

SolGold Plc. (TSX:SOLG; LSE:SOLG)

Initiating Coverage

May 15, 2025

Advancing a Tier-One Copper-Gold Asset in Ecuador

(Currency is US\$ unless noted otherwise)

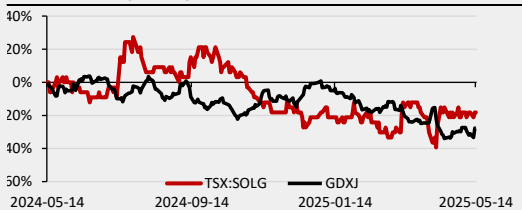
Closing Price (C\$/sh)	\$0.14
Rating	BUY
Target (C\$/sh)	\$0.75
Return to Target	456%
NAV (C\$/sh)	\$1.26
P/NAV	0.11x
52 Week Low / High (C\$/sh)	\$0.10 / \$0.22

CAPITALIZATION	Basic	Diluted
Shares Outstanding (M)	3,001.1	3,074.2
Market Capitalization (C\$M)		\$405.1
Enterprise Value (C\$M)		\$640.3
Estimated Cash Balance Cash (C\$M)		\$43.6
Total Debt (C\$M)		\$278.8

STOCK CHART



RELATIVE PERFORMANCE



NET ASSET VALUE	(C\$M)	(C\$/Sh)
Cascabel, Ecuador (100% Ownership)	\$8,021.8	\$2.67
Taxes	(\$2,734.7)	(\$0.91)
Other Assets	\$1,102.7	\$0.37
Asset NAV*	\$6,389.8	\$2.13
Corporate adjustments	(\$1,792.4)	(\$0.49)
Corporate NAV	\$4,597.5	\$1.26

* Asset NAVPS based on pre-financing share count

RELATIVE VALUATION	EV/lb CuEq (US\$)	P/NAV
SolGold Plc	\$0.009	0.11x
Explorer/Developer Peers*	\$0.027	0.30x

*Capital IQ Consensus

MAJOR SHAREHOLDERS

Jiangxi Copper (12.19%), BHP (10%), Newmont (10%), DGR Global (7%), Maxit Capital (5%), Tenstar Trading (4%), Management & Insiders (4%)

DISCLOSURE CODE:

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

Source: RCS estimates, Company Information, Capital IQ

Company Description

SolGold plc is a Perth-based mineral exploration and development company. Its flagship Cascabel project, located in the richly mineralized Northern Ecuadorian district, is one of the largest major copper-gold porphyry projects in development in the world. Cascabel hosts 4.6B tonnes in M&I+I resources grading 0.47% CuEq, containing 47B lbs CuEq. Additionally, SolGold has a considerable exploration portfolio of 89 licences covering +3000km² of Cu-Au exploration targets. The portfolio covers eighteen exploration targets, of which twelve are high priority. It includes the Porvenir project in southern Ecuador, which currently has a resource of 493.7Mt at 0.43% CuEq.

We are initiating coverage on SolGold Plc. (TSX/LSE:SOLG) with a BUY rating and C\$0.75/sh target price. SolGold is advancing its flagship, 100%-owned, Cascabel Cu-Au porphyry project in the Imbabura province of Ecuador. Cascabel's Alpala (~39B lb CuEq) and Tandayama-America (7.7B lb CuEq) deposits position it as one of Latin America's largest copper and gold resources not controlled by a major. Once in production, Cascabel is expected to surpass the Mirador copper mine to become Ecuador's largest operational copper mine with gold by-products. **With discoveries of major copper deposits becoming increasingly difficult to make, we believe Cascabel is a rare example of a tier-one asset in the hands of a junior.**

- **A large asset and economics.** The 2024 Alpala PFS outlined a large 24M tpa, two-phased underground block cave operation producing up to 2.9Mt Cu (6.4B lbs), 6.9M oz Au, and 18.4M oz Ag over a 28-year mine life with an after-tax NPV8% of \$3.2B and a 24% IRR. Cascabel has a first-quartile AISC (\$0.95/lb Cu) after accounting for its \$750M gold stream.
- **Stamp of approval from senior mining finance companies.** The company recently signed a \$750M streaming agreement with Franco Nevada (TSX:FNV, Not Rated) and Osisko Gold Royalties (TSX:OR, Not Rated). It includes an initial deposit of \$100M, paid in three tranches to support development and a FS, followed by a \$650M construction deposit. The stream covers ~50% of the \$1.55B initial capex at Cascabel.
- **Large regional project portfolio.** SolGold's regional projects (89 licences covering +3,000km²) are spread across Ecuador with multiple porphyry and epithermal targets. Key projects include Porvenir, Blanca Nieves, and Rio Amarillo. SolGold is considering placing the portfolio in a separate vehicle that could allow it to be better valued by the market.
- **Ecuador offers lots of upside.** Ecuador has mineral potential on par with its neighbours – Peru, Colombia, and Chile – due to its location along the Andean Copper Belt, though it remains largely unexplored. Key competitive advantages include excellent national infrastructure, an abundance of water, dollarization, and up-to-date ESG standards.
- **New leadership and strategy to drive SolGold forward.** SolGold recently appointed Mr. Dan Vujcic as CEO and Mr. Paul Smith as Independent Chairman. Under a refreshed corporate strategy, plans are to accelerate Cascabel into the development stage and establish an ExploreCo for non-core exploration projects.
- **Major miners on the shareholder register.** BHP (ASX:BHP, Not Rated) and Newmont (NYSE:NM, Not Rated) each own 10%, while Jiangxi Copper Company Ltd. holds a ~12.2% interest in the company.

Valuation:

We initiate coverage on SolGold Plc. with a BUY rating and C\$0.75/sh target price. Our target is based on a DCF model of Cascabel and in-situ value of its additional resources to determine our post-financing NAVPS8% of C\$1.26, upon which we apply a 0.60x multiple. **Upcoming Catalysts:** 1) Cascabel DFS (H2/2025), 2) ESIA submission (Q4/25), and 3) Portfolio optimization and formation of an ExploreCo (Q2/25). **Mining/exploration is inherently risky,** and SolGold is subject to geopolitical, technical, corporate, and financial risks.

FINANCIAL AND OPERATING SUMMARY: SOLGOLD PLC.

FINANCIAL DATA

Ticker	TSX:SOLG
Current Price (C\$/sh)	\$0.14
52 Week Low / High (C\$/sh)	\$0.10 / \$0.22
Shares Outstanding (M)	3,001.1
Market Capitalization (C\$M)	\$405.1
Cash & Cash Equivalents (C\$M)	\$43.6
Total Debt (C\$M)	\$278.7
Enterprise Value (C\$M)	\$640.2

FINANCIAL DATA

Capital Structure	Shares Millions
Shares Outstanding	3001.1
Options	73.1
Warrants	0.0
Fully Diluted Shares	3074.2

Ownership	Shares O/S (M)	% O/S
Jiangxi Copper	365.8	12.2%
BHP	300.1	10.0%
Newmont	300.1	10.0%
DGR Global	210.1	7.0%
Maxit Capital	150.1	5.0%
Tenstar Trading	120.0	4.0%

Financial Summary (US\$)

Fiscal year-end June 30	2028E	2029E	2030E	2031E	2032E	2033E
Shares Outstanding (M)	0.0	0.0	0.0	0.0	0.0	0.0
EPS	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	0.02
Cash flow per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.00)	0.05
FCF per share	(0.09)	(0.13)	(0.12)	(0.11)	(0.07)	0.03

Income Statement (US\$M)

	2028E	2029E	2030E	2031E	2032E	2033E
Revenue	0.0	0.0	0.0	0.0	169.4	752.2
Operating Expenses	0.0	(0.0)	(1.5)	(4.5)	(62.1)	(247.9)
Depreciation	0.0	0.0	0.0	0.0	(13.8)	(62.9)
General & Admin	(17.8)	(18.1)	(18.5)	(18.9)	(19.2)	(42.9)
General Exploration	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Net Income	(75.3)	(79.6)	(85.8)	(69.2)	(77.3)	62.8

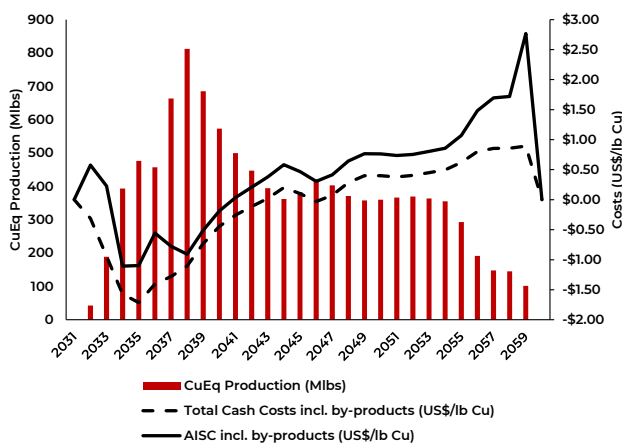
Balance Sheet (US\$M)

	2028E	2029E	2030E	2031E	2032E	2033E
Cash & Equivalents	1675.9	1192.7	759.0	346.9	97.6	194.8
Debt	1284.5	1422.4	1575.3	1744.7	1860.4	1907.1

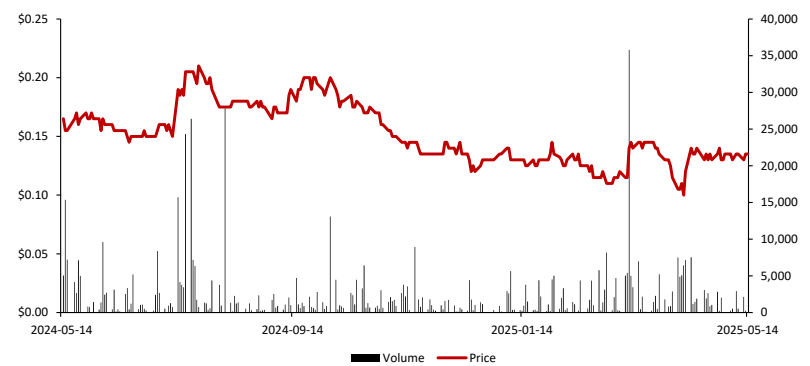
Cash Flow (US\$M)

	2028E	2029E	2030E	2031E	2032E	2033E
Operating CF	(43.0)	(43.3)	(45.2)	(23.6)	(12.5)	182.6
Financing CF	1931.0	0.0	0.0	0.0	0.0	0.0
Investing CF	(266.7)	(439.8)	(388.5)	(388.5)	(236.9)	(85.3)
FCF	(309.6)	(483.2)	(433.7)	(412.1)	(249.4)	97.3

PRODUCTION PROFILE



STOCK CHART



TECHNICAL ASSUMPTIONS

	2028E	2029E	2030E	2031E	2032E	2033E
Gold Price (US\$/oz)	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Silver Price (US\$/oz)	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00	\$ 28.00
Copper Price (US\$/lb)	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00	\$ 4.00
C\$: US\$ exchange rate	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72	\$ 0.72

RESOURCE ESTIMATE

	Tonnage Mt	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (%)	CuEq Mt
Measured	1,576	0.43%	0.35	1.2	0.64%	10.0
Indicated	2,159	0.26%	0.20	0.5	0.38%	8.2
Inferred	854	0.25%	0.20	0.4	0.36%	3.1
M&I	4,589	0.32%	0.25	0.7	0.47%	21.3

