings in those areas.

Exploration activities included drilling of 6 RC percussion holes totaling 607 m (including a diamond tail). Drilling focused on targets identified by a prospecting program conducted in early 2017. 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:

- 14 m @ 5.3 g/t Au from 58 m depth (MFT019);
- 28 m @ 1.1 g/t Au, from 40 m depth, including 10 m @ 2.3 g/t Au (MFT020); and
- 28 m @ 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. Further work is planned at Mount Flat Top and Normanby including more detailed soil and rock sampling to guide future drilling more accurately.

Rannes Project

Location: 140 km west of Gladstone, Queensland, Australia

Ownership: SolGold holds 100% ownership interest through Central Minerals Pty Ltd

Tenement Area: 126 granted sub-blocks (circa 403km²)

Primary Targets: Disseminated and vein gold and silver deposits

SolGold's principal targets at the Rannes project are structurally-controlled, low-sulphidation epithermal gold-silver deposits. Thirteen prospects have been identified within the Permian-aged Camboon Volcanics, with the majority lying along north-northwest trending fault zones. Exploration has included tenement wide stream sediment, soil and rock chip sampling surveys. A detailed airborne magnetic survey was recently re-interpreted to enhance the development of the structural model of the belt. Exploration methods have included a 3D IP survey, geological mapping, and trenching all contributing to definition of additional drill targets at several prospects.

A total of 473 holes have been drilled at the Rannes Project for a total of 58,887 m. Most of this drilling has occurred at Kauffmans prospect (151 holes) and the Crunchie prospect (90 holes), while lower metreage drill programs have been conducted at the Shilo, Cracklin' Rosie, Porcupine, Brother, Spring Creek and Police Camp Creek prospects.

Mineral resource estimates were completed by Hellman & Schofield Pty Ltd. and by H&S Consulting Pty. Ltd., both of which are independent geological consultancies. The most recent mineral resource estimate includes resources in both Indicated and Inferred categories for reporting under the Australasian Joint Ore Reserves Committee's "*Code for Reporting of Mineral Resources and Ore Reserves*". The table below lists the current mineral resource estimates at the Kauffmans, Crunchie, Cracklin' Rosie, Porcupine and Brother prospects as of May 23, 2012. These estimates are based on gold to silver ratio of 1:50 and a 0.5 g/t Au equivalent cut-off. The resource at 0.3 g/t Au cut-off was announced on May 23, 2012.

Prospect	Cut-Off (Au.Eq)	Resource Category	M.Tonnes	Au (g/t)	Ag (g/t)	Ounces (Au)	Ounces (Ag)	Ounces (Au.Eq)
Kauffmans	0.5	Indicated	1.58	0.79	10.30	40,304	522,074	50,729
		Inferred	3.49	0.74	8.90	83,060	999,278	103,092
Crunchie	1.5	Indicated	2.40	0.46	42.40	35,833	3,310,000	102,100
		Inferred	3.20	0.49	39.80	49,797	4,040,000	130,676
Cracklin' Rosie	0.5	Inferred	0.43	0.59	5.60	8,023	76,145	9,544
Porcupine	0.5	Inferred	0.57	0.50	7.50	9,202	137,085	11,941
Brother	0.5	Inferred	0.57	0.60	1.10	11,021	20,490	11,434
Total (All Prospects)			12.24	0.63	23.18	237,240	9,105,072	419,516

Located, 140 km west of Gladstone (Queensland Australia), Rannes project hosts structurally-controlled, low-sulphidation epithermal gold-silver deposits. Thirteen prospects have been identified within the Permian-aged Camboon Volcanics, with the majority lying along north-northwest trending fault lines.

2017/2018 exploration activities included the drilling of two holes (RC pre-collar with diamond tail) totaling 589.8 m of drilling

Preliminary analysis of the VTEM data show conductors offset to the southwest of the surface mineralization, suggesting the potential for sulphide zones down south-westerly dipping thrust faults. A large conductor lying untested in the far south west portion of the survey area was marked for follow up, where gold and silver soil geochemical anomalies occur in a poorly exposed area.

The 2 diamond holes were drilled under the thickest part of the Crunchie deposit to test for depth extensions to mineralization under soil geochemical anomalies, however drilling returned no significant results.

Further analysis of the VTEM with existing data will form the basis of further work in 2018/2019 and refinement of follow up drill testing.

At the Woolein prospect, located near Goovigen, approximately 140 km west of Gladstone (Queensland Australia), exploration activities at the consolidated concessions around the Woolein prospect included the drilling of 10 reverse circulation drill holes totaling 946 m in order to test gold geochemical anomalies in soil where linear structural features are interpreted from topographic and regional magnetic imagery.

No significant intersections were achieved from the drill program and no further work is planned at the Woolein prospect for the coming year.

Cracow West Project

<u>Location:</u>	260 km west-northwest of Gympie, Queensland, Australia
<u>Ownership:</u>	SolGold holds 100% ownership interest through Central Minerals Pty Ltd.
<u>Tenement Area:</u>	12 granted sub-blocks (circa 38km ²)
<u>Primary Targets:</u>	Low-sulphidation epithermal Au-Ag deposits

Gold mineralization at the mine is associated with Permian-aged, low-sulphidation, epithermal quartz veins which have been emplaced along northwest and north-northwest trending fault zones. The Company's initial exploration concept was to explore for a similar deposit to Cracow gold mine but a recent review of the regional geology suggests that the anomalism seen at Cracow West may be associated with a later phase of Triassic intrusions, suggesting a later mineralization event.

The Company's exploration at Cracow West has included stream sediment, soil and rock chip sampling. This has identified three significant prospects: Dawson Park, Kambrook and Theodore Bends. A sub-audio magnetotellurics survey was completed over the Kambrook and Dawson Park prospect which identified a potential buried target at the Dawson Park prospect, which coincides with a distinct soil tellurium anomaly at surface. The Cracow West tenement holds targets anomalous in tellurium over a Subaudio Magnetics resistor anomaly.

SolGold did not undertake exploration activities in 2017/2018 and a renewal application has been lodged to the Queensland Department of Natural Resources with an immediate commitment to drill 2 diamond holes prior to October 2018. SolGold is optimistic of a favorable decision on the renewal application and expects the proposed program to be underway in September 2018.

Initial drilling will test a resistive feature at Dawson Park identified by the recent VTEM survey at a prognosed depth of 300 m. Drilling will target potential for resistive gold-bearing epithermal silica, and follow up drill holes will be drilled in order to more accurately determine the dip and geometry of potential epithermal quartz adularia telluride-gold mineralisation.

OTHER EXPLORATION

Solomon Islands

On February 10, 2017, the Company (through its wholly owned subsidiary ARM) has applied for the Mbetilonga prospecting licence application in Guadalcanal in the Solomon Islands (the "**Mbetilonga Application**") which covers an area of approximately 46 m² and is located approximately 8 km south of the capital of the Solomon Islands, Honiara.

If granted, the Company intends to target porphyry Cu-Au deposits within the area of the Mbetilonga Application.

The Mbetilonga Application is situation with a large nested volcanic collapse structure covering an area of 56 km². The present working hypothesis is that Mbetilonga is a partially exposed porphyry style Cu-Au system, and the presence of apparently stratabound mineralisation represents preferential hydrothermal fluid migration along more susceptible overlying agglomerate horizons. The degree of weathering and alteration renders determination of rock types difficult; however, these have been variously described as altered volcanics, agglomerates, porphyries and hydrothermal breccias, but in many instances more closely resemble diatreme breccias.

SolGold has historical familiarity with the area constituting the Mbetilonga Application having previously held (through its wholly owned subsidiary ARM), prospecting licence over substantially the same area from November 2005 until January 2013.

DIVIDENDS OR DISTRIBUTIONS

The Company has not paid dividends since its incorporation. While there are no restrictions precluding the Company from paying dividends, it anticipates using all available cash resources toward its stated business objectives. At present, the Company's policy is to retain earnings, if any, to finance its business operations. The Board will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. See "*Risk Factors*".

DESCRIPTION OF CAPITAL STRUCTURE

Ordinary Shares

The share capital of the Company is divided into Ordinary Shares with a nominal par value of 1 pence (1p) each. The Company does not have an authorized capital share. As at the date of this AIF, 1,696,245,686 Ordinary Shares are issued and outstanding.

All of the Ordinary Shares rank equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and entitlement to any dividends declared by the Company. The holders of the Ordinary Shares are entitled to receive notice of, and to attend and vote at, all general meetings of shareholders of SolGold. Each Ordinary Share carries the right to one vote. In the event of the liquidation, dissolution or winding-up of the Company, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Ordinary Shares will be entitled to receive, on a pro rata basis, all of the assets remaining after the payment by the Company of all of its liabilities. The holders of Ordinary Shares are entitled to receive dividends as and when declared by the Board in respect of the Ordinary Shares on a *pro rata* basis.

Any alteration of the rights, privileges, restrictions and conditions attaching to the Ordinary Shares under the Company's Articles must be either consented to in writing of not less than $\frac{3}{4}$ of the nominal value of the issued Ordinary Shares or with the sanction of a special resolution passed at a separate general meeting of the holders of Ordinary Shares duly convened and held as provided in the Articles.

Options

As of the date of this AIF, there are 47,012,000 Options exercisable at 60 pence, 21,250,000 Options exercisable at 40 pence, 31,795,884 Options exercisable at 28 pence and 9,795,884 Options exercisable at 14 pence outstanding. For additional information, see "*Options to Purchase Securities*".

MARKET FOR SECURITIES

Trading Price and Volume

The Ordinary Shares are admitted for trading on the Main Market and the TSX under the symbol "SOLG".

The following table sets forth the reported high and low prices (including intra-day prices) and the total volume of trading of the Ordinary Shares on the AIM, the Main Market and the TSX for the periods indicated during the 12-month period before the date of this AIF. The Company was admitted for trading on the AIM under the symbol "SOLG" from February 10, 2006 to October 6, 2017. On October 6, 2017, the Ordinary Shares were listed on the Main Market under the symbol "SOLG" and the Company simultaneously cancelled trading on AIM. The Ordinary Shares have traded on the TSX under the symbol "SOLG" since July 14, 2017.

LSE

	<u>High (pence)</u>	<u>Low (pence)</u>	<u>Total Volume</u>
September 2017	35.75	28.50	45,392,050
October 2017 ¹	39.50	25.00	75,645,752
November 2017	36.50	25.75	61,888,389
December 2017	30.25	24.25	31,170,253
January 2018	31.50	21.70	56,892,418
February 2018	24.00	19.76	46,684,991
March 2018	24.00	21.00	29,554,313
April 2018	29.45	20.40	73,653,706
May 2018	27.00	23.60	24,707,775
June 2018	25.95	20.90	16,066,760
July 2018	26.85	21.00	18,866,009
August 2018	24.00	20.50	14,598,280
September 1-26, 2018	39.00	20.55	74,824,632

¹ For the period November 1, 2017 through October 5, 2017. On October 6, 2017, the Company commenced trading on the Main Market and simultaneously cancelled trading on AIM.

TSX

	<u>High (dollars)</u>	<u>Low (dollars)</u>	<u>Total Volume</u>
September 2017	0.800	0.630	672,561
October 2017	0.750	0.420	1,539,144
November 2017	0.590	0.430	3,426,569
December 2017	0.520	0.435	2,623,052
January 2018	0.540	0.395	2,348,813

February 2018.....	0.470	0.340	937,939
March 2018.....	0.450	0.390	532,155
April 2018	0.485	0.375	763,565
May 2018.....	0.500	0.395	974,007
June 2018.....	0.445	0.315	1,226,600
July 2018	0.440	0.355	1,011,763
August 2018	0.410	0.345	260,540
September 1-26, 2018.....	0.630	0.350	2,069,067

Prior Sales

During the financial year ended June 30, 2018, the Company issued Ordinary Shares and securities convertible or exercisable into Ordinary Shares as follows:

<u>Date of Issue/Grant</u>	<u>Price per Security⁽¹⁾</u>	<u>Number of Securities⁽²⁾</u>
<i>Ordinary Shares</i>		
July 7, 2017	£0.280	1,300,000 ⁽³⁾
July 7, 2017	£0.140	1,300,000 ⁽³⁾
August 11, 2017	£0.3816	690,000 ⁽⁴⁾
November 30, 2017	£0.250	180,000,000 ⁽⁵⁾
<i>Securities Convertible or Exercisable into Ordinary Shares</i>		
July 28, 2017	£0.600	36,750,000 ⁽⁶⁾
August 9, 2017	£0.600	10,012,000 ⁽⁶⁾
July 5, 2018	£0.400	21,250,000 ⁽⁷⁾
July 5, 2018	£0.600	250,000 ⁽⁸⁾

Notes:

- (1) For Options and warrants, this represents the exercise price per Ordinary Share of the options or warrants, as applicable, to purchase Ordinary Shares.
- (2) For Options and warrants, this represents the maximum number of Ordinary Shares issuable upon exercise of the Options or warrants, as applicable, to purchase Ordinary Shares.
- (3) Represents Ordinary Shares issued to directors through the exercise of options.
- (4) Represents Ordinary Shares issued to Newcrest International.
- (5) Represents Ordinary Shares issued in connection with the 2017 November Private Placement.
- (6) Represents unlisted Options issued to directors, contractors and to a third party as part of capital raising fees of the Company, which expire on August 8, 2020.
- (7) Represents unlisted Options issued the Company's key employees, which expire on July 4, 2020.
- (8) Represents unlisted Options issued to a third party as part of their services contract, which expire on July 4, 2021.

OPTIONS TO PURCHASE SECURITIES

As of the date of this AIF, there are 47,012,000 Options exercisable at 60 pence, 21,250,000 Options exercisable at 40 pence, 31,795,884 Options exercisable at 28 pence and 9,795,884 Options exercisable at 14 pence outstanding.

