

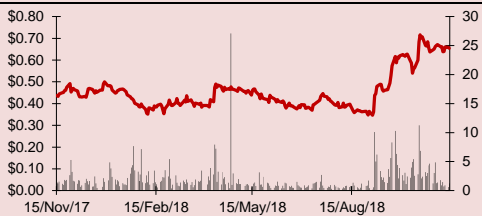
SolGold Plc – (TSX:SOLG; LON:SOLG) Technical Success Reveals Potential Alpala 2.0

Exploration Update

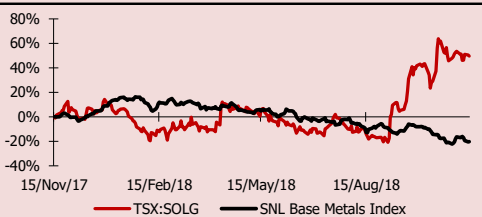
(Currency is C\$ unless noted otherwise)

Closing Price (\$/sh)		\$0.66
52 Week Low / High (\$/sh)	\$0.32 /	\$0.71
Net Asset Value Per Share (\$/sh)		\$1.30
P/NAV		0.51x
CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	1,837.0	1,919.9
Market Capitalization (\$M)		\$1,267.1
Enterprise Value (\$M)		\$1,122.3
Estimated Cash Balance Cash (\$M)		\$144.8
Total Debt (\$M)		\$0.0

STOCK CHART



RELATIVE PERFORMANCE



NET ASSET VALUE	(\$M)	(\$/Sh)
Cascabel, Ecuador (85% Ownership)	\$5,546.7	\$2.16
Taxes	(\$3,166.1)	(\$1.23)
Other Assets	\$187.5	\$0.07
Corporate adjustments	\$760.0	\$0.30
Total NAV	\$3,328.1	\$1.30

RELATIVE VALUATION	EV/lb CuEq	P/NAV
Explorer/Developer Peers*	US\$0.012	0.35x
SolGold plc (Consensus)	US\$0.055	0.59x
SolGold plc (RCKS Est.)	US\$0.027	0.51x

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Management (3.97%), Newcrest Mining Limited (1.34%), DGR Global Limited (11.11%), BHP Billiton Group (11.06%), Cornerstone Capital Resour. (9.26%), Tenstar Trading Limited (6.47%), BlackRock, Inc. (5.74%)

DISCLOSURE CODE: 1, 2, 3, 4

(Please refer to the disclosures listed on the back page)

Source: RCKS estimates, Company Information, Capital IQ

Company Description

SolGold plc, together with its subsidiaries, engages in the exploration of mineral properties in Ecuador, Australia, and Solomon Islands. The company primarily explores for gold, copper, and silver deposits. Its flagship project is the Cascabel project that covers an area of approximately 50 square kilometers located in Quito, Ecuador. The company was formerly known as Solomon Gold plc and changed its name to SolGold plc in May 2012. SolGold plc was incorporated in 2005 and is based in Brisbane, Australia.

Impact: Positive

Ongoing exploration by SolGold continues to support our thesis that Alpala is likely to double with the resource update expected in Q4 2018. The technical success from hole 64 also supports **our theory** of a potential second porphyry adjacent to Alpala, further reflecting the world-class scale of Cascabel.