NET ASSET VALUE

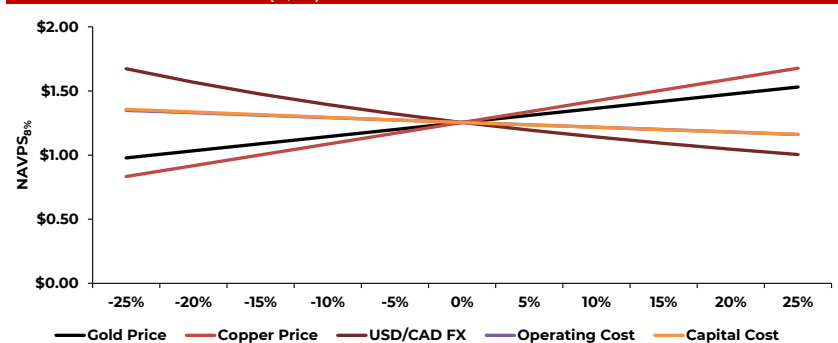
	Discount Rate	(C\$M)	(C\$/Sh)
Cascabel, Ecuador (100% Ownership)	8%	\$ 8,022	\$ 2.67
Taxes	8%	\$ (2,735)	\$ (0.91)
Other Assets		\$ 1,103	\$ 0.37
Asset NAV*		\$ 6,390	\$ 2.13
Corporate adjustments	8%	\$ (1,792)	\$ (0.49)
Corporate NAV		\$ 4,597	\$ 1.26

* Asset NAVPS is based on pre-financing share count

COMPARABLES

Company	Ticker	Price C\$	MC C\$M	US\$ EV/lb CuEq	P/NAV
Aldebaran Resources Inc.	TSXV:ALDE	\$1.60	\$278	\$0.005	0.32x
ATEX Resources Inc.	TSXV:ATX	\$2.03	\$595	\$0.018	0.33x
Solaris Resources Inc.	TSX:SLS	\$5.49	\$922	\$0.038	0.24x
Marimaca Copper Corp.	TSX:MARI	\$4.76	\$488	\$0.146	0.45x
Los Andes Copper Ltd.	TSXV:LA	\$5.75	\$170	\$0.004	-
Northern Dynasty Minerals Ltd.	TSX:NDM	\$1.29	\$710	\$0.003	0.28x
NorthIsle Copper and Gold Inc.	TSXV:NCX	\$0.68	\$179	\$0.014	0.26x
Panoro Minerals Ltd.	TSXV:PML	\$0.42	\$114	\$0.014	-
Regulus Resources Inc.	TSXV:REG	\$1.96	\$256	\$0.020	-
Western Copper and Gold Corporation	TSX:WRN	\$1.49	\$299	\$0.007	0.21x
Average				\$0.027	0.30x
SolGold Plc*	TSX:SOLG	\$0.14	\$405	\$0.009	0.11x

CORPORATE NAVPS SENSITIVITIES (C\$/sh)



As of market close on May 14, 2025

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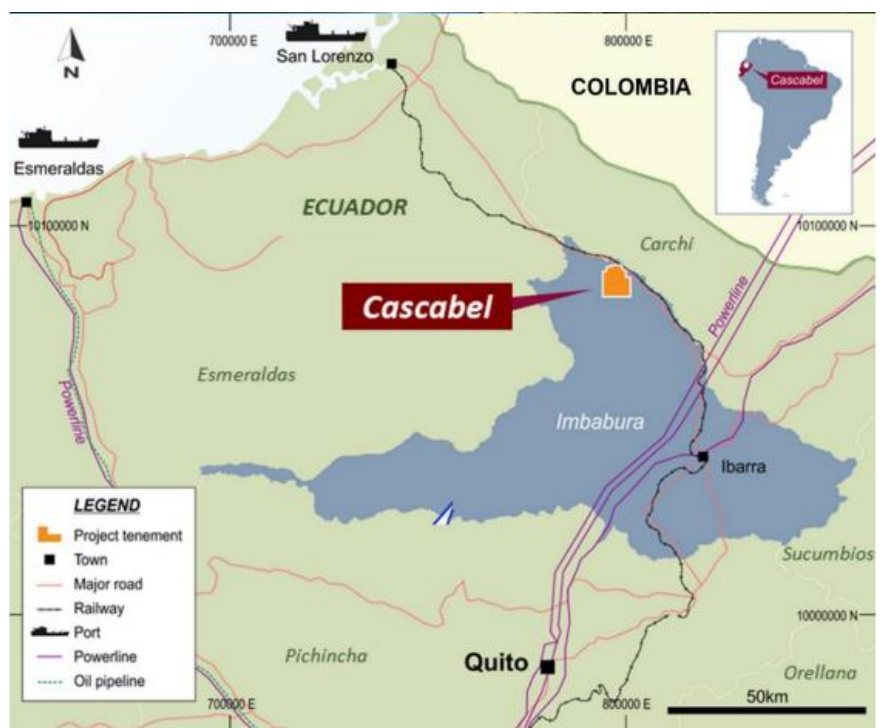
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Executive Summary

Developing a multi-generational asset. SolGold is advancing its flagship, 100%-owned, Cascabel Cu-Au porphyry project in in the Imbabura province of Ecuador (Figure 1). Cascabel’s Alpala (~39B lb CuEq) and Tandayama-America (7.7B lb CuEq) deposits position it as a one of Latin America’s largest copper and gold resources not controlled by a major. Despite reserves representing only 18% of the total M&I resource, the 2024 PFS at Alpala outlined a large 24M tpa, two-phased underground block cave operation producing up to 2.9Mt Cu (6.4B lbs), 6.9M oz Au, and 18.4M oz Ag over a 28-year mine life with an after-tax NPV8% of \$3.2B. Once in production, Cascabel is expected to surpass the Mirador Cu mine to become Ecuador’s largest operational copper mine with gold by-products.

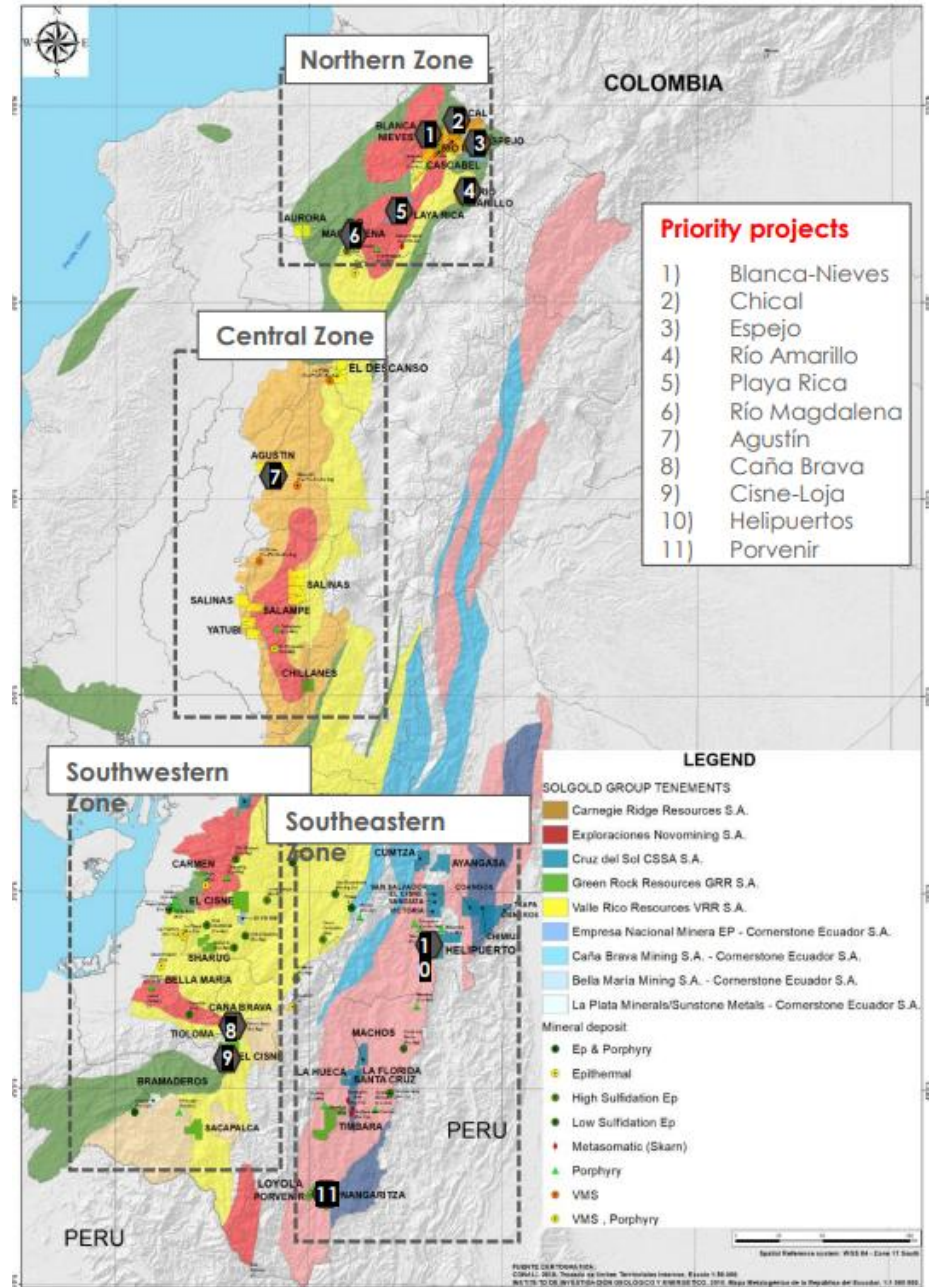
SolGold’s fiscal year ends in June and all financials are reported in US\$ (we use US\$ as default currency in this report unless otherwise mentioned). SolGold is well-capitalized with ~\$31M in cash in the bank, and an additional \$66M expected to be received this year as part of its \$750M stream agreement with Franco Nevada (TSX:FNV, Not Rated) and Osisko Gold Royalties (TSX:OR, Not Rated). The stream covers ~50% of the \$1.55B initial capex that can be supplemented by cash flows from a starter open pit operation at the Tandayama deposit. A 2024 Exploitation Contract with the Ecuadorian Government further de-risked the project, granting SolGold the right to develop and operate the Cascabel project for 33 years, which may be renewed. SolGold’s regional portfolio in Ecuador consists of over 10 priority projects that could potentially turn it into a multi-asset producer over the long-term (Figure 2). **Trading at just 0.11x NAV amid a resurgent copper and gold market, we believe SolGold offers a compelling value proposition and stands out as a prime acquisition target.**