Of these:

- 9,795,884 Options at 28 pence (expiry October 17, 2018) have been issued to Maxit Capital pursuant to the Maxit Subscription Agreement and the Maxit Second Tranche Subscription Agreement. See "*Description of the Company's Business – History – Fiscal Year 2016*", "*Maxit Subscription Agreement*" and "*Maxit Second Tranche Subscription Agreement*";
- 9,795,884 Options at 14 pence (expiry October 17, 2018) have been issued to Maxit Capital pursuant to the Maxit Subscription Agreement and the Maxit Second Tranche Subscription Agreement. See "*Description of the Company's Business – History – Fiscal Year 2016*", "*Maxit Subscription Agreement*" and "*Maxit Second Tranche Subscription Agreement*";
- 22,000,000 Options at 28 pence (expiry October 28, 2018) have been issued to the Company's employees and contractors;
- 21,250,000 Options at 40 pence (expiry June 4, 2020) were issued to key employees of the Company;
- 250,000 Options at 60 pence (expiry July 4, 2021) were issued to a third party as part of their services contract; and
- 46,762,000 Options at 60 pence (expiry August 8, 2020) were issued to the board, contractors, and a third party as part of capital raising fees, vesting 18 months after issue unless triggered by a change of control transaction.

Share Incentive Plan

The Share Incentive Plan of the Company was adopted by the Board in July 2017 and approved at the Company's annual general meeting held on July 28, 2017. The Company believes that the Share Incentive Plan is instrumental in securing for the Company and its shareholders the benefits of incentives inherent in share ownership by officers, employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success, through the holding of Ordinary Shares. As of the date hereof, 21,250,000 Options at 40 pence (expiring June 4, 2020) were issued to key employees of the Company under the Share Incentive Plan.

Key Terms	Summary of Share Incentive Plan
Securities	An Option entitles a holder to purchase an Ordinary Share at an exercise price set at the time of the grant. Ordinary Shares granted under the Share Incentive Plan will be new Ordinary Shares.
Eligibility	Under the Share Incentive Plan, eligible participants include the directors, officers and employees (including both full-time and part-time employees) of the Company or of any designated affiliate of the Company and any person or corporation engaged to provide ongoing management or consulting services for the Company or a designated affiliate of the Company (or any employee of such person or corporation) are eligible to participate.
Administration	The Share Incentive Plan is administered by the Board or the committee of the Board authorized to administer the Share Incentive Plan, including the Remuneration Committee (the " Committee ").
Exercise Price	The exercise price for Options is determined by the Committee at the time the Option is granted, provided that the exercise price of any Option may not be less than the closing price of the Ordinary Shares on the TSX, or such other principal market upon which the Ordinary Shares are traded, on the last trading day immediately preceding the date of the grant of such Option.

Key Terms	Summary of Share Incentive Plan
Limitations	<p>The maximum number of Ordinary Shares made available for the Share Incentive Plan shall not exceed 10% of the total number of Ordinary Shares then outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.</p> <p>The maximum number of Ordinary Shares issuable to insiders, at any time, pursuant to the Share Incentive Plan and any other share compensation arrangement is 10% of the total number of Ordinary Shares then outstanding. The maximum number of Ordinary Shares issued to insiders, within any one-year period, pursuant to the Share Incentive Plan and any other share compensation arrangement is 10% of the total number of Ordinary Shares then outstanding.</p>

NEWCREST SUBSCRIPTION AGREEMENT

On August 30, 2016, the Company, Newcrest International and Newcrest Mining entered into the Newcrest Subscription Agreement, pursuant to which Newcrest International agreed to subscribe for 135,857,401 Ordinary Shares at a price of US\$0.08 per Ordinary Share for aggregate gross proceeds of US\$10,868,592.08. On September 26, 2016, the Company, Newcrest International and Newcrest Mining entered into a deed to vary the Newcrest Subscription Agreement (the "**Further Deed of Variation**"), pursuant to which Newcrest International subscribed for 142,896,661 Ordinary Shares at a price of US\$0.16 per Ordinary Share for aggregate gross proceeds of US\$22,863,465.76. On June 21, 2017, the Company, Newcrest International and Newcrest Mining entered into a third deed of variation (the "**Third Deed of Variation**") to vary the Newcrest Subscription Agreement as amended by the Further Deed of Variation. Under the Third Deed of Variation, Newcrest International subscribed for 76,535,610 Ordinary Shares at a price of US\$0.52 per Ordinary Share in respect of the June 2017 Offering.

Board Appointment Right

Pursuant to the Newcrest Subscription Agreement (as varied by the Further Deed of Variation), the Company granted to Newcrest International a right (but not an obligation) to nominate an individual to be appointed as a director of the Board for so long as Newcrest International, Newcrest Mining or any wholly owned subsidiary (together, "**Newcrest**") holds at least 10% of the Ordinary Shares of the Company (the "**Newcrest Minimum Holding**") (the "**Newcrest Board Appointment Right**").

Once the nominee is proposed by Newcrest, the nominee must be approved by the Board. Newcrest is only permitted to nominate an individual that: (i) the Board believes, in its reasonable opinion, has the requisite business acumen and relevant experience; (ii) the Board believes, in its reasonable opinion, is suitable to be a director of SolGold; and (iii) is suitable to be a director listed on AIM, as certified or attested to by SolGold's nominated advisor (the "**NOMAD**"), in accordance with the rules of AIM. If Newcrest's nominee meets these criteria, SolGold must take all steps necessary to appoint such person to the Board as soon as practicable.

Any nominee that is proposed by Newcrest and subsequently appointed to the Board shall hold office until the next annual general meeting of the Company following the nominee's appointment. At such annual general meeting of the Company, the nominated director shall stand for re-election to the Board and the SolGold shareholders will have the opportunity to vote on the nominee's re-election to the Board. A nominated director retires by rotation in the same manner as any other director of the Board. Upon a nominated director's regular retirement by rotation from the Board, SolGold shareholders will have the opportunity to vote on the nominee's re-election to the Board. If SolGold shareholders decide not to re-elect a relevant nominee, Newcrest may, subject to maintaining the Newcrest Minimum Holding, nominate a new nominee.

Newcrest has the right to remove its nominee from the Board at any time and may propose a new nominee, in which case SolGold shall take all steps necessary to appoint that new nominee to the Board as soon as practicable, by giving written notice to SolGold. Where Newcrest's current nominee is due to retire by rotation and Newcrest nominate another person as their new nominee: (i) Newcrest must procure that its current nominee retires; (ii) the new nominee will be considered for election at an annual general meeting of the Company; and (iii) the Board will recommend that the new nominee be elected.

In the event that Newcrest's shareholding in the Company falls below the Newcrest Minimum Holding, solely as a result of Newcrest having failed to participate in any future equity raising or due to a voluntary sale of Ordinary Shares by Newcrest, and provided the Company has complied with its obligations pursuant to the Anti-Dilution Right (as defined below), then Newcrest must procure the resignation of its nominated director within 3 business days after the date that it ceased to hold the Newcrest Minimum Holding and Newcrest shall no longer have a Newcrest Board Appointment Right, even in the event that its shareholdings exceeds the Newcrest Minimum Holding at some future date. Should Newcrest fail to procure the resignation of its nominee, SolGold is then entitled to take steps to remove the appointee as director or officer, including seeking a shareholder resolution to remove the appointee and is entitled to be indemnified for all costs and expenses incurred by SolGold in respect of the same.

Anti-Dilution Right

Subject to the passage of any necessary authorised issue resolution and/or disapplication resolution (which the Company must use its reasonable endeavours to secure), if the Company wishes to allot and issue any equity securities either for cash (a "**Further Raising**") or pursuant to a transaction for non-cash consideration (an "**Other Transaction**"), and at that time Newcrest International holds at least 5% of the Ordinary Shares in the Company, then the Company must give Newcrest International the opportunity to subscribe for:

- (a) in the case of a Further Raising, such number of Ordinary Shares in the Further Raising; and
- (b) in the case of an Other Transaction, such number of Ordinary Shares (a "**New Issue**"),

that following the allotment and issue of all Ordinary Shares pursuant to the Further Raising or the Other Transaction (as the case may be, together the "**Relevant Transaction**"), Newcrest International holds the same percentage of Ordinary Shares on issue as it held immediately prior to the Further Raising or the Other Transaction (as the case may be) (the "**Anti-Dilution Right**"). If at the time of a Relevant Transaction, Newcrest International holds more than 10% of the Ordinary Shares, then the Company shall give Newcrest International the opportunity to subscribe for so many Ordinary Shares that following the allotment and issue of all Ordinary Shares issued pursuant to the Relevant Transaction, Newcrest International holds 10% of the Ordinary Shares then issued and outstanding.

If at any time before a Relevant Transaction, Newcrest International has held less than 5% of the Ordinary Shares on issue as a result of failing to take part in an earlier Relevant Transaction or due to a voluntary sale of Ordinary Shares, then the Anti-Dilution Right ceases to apply.

The Anti-Dilution Right does not apply to an allotment or issue of equity securities that would, apart from any renunciation or assignment of their right to their allotment, be held under an employee share scheme, employee share option scheme, directors and officers share scheme or directors and officers share option scheme.

The issue price of Ordinary Shares issued under a New Issue will be the 10-day VWAP calculated as at the date 10 business days after completion of the Other Transaction.

Top-Up Right

Subject to the passage of any necessary authorised issue resolution and/or disapplication resolution (which the Company must use its reasonable endeavours to secure), if at the beginning of each 6 month period (the first of which 6 month periods commenced on October 18, 2016) (each a "**Relevant Period**") Newcrest International holds at least 5% of the Ordinary Shares and the Company allots and issues equity securities during the Relevant Period either:

- (a) as part of an employee share scheme, employee share option scheme, directors and officers share scheme or directors and officers share option scheme;
- (b) as a result of the conversion of debt (including the exercise of convertible notes); or
- (c) upon the exercise of Options over unissued Ordinary Shares, (each a "**Top-Up Event**"),

then, Newcrest International will be entitled, at the same time or immediately following the Top-Up Event, to subscribe for so many Ordinary Shares (the "**Top-Up Shares**") so that following the issue of those Top-Up Shares, Newcrest International holds the same percentage of Ordinary Shares on issue as it held immediately prior to the Top-Up Event (a "**Top-Up**") (the "**Top-Up Right**"). However, in the event that the Newcrest International has been issued convertible notes or Options during a Relevant Period and those notes or Options may be converted or exercised, then Newcrest International must first convert those convertible notes or exercise those Options (as the case may be) in order to Top-Up, and if the resulting number of Ordinary Shares issued to it after having done so is insufficient to Top-Up, then Newcrest International may subscribe for Top-Up Shares.

Any Top-Up Shares will be issued at the higher of:

- (a) the conversion price of the last convertible notes converted or the exercise price of the last Options exercised during the Relevant Period;
- (b) the 10-day VWAP calculated as at the date of issue of the Top-Up Shares; and
- (c) the highest subscription price at which a bona fide independent third party offers in writing to subscribe for Ordinary Shares representing not less than 5% of the issued Ordinary Share capital of the Company during or at the end of the Relevant Period (the "**Offer**"), on terms acceptable to and capable of acceptance by the Company where:
 - a. the Offer is a cash offer;
 - b. the Offer is made no more than 2 months prior to the end of the Relevant Period; and
 - c. a copy of the Offer has been provided to Newcrest International.

If at any time before a Top-Up Event, Newcrest International has held less than 5% of the Ordinary Shares on issue as a result of failing to take part in an earlier Further Raising or due to a voluntary sale of Ordinary Shares, then the Top-Up Right ceases to apply.

On January 31, 2017, the Company issued and allotted 100,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right. The allotment to Newcrest International was priced at 29.9 pence per Ordinary Share, based on a 10-day VWAP.

On March 1, 2017, the Company issued and allotted 240,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein). The allotment to Newcrest International was priced at 38.4 pence per Ordinary Share, based on a 10-day VWAP.

On August 11, 2017, the Company issued and allotted 690,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein). The allotment to Newcrest International was priced at 38.16 pence per Ordinary Share, based on a 10-day VWAP.

On November 30, 2017, the Company issued and allotted 26,172,000 fully paid Ordinary Shares with a nominal value of 1 pence per Ordinary Share to Newcrest International, pursuant to Newcrest International's Top-Up Right (as defined herein) and in connection with the November 2017 Private Placement. The allotment to Newcrest International was priced at 25.00 pence per Ordinary Share.

Undertakings by Newcrest International

Newcrest International has undertaken to the Company that until October 17, 2019, and unless otherwise agreed:

- (a) in respect of any Relevant Control Proposal that cannot proceed to completion or conclusion without shareholder approval (the "**RCP Shareholder Resolutions**"), to vote in favour of the RCP Shareholder Resolutions, provided that:
 - a. the Relevant Control Proposal is the subject of a favourable report by an independent expert (in the absence of a superior proposal); and
 - b. immediately prior to the consideration of the RCP Shareholder Resolutions at the relevant meeting of shareholders, at least 60% of the votes that may be cast in respect of the RCP Shareholder Resolutions (exclusive of Newcrest International) are in favour of those resolutions;
- (b) in respect of any Offer undertaken as a tender offer to shareholders, accept the Offer, provided that:
 - a. the Offer is the subject of a favourable report by an independent expert (in the absence of a superior proposal); and
 - b. holders of at least 60% of all Ordinary Shares to whom the Offers have been made have accepted the Offer (not including Newcrest International);
- (c) that it will vote on any authorised issue resolution or disapplication resolution in respect of which holders of at least 60% of the votes that may be cast (exclusive of Newcrest International) are in favour of those resolutions and will not (and must ensure that its related bodies corporate do not), directly or indirectly:
 - a. solicit, invite facilitate, encourage or initiate any enquiries, negotiations or discussions;
 - b. communicate any intention to do any of the things described above in paragraph (a); or
 - c. with other shareholders with a view to voting against any authorized issue resolution or any disapplication resolution;
- (d) that subject to the Newcrest Board Appointment Right, it will vote as the Board recommends to shareholders, on any resolution in respect of the appointment or removal of any director (the "**Board Recommendation**") and will not (and must ensure that its related bodies corporate do not), directly or indirectly:
 - a. solicit, invite facilitate, encourage or initiate any enquiries, negotiations or discussions;
 - b. communicate any intention to do any of the things described above in paragraph (a); or
 - c. with other shareholders with a view to voting against any Board Recommendation; and
- (e) for so long as Newcrest International holds at least 5% of the Ordinary Shares on issue, neither Newcrest International, Newcrest Mining nor any of their subsidiaries shall (and must procure that their respective representatives and advisers do not) without the prior written consent of the Company:
 - a. directly or indirectly solicit, initiate or enter into any discussions or negotiations with any other creditor of the Company, nor purchase or agree to purchase any debt of the Company;
 - b. in any way contact or communicate with, or attempt to contact or communicate with any representative, landlord, customer or supplier of the Company or ENSA or any of their related bodies corporate, except in the ordinary course of business;
 - c. solicit, canvass, induce or encourage any employee of the Company or ENSA or any of their related bodies corporate to leave the employment of the Company or ENSA or any of its related bodies corporate, as the case may be, except where Newcrest International, Newcrest Mining or any of their subsidiaries is:

- i. advertising employment vacancies in any newspaper, website or other publication or through a recruitment agency or interviewing, negotiating with, and employing any person responding to such advertisement; or
- ii. employing any person following cessation of such person's employment with the Company without any solicitation or encouragement by Newcrest International, Newcrest Mining or any of their subsidiaries.