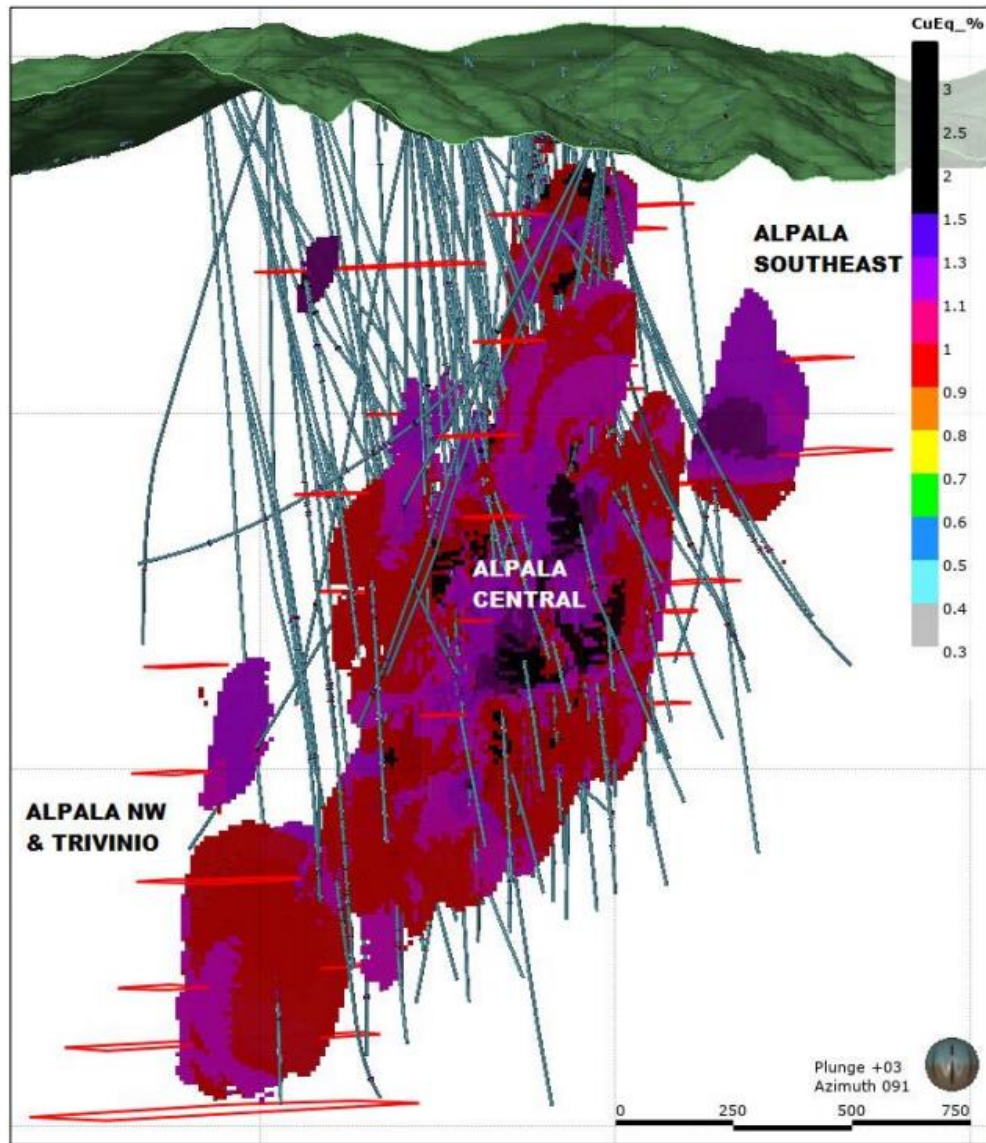
Highlights:

- **Results support our view for a potential 50% increase of the high-grade core.** We previously stated that the high-grade core was set to grow by 50% as the company further defined controls of the high-grade mineralization at Alpala Central. This is supported by hole 68 returning 664 m grading 1.53% CuEq, including 348m grading 2.25% CuEq, which intersected wide intercepts of high-grade mineralization (>1.5% CuEq cut-off) and is open at depth.
- **Potential doubling of the overall resource.** We continue to believe the resource is set to double with the pending Q4/18 update, which was reflected by hole 69 that was drilled in the Alpala West Limb and returned 852m grading 1.14% CuEq. A total of 82,400m has now been drilled since the last Mineral Resource Estimate in December 2018 and therefore further reflects the amount of successful exploration drilling has been completed for the pending update.
- **A second Alpala deposit?** Our estimates assume a 100% increase in the Alpala deposit but we have not accounted for the potential of an adjacent porphyry system. Hole 64 was drilled deep into the northwest target and returned 402m grading 0.65% CuEq of primary bornite mineralization, which is indicative of an additional porphyry core. Although a technical success, more drilling in this northwest sector towards Trivino needs to be done to confirm potential scale and grade.

Valuation:

Technical success of hole supports meaningful upside in scope and scale of an already world class size project. In our view, this warrants premium valuation. We believe that the pending resource update and ongoing exploration success are likely to drive our base case NAVPS_{8%} to C\$1.30. SolGold trades at a premium to peers (0.51x NAV vs peers 0.35x) and we believe a further premium is warranted given the scarcity and scale of Cascabel and that willing suitors are ready to pounce. **Upcoming catalysts:** 1) Ongoing exploration, 2) Resource update (Q4/18) and 3) Maiden PEA (Q1/19).