Figure 1: Location of Cascabel project in the Imbabura province of Ecuador



Source: Company Reports

Figure 2: SolGold's regional exploration portfolio

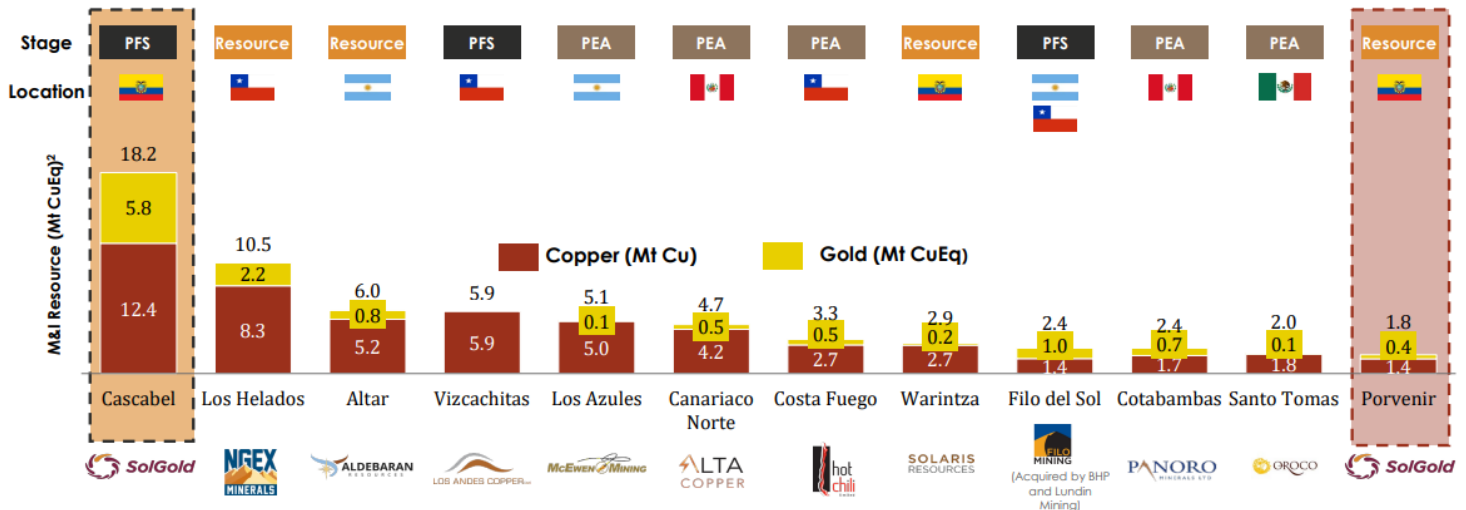


Source: Company Reports

Investment Thesis

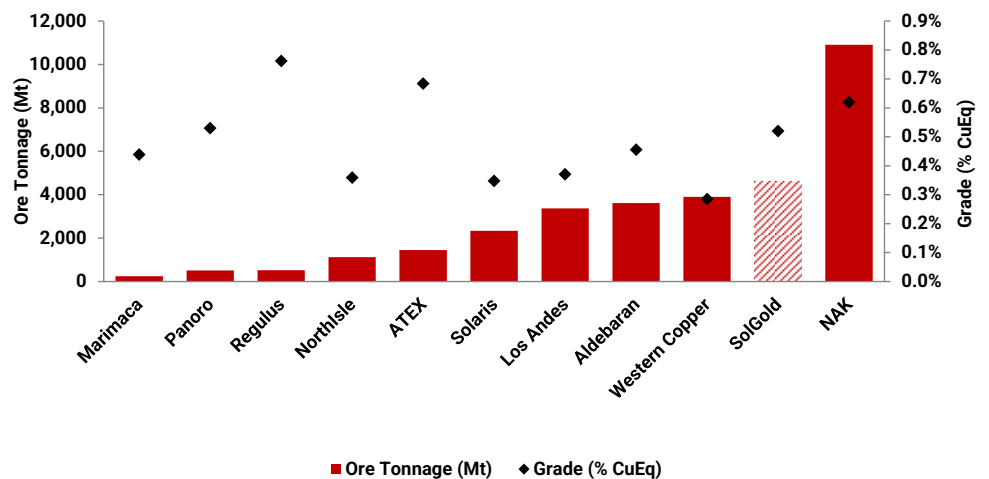
One of the largest copper and gold resources not held by a major. Cascabel's vast resource base is anchored by the Alpa deposit where drilling has delineated a mineralized footprint extending over a 2km x 1km area with depths exceeding 2km. Alpa hosts an M&I resource of 3.6Bt at 0.49% CuEq containing 39.2B lb CuEq. Of this, 540Mt are classified as 2P reserves at a higher grade of 1.09% CuEq containing 12.9B lbs CuEq. The current mine plan utilizes just 18% of the M&I resources over an initial 28-year life, underscoring the project's extraordinary size and potential for decades of production beyond the initial phase. Plans are to upgrade additional resources to reserves and re-engineer the operation for early cash flows and long-term value. **While extending the current mine life would only incrementally improve the NPV, all else being equal, we believe this characteristic would be highly desirable for a major miner that is looking to secure a generational asset.**

Figure 3: Cascabel and Porvenir are one of the largest undeveloped copper-gold projects in Latin America



Source: Company Reports

Figure 4: SolGold's (Cascabel) tonnage and grade compared to its peers



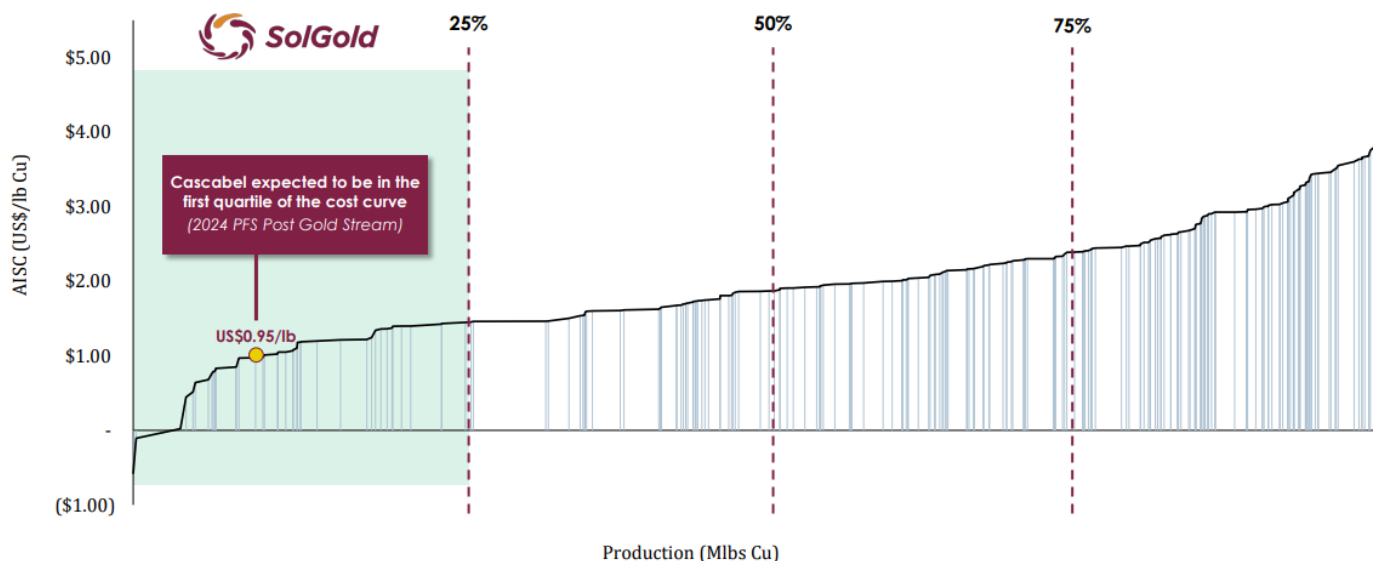
Source: Company Reports (Excludes SolGold's secondary projects)

An emerging jurisdiction with lots of untapped geological potential.

Ecuador currently has two operating large-scale mines – Fruta del Norte and Mirador. In 2023 it had \$3.3B in mining exports and is projected to have >\$4B in 2025, comprising ~15% of exports. The country has mineral potential on par with its neighbours Peru, Colombia, and Chile owing to its location along the Andean Copper Belt; however, it has been closed until relatively recently to mining. Thus, only ~10% of the country has been explored. In addition to its geological potential, key competitive advantages that Ecuador has include excellent national infrastructure (ports, airports, and highways), an abundance of water, dollarization (no currency exchange risk), and up to date ESG standards. Some challenges the country faces related to mining include widespread illegal mining (which was declared a national security threat in 2023), Indigenous communities that have the right to vote on whether to allow large-scale mining projects near their water sources, and periodic droughts that impact the generation of hydropower in the country.

The 2024 PFS outlined a low-cost, long-life project. The 2024 PFS marked a significant improvement in Cascabel’s economic profile, slashing initial capital expenditures from \$2.75B in the 2022 PFS to \$1.55B. The updated mine plan includes a two-phased block cave operation, starting with 12M tpa and ramping up to 24M tpa after five years. This approach reduces the initial capex required for early production and defers the portion required for an expansion. Total cash costs were estimated at \$2.21/lb payable Cu (\$0.26/lb including by-product credits from Au and Ag). The project features a competitive AISC of \$0.69/lb Cu and first-quartile AIC of \$0.96/lb Cu including by-product credits. These enhancements improved the project’s after-tax NPV_{8%} to US\$3.2B and IRR to 24%. **We note that Cascabel has a first-quartile AISC (\$0.95/lb Cu) after accounting for the \$750M gold stream with Franco Nevada and Osisko Gold Royalties (Figure 5).**

Figure 5: Cascabel is expected to be in the first quartile of the cost curve



Source: Company Reports

Regional exploration could unlock additional value. SolGold's regional projects are spread across Ecuador with multiple porphyry and epithermal targets. Key projects include Porvenir, Blanca Nieves, and Rio Amarillo. The 100%-owned Porvenir porphyry project hosts an I&I resource of 494Mt at 0.43% CuEq containing ~4.7B lbs CuEq (or ~9.9M oz AuEq). The company recently received the environmental licence for advanced exploration at Porvenir, which allows it to undertake diamond drilling, trenching, geotechnical investigations, hydrogeological and metallurgical studies, and other related field programs to support project development. A PEA is planned at Porvenir to evaluate both open pit and underground mining scenarios, as well as low-cost bulk mining methods given the mineral system's scale and geometry. Additionally, regional exploration has identified a 2.5 sq km porphyry target at the El Cielito Norte prospect on the Blanca-Nieves project, located 8 km NW of Cascabel. **SolGold is considering a spin-out, JVs, and other options to advance exploration and unlock value from its non-core projects. Porvenir is anticipated to be the cornerstone asset in SolGold's ExploreCo portfolio.**

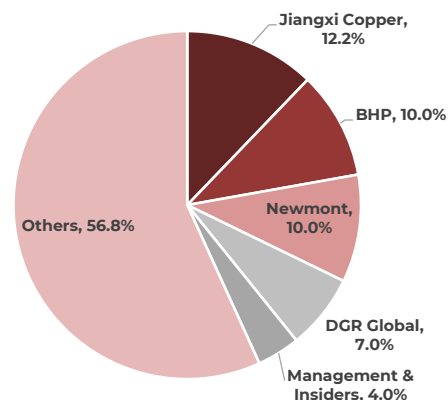
Attracting attention from senior mining finance companies; fully funded to FID. The \$750M stream agreement with Franco Nevada and Osisko Gold Royalties includes an initial deposit of \$100M, paid in three tranches to support development and FS, followed by a \$650M construction deposit. In exchange, the syndicate will receive 20% of the recovered gold in concentrate until 750k oz are provided, after which the percentage reduces to 12% for the mine's life. This ensures that SolGold is funded through a final investment decision (FID) and covers ~50% of the pre-construction and construction capex. We note that the company recently completed an amended Investment Protection Agreement with the Government of Ecuador ([read note](#)), which provides long-term legal, fiscal, and regulatory certainty for Cascabel as it enters development. This agreement satisfied a key condition of the stream agreement for the release of the second tranche (~\$33M) of the funding's initial \$100M deposit. **We believe that this agreement is a major stamp of approval for Cascabel from two senior mining finance companies. The stream financing significantly de-risks the project, providing SolGold with the capital needed to advance Cascabel toward a final development investment decision and covering a large portion of the overall project capex.**

The Exploration Contract (EC) ensures investor protection. The 33-year renewable agreement with the Ecuadorean Government grants SolGold the right to develop the Cascabel project with an anticipated corporate income tax rate of 20% pending approval of a new Investment Protection Agreement, alongside a variable royalty of 3% to 8% on net smelter revenues as per Ecuadorean Mining Law. The Ecuadorean government is slated to receive at least 50% of the project's cumulative discounted benefits, calculated from taxes, royalties, and other contributions. SolGold is expected to pay a \$75M advance royalty payment, starting with \$25M at the onset of concentrator construction in 2025, followed by two additional \$25M tranches on the first and second anniversary. The EC provides SolGold the freedom to make its own commercial and technical decisions and ensures investor protection via a dispute resolution mechanism through international arbitration.