Technical Advisory Agreement

Pursuant to the Newcrest Subscription Agreement (as varied by the Further Deed of Variation), the Company and Newcrest International will have agreed to enter into a technical advisory agreement ("**TAA**"), pursuant to which Newcrest International will provide to the Company, at the Company's request, advice relating to, amongst other matters:

- a. exploration activities including the design and implementation of future programs collection and interpretation of data;
- b. prefeasibility and feasibility planning;
- c. mine planning and design;
- d. resource and financial modelling; and
- e. negotiations or permitting, fiscal development planning and implementation.

Newcrest International will be entitled to charge such fees and costs for the provision of services under the TAA as are commensurate with the fees and costs charged for similar services provided throughout the mining and exploration industry, by persons of similar expertise and experience.

As at the date of this AIF, the parties have not yet entered into a formalised TAA.

MAXIT SUBSCRIPTION AGREEMENT

On August 16, 2016, the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) entered into the Maxit Subscription Agreement, pursuant to which Maxit Capital agreed to subscribe for 12,501,565 Ordinary Shares at a price of US\$0.08 per Ordinary Share for aggregate gross proceeds of US\$1,000,125.20 (the Initial Maxit Subscription). Certain fees were payable to Maxit Capital under the Maxit Subscription Agreement relating to the Initial Maxit Subscription, its role in arranging the conversion by DGR Global of approximately US\$4,398,000 of debt into approximately 54,862,500 Ordinary Shares and its role in arranging the subscription for 181,687,500 Ordinary Shares by a number of other subscribers for aggregate gross proceeds of US\$14,535,000. The total gross proceeds received by the Company pursuant to the Maxit Subscription Agreement was US\$15,709,381. . These fees were satisfied by the Company through the issuances of 11,758,038 Ordinary Shares, 5,879,019 Options exercisable at 14 pence and 5,879,019 Options exercisable at 28 pence to Maxit Capital. The Options will expire 24 months after completion of the Maxit Subscription Agreement.

Board Appointment Right

Pursuant to the Maxit Subscription Agreement, the Company has granted to Maxit Capital the right (the "**Maxit Board Appointment Right**") to nominate (but not an obligation) an individual to be appointed as a director of SolGold, for so long as Maxit Capital holds at least a 1.02% interest in the Ordinary Shares of the Company (the "**Maxit Minimum Holding**").

Once the nominee is proposed by Maxit Capital, the nominee must be approved by the Board. Maxit Capital is only permitted to nominate an individual that: (i) the Board believes, in its reasonable opinion, has the requisite business

acumen and relevant experience; (ii) the Board believes, in its reasonable opinion, is suitable to be a director of SolGold; and (iii) is suitable to be a director listed on AIM, as certified or attested to by SolGold's NOMAD, in accordance with the rules of AIM.

Any nominee that is appointed by Maxit Capital and subsequently appointed to the Board shall hold office until the next annual general meeting of the Company following the nominee's appointment. At such annual general meeting of the Company, the nominated director shall stand for re-election to the Board and the SolGold shareholders will have the opportunity to vote on the nominee's re-election to the Board. A nominated director retires by rotation in the same manner as any other director of the Board. Upon a nominated director's regular retirement by rotation from the Board, SolGold shareholders will have the opportunity to vote on the nominee's re-election to the Board. If SolGold shareholders decide not to re-elect a relevant nominee, Maxit Capital may, subject to maintaining the Maxit Minimum Holding, nominate a new nominee.

Maxit Capital has the right to remove its nominee from the Board at any time and may propose a new nominee, in which case SolGold shall take all steps necessary to appoint that new nominee to the Board as soon as practicable, by giving written notice to SolGold. Where Maxit Capital's current nominee is due to retire by rotation and Maxit Capital nominates another person as its new nominee: (i) the current nominee will not be eligible for re-election; and (ii) the new nominee will be considered for election at an annual general meeting of the Company.

In the event that Maxit Capital's shareholding in the Company falls below the Maxit Minimum Holding, solely as a result of the voluntary sale of Ordinary Shares by Maxit Capital, then Maxit Capital must, if directed by SolGold, procure the resignation of its nominated director within 3 business days after the date it ceased to hold that relevant percentage interest and Maxit Capital shall no longer have a Maxit Board Appointment Right, even in the event that its shareholdings exceeds the Maxit Minimum Holding at some future date. Should Maxit Capital fail to procure the resignation of its nominee, SolGold is entitled to take such steps as are reasonably necessary to remove the appointee as director or officer, including seeking a shareholder resolution to remove the appointee and is entitled to be indemnified for all costs and expenses incurred by SolGold in respect of the same.

The Maxit Subscription Agreement contains warranties given by each of the Company and Maxit Capital which expire on the date falling 24 months after completion of the Initial Maxit Subscription. The maximum liability of each of the Company and Maxit Capital under the warranties is capped at an amount equal to the gross proceeds received by the Company pursuant to the Initial Maxit Subscription. The Maxit Subscription Agreement is governed by the laws of Queensland, Australia.

MAXIT SECOND TRANCHE SUBSCRIPTION AGREEMENT

On October 11, 2016, the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) entered into the Maxit Second Tranche Subscription Agreement, pursuant to which Maxit Capital subscribed for 2,513,359 Ordinary Shares at a price of US\$0.16 per Ordinary Share for aggregate gross proceeds of US\$402,137. Certain fees were payable to Maxit Capital under the Maxit Second Tranche Subscription Agreement relating to the Maxit Second Tranche Subscription, its role in arranging the subscription for 60,839,979 Ordinary Shares, at a price of US\$0.16 per Ordinary Share, by a number of other subscribers for aggregate gross proceeds of US\$9,734,397. The total gross proceeds received by the Company pursuant to the Maxit Second Tranche Subscription Agreement was US\$10,136,534. These fees were satisfied by the Company through the issuances of 7,833,731 Ordinary Shares, 3,916,865 Options exercisable at 14 pence and 3,916,865 Options exercisable at 28 pence to Maxit Capital. The Options will expire 24 months after the completion of the Maxit Second Tranche Subscription Agreement.

The Maxit Second Tranche Subscription Agreement contains warranties given by each of the Company and Maxit Capital which expire on the date falling 24 months after completion of the Maxit Second Tranche Subscription. The maximum liability of each of the Company and Maxit Capital under the warranties is capped at an amount equal to the gross proceeds received by the Company pursuant to the Maxit Second Tranche Subscription. The Maxit Second Tranche Subscription Agreement is governed by the laws of Queensland, Australia.

ADMINISTRATION SERVICES AGREEMENT

On March 21, 2017, the Company entered into the Administration Services Agreement with DGR Global, pursuant to which DGR Global agreed to provide administration services to the Company. The Administration Services Agreement supersedes the previous longstanding arrangements between the parties, as to the provision of administration services. The services provided under the Administration Services Agreement include, but are not limited to: (i) the grant of a non-exclusive licence for the Company to occupy part of DGR Global's premises; (ii) the use of existing office furniture, equipment and certain stationery; (iii) full information technology infrastructure and maintenance services under licence; (iv) general telephone, reception, meeting room and office facilities; (v) payroll and accounts payable services; and (vi) public investor and shareholder relations service (the "**Administration Services**").

In consideration for the provision of the Administration Services, the Company will initially pay DGR Global a fee of A\$30,000 (plus GST) per month. The fee payable is subject to an annual review by the parties. The Company must also reimburse DGR Global for outgoings incurred in conducting the business.

The initial term of the Administration Services Agreement is 2 years from the date of the agreement, with the option to extend the term by 2 years any number of times, at the election of either party, upon written notice within the last 30 days of the then existing term.

The Administration Services Agreement may be terminated by either party: (i) immediately for cause (including upon the other party's insolvency or material breach of the agreement); (ii) upon 12 months' written notice to the other party, if that other party has undergone a change of control (in respect of the composition of the Board or of more than half of the issued shares of that other party); and (iii) upon 6 months' written notice to the other party (subject to no change of control having occurred).

CORNERSTONE TERM SHEETS

First Revised Cornerstone Term Sheet

On July 24, 2012, the Company entered into an earn-in agreement with Cornerstone, CESA and ENSA, whereby SolGold was granted the right to earn a 65% direct interest in ENSA, an Ecuadorian registered company holding a 100% ownership interest in the Cascabel Project, upon satisfaction of certain earn-in obligations over a period of four years. SolGold did not exercise its earn-in option under this earn-in agreement. On February 18, 2013, the earn-in agreement was amended by the parties (the "**First Revised Cornerstone Term Sheet**"). Under the First Revised Cornerstone Term Sheet, SolGold subscribed for 100,000 Cornerstone Shares for an aggregate subscription price of C\$200,000 and received a 20% direct interest in ENSA. Under the First Revised Cornerstone Term Sheet, SolGold was granted the right to acquire further percentages of direct interest in ENSA by completing certain earn-in obligations.

On August 28, 2013, pursuant to the First Revised Cornerstone Term Sheet, the Company subscribed for 7,692,308 Cornerstone Shares in consideration for C\$500,000 in cash. Following the completion of this subscription, the Company held a total of 18,653,092 Cornerstone Shares, or approximately 11.7% of the then issued and outstanding Cornerstone Shares. SolGold also received a further 20% direct ownership interest in ENSA, thereby increasing the Company's direct interest in ENSA from 30% to 50%.

Second Revised Cornerstone Term Sheet

On February 24, 2014, the Company, Cornerstone, CESA and ENSA agreed to further revise the terms of the First Revised Cornerstone Term Sheet (the "**Second Revised Cornerstone Term Sheet**"). Pursuant to the Second Revised Cornerstone Term Sheet, the Company subscribed for 2,500,000 common shares in the capital of Cornerstone, in exchange for a cash payment in the amount of C\$250,000 and an allotment of Ordinary Shares worth C\$100,000, both at agreed VWAPs.

Following the closing of the placement pursuant to the Second Revised Cornerstone Term Sheet on March 10, 2014, the Company held approximately 21,000,000 Cornerstone Shares or approximately 13% of the then issued and outstanding Cornerstone Shares. SolGold also received a further 35% direct ownership interest in ENSA, thereby increasing the Company's direct ownership interest in ENSA from 50% to 85% pursuant to its exercise of the Optional Subscription (as defined and as more particularly described below). Under the Second Revised Cornerstone Term Sheet, SolGold has been granted a first right of refusal over the remaining holding of Cornerstone in ENSA.

Additionally, pursuant to the terms of the Second Revised Cornerstone Term Sheet, SolGold issued to Cornerstone, 488,560 Ordinary Shares at a price of C\$0.2047 per Ordinary Share, for aggregate gross proceeds of C\$100,000. Cornerstone has agreed to give SolGold 5 business days' notice if it proposes to sell all or part of such Ordinary Shares, to enable SolGold to determine if it can identify an appropriate buyer(s) of such Ordinary Shares. In the event that SolGold is able to identify such a buyer(s), Cornerstone has agreed to sell such Ordinary Shares to the identified buyer(s).

Under the Second Revised Cornerstone Term Sheet, each of SolGold and Cornerstone have the right, on 6 month's written notice to the other, to elect for SolGold to be responsible for the provision of administrative services to ENSA from a date specified in the notice and being no less than 6 months after the date of such written notice (the "**Administrative Handover Date**"). If an election is made, Cornerstone will no longer provide administrative services to ENSA on and from the Administrative Handover Date. From the date of SolGold notifying in writing of its determination to undertake the Optional Subscription to the Administrative Handover Date, SolGold will, subject to budgets being approved by SolGold and Cornerstone and the costs being within the amounts approved in the budgets and compliance by Cornerstone, pay the cost of all of Cornerstone's administration expenses in Ecuador to the extent to which they relate to ENSA or the Cascabel Project plus the cost of all of ENSA's expenditures to the extent required by the Second Revised Cornerstone Term Sheet.

Financing Option

Under the Second Revised Cornerstone Term Sheet, Cornerstone has the right, within 20 business days from the date of completion of the Optional Subscription, to give notice to SolGold advising whether it will:

- (a) participate in joint funding the operations and activities of ENSA from and after completion of the Optional Subscription and the FPDP, including any feasibility study undertaken, based on its proportionate interest in ENSA; or
- (b) elect for SolGold to solely fund all operations and activities of ENSA from and after completion of the Optional Subscription and the FPDP, including any feasibility study undertaken (the "**Financing Option**"), failing such election within the required timeframe, Cornerstone shall be deemed to have elected the Financing Option.

Under the Second Revised Cornerstone Term Sheet, as a result of Cornerstone having elected the Financing Option:

- (a) SolGold must solely fund all operations and activities of ENSA, including the feasibility study, from the later of the time of the giving of its notice to complete the Optional Subscription and completion of the FPDP until the time of completion of a feasibility study and its delivery to Cornerstone;
- (b) After completion and delivery of the feasibility study, Cornerstone and SolGold must jointly fund the operations and activities of ENSA based on their respective proportionate interests in ENSA. To the extent that either party fails to fund its proportionate share of the operations and activities of ENSA when due, its equity stake in ENSA shall be diluted down (by way of transfer of shares in ENSA to the other shareholder of ENSA or if the parties agree, the issue of new shares in ENSA to the other party) based on an industry standard dilution mechanism. Cornerstone will have 120 days following receipt of the feasibility study to review it and make a determination and elect in writing to SolGold if it wishes to jointly fund its proportionate share of the costs. If it fails to elect within such period it shall be deemed to have elected not to fund its proportionate share. If it elects to fund its share, its obligation to fund shall be retroactive to the date the feasibility study was delivered to it; and

- (c) SolGold will receive 90% of Cornerstone's distribution of earnings or dividends from ENSA or the Cascabel Project to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that, but for the Financing Option, would have been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to the rate of interest at which banks borrow funds from other banks, in marketable size, in the London interbank market (LIBOR) plus 2% until such time as SolGold is fully reimbursed.