Figure 1: High Priority Drill Targets



Source: RCKS Estimates, Capital IQ

FINANCIAL AND OPERATING SUMMARY: SOLGOLD PLC

FINANCIAL DATA

Ticker	TSX:SOLG
Current Price (C\$/sh)	C\$0.66
52 Week Low / High (C\$/sh)	\$0.32 / \$0.71
Shares Outstanding (M)	1,837.0
Market Capitalization (C\$M)	\$1,212.4
Cash & Cash Equivalents (C\$M)	\$144.8
Total Debt (C\$M)	\$0.0
Enterprise Value (C\$M)	\$1,067.6

FINANCIAL DATA

Capital Structure	Shares Millions
Shares Outstanding	1837.0
Options	82.9
Warrants	0.0
Fully Diluted Shares	1919.9

Ownership (October 2018)	Shares O/S (M)	% O/S
Management	72.9	4.0%
Newcrest Mining Limited	246.6	13.4%
DGR Global Limited	204.2	11.1%
BHP Billiton Group	203.1	11.1%
Cornerstone Capital Resources Inc.	170.2	9.3%
Tenstar Trading Limited	118.8	6.5%
BlackRock, Inc.	105.5	5.7%

Financial Summary (C\$)	2021A	2022E	2023E	2024E	2025E	2026E
Year-end June 30						
Shares Outstanding (M)	2568.0	2568.0	2568.0	2568.0	2568.0	2568.0

EPS	(0.04)	0.00	0.00	(0.00)	(0.00)	(0.00)
CFPS	(0.04)	(0.01)	(0.05)	0.04	0.19	0.31
P/CF	(15.3)x	(84.7)x	(12.6)x	16.2x	3.5x	2.1x

Income Statement (C\$M)

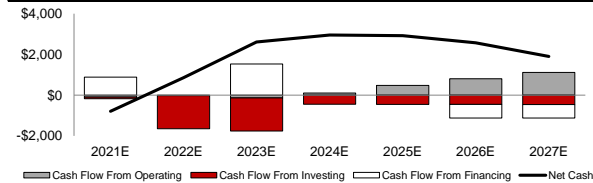
Revenue	0.0	0.0	0.0	1427.5	2216.5	2734.2
Operating Expenses	0.0	0.0	0.0	864.7	1004.1	1055.9
Depreciation	0.0	0.0	0.0	91.5	156.6	210.2
General & Admin	10.0	10.0	10.0	9.0	14.0	17.2
General Exploration	80.0	12.0	12.0	12.0	12.0	12.0
Net income	(88.0)	(20.0)	(134.8)	13.3	321.8	597.9

Balance Sheet (C\$M)

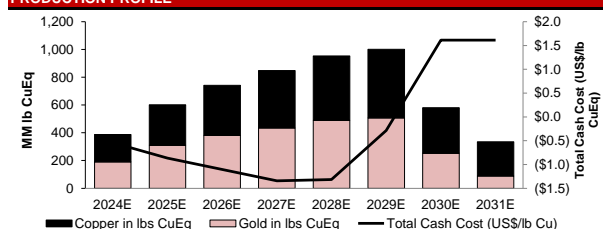
Cash & Equivalents	788.1	(856.9)	(1086.6)	(1421.7)	(1393.7)	(1702.8)
Debt	0.0	0.0	1530.0	1530.0	1530.0	867.0

Cash Flow (C\$M)

Operating CF	(88.0)	(20.0)	(134.8)	104.8	478.3	808.1
Financing CF	(80.0)	(1625.0)	(1625.0)	(439.9)	(450.3)	(454.2)
Investing CF	887.3	0.0	1530.0	0.0	0.0	(663.0)
Change in Cash	719.3	(1645.0)	(229.8)	(335.1)	28.0	(309.1)

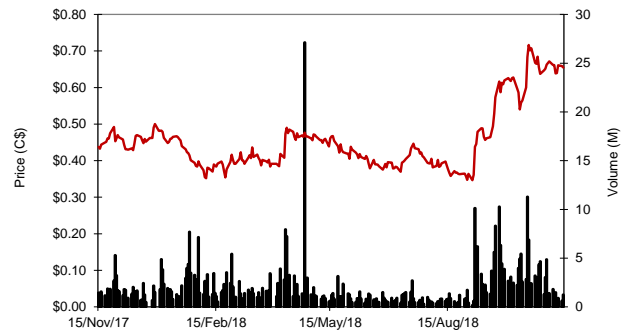


PRODUCTION PROFILE



As of market close on November 13, 2018.