New management with a refreshed corporate strategy. SolGold recently appointed Mr. Dan Vujcic and Mr. Paul Smith as CEO and Independent Chairman, respectively. Both bring extensive experience in the resource and investment banking industries. Notably, Mr. Smith was previously Head of Strategy at Glencore plc (LSE:GLEN, Not Rated). The company is also in the midst of a search for an in-country Ecuador-based COO. Under the refreshed corporate strategy, plans are to accelerate Cascabel into the development stage and establish an ExploreCo for non-core exploration projects. A technical committee is expected to oversee progress on permitting and a DFS while investigating ways to fast-track production to capitalize on early works permits. SolGold could leverage other deposits at Cascabel, including Tandayama, to provide early cash flow. Key technical programs are planned to focus on finalizing plant location and design, and optimizing the tailings storage strategy. Other opportunities include reserve definition and metallurgical testing at Tandayama, the early start of Alpala’s access tunneling, and leveraging hydropower to reduce costs. **We are pleased to see a highly qualified senior leadership team installed at SolGold and believe that the newly refreshed strategy should help unlock value for shareholders. With funding in place to help support development work at Cascabel, SolGold is well-positioned to execute its new strategy of optimizing aspects of the project and investigating ways to fast-track production.**

Solid shareholder base. SolGold is backed by major players like BHP, Newmont, and Jiangxi Copper, which underscores the company’s credibility and appeal to strategic investors (Figure 6). Recently, Jiangxi acquired ~157.1M ordinary shares at \$0.115/sh for gross proceeds of \$18M, representing a ~45% premium to the market price. The deal would bring Jiangxi’s ownership to ~12.2%. Notably, shares acquired by Jiangxi were from SolGold’s acquisition of Cornerstone Capital Resources – thus, no new shares were issued. Jiangxi may also provide SolGold with technical services on Cascabel, subject to mutual agreement at no additional cost until March 2027. BHP had previously eyed taking significant control of the company, which was at that time, rejected by SolGold. We note that management and insiders own ~4% of the company’s shares, with Mr. Nicholas Mather (Director) owning ~3% and Mr. Scott Caldwell (Director) owning ~1%. **Continued de-risking of the project along with robust copper and gold markets could attract renewed interest from major shareholders in a race to acquire a world-class, low-cost, long-life copper-gold asset.**

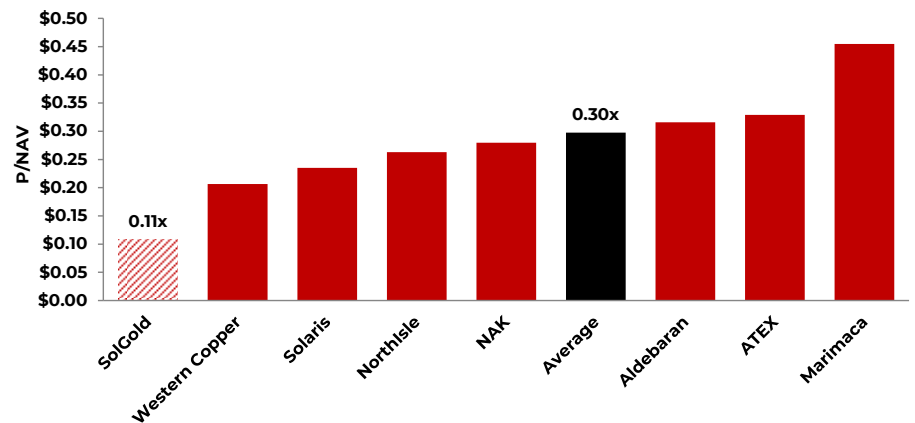
Figure 6: Ownership breakdown



Source: Company Reports

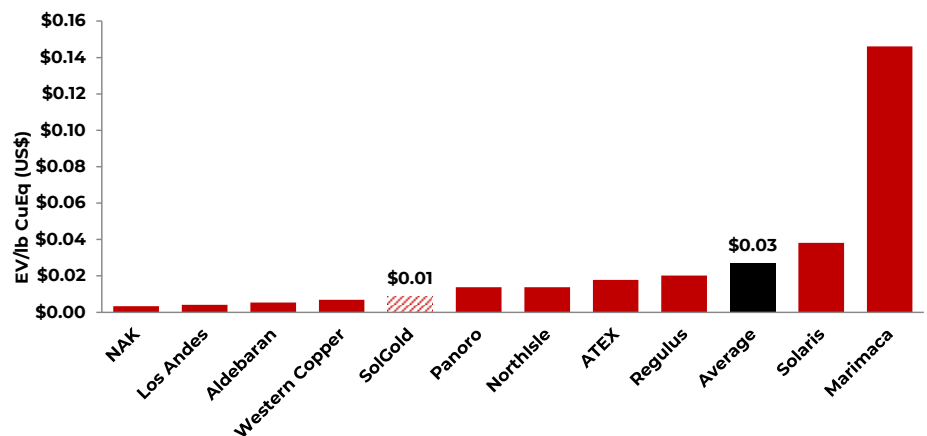
Valued at just one-third of its peer group. SolGold trades at a P/NAV of 0.11x and EV/lb CuEq of \$0.01 vs its peer group at 0.30x and \$0.03, respectively. This valuation gap likely reflects market concerns over funding, development risks, or Ecuador’s political landscape. However, recent financial and jurisdictional de-risking steps, including the \$750M stream agreement and the signing of the Exploitation Contract with the Ecuadorian Government, alleviated some of these risks. **The stock, however, remains overlooked and undervalued, which in our view provides a favourable reward/risk skew and a compelling opportunity for investors to get onboard.**

Figure 7: SolGold’s P/NAV valuation vs its peer group



Source: Company Reports, S&P Capital IQ

Figure 8: SolGold’s EV/lb valuation vs its peer group



Source: Company Reports, S&P Capital IQ

Catalysts

Further development work to drive the share price in the near-term.

With \$31M in cash on hand and an additional \$67M advance payment due in 2025 under the stream agreement, SolGold is well-positioned to advance the Cascabel project to the feasibility stage. SolGold has partnered with G Mining Services to undertake high-priority studies for the feasibility study. Geotechnical drilling is underway to support infrastructure planning, and near-surface drilling is planned at the Tandayama-America deposit to explore the potential for early cash flow. We expect SolGold's current stakeholders to provide the company with significant support in delivering an economic study and a final investment decision. We also expect additional drilling to be completed to upgrade additional resources to reserves, which could further enhance project economics. Meanwhile, the company is continuing to engage with local communities and other stakeholders to fast-track the permitting process.

Upcoming catalysts for SolGold include:

- 1) Geotechnical drilling and other studies (ongoing)
- 2) Potential spin out of non-core projects into an ExploreCo (Q2/2025)
- 3) Cascabel DFS (H2/2025)
- 4) Near-surface drilling at Tandayama-America (2025)
- 5) Submission of ESIA (Q4/25)
- 6) Environmental permits
- 7) ESG initiatives (ongoing)

Mine Model

Our estimates for our Cascabel DCF model are largely based on the updated 2024 PFS (Figures 9 & 10). Cascabel would be mined using an underground block cave mining method with conventional flotation processing producing copper concentrate (with gold and silver). We currently model Cascabel with a total mineable resource of 540M tonnes, which we obtain by assuming that 100% of the reserves outlined in the PFS will be mined. At this time, we have not included any additional resource growth from exploration. However, we believe there is excellent potential for the company to grow reserves as only 18% of resources have been included in the mine plan. With a maximum mining rate of 12M tpa during the initial five years, followed by a ramp up to 24M tpa, we model Cascabel with a mine life of 28 years commencing in 2032E. This should provide ample time for the company to generate an FS, complete environmental and permitting work, and secure project financing. We model an average Cu grade of 0.60%, Au grade of 0.56 g/t, and Ag grade of 1.57 g/t along with average Cu recoveries of ~88.7%, Au recoveries of ~72.9% and Ag recoveries of ~65.7%. **This results in an average annual CuEq production of 375.6M lbs at an average total cash cost of \$2.60/lb Cu (or \$0.50/lb Cu net of by-product credits).**

We model annual CuEq production of 375.6M lbs at an average total cash cost of \$2.60/lb CuEq (or \$0.50/lb net of by-product credits)

Figure 9: Cascabel Operating Summary (2028E-2042E)

	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E
Throughput (tpa)	-	0.0	0.4	0.8	3.4	9.3	12.4	12.4	12.4	24.0	24.0
Cu Grade (%)	-	0.21%	0.36%	0.68%	0.73%	0.83%	0.96%	0.94%	0.99%	0.97%	0.89%
Au Grade (g/t)	-	0.14	0.29	0.69	0.75	1.05	1.43	1.26	1.18	1.18	0.95
Ag Grade (g/t)	-	0.29	1.12	1.52	1.55	1.65	2.14	2.35	2.18	2.28	2.10
Cu Recovery (%)	-	-	-	-	89%	89%	89%	89%	89%	89%	89%
Au Recovery (%)	-	-	-	-	73%	73%	73%	73%	73%	73%	73%
Ag Recovery (%)	-	-	-	-	66%	66%	66%	66%	66%	66%	66%
Cu Production (Mlbs)	-	-	-	-	48.1	150.4	233.6	228.7	240.9	455.8	418.2
Au Production (K oz)	-	-	-	-	59.2	228.0	417.0	367.4	344.1	664.6	535.1
Ag Production (K oz)	-	-	-	-	110.3	323.0	562.4	617.6	572.9	1,157.4	1,066.0
CuEq Production (Mlbs)	-	-	-	-	85.1	292.9	494.2	458.3	455.9	871.2	752.7
Total Cash Costs (US\$/lb Cu)	-	-	-	-	\$2.46	\$2.51	\$2.56	\$2.46	\$2.30	\$2.34	\$2.30
Total Cash Costs net of by products (US\$/lb Cu)	-	-	-	-	-\$0.62	-\$1.26	-\$1.88	-\$1.55	-\$1.26	-\$1.30	-\$0.91
Total Capital Costs (\$M)	\$388.5	\$388.5	\$388.5	\$388.5	\$85.3	\$85.3	\$85.3	\$198.8	\$198.8	\$85.3	\$85.3

Source: RCS Estimates

We model a post-tax NPV8% of US\$3.8B (C\$5.3B) for Cascabel

We model an initial capex of \$1,554M, which is in line with the PFS. We have also included an NSR royalty of 1% payable to Franco Nevada, 0.6% NSR payable to Osisko, and 8% Au, 5% Cu, and 7% Ag royalty payable to the government. Additionally, we have assumed ~1.13M oz Au to be streamed to Franco and Osisko over the mine life. We use a corporate tax rate of 20% in our model. **Overall, our DCF results in a post-tax NPV8% of US\$3.8B (C\$5.3B) for the Cascabel project (an 18% difference compared to the 2024 PFS post-tax NPV8% of US\$3.2B) (Figure 10).**

Figure 10: Cascabel Mine Model Parameters

Model Assumptions	Units	RCS Estimates	2024 PFS	RCSI vs. 2024 PFS
Cu Price	US\$/lb	4.00	3.85	4%
Au Price	US\$/oz	2,500	1,750	43%
Ag Price	US\$/oz	28.00	22.50	24%
Operating Assumptions				
Mineable Material	Mt	540	540	(0%)
Cu Grade	%	0.60%	0.60%	(1%)
Au Grade	g/t	0.56	0.54	4%
Ag Grade	g/t	1.57	1.62	(3%)
Cu Recovery	%	88.7	88.7	-
Au Recovery	%	72.9	72.9	(0%)
Ag Recovery	%	65.7	65.7	(0%)
Mine Life	years	28	28	-
Initial Mill Capacity	M tpa	12	12	-
Expanded Mill Capacity	M tpa	24	24	-
Average Annual Cu Payable Production	M lbs	223.9	225.5	(1%)
Average Annual Au Payable Production	K oz	245.2	245.5	(0%)
Average Annual Ag Payable Production	K oz	648.7	657.8	(1%)
Average Annual CuEq Payable Production	M lbs	375.6	377.4	(0%)
Financial Assumptions				
Operating Cost	US\$/t	19.92	15.24	31%
Total Cash Cost (on payable copper)	US\$/lb Cu	2.62	2.21	19%
AISC (on payable copper) incl. by product credits	US\$/lb Cu	0.93	0.69	34%
Initial Capex	US\$M	1,554	1,554	-
Sustaining/Expansion Capex	US\$M	2,573	2,573	-
Closure Capex	US\$M	82.0	82.0	-
Discount Rate	%	8%	8%	-
Post-Tax NPV	US\$B	3.8	3.2	18%
Post-Tax NPV	C\$B	5.3	4.5	18%
Post-Tax IRR	%	35.4	24.0	47%

Source: RCS Estimates, Company Reports

Our model assumptions are largely based on the 2024 PFS

Our C\$0.75/sh target is based on a 0.60x multiple applied to our post-financing C\$1.26 NAVPS_{8%} estimate

Valuation and Financial Analysis

We have assigned a price target of C\$0.75 for SolGold based on 0.6x our post-financing NAVPS_{8%} estimate of \$1.26. Our valuation for SolGold is derived from a discounted cash flow model using an 8% discount rate, based upon the company's updated 2024 PFS for the Cascabel Cu-Au-Ag project. Assuming long-term prices of \$4.00/lb Cu, \$2,500/oz Au and \$28/oz Ag, we value the Cascabel project at ~C\$5,287M (C\$1.76/sh) on a pre-financing basis. Based on this valuation and adjustments for corporate G&A, working capital, interest income net of financing expense, and cash flow from financing (see below for our financing assumptions), our Net Asset Value for the company is ~C\$4,598M (C\$1.26/sh) on a post-financing basis. Using a multiple of 0.60x, which we typically apply to development stage projects to account for financial and execution risk, we assign a target price of C\$0.75 for SolGold (Figure 11). This generates a 456% return to target and supports our BUY rating.