Dilution and Net Smelter Return

Under the Second Revised Cornerstone Term Sheet, in the event CESA's equity stake in ENSA is diluted below 10% pursuant to the Second Revised Cornerstone Term Sheet, CESA's equity stake in ENSA will be converted to a 0.5% interest in the Net Smelter Return (as such term is defined in the Second Revised Cornerstone Term Sheet), in the manner determined by SolGold so as to result in CESA holding a nil equity stake in ENSA. SolGold will have the right to purchase the 0.5% interest in the Net Smelter Return from Cornerstone for US\$3.5 million at any time. SolGold will also have the right to buy out the Existing Royalties (as such term is defined in the Second Revised Cornerstone Term Sheet) for the amounts and at the times contemplated in the definition of "Existing Royalties" in the Second Revised Cornerstone Term Sheet.

SAMUEL CONSULTANCY AGREEMENT

On June 23, 2017, the Company entered into the Samuel Consultancy Agreement with Samuel, a company associated with Mr. Nicholas Mather, pursuant to which Samuel is engaged as an independent contractor to the Company.

The Samuel Consultancy Agreement continues for a term of 2 years with an option to extend the arrangement for a further 2 years at the election of either party.

Samuel is appointed to provide the Company with the following services:

- to cause and procure the provision of an key person, being Mr. Nicholas Mather, or such other person as agreed in writing between the Company and Samuel, to discharge all of the usual duties performed by an Executive Director of a publicly listed gold and copper exploration company;
 - to liaise with the Chair of the Company;
 - prepare and submit (or procure that the Company's management prepare and submit) to the Board for their approval work programmes and budgets on a regular basis as deemed appropriate by the Board for the progression of a project or programme, and in any event not less than 6 monthly intervals, for all proposed Company activities;
 - manage and deliver the implementation of acquisition and divestment strategies;
 - liaise with corporate and financial advisors, bankers, regulators and independent consultants;
 - manage broker and investor liaison and promotional activities;
 - liaise with external advisors and brokers to the Company;
 - preparation and execution of capital raisings, corporate restructures and change of control transactions;
 - presentation to the Board of activity reports and new business proposals; and
 - execution of Board directives,
- (collectively, the "**Services**").

In consideration for the provision of the Services listed above, Samuel is entitled to an annual fee (exclusive of GST) of A\$400,000, payable in monthly installments (the "**Consultancy Fee**").

Every 6 months during the term of the Samuel Consultancy Agreement, the Remuneration Committee will undertake a review of the performance of Samuel in providing the Services. Based on that review, the Remuneration Committee may adjust the Consultancy Fee as deemed appropriate and determine whether or not a bonus (up to 40% of the value of the then existing Consultancy Fee) is to be awarded having regard to the key performance indicators (and their respective weightings) set out in the table below:

Key Performance Indicators	Percentage Weighting
Beneficial achievements in the course of execution of approved programmes including: <ul style="list-style-type: none">• surpassing targeted works;• cost savings; and• surpassing time estimates	30%
Growth of business through acquisitions, new projects and other means	32.5%
Risk management and safety performance	5%
Share price performance measured against mining and exploration sector of listed companies on any relevant stock exchange	32.5%

In addition to any bonus determined by reference to the key performance indicators, the Board may also in its sole discretion, issue or pay additional bonuses to Samuel.

The Samuel Consultancy Agreement also provides for the payments of A\$187,497 and A\$100,000 in consideration for the continued provision of Services by Samuel on a month-to-month basis following the expiry of Samuel's prior consultancy agreement with the Company.

The Samuel Consultancy Agreement provides for the issue (subject to any necessary regulatory consents or approvals) to Samuel (or its nominee) of 26,250,000 Options that:

- vest immediately upon the earlier of the date that:
 - is 18 months after the date the Options are issued;
 - a Change of Control Event (as such term is defined in the Samuel Consultancy Agreement) occurs; and
 - Samuel ceases to be a contractor of the Company, other than due to a material breach of the Samuel Consultancy Agreement, fraud or dishonesty.
- have an exercise price of £0.60 per Ordinary Share; and
- expire on the earlier of:
 - third anniversary of the date they are issued;
 - the expiration of 3 months, or any longer period as may be determined by the Board, after Samuel ceases to be a contractor of the Company; or
 - Samuel ceasing to be a contractor of the Company due to material breach of the Samuel Consultancy Agreement, fraud or dishonesty.

The Company will reimburse Samuel for all reasonable and necessary expenses incurred in the performance of the Services, provided that Samuel provides documentary evidence acceptable to the Company. Samuel is also entitled to certain additional including, the reimbursement of the cost of business class airfares for the spouse of the key person to accompany the key person on 3 separate, return, international trips each year during the term of the Samuel Consultancy Agreement.

The Samuel Consultancy Agreement can be terminated by the Company by giving 12 months' written notice to Samuel or by the Company paying Samuel the amount equivalent to the Consultancy Fee for such 12 month period. The Samuel Consultancy Agreement can be terminated by Samuel by giving 3 months' written notice to the Company and if Samuel provides such written notice, the Company may elect to pay Samuel the amount equivalent to the Consultancy Fee for such 3 month period in lieu of retaining the services of Samuel for such 3 month period. In the event that Samuel breaches the Samuel Consultancy Agreement, becomes insolvent, its officers are charged with a criminal offence which brings the Company or its business into disrepute, or Mr. Nicholas Mather resigns as a director due to his resignation, the Company may terminate the Samuel Consultancy Agreement, at its sole discretion, without payment of any fees, remuneration or compensation (other than that which has already accrued).

Samuel is solely responsible for the remuneration and benefits of Mr. Nicholas Mather and the staff of Samuel, including their wages or salaries, paid public holidays, annual leave, sick leave, superannuation, pay-as-you-earn tax and other taxes, workers' compensation and other insurances and all other obligations arising out of or in connection with the activities of Samuel. The Samuel Consultancy Agreement is governed by the laws of Queensland, Australia.

ENVIRONMENTAL LICENCE

On August 23, 2013, the Ministry of Environment of the Republic of Ecuador resolved to approve the environmental impact assessment for the advance exploration phase of metallic minerals at the Cascabel Project and to grant an environmental licence to ENSA for the advance exploration phase of metallic minerals at the Cascabel Project, subject to strict compliance with the environmental impact assessment. The environmental licence is valid from the date of issue until the execution term of the advance exploration phase of metallic minerals at the Cascabel Project. The environmental licence may be revoked or suspended in accordance with applicable legislation if the terms of the environmental licence are breached by ENSA.

The Cascabel Technical Report notes that additional environmental licences will be required ahead of any future mine development and operation.

WATER CONCESSION

On July 26, 2013, the National Water Secretariat for the Mira Hydrographic Demarcation resolved to grant ENSA the right to exploit the waters of River Mira, to be used during the execution of the advanced mining exploration period at the Cascabel Project. The water concession is valid for a renewable term of ten years. The water intake shall be used in mining and industrial exploration activities within the area authorised by the Ministry of Mines. ENSA shall pay \$1.08 per litre per second to the National Water Secretariat.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Address, Occupation and Security Holdings

The names, province or state and country of residence, positions and offices, and principal occupations of each of the directors and executive officers of the Company during the 5 preceding years are as follows:

Name and Place of Residence	Position with the Company	Principal Occupation ⁽⁴⁾	Director and/or Officer since	Number of Ordinary Shares Held ⁽⁵⁾ (Percentage Held)
Nicholas Mather ⁽²⁾⁽³⁾ Queensland, Australia	Executive Director and CEO	Managing Director and CEO, DGR Global (ASX); Director, Armour Energy Limited (ASX); Director, Aus Tin Mining Limited (ASX); Director, Dark Horse Resources Limited (ASX); Director, Lakes Oil NL (ASX); and Director, IronRidge Resources Limited (AIM).	May 11, 2005 (Executive Director) May 11, 2005 to October 2011 and on and from May 18, 2015 (CEO)	89,918,275 (5.3%)
Brian Moller ⁽¹⁾⁽²⁾⁽³⁾ Queensland, Australia	Non-Executive Chairman	Corporate Partner, HopgoodGanim Lawyers; Director, DGR Global (ASX); Director, Dark Horse Resources Limited (ASX); Director, Lithium Consolidated Mineral Exploration Limited (ASX); Director, Aguia Resources Limited (ASX; TSX Venture Exchange ("TSXV")); Director, Platina Resources Limited (ASX); and Chairman, Aus Tin Mining Limited (ASX).	May 11, 2005 (Non-Executive Director) February 28, 2013 (Non-Executive Chairman)	5,189,121 (0.31%)
Dr. Robert Weinberg ⁽¹⁾⁽²⁾⁽³⁾ London, England	Non-Executive Director	Director, Medusa Mining Limited (ASX); Director, Kasbah Resources Limited (ASX); and Director, Chaarat Gold Holdings Limited (AIM).	November 22, 2005	4,296,091 (0.25%)
John Bovard ⁽¹⁾⁽²⁾⁽³⁾ Queensland, Australia	Non-Executive Director	Director, Aus Tin Mining Limited (ASX) and consultant in the mining industry.	November 1, 2009	3,858,813 (0.23%)
Craig Jones ⁽²⁾ Queensland, Australia	Non-Executive Director	Executive General Manager, Newcrest Mining Limited (ASX); Director, Morobe Exploration Services Limited.; Director, Morobe Mining JV Services (Australia) Pty Ltd.; Director, Newcrest PNG 2 Limited; Director, Wafi Golpu Services Limited; Director, Cadia Holdings Pty Limited; Director, Harmony PNG 20 Limited (formerly Newcrest PNG 1 Limited); Director, Hidden Valley Services Limited; Director, Newcrest Operations Limited; and Director, Newgen Pty Ltd.	March 3, 2017	Nil (0.00%)
James Clare ⁽²⁾ Toronto, Ontario	Non-Executive Director	Partner, Bennett Jones LLP; Non-Executive Director, PJX Resources Inc. (TSXV); Non-	May 1, 2018	Nil (0.00%)

Name and Place of Residence	Position with the Company	Principal Occupation ⁽⁴⁾	Director and/or Officer since	Number of Ordinary Shares Held ⁽⁵⁾ (Percentage Held)
		Executive Director, Riverside Resources Inc. (TSXV); and Non-Executive Director, Spanish Mountain Gold Ltd. (TSXV; Frankfurt Stock Exchange).		
Karl Schlobohm Queensland, Australia	Company Secretary	Company Secretary, IronRidge Resources Limited (AIM); Company Secretary, DGR Global (ASX); Company Secretary, Dark Horse Resources Limited (ASX); Company Secretary, Aus Tin Mining Limited (ASX); and Company Secretary, Armour Energy Limited (ASX).	May 6, 2009	3,384,692 (0.20%)
Priy (Priyanka) Jayasuriya Queensland, Australia	Chief Financial Officer	Chief Financial Officer, DGR Global (ASX); Chief Financial Officer, Armour Energy Limited (ASX); Chief Financial Officer, IronRidge Resources Limited (AIM); Chief Financial Officer, Dark Horse Resources Limited; and Chief Financial Officer, Aus Tin Mining Limited (ASX).	November 23, 2010	Nil (0.00%)

Notes:

- (1) Member of the Audit and Risk Management Committee. Chair of the Audit and Risk Management Committee is John Bovard.
- (2) Member of the Health, Safety, Environment and Community Committee. The full Board performs the role of the Chair of the Health, Safety, Environment and Community Committee.
- (3) Member the Remuneration Committee. Chair of the Remuneration Committee is John Bovard.
- (4) The information as to principal occupation has been furnished by each director and/or officer individually.
- (5) Includes direct and indirect interests of the directors and their related entities.

See "*Audit and Risk Management Committee*" and "*Corporate Governance – Board Committees*".

Biographies

The following biographical information relates to each of the directors and officers of the Company and includes a description of each individual's principal occupation within the past five years.

Nicholas Mather, Executive Director and CEO, graduated in 1979 from the University of Queensland with a B.Sc. (Hons., Geology). Mr. Mather has a special area of experience and expertise is the generation of, and entry into undervalued or unrecognised resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 30 years. In that time, he has been instrumental in the delivery of major resource projects that resulted in nine corporate takeovers and over 5 billion dollars to shareholders. Mr. Mather was co-founder of Arrow Energy NL (an ASX-listed company) and was responsible for the generation of its Surat Basin Coal Bed Methane project and served as an Executive Director until 2004. He was also founder and Chairman of Waratah Coal Inc. until it was acquired in December 2008 and co-founder and Non-Executive Director of Bow Energy Limited until its recent

takeover by Arrow Energy Pty Ltd. in January 2012. Mr. Mather and the DGR Global team founded Orbis Gold in 2006 and continued to hold a significant equity stake and board position through to its takeover in February of 2015. Previously as CEO of BeMax Resources NL (an ASX-listed company), Mr. Mather headed the discovery of the company's Pooncarie mineral sands project in 1998. He has also been a Non-Executive Director of Ballarat Goldfields, having assisted with the recapitalisation of the company in 2002. Mr. Mather is Managing Director and Chief Executive of DGR Global, Executive Chairman of Armour Energy Limited (an ASX-listed company) and Non-Executive Director of IronRidge Resources Limited (an AIM-listed company), Dark Horse Resources Limited (ASX-listed company), Aus Tin Mining Limited (an ASX-listed company) and Lakes Oil NL (an ASX-listed company).