STOCK CHART



TECHNICAL ASSUMPTIONS

	2021A	2022E	2023E	2024E	2025E	2026E
Gold Price (US\$/oz)	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Silver Price (US\$/oz)	\$ 17.00	\$ 17.00	\$ 17.00	\$ 17.00	\$ 17.00	\$ 17.00
Copper Price (US\$/lb)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Australian : US\$ exchange rate	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80
Canadian : US\$ exchange rate	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80	\$ 0.80

RESOURCE ESTIMATE

	Tonnes (1000)	Cu %	Au g/t	Cu M lb	Au K oz	CuEq %
Indicated	430	0.50%	0.40	4,740	5.53	0.75%
Inferred	650	0.40%	0.30	5,732	6.27	0.59%
Total	1080	0.44%	0.34	10,472	11.80	0.65%
RCKS Est. Resource	2160	0.44%	0.34	20,944	23.60	0.65%

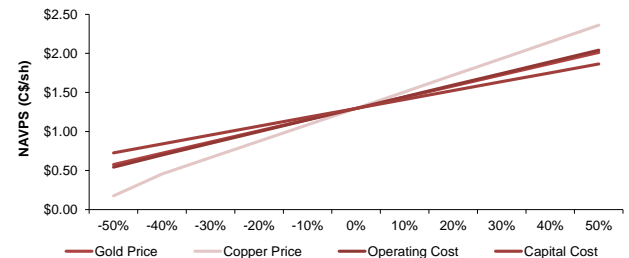
NET ASSET VALUE

	Discount Rate	(C\$M)	(C\$/Sh)
Cascabel, Ecuador (85% Ownership)	8%	\$ 5,546.7	\$ 2.16
Taxes	8%	\$ (3,166.1)	\$ (1.23)
Other Assets	in-situ	\$ 187.5	\$ 0.07
Corporate adjustments	8%	\$ 760.0	\$ 0.30
Total NAV		\$ 3,328.1	\$ 1.30

COMPARABLES

Company	Ticker	Price C\$	MC C\$M	US\$ EV/ CuEq	NAVPS C\$	P/NAV
Entrée Resources Ltd.	TSX:ETG	\$0.49	\$86	\$0.008	\$0.85	0.58x
Highland Copper Company Inc.	TSXV:HI	\$0.09	\$43	\$0.009	\$0.19	0.49x
Nevada Copper Corp.	TSX:NCU	\$0.36	\$235	\$0.010	\$1.35	0.26x
NGEx Resources Inc.	TSX:NGQ	\$1.00	\$229	\$0.007	\$5.83	0.17x
Northern Dynasty Minerals Ltd.	TSX:NDM	\$0.90	\$294	\$0.002	\$4.15	0.22x
Trilogy Metals Inc.	AMEX:TMQ	\$2.13	\$298	\$0.023	\$3.78	0.56x
Western Copper and Gold Corp	TSX:WRN	\$0.72	\$73	\$0.003	\$4.50	0.16x
Average				\$0.012	\$2.95	0.35x
SolGold plc (Consensus)	TSX:SOLG	\$0.66	\$1,212	\$0.055	\$1.12	0.59x
SolGold plc (RCKS Est.)	TSX:SOLG	\$0.66	\$1,267	\$0.027	\$1.30	0.51x

NAVPS SENSITIVITIES



Derek Macpherson | VP Mining Analysis, dmacpherson@redcloudks.com
Edmond Thorose | VP Corporate Development, ethorose@redcloudks.com
Alex Pitcher | Associate, Mining Analysis, apitcher@redcloudks.com
Beatrice Cigagna | Associate, Mining Analysis, bcigagna@redcloudks.com

Red Cloud Klondike Strike Inc.
 105 King Street East, 2nd Floor
 Toronto ON, M5C 1G6
RCKSTalk@RedCloudKS.com
www.redcloudks.com/rcks-talk

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Company Specific Disclosure Details

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

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