Figure 11: NAV Summary and Valuation

Development Properties (C\$M)	0%	5%	8%	10%	12%
Cascabel, Ecuador (100% Ownership)	\$31,845.7	\$13,069.5	\$8,021.8	\$5,872.4	\$4,332.0
Current Taxes	(\$9,553.9)	(\$4,215.8)	(\$2,734.7)	(\$2,090.2)	(\$1,619.7)
Total Mine Site After-Tax NPV	\$22,291.8	\$8,853.7	\$5,287.1	\$3,782.2	\$2,712.3
Additional Cascabel resource (In-Situ - US\$0.02/lb CuEq)	\$765.2	\$765.2	\$765.2	\$765.2	\$765.2
Other Projects (Incl. Porvenir)	\$337.5	\$337.5	\$337.5	\$337.5	\$337.5
Equity investments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Other assets/liabilities	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total	\$1,102.7	\$1,102.7	\$1,102.7	\$1,102.7	\$1,102.7
Asset NAV					
Total Pre-Financing NAV (C\$M)	\$23,394.5	\$9,956.4	\$6,389.8	\$4,884.9	\$3,815.0
Total Pre-Financing NAVPS (C\$/share)	\$7.80	\$3.32	\$2.13	\$1.63	\$1.27
Corporate adjustments (C\$M)					
Hedge value (mark-to-market)	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Corporate G&A	(\$3,515.2)	(\$1,572.8)	(\$1,045.3)	(\$817.3)	(\$651.2)
Working capital (less equity investments)	\$72.9	\$72.9	\$72.9	\$72.9	\$72.9
Interest income net of financing expense	(\$11,623.4)	(\$3,925.4)	(\$2,320.9)	(\$1,717.0)	(\$1,315.4)
Cash Flow from Financing	\$786.6	\$1,354.3	\$1,500.9	\$1,550.8	\$1,574.0
Equity value of convertible debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Preferred debt	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total net debt	(\$10,763.9)	(\$2,498.2)	(\$747.0)	(\$93.2)	\$331.5
Total Corporate Adjustments	(\$14,279.1)	(\$4,071.0)	(\$1,792.4)	(\$910.6)	(\$319.6)
Corporate NAV					
Total Post-Financing NAV (C\$M)	\$9,115.5	\$5,885.3	\$4,597.5	\$3,974.4	\$3,495.4
Total Post-Financing NAVPS (C\$M)	\$2.49	\$1.61	\$1.26	\$1.08	\$0.95
Target Derivation (C\$/sh)					
Total Post-Financing NAVPS _{8%}			\$1.26		
Multiple			0.60x		
Target Price			\$0.75		
Return to Target			456%		

Source: RCS Estimates

Financing Assumptions

Our fully-financed NAVPS8% of C\$1.26 is based on the following financing assumptions:

To fund the required work to generate an FS and cover ongoing G&A, we model (all timelines as per calendar year):

- **Q2 2025:** Net proceeds of \$33M from the second tranche of the advance payment from the Franco/Osisko gold stream agreement
- **Q4 2025:** Net proceeds of \$33M from the third tranche of the advance payment from the Franco/Osisko gold stream agreement

To fund the estimated \$1,554M initial capex for the construction of Cascabel, and \$227M expansion capex for the processing plant, we model ~37% coming from the Franco/Osisko stream (\$650M), ~45% from project financing (~\$792M), and ~19% from equity (~\$339M), and as follows:

- **Q4 2027:** Project debt facility of ~\$792M in addition to US\$150M for contingency and other expenses at 10% interest rate, which would be repaid over ten years beginning in the first year of production.
- **Q4 2027:** Issuance of 589M shares at \$0.60/sh less a 4% issuance cost for net proceeds of ~\$339M
- **Q1 2028:** Debt and equity financing should allow the disbursement of the remaining stream payment of \$650M in exchange for 20% gold produced at 20% gold price for the first 750k oz Au, which reduces to 12% gold at 20% price thereafter.

SolGold raised \$18M in March 2025

SolGold has ~\$31M cash on the balance sheet. An additional \$67M is due in 2025 under the Franco/Osisko stream agreement in two equal draws upon completion of various conditions. SolGold reported ~\$200M in long-term debt, to account for metal owed related to a 1% NSR sale to Franco Nevada in 2020 for \$100M, which now stands at ~\$140M including accrued interest, and 2) 0.6% NSR sale to Osisko in 2022 for \$50M, which now stands at ~\$60M. While this is accounted as a debt liability, the interest payment is capitalized and not considered a cash expense.

The company has 73.1M options outstanding, with strike prices ranging from £0.10 to £0.25. Given the current share price of £0.08, none of the outstanding options are in the money (ITM). SolGold closed its most recent financing in March 2025, raising \$18M by selling common shares to Jiangxi Copper ([read note](#)). We note that the currently available funds are sufficient to support SolGold's ongoing activities at the Cascabel project, including the work required to generate a feasibility study.

Figure 12: SolGold's capital structure

Capital Structure	# of Shares (M)
Common Shares	3,001
Options	73
Warrants	-
Fully Diluted Shares	3,074

Source: Company Reports

SolGold is highly undervalued compared to peers on an EV/lb CuEq and P/NAV basis

Relative Valuation

We do not believe that the company's current pricing reflects the quality of the company's assets or the upside that we see at the Cascabel project. While SolGold currently trades at a large EV/lb CuEq discount to its peers of \$0.009 vs. \$0.027 (Figure 13), we believe ongoing work on financing, permitting, and FS should further de-risk the project, helping to move the stock higher and close the company's valuation gap to its peers. We also note that on a NAV basis, the company is trading at 0.11x – a large discount to peers at 0.30x NAV.

Figure 13: Comparable Companies

Company	Ticker	Price (C\$/sh)	YTD Perf.	Shares (M)	Mkt. Cap C\$M	Cash C\$M	Debt C\$M	EV C\$M	P/NAV	EV/CuEq US\$/lb	
SolGold Plc	TSX:SOLG	\$0.14	4%	3001	\$405.1	\$43.6	\$278.8	\$640.3	0.11x*	\$0.009	
Solaris Resources Inc.	TSX:SLS	\$5.49	23%	168.1	\$922.9	\$45.7	\$71.4	\$948.7	0.24x	\$0.038	
Northern Dynasty Minerals Ltd.	TSX:NDM	\$1.29	55%	551.2	\$711.0	\$11.8	\$2.9	\$702.1	0.28x	\$0.003	
ATEX Resources Inc.	TSXV:ATX	\$2.03	42%	294.4	\$596.1	\$56.0	\$0.0	\$540.1	0.33x	\$0.018	
Marimaca Copper Corp.	TSX:MARI	\$4.76	-10%	102.4	\$487.3	\$20.7	\$0.0	\$466.7	0.45x	\$0.146	
Western Copper and Gold Corporation	TSX:WRN	\$1.49	-1%	200.9	\$299.4	\$64.8	\$0.0	\$234.7	0.21x	\$0.007	
Aldebaran Resources Inc.	TSXV:ALDE	\$1.60	-16%	173.9	\$278.2	\$11.1	\$0.0	\$267.1	0.32x	\$0.005	
Regulus Resources Inc.	TSXV:REG	\$1.96	-4%	130.4	\$255.7	\$12.4	\$0.0	\$243.3	-	\$0.020	
NorthIsle Copper and Gold Inc.	TSXV:NCX	\$0.68	58%	263.4	\$179.1	\$9.5	\$0.2	\$169.8	0.26x	\$0.014	
Los Andes Copper Ltd.	TSXV:LA	\$5.75	-33%	29.5	\$169.9	\$28.9	\$15.9	\$156.9	-	\$0.004	
Panoro Minerals Ltd.	TSXV:PML	\$0.42	31%	270.8	\$113.8	\$1.0	\$0.2	\$112.9	-	\$0.014	
									Median	0.28x	\$0.014
									Average	0.30x	\$0.027

*RCS Estimate

Source: RCS Estimates, S&P Capital IQ

Sensitivity

Our NAV is most sensitive to the copper price and CAD:USD exchange rate. SolGold's NAV is most sensitive to Cu prices, given Cu is the primary metal. We would note that at current prices of ~\$5.00/lb Cu and \$3,000/oz Au, our NAV increases by >50% (our model is based on \$4.00/lb Cu and \$2,500/oz Au). The FX rate also strongly impacts our NAV. A 10% strengthening of USD against CAD could potentially drive our NAV by >10% (we use a base case exchange rate of 0.72). The sensitivity of our NAV estimate to copper/gold prices and the CAD:USD exchange rate is shown in Figures 14 and 15.

Figure 14: NAVPS sensitivity to Cu and Au prices

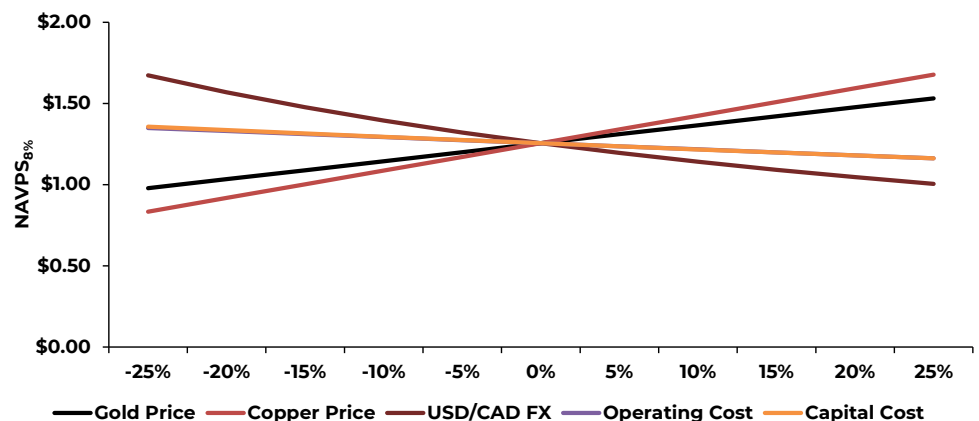
	Copper Price (US\$/lb)										
	\$2.75	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25
\$1,900	\$0.46	\$0.57	\$0.67	\$0.78	\$0.88	\$0.99	\$1.09	\$1.20	\$1.31	\$1.41	\$1.52
\$2,000	\$0.51	\$0.61	\$0.72	\$0.82	\$0.93	\$1.03	\$1.14	\$1.24	\$1.35	\$1.46	\$1.56
\$2,100	\$0.55	\$0.66	\$0.76	\$0.87	\$0.97	\$1.08	\$1.18	\$1.29	\$1.40	\$1.50	\$1.61
\$2,200	\$0.60	\$0.70	\$0.81	\$0.91	\$1.02	\$1.12	\$1.23	\$1.33	\$1.44	\$1.55	\$1.65
\$2,300	\$0.64	\$0.74	\$0.85	\$0.96	\$1.06	\$1.17	\$1.27	\$1.38	\$1.48	\$1.59	\$1.70
\$2,400	\$0.68	\$0.79	\$0.89	\$1.00	\$1.11	\$1.21	\$1.32	\$1.42	\$1.53	\$1.63	\$1.74
\$2,500	\$0.73	\$0.83	\$0.94	\$1.04	\$1.15	\$1.26	\$1.36	\$1.47	\$1.57	\$1.68	\$1.78
\$2,600	\$0.77	\$0.88	\$0.98	\$1.09	\$1.19	\$1.30	\$1.40	\$1.51	\$1.62	\$1.72	\$1.83
\$2,700	\$0.82	\$0.92	\$1.03	\$1.13	\$1.24	\$1.34	\$1.45	\$1.55	\$1.66	\$1.77	\$1.87
\$2,800	\$0.86	\$0.97	\$1.07	\$1.18	\$1.28	\$1.39	\$1.49	\$1.60	\$1.70	\$1.81	\$1.91
\$2,900	\$0.91	\$1.01	\$1.12	\$1.22	\$1.33	\$1.43	\$1.54	\$1.64	\$1.75	\$1.85	\$1.96
\$3,000	\$0.95	\$1.06	\$1.16	\$1.27	\$1.37	\$1.48	\$1.58	\$1.69	\$1.79	\$1.90	\$2.00

At current copper and gold prices, our NAV increases by >60%

Source: RCS Estimates

While our NAV is not highly sensitive to operating and capital costs, we note that the company is exploring areas to further reduce costs, including using hydropower and optimizing the tailings storage facility. A 10% decrease in operating and capital costs results in a ~3.3% increase in our NAV. The sensitivity of our NAV estimate to recoveries, OPEX and the exchange rate is shown in Figure 15.