Brian Moller, Non-Executive Chairman, is a corporate partner in the Brisbane based law firm HopgoodGanim Lawyers, the Australian solicitors to the Company. He was admitted as a solicitor in 1981 and has been a partner at HopgoodGanim Lawyers since 1983. He practices almost exclusively in the corporate area with an emphasis on capital raising, mergers and acquisitions. Mr. Moller holds an LLB Hons. from the University of Queensland and is a member of the Australian Mining and Petroleum Law Association. Mr. Moller acts for many publicly-listed resource and industrial companies and brings a wealth of experience and expertise to the Board, particularly in the corporate regulatory and governance areas. He is a Non-Executive Director of the following ASX-listed companies: DGR Global, Dark Horse Resources Limited and Lithium Consolidated Mineral Exploration Ltd., the Non-Executive Director of the ASX and TSXV-listed company Aguiá Resources Limited and the Non-Executive Chairman of the ASX-listed company Aus Tin Mining Limited and Platina Resources Limited.

Dr. Robert Weinberg, Non-Executive Director, gained his doctorate in geology from Oxford University in 1973. He has more than 40 years of experience of the international mining industry and is an independent mining research analyst and consultant. He is a Fellow of the Geological Society of London and also a Fellow of the Institute of Materials, Minerals and Mining. He has been an independent Non-Executive Director of a number of minerals exploration, development and mining companies. Prior to his current activities he was Managing Director of the Institutional Investment at the World Gold Council. Previously he was a Director of the investment banking division at Deutsche Bank in London after having been head of the global mining research team at SG Warburg Securities. He has also held senior positions within Société Générale and was head of the mining team at James Capel & Co. He was formerly marketing manager of the gold and uranium division of Anglo American Corporation of South Africa Ltd.

John Bovard, Non-Executive Director, is a civil engineer with over 40 years of experience in mining, heavy construction, project development and corporate management throughout Australia. His career to date has included roles as CEO of public companies and both executive and non-executive directorships. He holds a Bachelor's Degree in Civil Engineering, is a Fellow of the Australasian Institute of Mining and Metallurgy, and a Fellow of the Australian Institute of Company Directors. Mr. Bovard is currently a director of the ASX-listed company Aus Tin Mining Limited. Other roles within the past five years have included Non-Executive Chairman of Orbis Gold Limited (resigned February 17, 2015), Non-Executive Director of Australian Pacific Coal Limited (resigned November 29, 2012), acting as the interim CEO of Australian Solomon Gold Ltd. (from April 2007 to January 2008) and the Non-Executive Chairman of Axiom Mining Ltd. (from June 2006 to April 2007). From March 2002 to June 2006, Mr. Bovard acted as the CEO of Asia Pacific Resources Ltd. (listed on the TSX developing a large potash resource in Thailand). Other directorships have included Danae Resources NL (Managing Director) and Greenwich Resources PLC, both through to early 2006. He was also Project Manager for the A\$800,000,000 Phosphate Hill Fertiliser Project for Western Mining Corporation situated south of Mount Isa in Queensland, Australia. Other previous project experience includes managing the construction of the Porgera Mine in Papua New Guinea, the super pit expansion at Kalgoorlie, and the development of the Bronzewing Gold Mine in western Australia. He was previously the General Manager of the Ok Tedi porphyry copper gold mine. John Bovard's corporate profile, together with his extensive experience in south west Pacific mining operations and construction is considered to be of great value to SolGold plc.

Craig Jones, Non-Executive Director, holds a Bachelor of Mechanical Engineering from the University of Newcastle, Australia, and joined Newcrest International in 2008. He is currently the Executive General Manager Wafi-Golpu. 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 Valley Operations and Morobe Mining Joint Venture. Mr. Jones is currently the Executive General Manager Wafi-Golpu (Newcrest / Harmony). Prior to joining Newcrest, Mr. Jones

worked for Rio Tinto. Mr. Jones' operational and block cave mining expertise, particularly relevant in the context of the Company's existing Alpala deposit at the Cascabel Project.

James Clare, Non-Executive Director, 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 is recognized by *Lexpert* as a leading mining lawyer in Canada, and is repeatedly recommended for his experience in mining, corporate finance and securities law by the *Canadian Legal Lexpert Directory*. Mr. Clare also currently acts as a Non-Executive Director of PJX Resources Inc., Riverside Resources Inc. and Spanish Mountain Gold Ltd.

Karl Schlobohm, Company Secretary, has over 25 years of experience in the accounting profession across a wide range of businesses and industries. He has previously been contracted into Company Secretary and Chief Financial Officer roles with ASX-listed resource companies Discovery Metals Limited and Meridian Minerals Limited, and as Company Secretary of ASX-listed Linc Energy Limited, Agenix Limited, Discovery Metals Limited and Global Seafood Australia Limited. Mr. Schlobohm is a Chartered Accountant and holds a bachelor's degree in commerce and economics and a master's degree in taxation. Mr. Schlobohm is also contracted to act as the Company Secretary of the AIM-traded IronRidge Resources Limited and ASX-listed DGR Global, Dark Horse Resources Limited, Aus Tin Mining Limited and Armour Energy Limited.

Priy (Priyanka) Jayasuriya, Chief Financial Officer, is a Chartered Accountant with over 20 years' experience in public practice and has a broad knowledge over a number of industries. Mr. Jayasuriya has worked as a chartered accountant in Australia, Singapore and the United States of America and brings a range of expertise in the areas of due diligence, internal control, corporate governance, international financial reporting and statutory compliance. Mr. Jayasuriya commenced his career with Ernst & Young and holds a Bachelor of Commerce Degree from the University of Queensland and is a member of the Institute of Chartered Accountants in Australia. Mr. Jayasuriya has significant experience in mergers and acquisitions, with a strong background in financial management and reporting. Mr. Jayasuriya is currently also the Chief Financial Officer for ASX-listed DGR Global Limited, Armour Energy Limited and Aus Tin Mining Limited and Dark Horse Resources Limited and for AIM-listed IronRidge Resources Limited.

Share Ownership

As at the date of this AIF, based on the number of Ordinary Shares and securities convertible into Ordinary Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by all of the directors and officers of the Company as a group, all of the directors and officers are expected to, as a group, beneficially own, directly or indirectly, or exercise control or direction over 106,646,992 Ordinary Shares, representing approximately 6.29% of the issued and outstanding Ordinary Shares on a non-diluted basis.

Terms of Directors

One third of the directors of the Company retire from office at every annual general meeting of the Company. In general, those directors who have held office the longest time since their election are required to retire. A retiring director may be re-elected and a director appointed by the Board may also be elected, though in the latter case the director's period of prior appointment by the Board will not be taken into account for the purposes of rotation.

CONFLICTS OF INTEREST

Certain of the directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Certain of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. See "*Risk Factors – Conflicts of Interest*" and "*Corporate Governance*".

The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Any decision made by any of such officers or directors involving the Company will be made in accordance with their duties and obligations under the applicable laws of Canada.

DIRECTOR COMPENSATION

General

The Company's directors' compensation program is designed to attract and retain qualified individuals to serve on the Board. Each Non-Executive Director receives an annual retainer of A\$70,000, all of which is payable in cash and none of is payable in security based compensation. As Chairman of the Company, Mr Brian Moller receives an annual retainer of A\$110,000. The Executive Director will receive an annual retainer of A\$400,000. From time to time, the Board, in its discretion, may also compensate directors with fees for their services on Board projects. The Company has agreed to reimburse directors for all reasonable expenses incurred in order to attend meetings.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making. The following is a summary of the Company's approach to corporate governance.

Board of Directors

The Board is made up of one Executive Director and 5 Non-Executive Directors. Nicholas Mather is the Executive Director.

NI 58-101 sets out the standard for director independence. Under NI 58-101, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. NI 59-101 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company. The following members of the Board are independent in accordance with NI 58-101: John Bovard, Dr. Robert Weinberg, Brian Moller, Craig Jones and James Clare. Nicholas Mather is not independent as he is the Chief Executive Officer of the Company. A majority of the directors are independent.

The Chair of the Board is Brian Moller, who is an independent director. As Chair, Mr. Moller is responsible for leadership of the Board, for efficient organization and conduct of the Board's function and the briefing of all directors in relation to issues arising at Board meetings. The Chair is also responsible for shareholder communication, arranging Board performance evaluation and setting the tone for the Company's approach to corporate governance.

Dr. Robert Weinberg is considered to be the Company's Senior Independent Director ("**SID**"). The role of the SID is to be available to shareholders to discuss any concerns they may have about the running of the Company where the normal channels of communication are not appropriate. The SID is usually expected to lead discussions at meetings of Non-Executive Directors without the Chairman present on an annual basis.

It is the Board's policy to maintain independence by having at least half of the Board comprising Non-Executive Directors who are free from any material business or other relationship with the Company. The structure of the Board ensures that no one individual or group is able to dominate the decision making process.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors hold in-camera sessions exclusive of non-independent directors and members of management, which process facilitates open and candid discussion among the independent directors.

The Board ordinarily meets on a monthly basis providing effective leadership and overall control and direction of the Company's affairs through the schedule of matters reserved for its determination. The Board is collectively responsible for approving the long-term objectives and strategy of the Company. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of the

financial statements. Formal agendas, papers and reports are sent to the Directors in a timely manner, prior to Board meetings. The Board also receives summary financial and operational reports before each Board meeting.

All directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any director may take independent professional advice at the Company's expense in the furtherance of his duties.

Attendance Record

Since July 1, 2017, there has been 8 Board meetings. Directors' attendance at Board and committee meetings which they were eligible to attend the meetings during 2018 was as follows:

	Full Board	Audit & Risk Committee	Remuneration Committee	Health, Safety, Environment and Community Committee
Total Meetings Held	8	2	-	-
Attendance:				
Brian Moller	8	2	1	-
Nicholas Mather	8	-	-	-
John Bovard	7	2	1	-
Robert Weinberg	7	2	1	-
Craig Jones	8	-	-	-
James Clare	3	-	-	-

Board Mandate

Please see Schedule "B" – "*Matters Reserved for the Board of Directors*" for the text of the Board's written mandate.

Position Descriptions

Please see Schedule "A" – "*Corporate Governance Charter*" for the written description of the roles of the CEO, the Chair of the Board, the Chair of the Audit and Risk Management Committee and the Chair of the Remuneration Committee.

Other Directorships

Except as set for the below, none of the directors of the Company are also directors of other issuers that are "reporting issuers" as that term is defined in and for the purposes of Canadian securities legislation:

Name of Director	Other Reporting Issuer	Market	Position	Director Since
Brian Moller	Agua Resources Limited	ASX; TSXV	Director	December 18, 2013
James Clare	PJX Resources Inc.	TSXV	Non-Executive Director	March 7, 2011
	Riverside Resources Inc.	TSXV	Non-Executive Director	June 12, 2008

	Spanish Mountain Gold Ltd.	TSXV; Frankfurt Stock Exchange	Non-Executive Director	June 12, 2008
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Orientation and Continuing Education

Incoming directors are provided with access to the CEO, and the Company Secretary to gain a full understanding of the Company, its projects, personnel and policies & procedures. Via the CFO and the Company Secretary, incoming directors are able to access the Board materials and minutes for the previous 12 months, and may also obtain copies of any material contracts, reports, or stock market releases to assist with their understanding.

At all times directors are encouraged to attend any professional course or update relevant to the discharge of their duties as a director of the Company. Directors are also encouraged to visit the Company's project sites as practical, and attend any international mining conferences at which the Company may present.

Ethical Business Conduct

In formulating the Company's corporate governance procedures the Board takes due regard of the principles of good governance set out in the UK Corporate Governance Code (the "**Code**") to the extent they consider appropriate in light of the Company's size, stage of development and resources. However, given the size of the Company, at present the Board does not consider it necessary to adopt the Code in its entirety.

The Company has adopted a written corporate ethics policy (the "**Corporate Ethics Policy**"), which has been agreed to by each of the members of the directors of the Company. The Corporate Ethics Policy sets out the obligations of integrity and honesty of each member of the Board and their obligations with respect to, amongst other matters, conflicts and interests and dealing in securities in the Company. The Corporate Ethics Policy is set out in the Company's Corporate Governance Charter, which is attached as Schedule "A" to this AIF.

Whilst the Board does not monitor compliance with its Corporate Ethics Policy, each of the members of the Board are experienced directors and are both familiar with the Corporate Ethics Policy as well as current corporate governance requirements for listed companies in a number of different jurisdictions. Additionally, the Board has the benefit of access to an experienced Company Secretary and legal counsel. This places the members of the Board in a position to satisfy themselves regarding compliance with its code.

Board Committees

The Board has appointed the Audit and Risk Management Committee, the Remuneration Committee and the Health, Safety, Environment and Community Committee.

Audit and Risk Management Committee

The Audit and Risk Management Committee meets not less than twice a year and is responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored as well as liaising with the Company's auditor to discuss financial statements and the Company's internal controls. The Executive Director attends meetings by invitation, if appropriate.

The members of the Audit and Risk Management Committee are John Bovard, Brian Moller and Dr. Robert Weinberg. The Executive Director attends meetings by invitation, if appropriate. John Bovard is the Chair of the Audit and Risk Management Committee.

See "*Audit and Risk Management Committee*".

Remuneration Committee

Remuneration of the Executive Director is established by reference to the remuneration of executives of equivalent status both in terms of the level of responsibility of the position and by reference to their job qualifications and skills.

The Remuneration Committee also has regard to the terms which may be required to attract an executive of equivalent experience to join the Board from another company. Such packages include performance related bonuses and the grant of Options.

The members of the Remuneration Committee are John Bovard, Nicholas Mather, Dr. Robert Weinberg and Brian Moller. John Bovard is the Chair of the Remuneration Committee.

Health, Safety, Environment and Community Committee

The Health, Safety, Environment and Community Committee is responsible for the overall health, safety and environmental performance of the Company and its operations and its relationship with the local community. All of the members of the Board are Chairs and members of the Health, Safety, Environment and Community Committee.

Nomination of Directors

The Board does not currently have a formal nominating committee. Rather the Board as a whole is responsible for identifying and recommending candidates for the Board. The Board reviews and makes determinations with respect to: (i) the size and composition of the Board; (ii) the organization and responsibilities of the appropriate committees of the Board; (iii) the evaluation process for the Board and committees of the Board and the Chair of the Board and such committees; and (iv) creating a desirable balance of expertise and qualifications among members of the Board. The Board does not take any formal steps to ensure that objectivity in the nomination process. In the nomination process, the Board assesses its current composition and requirements going forward in light of the stage of the Company and the skills required to ensure proper oversight of the Company and its operations.

