

06 June 2024

SolGold plc
(*"SolGold" or the "Company"*)
Exploitation Contract for Cascabel Project

SolGold (LSE & TSX: SOLG) is pleased to announce the signing of the Exploitation Contract ("Exploitation Contract" or "EC") for the Cascabel Project ("Project"), its flagship copper-gold project in Ecuador. This milestone follows the successful contractual negotiations and approval of the term sheet ("Term Sheet") by the Government of Ecuador in July 2023 ([see SolGold release dated 20 July 2023](#)). The EC and existing legislation and regulations establish the legal and financial terms and conditions required for the Cascabel Project's development.

Mr. Diego Ocampo, Vice Minister of Mines, stated: "This Contract represents a new era of economic development for Ecuador, demonstrating our commitment to promoting investment and sustainable development in the mining sector. The Government of Ecuador supports the Cascabel Project, which will bring substantial long-term benefits to our country's economy and local communities through significant investment, job creation, and sustainable growth."

Mr. Scott Caldwell, CEO and President of SolGold Ecuador, commented: "The signing of the Exploitation Contract for the Cascabel Project is a landmark achievement for SolGold and our stakeholders. This success would not have been possible without the invaluable collaboration and support from the Government of Ecuador, regional administrations, and local communities. We are strongly committed to cultivating sustainable development and shared prosperity in Ecuador and its communities."

Exploraciones Novomining S.A. ("ENSA"), SolGold's wholly-owned subsidiary in Ecuador, embarked on a rigorous exploration journey at Cascabel in 2012, leading to the major discovery hole at Alpala in early 2014, and the subsequent discovery of Tandayama-América deposit in later drill programs. SolGold has since drilled over 300,000 metres of cored exploration, resource definition, and geotechnical drill holes and has conducted numerous resource, mining, metallurgical, environmental, and social studies on the Project. This extensive work has transformed the Project into one of the world's largest undeveloped copper-gold porphyry deposits, with the potential to significantly boost the Ecuadorian economy and serve as a blueprint for the exploration and discovery of other resources on SolGold's extensive regional targets throughout Ecuador.

Key Exploitation Contract Terms (*All monetary amounts are stated in United States Dollars*)

- **Share of Cumulative Benefits:** The EC provides that the Government of Ecuador's share of cumulative discounted benefits derived from SolGold's Cascabel Project will be at least 50%. The Government of Ecuador's benefit will be calculated as the present value of the cumulative sum of taxes paid, including corporate income taxes, royalties, labour profit sharing paid to the State, non-recoverable VAT, and any previous sovereign adjustment payments.
- **Development and Production Rights:** ENSA ("Mining Concessionaire") has secured the right to develop the Cascabel Project and produce copper, gold, and silver from the contract area for 33 years, which may be renewed for the life of the mine.
- **Advance Royalty Payment:** SolGold will make an advance royalty payment totalling \$75 million, with the first payment of \$25 million due upon the concentrator construction start date. The remaining two payments, each of \$25 million, will be made on the first and second anniversary, respectively, from the date of the first payment. The advance royalty will be deductible against the Government Royalty (defined below).
- **Government Royalty & Taxes:** Once the Government of Ecuador approves the new Investment Protection

Agreement, the Company expects a corporate income tax rate of 20% during the Project's life. Based on this corporate income tax rate, the Mining Concessionaire, the State, and SolGold have agreed to a variable royalty on net smelter revenues by Ecuadorian Mining Law ("Government Royalty"). The Government Royalty on net smelter revenues will follow a variable percentage rate from 3% to 8%, depending on the type of mineral and its price.

- **Economic Imbalance Mechanism:** The EC includes a mechanism for correcting any economic imbalance for the Mining Concessionaire due to changes in fiscal policy, taxes, laws, and regulations. This provision removes significant uncertainty for the future economic environment governing the Project.
- **Investor Autonomy:** One of the most crucial principles that the EC develops is the autonomy and freedom of the Company to make its commercial decisions. The technical design of the mine, investment amount, production capacity, etc., are decisions of the Company and respond to its business strategy. This freedom and autonomy ensure development that aligns with SolGold's philosophy and principles.
- **Investor Protection Rights** The EC addresses various investor protection rights, ensuring the protection of the investment, including a dispute resolution mechanism through international arbitration.

CONTACTS

Scott Caldwell
Chief Executive Officer

Tel: +44 (0) 20 3807 6996

Tavistock (Media)
Jos Simson/Gareth Tredway

Tel: +44 (0) 20 7920 3150

ABOUT SOLGOLD

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

The Company operates with transparency and in accordance with international best practices. SolGold is committed to delivering value to its shareholders while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace, and minimizing environmental impact.

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

See www.solgold.com.au for more information.

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News releases, presentations and public commentary made by SolGold plc (the "**Company**") and its Officers may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors, including the plan for developing the Project currently being studied as well as the expectations of the Company as to the forward price of copper. Such forward-looking and interpretative statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such interpretations and forward-looking statements.

Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of the TSX and LSE or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may reinterpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.

This release may contain "forward looking information". Forward looking information includes, but is not limited to, statements regarding the Company's plans for developing its properties. Generally, forward looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved"

achieved .

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The Company and its officers do not endorse, or reject or otherwise comment on the conclusions, interpretations or views expressed in press articles or third-party analysis.

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