Figure 15: NAVPS sensitivity to recoveries, OPEX and FX



Source: Company Reports

Asset Overview

Cascabel

The 4,979 ha Cascabel project is located in the Imbabura province of northern Ecuador, ~100km north of the capital city of Quito and ~50km N-NW of the provincial capital of Ibarra. The northern border of the project lies ~20km south of the Colombia-Ecuador border and 75km SE of San Lorenzo on Ecuador’s Pacific coast (Figure 16).

The project hosts two key deposits, Alpala and Tandayama-America, which together contain 21.3 Mt CuEq in M&I+I resources. Alpala is the main deposit that is planned to be mined via underground mining methods, whereas Tandayama provides near-surface open pit mining opportunities to fund initial development at Alpala.

The project centers on the Alpala deposit, a large, high-grade copper-gold porphyry system situated along the Andean Copper Belt, a region renowned for hosting some of the world’s most significant copper and gold deposits. The project is 100% owned by SolGold through its Ecuadorian subsidiary, Exploraciones Novomining S.A. (ENSA), following a merger with Cornerstone Resources in 2022. The 25-year exploitation license was renewed in 2023 and is valid until 2048.

Figure 16: Cascabel project location



Source: Company Reports

Access and Infrastructure

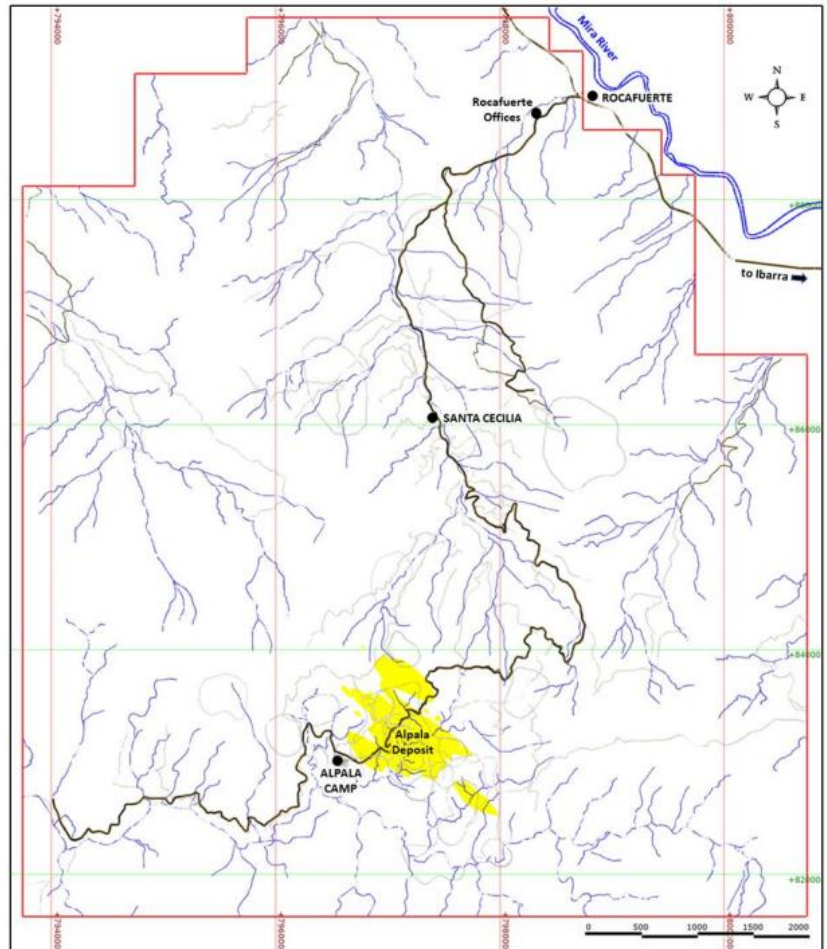
The project can be accessed via sealed highways through Ibarra. A two-lane sealed highway (E10) connecting the cities of Ibarra and San Lorenzo runs along the northern margin of the property, and a further multi-lane highway (E15) provides a link further south to the port city of Esmeraldas. A multi-lane highway (Pan-American E35) links Ibarra and the capital Quito (Figure 17).

The main exploration prospects within Cascabel are accessible via a series of maintained single-lane dirt roads, single-lane four-wheel drive tracks and hiking trails off Carmen Road (Figure 17). The Mariscal Sucre International Airport is the nearest air access, located ~18km east of Quito.

The concession area contains three settlements including Santa Cecilia village, the Rocafuerte Office Complex, and the Alpala Base Camp. The topography of the project is moderate to steep, with elevations rising from 750m to 2,140m.

Power is anticipated to be supplied from new hydroelectric projects near the project site that are expected to have a total capacity of 200MW. SolGold is planning to participate in these projects in order to secure a secure a supply of power. The company is also considering solar power.

Figure 17: Three settlements and major access roads (black) and tracks (grey)



Source: Company Reports

Ownership and Exploration History

Initial exploration at Cascabel commenced in 1980, and included geological mapping and sampling conducted by the Ecuadorian Institute of Mining (INEMIN). Preliminary exploration continued until 2000 under several public-private partnerships or government entities, including Lumina Gold (TSX:LUM, BUY, C\$3.90 target, Ron Stewart) (ODIN Mining & Exploration), Japan International Cooperation Agency, and the Government of Ecuador. However, major breakthroughs occurred after Santa Barbara Copper and Gold S.A. (SBCG) acquired the Cascabel license in 2008 and identified widespread anomalies.

2008-11: Santa Barbara Copper and Gold S.A. (SBCG) - Granted the Cascabel license in 2008, conducted stream sediment and rock chip sampling, identifying widespread Au, Ag, Cu, Pb, and Zn anomalies.

2011-12: Cornerstone Capital Resources Inc. (CCR) - Acquired 100% of SBCG (renamed ENSA) in 2011, delineated Cu-Au-Mo and Pb-Zn-As anomalies through sampling, identifying a 4km x 5km porphyry target.

2012-25: SolGold Plc - Earned an 85% interest in ENSA (100% owner of Cascabel) in 2012, advanced the project with multiple MREs on Alpala, followed PFS in 2022 and an updated PFS in 2024.

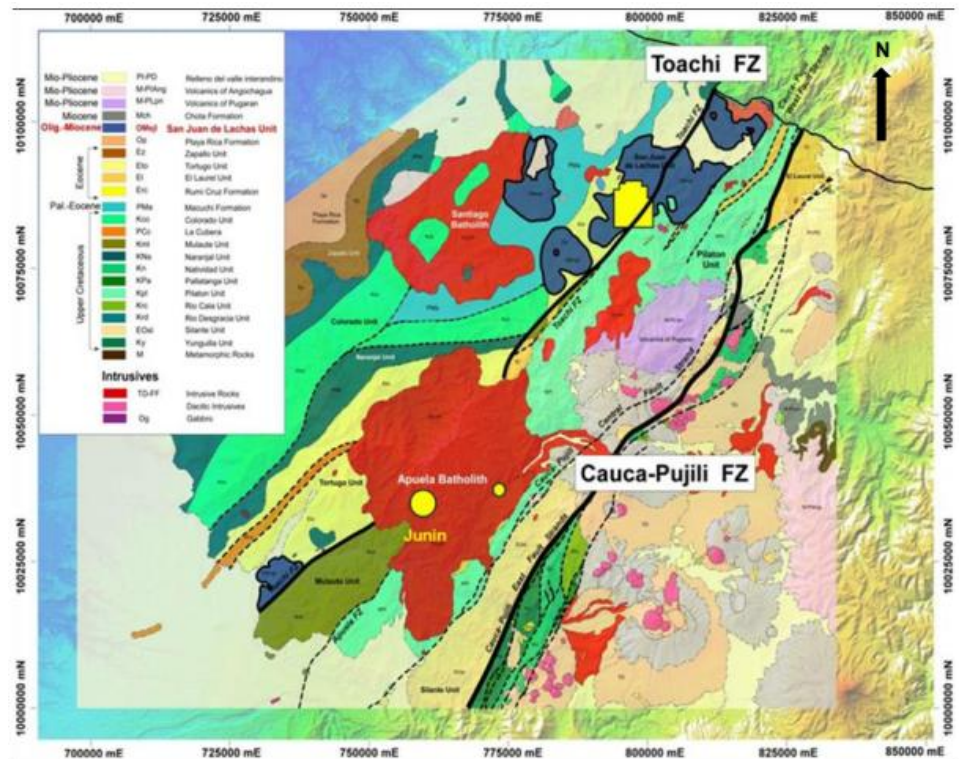
The PFS was based on 310,335 m of diamond drilling at Cascabel, including 265,224m at the Alpala Deposit, 36,111 m at the Tandayama-America deposit, 8,970m at the Aguinaga deposit, and 6,774m of drilling completed on infrastructure, sterilization, and water monitoring. **Three significant deposits have been identified thus far at Cascabel, namely the large Alpala porphyry copper-gold-silver deposit, the Tandayama-America porphyry copper-gold deposit, and the Aguinaga porphyry copper-gold deposit.**

Geology and Mineralization

The Cascabel project is located in a tectonically complex western Ecuador region, in the Andean porphyry belt that extends from southern Chile through to Ecuador and Colombia to Panama. The Alpala Deposit is estimated to have been formed ~55.8 to 33.9M years ago in the Eocene epoch of the Tertiary age. It lies in a zone of overlap between the Eocene and Miocene Andean porphyry belts, on the Pacific terrane assemblage of the Western Tectonic Realm (WTR) of Ecuador and Colombia. The principal terrane boundary near the project is the Cauca-Pujili fault system, which is a major fault zone running through Ecuador and Colombia and forms the suture between two of the three terranes comprising the Pacific assemblage: the Romeral (RO) and Dagua-Pinon (DAP) terranes (Figure 18).