Pursuant to the Newcrest Subscription Agreement (as varied by the Further Deed of Variation), the Company has granted to Newcrest International the Newcrest Board Appointment Right. For more information, see "*Newcrest Subscription Agreement*".

Pursuant to the Maxit Subscription Agreement, the Company has granted to Maxit Capital the Maxit Board Appointment Right. For more information, see "*Maxit Subscription Agreement*".

The nominee director policy setting out the principles to be followed by the Board in respect of any directors that are nominated by a shareholder and the nominating shareholders is set out in the Corporate Governance Charter, which is attached as Schedule "A".

Compensation

The Board with the assistance of the Remuneration Committee, is responsible for approving compensation objectives and the specific compensation programs for policies and practices of the Company.

Assessments

The Board is responsible for assessing the effectiveness and contributions of the Board as a whole, its committees and individual directors. The Board undertakes this assessment periodically, although, no formal report in this regard has been prepared to date.

Policies Regarding the Representation of Women

The Company supports diversity at all levels of the organization, including the Board. The Board has not adopted any written policy relating to the identification and nomination of women directors. The Company does not believe that a written policy is the best way to achieve its diversity or business objectives. Rather, the Company believes that each potential nominee should be evaluated based on his or her individual merits and experience, taking into account the needs of the Company and the current composition of the Board and management team, including the current level of representation of women in such positions. Similarly, the Company has not established a target regarding the number of women on the Board or in executive officer positions, as the Company has determined that a target would not be

the most effective way of achieving the Company's diversity or business objectives. As noted above, on appointing individuals to the Board and executive officer positions, the Company considers a number of factors, including the skills and experience required for the position and the personal attributes of the candidates. The level of representation of women in senior leadership roles is considered by the Company as one such factor.

As part of the discharge of the Board's responsibilities under the Corporate Governance Charter, the Board is required to recommend procedures, including but not limited to strategies to address Board diversity and increasing the proportion of women in the Company, for adoption by the Board for the proper oversight of the Board and senior management. When the Board considers the Company to be of a sufficient size or complexity, it intends to establish a sub-committee of the Board dedicated to reporting on diversity-related matters, from time to time, by way of a report submitted to the Board which must include: (i) details of the policies introduced to address Board and employee diversity, including but not limited to strategies to increase the proportion of women at all levels of the Company; and (ii) details of the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board. Currently, no such procedures or strategies have been developed. Currently, none of the members of the Board or the officers of the Company are women (i.e., 0% of the members of the Board and 0% of the executive officers of the Company are women).

AUDIT AND RISK MANAGEMENT COMMITTEE

Audit and Risk Management Committee Charter

The responsibilities of the Audit and Risk Management Committee are set out in the Company's Corporate Governance Charter, which is attached as Schedule "A".

Composition of the Audit and Risk Management Committee

The Audit and Risk Management Committee meets not less than twice a year and is responsible for ensuring that the financial performance, position and prospects of the Company are properly monitored as well as liaising with the Company's auditor to discuss financial statements and the Company's internal controls. The Executive Director attends meetings by invitation, if appropriate.

The Audit and Risk Management Committee is comprised of three members, namely: John Bovard, Brian Moller and Dr. Robert Weinberg. John Bovard and Dr. Robert Weinberg are independent in accordance with National Instrument 52-110 – *Audit Committees*. John Bovard is the Chair of the Audit and Risk Management Committee.

Relevant Education and Experience

Name	Relevant Education and Experience	Financially Literate
Brian Moller	Member of the audit committee of DGR Global since 2003, member of the audit committee of Dark Horse Resources Limited since 2011, member of the audit committee of Aguia Resources Limited since 2014, chair of the audit committee of Platina Resources Limited since 2010 and a member of the audit and risk management committee of Aus Tin Mining Limited since 2010.	Yes
John Bovard	Member of the audit and risk management committee of Aus Tin Mining Limited since 2010 and member of the audit committee of Orbis Gold Limited from 2010 until 2015.	Yes
Dr. Robert Weinberg	Managing director of the Institutional Investment at the World Gold Council from 2000 until 2004 and director of the investment banking division at Deutsche Bank in London from 1995 until 1999.	Yes

External Auditor Service Fees

Since 2006, BDO LLP has been the Company's auditor. The fees billed to the Company by the Company's auditor since July 1, 2017, by category, are as follows:

Period	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
July 1, 2017 – June 30, 2018	A\$257,945	A\$118,116	Nil	Nil

RISK FACTORS

An investment in Ordinary Shares, as well as the Company's mineral projects and prospects, is highly speculative due to the high-risk nature of its business and the present stage of its development. Investors may lose their entire investment. The risks described below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below or other unforeseen risks. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and the other information elsewhere in this AIF and consult with their professional advisors to assess any investment in the Company.

The Company may not be able to obtain the financing needed to fund its activities

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds and/or its ability to generate revenue from its projects. The need for and amount of any additional funds required is currently unknown and will depend on numerous factors related to the Company's current and future activities.

If required, the Company would seek additional funds, through equity, debt or joint venture financing. There can be no assurance that any such equity, debt or joint venture financing will be available to the Company in a timely manner, on favourable terms, or at all. Any additional equity financing will dilute current shareholdings, and debt financing, if available, and may involve restrictions on further financing and operating activities.

If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures, as well as possibly resulting in the delay or indefinite postponement of the Company's activities.

Estimating mineral reserves and mineral resources involves significant uncertainty

There is no certainty that the Company will identify commercially mineable mineral reserves or mineral resources at any of its mineral projects or prospects. The exploration for, and development of, mineral deposits involves significant uncertainties and the Company's operations will be subject to all of the hazards and risks normally encountered in such activities, particularly given the terrain and nature of the activities being undertaken. Although precautions to minimise risks will be taken, even a combination of careful evaluation, experience and knowledge may not eliminate all of the hazards and risks.

The targets identified by the Company's personnel and consultants, are based on current experience and modelling and all available data. There is no guarantee that surface sample grades of any metal or mineral taken in the past will persist below the surface of the ground. Furthermore, there can be no guarantee that the estimates of quantities and grades of gold and minerals disclosed will be available for extraction and sale.

Mineral reserve and mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information

or techniques become available. In addition, by their very nature, mineral reserve and mineral resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate.

The Cascabel Project is the Company's sole material property

The Cascabel Project is the Company's sole material property. Actual development costs may differ materially from the Company's estimates and may render the development of the Cascabel Project economically unfeasible. The Company is largely dependent upon the Cascabel Project for future revenue and profits, if any. Should the development of the Cascabel Project not be possible or practicable for political, engineering, technical or economic reasons, then the Company's business and financial position will be significantly and adversely affected.

If the Company discovers a potentially economic mineral resource or mineral reserve at the Cascabel Project, there is no assurance that the Company will be able to develop a mine thereon, or otherwise commercially exploit such mineral resource or mineral reserve which could materially adversely affect the Company's financial condition and prospects.

Exploration, development and mining involve a high degree of risk

The Company's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of mineral products, including, without limitation, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability

If the Company successfully develops and commissions a mine at the Cascabel Project, the operations of the Company, which would include mining and processing, may be affected by a range of factors. These include, but are not limited to, a failure to locate or identify deposits and a failure to achieve predicted grade in exploration, mining and processing, the ability to attract and retain personnel, technical difficulties encountered in commissioning and operating plant and equipment, mechanical failures, metallurgical problems which affect extraction rates and costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, and the ability to develop and maintain the properties held by the Company.

There is no assurance that title defects do not and will not exist

SolGold's tenements and interest in tenements are subject to the various conditions, obligations and regulations which apply in the relevant jurisdictions including Ecuador in South America, Queensland, Australia and the Solomon Islands. If applications for title or renewal are required this can be at the discretion of the relevant government minister or officials. If approval is refused, SolGold will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement. SolGold currently knows of no reason to believe that current applications will not be approved, granted or renewed. Some of the properties may be subject to prior unregistered agreements or transfers or native or indigenous peoples' land claims and title may be affected by undetected defects or governmental actions. No assurance can be given that title defects do not exist. If a title defect does exist, it is possible that SolGold may lose all or a portion of the property to which the title defects relates.

The Company must comply with permitting regimes in different jurisdictions

As with all jurisdictions in which SolGold operates, a particular permitting regime exists in Ecuador with which SolGold must comply. Before commencing any exploration activity, SolGold may be required to negotiate access and compensation arrangements with any interested land access groups and relevant authorities in Ecuador. SolGold has engaged experienced advisors and consultants to assist with negotiations; however, there is no guarantee that all necessary access and compensation arrangements will be entered in a timely manner, on favourable terms, without onerous conditions or at all. Similarly, no guarantees can be made as to timeframes within which negotiations may be finalized or the reasonableness of third parties. Failure to obtain all necessary permits, licences and access and compensations arrangements may have a material adverse effect on SolGold.

There is a risk that native titles may exist in relation to SolGold's projects in Australia

The effect of the *Native Title Act 1993* (Cth), as amended ("NTA") is that existing and new tenements held by SolGold in Australia may be affected by native title claims and procedures. SolGold has not undertaken the historical, legal or anthropological research and investigations at the date of this report that would be required to form an opinion as to whether any existing or future claim for native title could be upheld over a particular parcel of land covered by a tenement.

There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held or to be held by SolGold which may affect the operation of SolGold's business and development activities. In the event that it is determined that native title does exist or a native title claim is registered, SolGold may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights such as a mining lease. Such procedures may take considerable time, involve the negotiation of significant agreements, involve a requirement to negotiate for access rights, and require the payment of compensation to those persons holding or claiming native title in the land which is the subject of a tenement. The administration and determination of native title issues may have a material adverse impact on the position of SolGold in terms of its cash flows, financial performance, business development, ability to pay dividends and share price.

Commodity price fluctuations can result in unanticipated losses

There is a possibility that SolGold's future revenues will be derived mainly from gold and copper and/or from royalties gained from potential joint ventures or from mineral projects sold. Also, during operations by SolGold, the revenues earned will be dependent on the terms of any agreement for the activities. Consequently, SolGold's potential future earnings could be closely related to the price of either of these commodities.

Gold and copper prices fluctuate and are affected by numerous industry factors, many of which are beyond the control of SolGold. Such factors include, but are not limited to, demand for CDIs, technological advancements, forward selling by producers, production cost levels in major producing regions, macroeconomic factors, inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, gold and copper.

If the market price of gold and copper sold by SolGold were to fall below the costs of production and remain at such a level for any sustained period, SolGold would experience losses and could have to curtail or suspend some or all of its proposed mining activities. In such circumstances, SolGold would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

There is no certainty the Company's current or future projects and strategies will develop as anticipated

If the Company discovers a potentially economic mineral resource or mineral reserve, there is no assurance that the Company will be able to develop a mine thereon, or otherwise commercially exploit such mineral resource or mineral reserve. Further, there can be no assurance that the Company will be able to manage effectively the expansion of its operations or that the Company's current personnel, systems, procedures and controls will be adequate to support the Company's operations as operations expand. Any failure of management to manage effectively the Company's growth and development could have a material adverse effect on the Company's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Company's current strategy will develop as anticipated.

Currency fluctuations can result in unanticipated losses

The future of the Ordinary Shares and the Company's asset and liability values may fluctuate in accordance with movements in the foreign currency exchange rates. For example, it is common practice in the mining industry for mineral production revenue to be denominated in US\$, although most but not all of the costs of exploration and production will be incurred in US\$ and not all of the mineralized material or metal obtained from the tenements will, if sold, be sold in US\$ denominated transactions. Accordingly, foreign currency fluctuations may adversely affect the Company's financial position and operating results.

The loss of land access would be material and adverse

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or indigenous claims. Immediate access to land in the areas of activities cannot in all cases be guaranteed. SolGold may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, SolGold's tenements. Compensation may be required to be paid by SolGold to land holders so that SolGold may carry out exploration and/or mining activities. Where applicable, agreements with indigenous groups have to be in place before a mineral tenement can be granted.

Rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

Mining and exploration operations in the Solomon Islands involve a complex land tenure structure. While the tenements and access agreements entered into with each of Australian Resource Management Pty Ltd. and Honiara Holdings Pty Ltd. and various landowners have permitted exploration on such tenements for the duration of the term of each prospecting licence, the existing legislative framework only provides for limited forms of negotiation between the landowners/community leaders and mining companies. It is the Director of Mines and the mining tenement holder that ultimately determine which landowners and community leaders the Company will need to negotiate with. SolGold does not guarantee that the identifications made to date and upon which the access agreements are currently based may not be contested. As a consequence, there may be unexpected difficulties experienced in progressing a promising resource into a commercial mining operation. While SolGold believes that it is entitled to rely on its access agreements in order to conduct exploration within these areas, no assurance can be given that there may not be some future challenge to SolGold's ability to do so.

Whilst SolGold has entered into access agreements with landowners covering the majority of the prospective areas identified by SolGold within the tenements, its ability to carry out exploration in the residual areas will require additional access agreements to be entered into. The ability of SolGold to secure the benefits of all the access agreements is dependent upon, inter alia, the contracting parties' willingness to perform and discharge their obligations thereunder. There may be legal and commercial limitations in respect of enforcement of contractual rights. Additionally, SolGold will not be permitted to explore in areas nominated by the landowners as reserved or protected areas in the Solomon Islands under Section 4(2) of the Mining Act.

Whilst SolGold is actively seeking to liaise with landowners to identify relevant reserved or protected areas, some considerable uncertainty exists as to the precise location of these areas, the identification of which requires the input of the indigenous population. The inability of SolGold to identify these areas, or a claim by landowners that reserved or protected areas exist over areas identified by SolGold as prospective, may have a material adverse effect on the ability of SolGold to conduct its exploration programme in the manner identified in this document.

Government policy, impassable or difficult access as a result of the terrain, seasonal climatic effects or inclement weather can also adversely impact SolGold's activities.