The basement rocks consist of tholeiitic basalts of the DAP Terrane, an oceanic plateau that is believed to have accreted to South America in the Late Cretaceous. **The magmatism in northern Ecuador and southern Colombia is characterized by the lack of a well-developed arc and erratic pluton distribution. This suggests a low-angle subduction environment conducive to compression and porphyry mineralization.**

Figure 18: Cascabel regional geology

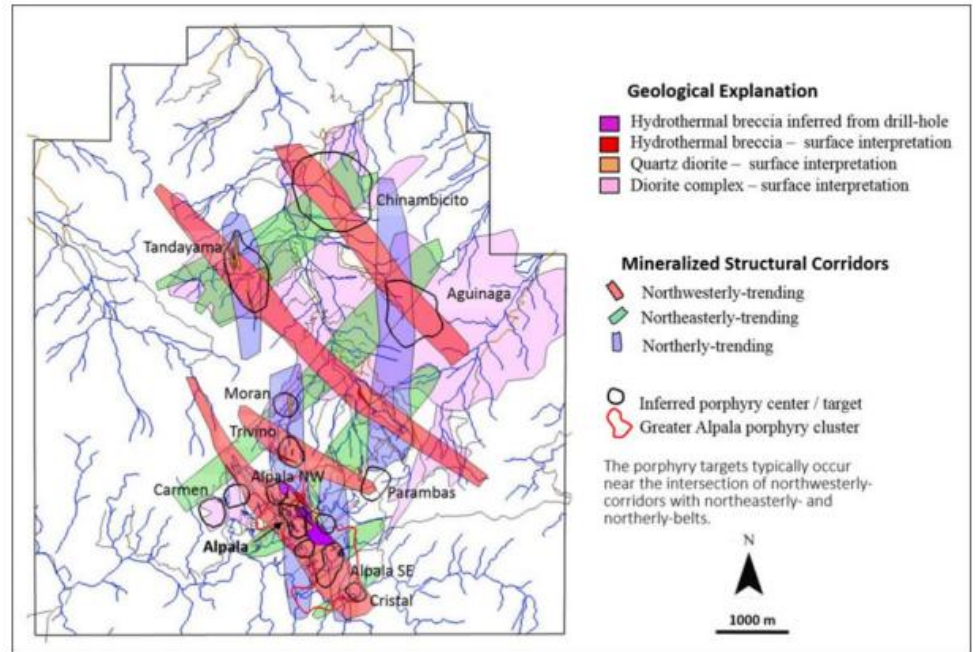


Source: Company Reports

Petrology: Gabbro and basaltic basement rocks are major host rocks, overlain by Cretaceous siltstones and minor sandstones that are unconformably overlain by a sequence of Tertiary volcano-sedimentary and andesitic lavas. This sequence has been intruded by a series of Middle to Late-Eocene (Bartonian) hornblende-bearing diorites, quartz diorites and tonalities that form plutons, stocks, and dykes.

Mineralization: Mineralization has been defined over a 2.4km x 1.2km area NW direction, extending to depths of up to 2.8km (Figure 19), defined at cut-off criteria of >0.15% CuEq and/or > 0.55% B-type quartz veins (quartz-magnetite-chalcopryrite). The main phase of mineralization was emplaced with the syn-mineralization quartz-diorite (QD10) intrusion, resulting in a concentric zone of high-grade mineralization marked by greater than 10% B-type veins (quartz-magnetite-chalcopryrite). At least two stages of B-type veins have been recognized, B1 and B2, with magnetite more abundant in early B1 veins and chalcopryrite more common in the later B2 veins. B-type veins contain the majority of the Cu and Au in the deposit. Mineralization at the Tandayama-America deposit is similar to Alpala.

Figure 19: Cascabel mineralized structural corridors



Source: Company Reports

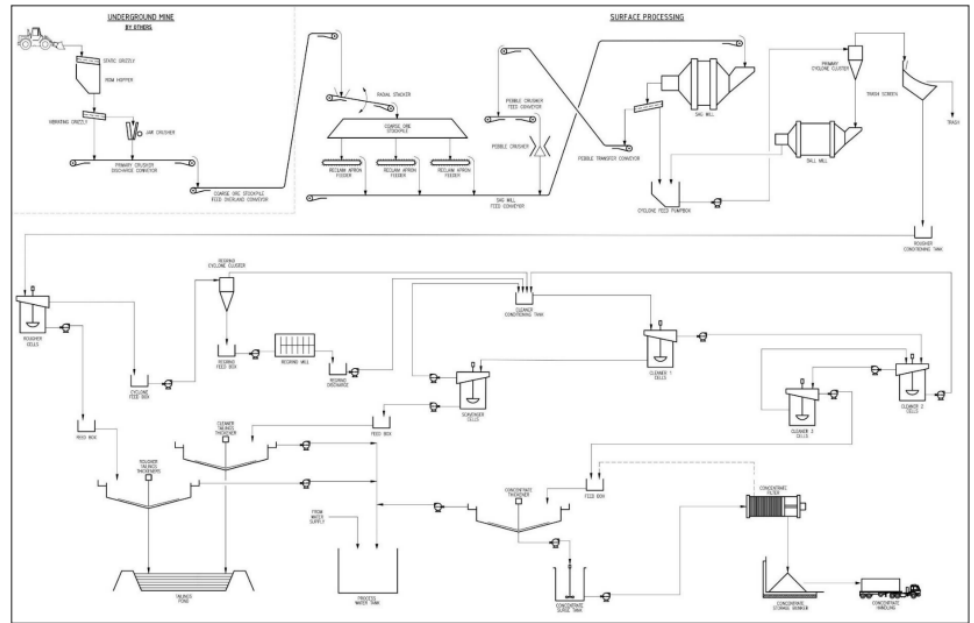
Mineral Processing and Metallurgical Testing

The ore at Cascabel is amenable to a conventional copper-gold flotation flowsheet with no additional gold cyanidation circuit. The flotation flowsheet consists of a single rougher stage and a multi-stage cleaning circuit to produce a copper-gold-silver concentrate (Figure 20).

Primary crushing will take place underground in jaw crushers to achieve a coarse ore top size of 370 mm. The crushed ore will be delivered to surface by a conveyor where it will flow into a grinding circuit consisting of a SAC mill and ball mill. The next stage is the flotation circuit, which consists of a rougher and cleaner circuit with scavenging of the cleaner tails.

LOM average final cleaner concentrate is expected to have a copper grade of 22% Cu and 15.9 g/t Au, with recoveries of 88.4% Cu, 70.8% Au. In the first 10 years of mine life, higher-grade ore will increase copper recoveries to 90.8% and gold recoveries to 76.9%.

Figure 20: Simplified process flowsheet



Source: Company Reports

Mineral Resource Estimate

The Alpala mineral resource has been estimated based on assays from 185 diamond drill holes (265,225m) and 118 rock-saw channel samples (1,441m). Alpala hosts 3,013Mt of M&I resources grading 0.52% CuEq for 15.6Mt CuEq (~34.4B lbs) and 607Mt of inferred resources grading 0.36% CuEq for 2.2Mt CuEq (~4.9B lbs).

Alpala’s mineral reserves are based on its M&I resources, using long-term metal prices of \$1,700/oz Au, \$3.60/lb Cu, \$19.90/oz Ag. The Proven and Probable reserves total ~540Mt at 0.97% CuEq containing 5.3Mt CuEq (~11.7B lbs).

The Tandayama-America mineral resource has been estimated based on assays from 51 diamond drill holes (36,111m) and 72 rock-saw channel samples (458m). Tandayama hosts 722Mt of indicated resources grading 0.36% CuEq for 2.6Mt CuEq (5.7B lbs) and 247Mt of inferred resources grading 0.35% CuEq for 0.9Mt CuEq (~2B lbs).

Figure 21: Cascabel mineral resource estimate (2023)

Alpala Mineral Resource Estimate (0.21% CuEq cutoff)									
Category	Tonnage		Grade			Contained Metal			
	Mt	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (M oz)	Ag (M oz)
Measured	1,576	0.64	0.43	0.35	1.16	10.0	6.7	17.5	58.6
Indicated	1,437	0.39	0.28	0.20	0.71	5.6	4.0	9.3	32.7
M&I	3,013	0.52	0.35	0.28	0.94	15.6	10.7	26.8	91.3
Inferred	607	0.36	0.26	0.19	0.56	2.2	1.5	3.7	11.0
Total	3,620	0.49	0.33	0.26	0.88	17.8	12.2	30.5	102.3

Tandayama Mineral Resource Estimate (0.16% CuEq open pit and 0.19% underground cutoff)									
Category	Tonnage		Grade			Contained Metal			
	Mt	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (M oz)	Ag (M oz)
Measured	-	-	-	-	-	-	-	-	-
Indicated	722	0.36	0.23	0.19	-	2.6	1.7	4.5	-
M&I	722	0.36	0.23	0.19	-	2.6	1.7	4.5	-
Inferred	247	0.35	0.21	0.21	-	0.9	0.5	1.6	-
Total	969	0.36	0.22	0.20	-	3.5	2.2	6.1	-

Total Cascabel Mineral Resource Estimate									
Category	Tonnage		Grade			Contained Metal			
	Mt	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (M oz)	Ag (M oz)
Measured	1,576	0.64	0.43	0.35	1.16	10.0	6.7	17.5	58.6
Indicated	2,159	0.38	0.26	0.20	0.47	8.2	5.7	13.8	32.7
M&I	3,735	0.49	0.33	0.26	0.76	18.2	12.4	31.3	91.3
Inferred	854	0.36	0.25	0.20	0.40	3.1	2.0	5.3	11.0
Total	4,589	0.47	0.32	0.25	0.69	21.3	14.4	36.6	102.3

Source: Company Reports

Figure 22: Cascabel mineral reserve estimate (2023)

Alpala Mineral Reserve Estimate									
Category	Tonnage		Grade			Contained Metal			
	Mt	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (M oz)	Ag (M oz)
Proven	457.5	1.06	0.64	0.60	1.70	4.9	2.9	8.9	24.9
Probable	82.2	0.53	0.36	0.22	1.20	0.4	0.3	0.6	3.1
Total 2P	539.7	0.97	0.60	0.54	1.62	5.3	3.2	9.4	28.0

Source: Company Reports

2024 pre-feasibility study

The 2024 updated PFS at Alpala outlined a large 24M tpa two-phased underground block cave operation producing up to 6M lbs Cu, 6.5M oz Au, and 11.2M oz Ag over a 28-year mine life with an after-tax NPV_{8%} of US\$3.2B, after-tax IRR of 24%, and payback period of 4.1 years.

The project infrastructure is designed to support the operation of a 12 Mtpa underground mine operation and processing plant, expanding to 24 Mtpa in Phase 2, operating on a 24-hour per day, 7-day per week basis.

The initial capex requirement to set up a 12M tpa operation is US\$1,554M. The sustaining and expansion capex thereafter is expected to be US\$2,573M over LOM, followed by closure costs of US\$82M.

The PFS used prices of US\$1,750/oz Au, US\$3.85/lb Cu, and US\$22/oz Ag. Each 10% increase in gold or copper prices leads to a slightly >10% increase in NPV.

Relative to this, the operating cost is estimated to be US\$15.24/t of ore processed, which translates to total cash costs of US\$2.21/lb of payable copper and AISC of US\$0.69/lb.

Figure 23: Key metrics of 2024 PFS

2024 PFS	Units	2024 PFS
Cu Price	US\$/lb	3.85
Au Price	US\$/oz	1,750
Ag Price	US\$/oz	22.50
Operating Assumptions		
Mineable Material	Mt	540
Cu Grade	%	0.60%
Au Grade	g/t	0.54
Ag Grade	g/t	1.62
Cu Recovery	%	88.7
Au Recovery	%	72.9
Ag Recovery	%	65.7
Mine Life	years	28
Initial Mill Capacity	M tpa	12
Expanded Mill Capacity	M tpa	24
Average Annual Cu Payable Production	M lbs	225.5
Average Annual Au Payable Production	K oz	245.5
Average Annual Ag Payable Production	K oz	657.8
Average Annual CuEq Payable Production	M lbs	377.4
Financial Assumptions		
Operating Cost	US\$/t	15.24
Total Cash Cost (on payable copper)	US\$/lb Cu	2.21
AISC (on payable copper) incl. by product credits	US\$/lb Cu	0.69
Initial Capex	US\$M	1,554
Sustaining/Expansion Capex	US\$M	2,573
Closure Capex	US\$M	82.0
Discount Rate	%	8%
Post-Tax NPV	US\$B	3.2
Post-Tax NPV	C\$B	4.5
Post-Tax IRR	%	24.0