Compliance with environmental regulations can be costly

SolGold's operations and projects are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company's activities are or will be subject to in-country national and local laws and regulations regarding environmental hazards. These laws and regulations set various standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. In certain circumstances, these laws and regulations require the remediation of current and former facilities and locations where operations are or were conducted. Significant liability could be imposed on SolGold for damages, clean-up costs, or penalties in the event of certain discharges into the environment,

environmental damage caused by previous owners of property acquired by SolGold or its subsidiaries, or non-compliance with environmental laws or regulations. SolGold proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations, and where possible, by carrying appropriate insurance coverage. Nevertheless, there are certain risks inherent in SolGold's activities which could subject it to extensive liability.

The Company conducts its business and operations in different jurisdictions and is subject to geopolitical, regulatory and sovereign risks

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of SolGold.

SolGold's mineral exploration tenements are located in Ecuador, the Solomon Islands and Australia and are subject to the risks associated with operating both in domestic and foreign jurisdictions. As the Solomon Islands and Ecuador are developing countries, their legal and political systems are emerging when compared to those in operation in Australia and the United Kingdom. Such risks include, but are not limited to:

- economic, social or political instability or change;
- hyperinflation, currency non-convertibility or instability;
- changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, resource rent taxes, repatriation of capital, environmental protection, mine safety, labour relations;
- government control over mineral properties or government regulations that require the employment of local staff or contractors or require other benefits to be provided to local residents; and
- delays and declines in the standard and effective operation of SolGold's activities, unforeseen and un-budgeted costs, and/or threats to occupational health and safety as a consequence of geopolitical, regulatory and sovereign risk.

Ecuador

The Company's exploration and development activities and its operations depend on its ability to obtain, sustain or renew various mineral rights, licences, permits, authorisations and regulatory approvals (collectively, "**Regulatory Consents**") from governmental and quasi-governmental authorities. The Company's ability to obtain, sustain or renew such Regulatory Consents on acceptable terms and on a timely basis is subject to changes in regulations and policies and to the discretion of the Ecuadorian governmental and quasi-governmental bodies. The Company may not be able to obtain, sustain or renew its Regulatory Consents and they may not be obtainable on reasonable terms or on a timely basis.

The Cascabel Project is subject to certain risks and possible political and economic instability specific to Ecuador, such as political unrest, labour disputes, invalidation of government orders, permits or property rights, risk of corruption including violations under applicable foreign corrupt practices laws, civil disturbances, criminal acts, arbitrary changes in laws, expropriation, nationalization, renegotiation or nullification of existing agreements and changes to monetary or taxation policies. The occurrence of any of these risks may adversely affect the mining industry, mineral exploration and mining activities generally in Ecuador and could result in the impairment or loss of mineral concessions or other mineral rights.

The Ecuadorian government has broad authority to shut down and/or levy fines against companies that do not comply with Ecuadorian legal regulations or standards. The Cascabel Project may be exposed to potentially adverse risks associated with the evolving rules and laws governing mining expansion and development in Ecuador. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, limitations on foreign ownership, ownership of assets, expropriation of

property, environmental legislation and mine safety. Additionally, the Company's operations may be detrimentally affected in the event that the Ecuadorian government were to default on its foreign debt obligations or become subject to wider global economic and investment uncertainty. Whilst the Company is not aware of any current material changes in legislative, regulatory and public policy initiatives in Ecuador, recent presidential election may result in a change of policy, which may adversely affect the Cascabel Project or the Company's ability to operate successfully in Ecuador. The Company is not, however, able to ascertain any potential risk as a result of any change of policy at this time given the short period that has passed since the new president was elected.

Under the current legislative regime, a mining company must enter into an exploitation contract with the Ecuadorian Government prior to exploitation of natural resources. There is no certainty that the Company will be able to successfully enter into an exploitation contract, or enter into one on commercially favourable terms, and such a scenario may adversely impact the Cascabel Project or render it uneconomical. Without the protection of a signed exploitation agreement, there is also a risk that successor governmental bodies will revoke or significantly alter the conditions of the applicable exploration and mining authorisations and surface rights. In addition, such exploration and mining authorisations and surface rights may be challenged or impugned by third parties. In addition, there is a risk that the Company will not be able to renew the Cascabel concession in the future. Inability to renew the Cascabel Project concession could result in the loss of the Cascabel Project. Furthermore, the Company may not be able to acquire any additional surface rights required on reasonable terms or at all.

Queensland

The Queensland Minister for Natural Resources, Mines and Energy conducts reviews from time to time of policies relating to the granting and administration of mining tenements. At present, SolGold is not aware of any proposed changes to policy that would affect its tenements.

In Queensland, the *Aboriginal Cultural Heritage Act 2003*, as amended and the *Torres Strait Islander Cultural Heritage Act 2003*, as amended (which commenced on April 16, 2004) impose duties of care which require persons, including SolGold, to take all reasonable and practical measures to avoid damaging or destroying Aboriginal cultural heritage. This obligation applies across the State and requires SolGold to develop suitable internal procedures to discharge its duty of care in order to avoid exposure to substantial financial penalties if its activities damage items of cultural significance. Under this legislation, indigenous people can exercise control over land with respect to cultural heritage without necessarily having established the connection element (as required under native title law). This creates a potential risk that the tenement holder may have to deal with several indigenous individuals or corporations, where no native title has been established, to identify and manage cultural heritage issues. This could result in tenement holders requiring lengthy lead times to manage cultural heritage for their projects.

Changing attitudes to environmental, land care, cultural heritage and indigenous land rights' issues, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect SolGold's exploration plans or, indeed, its rights and/or obligations with respect to the tenements.

Solomon Islands

The Solomon Island Mineral Board oversees mining and exploration in the Solomon Islands. The Solomon Islands Minerals Board may, from time to time, amend and review its policies on mining and exploration in the Solomon Islands. Any such changes in government policy may affect the ability of SolGold to conduct and undertake mining and exploration in the Solomon Islands.

The Company is subject to foreign exchange risks relating to its foreign subsidiaries

Foreign operations may require funding if their cash requirements exceed operating cash flow and the Company expects such funding to be required in the immediate future. To the extent that funding is required, there may be exchange controls limiting such funding or adverse tax consequences associated with such funding. In addition, taxes and exchange controls may affect the dividends that the Company receives from its foreign subsidiaries or branch offices of foreign subsidiaries. Exchange controls may prevent the Company from transferring funds abroad and the Company may have to register funds in order to repatriate capital and profits.

There can be no assurance that the Ecuadorian governmental authorities will not require prior authorization or will grant such authorization for the Company's foreign subsidiaries or branch offices of foreign subsidiaries to make dividend payments to the Company and the Company cannot assure that there will not be a tax imposed with respect to the expatriation of the proceeds from the Company's foreign subsidiaries or branch offices of foreign subsidiaries. The implementation of a restrictive exchange control policy, including the imposition of restrictions on the repatriation of earnings to foreign entities, could affect the Company's ability to engage in foreign exchange activities, and could also have a material adverse effect on the Company's business, financial condition and results of operations.

Certain foreign exchange transactions, including those between Ecuadorian companies and foreign companies, must be made through authorized foreign exchange intermediaries, such as commercial banks.

The Company is subject to certain risks as an emerging market issuer

The Company is also aware that emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the emerging markets are more susceptible to destabilization resulting from domestic and international developments. Economic instability in Ecuador and in other Latin American and emerging market countries has been caused by many different factors, including but not limited to, the following: (i) high interest rates; (ii) changes in currency values; (iii) high levels of inflation; (iv) exchange controls; (v) wage and price controls; (vi) changes in economic or tax policies; (vii) the imposition of trade barriers; (viii) internal security issues; (ix) renegotiation, cancellation or forced modification of existing contracts; (x) political factors, including political instability and sudden or arbitrary changes to laws; (xi) legal and regulatory framework in the foreign jurisdiction which may increase the likelihood that laws will not be enforced and judgements will not be upheld; (xii) legislation may be subject to conflicting interpretations; (xiii) application of and amendments to legislation could adversely affect the Company's mining rights or make it more difficult or expensive to develop the Company's projects and continue mining; (xiv) certain facts and statistics contained in this AIF have come from official government sources or other industry publications, the reliability of which cannot be assumed or assured; (xv) corruption, bribery, civil unrest and economic uncertainty, which may negatively impact and disrupt business operations; (xvi) lack of certainty with respect to foreign legal systems, corruption and other factors that are inconsistent with the rule of law; (xvii) unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect the Company's business; and (xviii) restrictions on the ability of local operating companies to hold U.S. dollars or other foreign currencies in offshore bank accounts.

Investors may have difficulty in enforcing their legal rights as against the Company, the subsidiaries of the Company and certain of the officers and directors of the Company, as they are located outside of Canada

The Company and its subsidiaries are organized under the laws of foreign jurisdictions and certain of the Company's directors, management personnel and advisors are located in foreign jurisdictions. Given that the Company's material assets and certain of its directors, management personnel and experts are located outside of Canada, investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company or its directors, officers and advisors, any judgments obtained by the Canadian courts or Canadian securities regulatory authorities and predicated on the civil liability provisions of Canadian securities legislation or otherwise. Similarly, in the event a dispute arises from the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

The Company is reliant on experts outside of Canada

The Company uses and relies upon a number of legal, financial and industry experts outside of Canada as required given its corporate and operational structure. Some of these industry professionals may not be subject to equivalent educational requirements, regulations, and rules of professional conduct or standards of care as they would be in Canada. The Company manages this risk through the use of reputable experts and review of past performance. In addition the Company uses, where possible, experts and local advisers linked with firms also operating in Canada to provide any required support.

The Company's directors and officers may face conflicts of interests

Some of the persons who are or will be the Company's directors and officers are directors or officers of other natural resource or mining-related companies and these associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, the Company may fail to take advantage of opportunities to participate in certain transactions, which may have a material adverse effect on the Company's financial position.

Ordinary Shares are subject to trading and volatility risks

The trading price of securities of mineral exploration companies is subject to substantial volatility. This volatility is often based on factors both related and unrelated to the financial performance or prospects of the companies involved. The market price of the Ordinary Shares could be subject to significant fluctuations in response to variations in the Company's operating results, financial condition, liquidity and other internal factors and the outcome of the Company's mineral exploration activities. Factors that could affect the market price of the Ordinary Shares that are unrelated to the Company's performance include global commodity prices and market perceptions of the attractiveness of mineral exploration companies.

The market price of the Ordinary Shares could fluctuate significantly based on a number of factors in addition to those listed in this document, including:

- the Company's operating performance and the performance of competitors and other similar companies;
- the market's reaction to the Company's press releases, other public announcements and the Company's filings with various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Ordinary Shares or the shares of other companies in the resource sector;
- changes in general economic conditions;
- the number of Ordinary Shares publicly traded;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving the Company or its competitors; and
- the factors associated with forward-looking statements.

Additional financing may result in dilution of existing shareholders

The Company intends to pursue the acquisition of additional investments in the resource sector through the purchase of royalties, revenue streams, and other direct and indirect investments. However, the Company will require additional funds to further such activities. To obtain such funds, the Company may sell additional securities including, but not limited to, the Ordinary Shares or some form of convertible security, the effect of which may result in a substantial dilution of the equity interests of the existing shareholders. Capital raised through debt financing would require the Company to make periodic interest payments and may impose restrictive covenants on the conduct of the Company's business. Furthermore, additional financings may not be available on terms favourable to the Company, or at all. A failure to obtain additional funding could the Company from making expenditures that may be required to implement the Company's growth strategy and grow or maintain the Company's operations.

The Ordinary Shares do not pay dividends

The Company does not currently anticipate declaring and paying dividends to its shareholders in the near future. It is the Company's current intention to apply net earnings, if any, in the foreseeable future to increasing its working capital. Prospective investors seeking dividend income should, therefore, not purchase the Ordinary Shares. The future

dividend policy of the Company will be determined by the Board after taking into account many factors including the Company's operating results, financial condition and current and anticipated cash needs. Until the time that the Company does pay dividends, which it may never do, the shareholders will not be able to receive a return on their Ordinary Shares unless they sell them.

The future sale of Ordinary Shares by existing shareholders could reduce the market price of the Ordinary Shares

Sales of a substantial number of Ordinary Shares in the public market could occur. These sales, or the market perception that the holders of a large number of Ordinary Shares intend to sell Ordinary Shares, could reduce the market price of Ordinary Shares.

There is a risk of publication of inaccurate or unfavourable research by securities analysts or other third parties

The trading market for Ordinary Shares may rely in part on the research and reports that securities analysts and other third parties choose to publish about the Company. The Company does not control these analysts or other third parties. The price of the Ordinary Shares could decline if one or more securities analysts downgrade the Ordinary Shares or if one or more securities analysts or other third parties publish inaccurate or unfavourable research about the Company or cease publishing reports about the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as set forth below, there are no legal proceedings outstanding, threatened or pending, as of the date of this AIF, by or against the Company or which the Company is a party, nor to the Company's knowledge are any such legal proceedings contemplated, which could become material to the shareholders.

On August 21, 2017, Major Drilling Group International Ecuador ("**Major**") filed an arbitration claim before the Arbitration Center of the Quito Chamber of Commerce against ENSA for the amount of US\$350,000. Major alleged a breach of the drilling contract signed by the parties on September 22, 2016. On September 1, 2017 the Company filed a counterclaim against Major for the amount of US\$360,000 for compensation for damages caused by Major. No provision for any liability has been made in these financial statements beyond the existing trade payable and no receivable has been recognised in connection with the Company's counterclaim.

There have not been any penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Within the 3 most recently completed financial years and during the current financial year, no director, executive officer, or shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Ordinary Shares, or any known associates or affiliates of such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

AUDITOR, TRANSFER AGENTS AND REGISTRARS

The auditor of the Company is BDO LLP, located at 55 Baker Street, London, W1U 7EU, United Kingdom.

The transfer agent and registrar for the Ordinary Shares in the United Kingdom is Computershare Investor Services PLC, which is located at The Pavilions, Bridgwater Road, Bristol, BS99 7NH, United Kingdom.

The transfer agent and registrar for the Ordinary Shares in Canada is Computershare Investor Services Inc., which is located at 1500 Robert-Bourassa Blvd., Montreal, QC, H3A 3S8, Canada.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company to the date hereof which are currently in effect and considered to be currently material:

1. Second Revised Cornerstone Term Sheet among the Company, Cornerstone, Cornerstone Ecuador S.A. and ENSA dated February 24, 2014. See "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".
2. Medea Engagement Letter dated between the Company and Medea Capital Partners Ltd. dated January 8, 2016. See "*Description of the Company's Business – History – Fiscal Year 2016*".
3. Maxit Subscription Agreement between the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) dated August 16, 2016. See "*Maxit Second Tranche Subscription Agreement*".
4. Maxit Second Tranche Subscription Agreement between the Company and Maxit Capital (by its general partner, Maxit Capital Inc.) dated on or about October 7, 2016. See "*Description of the Company's Business – History – Fiscal Year 2017*".
5. Newcrest Subscription Agreement among the Company, Newcrest International and Newcrest Mining dated August 30, 2016 (as varied pursuant to the Further Deed of Variation between the parties dated September 26, 2016 and the Third Deed of Variation dated June 21, 2017). See "*Newcrest Subscription Agreement*".
6. Administration Services Agreement between the Company and DGR Global dated March 21, 2017. See "*Administration Services Agreement*".
7. Samuel Consultancy Agreement between the Company and Samuel dated June 23, 2017. See "*Samuel Consultancy Agreement*".
8. November 2017 Underwriting Agreement among the Company and the Underwriters dated November 30, 2017. See "*Description of the Company's Business – History – Fiscal Year 2018*".

The material contracts described above are available on SEDAR at www.sedar.com under the Company's issuer profile and may be inspected by shareholders during normal business hours at the Company's registered office located at c/o Locke and Lord (UK) LLP, 201 Bishopsgate, London, EC2M 3AB, United Kingdom.

INTERESTS OF EXPERTS

No person or company, whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this AIF or as having prepared or certified a report or valuation described or included in this AIF, holds any beneficial interest, directly or indirectly, in any property of the Company or any of the Company's associates or affiliates, and no such person or company is expected to be elected, appointed or employed as a director, senior officer or employee of the Company or of an associate or affiliate of the Company.

BDO LLP, located at 55 Baker Street, London, W1U 7EU, United Kingdom, the auditor of the Company, has advised that it is independent with respect to the Company.

Information of a scientific or technical nature in respect of the Cascabel Project is included in this AIF based upon the Cascabel Technical Report, dated February 16, 2018 with an effective date December 18, 2017, prepared by James Gilbertson, MCSM, CGeol of SRK Exploration and Martin Pittuck, MSc, CEng, MIMMM, FGS and John Willis, BE(Met), PhD, MAusIMM(CP) of SRK Consulting, who are independent "**qualified persons**" under NI 43-101. To

the best of the Company's knowledge, after reasonable inquiry, as of the date hereof, the aforementioned individuals and, as applicable, their firm, do not beneficially own, directly or indirectly, any Ordinary Shares.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's most recent management information circular, which was mailed to shareholders and filed on SEDAR. Additional financial information is available in the comparative audited consolidated financial statements of the Company, together with the auditor's report thereon for the Company's most recently completed fiscal year and the Company's management's discussion and analysis in relation thereto, which are available on SEDAR.

GLOSSARY OF TERMS

In this AIF, unless otherwise indicated or the context otherwise requires, the following terms shall have the meaning set forth below:

"**3D IP**" has the meaning ascribed to it under the heading "*Cascabel Project – Exploration*".

"**AAS**" means atomic absorption spectroscopy.

"**ACN**" means Australian Company Number.

"**Administration Services**" has the meaning ascribed to it under the heading "*Administration Services Agreement*".

"**Administration Services Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**Administrative Handover Date**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".

"**Ag**" means silver.

"**AIF**" means this annual information form of the Company dated September 27, 2018.

"**AIM**" means the Alternative Investment Market of the London Stock Exchange.

"**Anti-Dilution Right**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Anti- Dilution Right*".

"**ARCOM**" means the Agency for Regulation and Control of Mining (Agencia de Regulacion y Control Minero).

"**ARM**" means Australian Resource Management (A.R.M) Pty Ltd.

"**Articles**" means the articles of association of the Company as at the date of this document.

"**Au**" means gold.

"**Audit and Risk Management Committee**" means the audit and risk management committee of the Company.

"**BHP Billiton**" means BHP Billiton plc.

"**Board**" means the board of directors of the Company.

"**Board Recommendation**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Undertakings by Newcrest International*".

"**Cascabel Project**" has the meaning ascribed to it under the heading "*Notice to Investors – Technical Information*".

"**Cascabel Technical Report**" has the meaning ascribed to it under the heading "*Notice to Investors – Technical Information*".

"**CEO**" means chief executive officer.

"**CESA**" means Cornerstone Ecuador S.A.

"**CFO**" means chief financial officer.

"**CIM**" means Canadian Institute of Mining.

"**City Code**" means The City Code on Takeovers and Mergers issued and administered by the Panel on Takeovers and Mergers as recognised in the Companies Act.

"**Code**" means the UK Corporate Governance Code, as amended.

"**Committee**" has the meaning ascribed to it under the heading "*Options to Purchase Securities – Share Incentive Plan*".

"**Company**" means SolGold plc, company number 05449516, a public limited company incorporated in England and Wales, and all successors thereto.

"**Consultancy Fee**" has the meaning ascribed to it under the heading "*Samuel Consultancy Agreement*".

"**Convertible Note Deeds**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2016*".

"**Convertible Notes**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2016*".

"**Cornerstone**" means Cornerstone Capital Resources Inc.

"**Cornerstone Shares**" means the common shares in the capital of Cornerstone.

"**Corporate Ethics Policy**" has the meaning ascribed to it under the heading "*Corporate Governance – Ethical Business Conduct*".

"**CRMs**" means Certified Reference Materials.

"**Cu**" means copper.

"**CuEq**" means copper equivalent.

"**DAP**" means the Dagua-Pinon terrane.

"**DGR Global**" means DGR Global Limited, ACN 052 354 837, an Australian listed public company registered in Queensland, Australia.

"**Enami**" means Empresa Nacional Minera del Ecuador.

"**ENSA**" means Exploraciones Novomining S.A., an Ecuadorian registered company.

"**Executive Director**" means the Executive Director of the Company.

"**Financing Option**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".

"**First Revised Cornerstone Term Sheet**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – First Revised Cornerstone Term Sheet*".

"**forward-looking statement**" means statements made regarding future events or future performance, including management's expectation of future growth, results of operations and performance and business and the performance and business of the Company.

"**FPDP**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".

"**Further Deed of Variation**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement*".

"**Further Raising**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Anti- Dilution Right*".

"**GOR**" means the Gorgona terrane.

"**GRMA**" means the *General Regulation of the Mining Act* (Ecuador), as amended.

"**GST**" has the meaning given to it in the GST Law.

"**GST Law**" means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and the related imposition acts.

"**Health, Safety, Environment and Community Committee**" means the Health, Safety, Environment and Community Committee of the Company.

"**HP**" means Hubbard Perforaciones.

"**ICP**" means inductively coupled plasma.

"**INEMIN**" means the Belgian Mission and the Ecuadorian Institute of Mining.

"**Initial Maxit Subscription**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**JICA**" means Japan International Cooperation Agency of the Metal Mining Agency of Japan.

"**LSE**" means the London Stock Exchange.

"**Ma**" means million years ago.

"**Main Market**" means the Main Market of the LSE.

"**Maxit Board Appointment Right**" has the meaning ascribed to it under the heading "*Maxit Subscription Agreement – Board Appointment Right*".

"**Maxit Capital**" means Maxit Capital LP.

"**Maxit Minimum Holding**" has the meaning ascribed to it under the heading "*Maxit Subscription Agreement – Board Appointment Right*".

"**Maxit Second Tranche Subscription**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**Maxit Second Tranche Subscription Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**Maxit Subscription Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**Mbetilonga Application**" has the meaning ascribed to it under the heading "*Other Exploration – Solomon Islands*".

"**MCP**" means Media Capital Partners Ltd.

"**Medea Engagement Letter**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2016*".

"**Mining Act**" means the *Mining Act, 2009* (Ecuador), as amended.

"**Mn**" means manganese.

"**Mo**" means molybdenum.

"**MRE**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**New Issue**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Anti-Dilution Right*".

"**Newcrest**" means collectively, Newcrest International and Newcrest Mining.

"**Newcrest Board Appointment Right**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Board Appointment Right*".

"**Newcrest International**" means Newcrest International Pty Ltd., ACN 007 449 194, an Australian private company registered in Victoria, Australia.

"**Newcrest Minimum Holding**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Board Appointment Right*".

"**Newcrest Mining**" means Newcrest Mining Limited., ACN 005 683 625, an Australian listed public company registered in Victoria, Australia.

"**Newcrest Subscription Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

"**NOMAD**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Board Appointment Right*".

"**Non-Executive Director**" means the Non-Executive Director of the Company.

"**November 2017 Private Placement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**November 2017 Underwriting Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**NSR**" means net smelter return.

"**NTA**" has the meaning ascribed to it under the heading "*Risk Factors*".

"**Offer**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Top-Up Right*".

"**Optional Subscription**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".

"**Options**" has the meaning ascribed to it under the heading "*Description of Capital Structure – Options*".

"**Ordinary Shares**" means ordinary shares in the capital of the Company.

"**Other Transaction**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Anti-Dilution Right*".

"**PAT**" means the Pacific assemblage.

"**Pb**" means lead.

"**Phase 1**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2016*".

"**Phase 2**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2016*".

"**QAQC**" means quality assurance and quality control.

"**RCP Shareholder Resolutions**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Undertakings by Newcrest International*".

"**Regulatory Consents**" has the meaning ascribed to it under the heading "*Risk Factors – The Company conducts its business and operations in different jurisdictions and is subject to geopolitical, regulatory and sovereign risks – Ecuador*".

"**Relevant Control Proposal**" means an "Offer" (as that term is defined in the City Code), or other proposal or transaction for control of the Company, or any bid or proposal for control of, or major dealing with or in respect of the Cascabel Project or any of the Cascabel mining concessions (including but not limited to any proposal to make any of the Cascabel concessions subject to a security interest), which Offer, bid, transaction or other proposal is made by any person other than DGR Global or a party who is acting in concert, or affiliated with, DGR Global.

"**Relevant Period**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Top-Up Right*".

"**Remuneration Committee**" means the Remuneration Committee of the Company.

"**RO**" means the Romeral terrane.

"**RTZ**" means Rio Tinto Zinc Corporation.

"**Samuel**" means Samuel Capital Pty Ltd., ACN 078 336 044, an Australian private company registered in Queensland, Australia.

"**Samuel Consultancy Agreement**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**Santa Barbara**" means Santa Barbara Resources Ltd.

"**SBCG**" means Santa Barbara Copper & Gold S.A.

"**Second Revised Cornerstone Term Sheet**" has the meaning ascribed to it under the heading "*Cornerstone Term Sheets – Second Revised Cornerstone Term Sheet*".

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Services**" has the meaning ascribed to it under the heading "*Samuel Consultancy Agreement*".

"**Share Incentive Plan**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**SID**" means Senior Independent Director.

"**SolGold**" means SolGold plc, Company Number 05449516, a public limited company incorporated in England and Wales, and all successors thereto.

"**SRK Consulting**" means SRK Consulting (UK) Ltd.

"**SRK Exploration**" means SRK Exploration Services Ltd.

"**TAA**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Technical Advisory Agreement*".

"**Tenstar**" means Tenstar Trading Limited.

"**Top-Up**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Top-Up Right*".

"**Top-Up Event**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Top-Up Right*".

"**Top-Up Right**" has the meaning ascribed to it under the heading "*Newcrest Subscription Agreement – Top-Up Right*".

"**TSX**" means Toronto Stock Exchange.

"**TSXV**" means the TSX Venture Exchange.

"**UKCA**" means the Companies Act 1985 (United Kingdom), as amended.

"**Underwriters**" has the meaning ascribed to it under the heading "*Description of the Company's Business – History – Fiscal Year 2017*".

"**VTEM**" means versatile time domain electromagnetic.

"**VWAP**" means volume weighted average price.

"WTR" means western tectonic realm.

"Zn" means zinc.

SCHEDULE "A"
CORPORATE GOVERNANCE CHARTER

See attached.

SCHEDULE "B"
MATTERS RESERVED FOR THE BOARD OF DIRECTORS

1. MANAGEMENT STRUCTURE AND APPOINTMENTS

- Board and other senior management (the Chief Executive Officer and the Company Secretary) appointments or removals.
- Board and senior management succession, training, development and appraisal.
- Execute appropriate strategies to monitor performance of the Board in implementing its functions and powers.
- Remuneration, contracts, grants of options and incentive arrangements for senior management (if not delegated to a committee).
- Delegation of the Board's powers, and establishment of a Delegation of Authority Matrix for the Company.
- Appoint and oversee the membership of committees and agree terms of reference of board committees and task forces.
- Matters referred to the Board by the Board committees.
- Directors' conflicts or potential conflicts of interest.

2. STRATEGIC/POLICY CONSIDERATIONS

- Business strategy.
- Regulatory compliance with all relevant laws (Corporation Act, CA2006, the ASX Listing Rules and the UK Listing Rules, etc.).
- Corporate Governance, Policies and Procedures.
- Specific risk management policies including insurance, hedging, borrowing limits and corporate security.
- Agreement of codes of ethics and business practices.
- Review and assess risk management and internal compliance and control, codes of conduct and legal compliance.
- Avoidance of wrongful or fraudulent trading.

3. TRANSACTIONS

- Acquisitions and disposals of subsidiaries or other substantive assets.
- Investment and other capital expenditure projects.
- Actions or transactions where there may be doubt over propriety.
- Approval of public announcements, prospectuses, circulars and similar documents.
- Disclosure of directors' interests.
- Transactions with directors or other related parties.

4. FINANCE

- Approve and monitor Capital expenditure, capital management and Capital adequacy.
- Raising new capital and confirmation of major financing facilities.
- Discussion of any proposed qualification to the financial statements.
- Final approval of annual and interim reports, financial statements and accounting policies.
- Appointment/proposal of and liaise with the Company's external auditor.
- Approval annual budgets for the coming year.

5. GENERAL

- Allotment, calls or forfeiture of shares.
- Shareholders and RNS communications.
- Calling of shareholders' meetings.