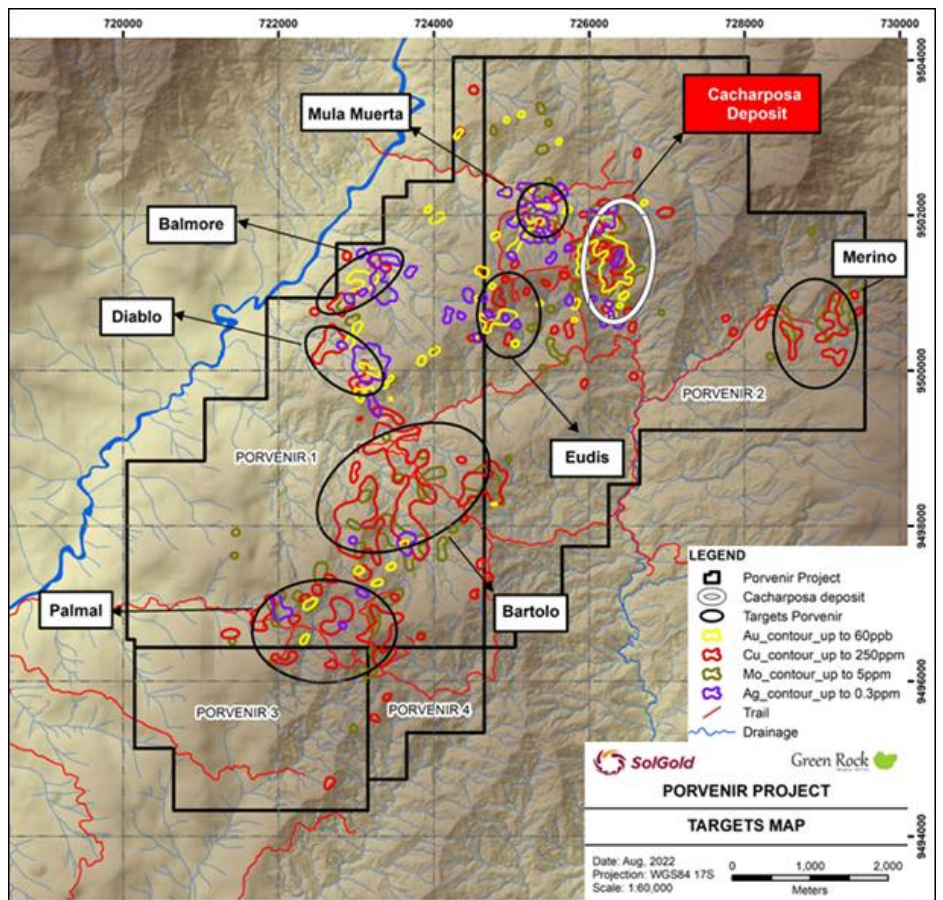
Source: Company Reports

Porvenir

The 100%-owned Porvenir project is located within the south-eastern portion of the Eastern Cordillera of Ecuador, approximately 70km south of the regional centre of Loja. The project sits within the northerly-trending, Jurassic metallogenic belt of the northern Andes, which hosts significant economic gold and copper mines at Fruta del Norte and Mirador, and large Cu-Au resources at Mirador Norte, Warintza, San Carlos, Panantza.

Porvenir hosts a cluster of porphyry geochemical anomalies, including Cacharposa, Balmore-(Diablo), Bartolo, Palmal, and Merino (Figure 24). The Cacharposa anomaly hosts ~397Mt of indicated resources at 0.44% CuEq for 1.8Mt CuEq (Figure 25) and 97Mt of inferred resources at 0.37% CuEq for 0.4Mt Cu. The remaining anomalies have yet to be drill-tested.

Figure 24: Porvenir project boundary and key targets



Source: Company Reports

Figure 25: Porvenir mineral resource estimate

Porvenir Mineral Resource Estimate (0.16% CuEq cutoff)								
Category	Tonnage Mt	Grade				Contained Metal		
		CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (M oz)
Indicated	397	0.44	0.35	0.14	0.00	1.8	1.4	1.8
M&I	397	0.44	0.35	0.14	0.00	1.8	1.4	1.8
Inferred	97	0.37	0.29	0.12	0.00	0.4	0.3	0.4
Total	494	0.43	0.34	0.14	0.00	2.1	1.7	2.2

Source: Company Reports

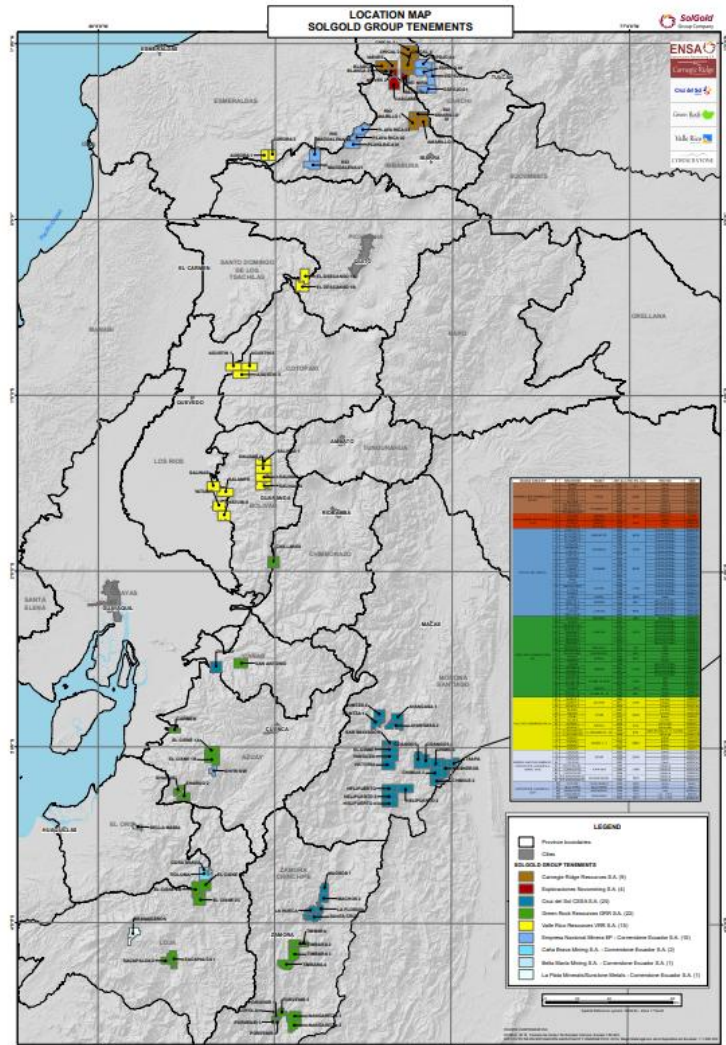
Other Assets

SolGold owns varying interests in nine other regional projects located throughout Ecuador, which it classifies as priority projects (Figure 26). These assets are held by four wholly-owned subsidiaries. Initial exploration has outlined several epithermal and porphyry targets on these properties that warrant additional exploration. SolGold plans to spin out these non-core, but highly prospective projects into an ExploreCo to unlock additional value ([read note](#)).

Key regional assets include:

1. Chical
2. Rio Amarillo
3. Chillanes
4. Salinas
5. Cisne Victoria
6. Coangos
7. Helipuerto
8. Cisne Loja
9. Timbara

Figure 26: SolGold group tenements in Ecuador



Source: Company Reports

Risks

Exploration, development, and mining projects are inherently risky investments given the large initial expenses that are required in advance of any potential revenue. Our view is based on publicly available information but note that our estimates and views are not without political, technical, geologic or financing risk typical for junior mining companies. For SolGold, these risks may include:

1. **Geopolitical/jurisdictional risks** – Some of these risks may be out of the control of the company, including royalty and taxation levels, land agreement liabilities, regulatory, environmental and permit requirements and timing, global trade wars and political instability. SolGold holds projects in Ecuador, and politics could pose a significant risk should the Government of Ecuador change its policies with regards to mining, especially permitting. We are aware of the risk that the Ecuadorian policy towards the mining industry could turn unfavourable, especially given the country's history and relatively short history or being open to mining compared to other jurisdictions.
2. **Technical risks** – This covers a wide variety of issues that we see associated with the deposit including exploration, development and exploitation strategies and methods. It would cover such issues as accuracy of geological interpretation, resource/reserve estimates and economic studies and inputs such as commodity prices, cost and grade fluctuations, assay reconciliation, metallurgical issues and exploration success. Our positive view relies on using existing technical data, ongoing drilling, and expected positive results from the upcoming feasibility study. Future results may differ and negatively impact our assumptions. We note that block-cave development, as is contemplated at Cascabel, carries technical risk.
3. **Corporate risks** – These may include project execution by management, investor relations effectiveness, or market sentiment. Management pedigree and performance are paramount. Market sentiment is also an issue. While we expect the copper and gold markets to remain robust throughout 2025, our estimates may be negatively impacted by a change in market sentiment.
4. **Financial risks** – These may occur at the project or corporate level, including variation in valuation parameters/metrics, commodity price or foreign exchange fluctuations, access to credit including debt, equity financing, or potential for shareholder dilution. We note that the initial capex for Cascabel is significant at ~\$1.6B, and while partially funded through the \$750M streaming deal with Franco Nevada and Osisko Gold Royalties, would still be subject to securing additional financing upon a final investment decision.

As new information becomes available, we plan to refine our estimates and forecasts.

Appendix A: Ecuador Primer



The Republic of Ecuador is a presidential republic in South America with a population of ~18.3M people. It has a civil law system along with traditional law in indigenous communities and uses the USD as currency. The country has a general corporate income tax rate of 25% (though it can vary depending on the company's shareholder structure to be either 22% or 28%) and levies variable royalties between 3 and 8% on net smelter revenues for metals on large-scale producers. The country gained its independence from Spain in 1822 and became an independent republic in 1830. The current president is Daniel Noboa who was elected in an early election in 2023 after the previous president invoked *muerte cruzada* – a mechanism to simultaneously impeach the president and dissolve the National Assembly. President Noboa was recently re-elected as President for a four-year term, which we view as providing continuity for the current mining policies in Ecuador and ensuring a more market-driven economy. In our opinion, the re-election of President Noboa was the preferred outcome for the mining industry.

Ecuador currently has two operating large-scale mines – Fruta del Norte and Mirador. In 2023 it had US\$3.3B in mining exports and is projected to have >US\$4B in 2025, comprising ~15% of exports. The country has mineral potential on par with its neighbours Peru, Colombia, and Chile owing to its location along the Andean Copper Belt; however, it has been closed until relatively recently to mining. Thus, only ~10% of the country has been explored. In addition to its geological potential, key competitive advantages that Ecuador has include excellent national infrastructure (ports, airports, and highways), an abundance of water, dollarization (no currency exchange risk), and up to date ESG standards. Some challenges the country faces related to mining include widespread illegal mining (which was declared a national security threat in 2023), Indigenous communities that have the right to vote on whether to allow large-scale mining projects near their water sources, and periodic droughts that impact the generation of hydropower in the country.

Appendix B: Management & Directors

Dan Vujcic – Chief Executive Officer

Mr. Vujcic is an investment banker and corporate advisor with almost two decades of experience in global capital markets. Over his career, Mr. Vujcic has advised clients in a diverse range of commodities across numerous jurisdictions, including raising capital in equity and debt markets globally, supporting the growth ambitions of emerging miners, and attaining a significant presence in the industry. Previously, Mr. Vujcic led the effort to expand Jefferies' global footprint by covering emerging small/mid-caps and family offices. He was instrumental in leading First Quantum Minerals Ltd.'s C\$5 billion acquisition of Inmet Mining Corporation.

Chris Stackhouse – Chief Financial Officer

Mr. Stackhouse has over two decades of experience in finance, managing exploration and development stage assets through their operations, with a notable focus on South America. His impressive professional track record includes senior finance roles at Guyana Goldfields Inc. (acquired by Zijin Mining Group), Rockcliff Metals, and Generation Mining, where he gained extensive experience in project financing, mine development, and operations.

Santiago Vaca – Chief Geologist

Mr. Vaca is an Ecuadorian geologist with over 13 years of experience in mineral exploration and research who has worked in Cu-porphyry, epithermal, IOCG and SEDEX deposit types. During his career, he has worked for major, intermediate and junior mining companies and has been involved with mines and projects in Ecuador, Western Canada, Western Australia, South Africa, Mexico, USA and Peru. Mr. Vaca joined SolGold in 2014 as Chief Geologist for the Cascabel project, and his responsibilities include mapping, drill planning, core-logging, data interpretation and operation support with attention to budget and cost control.

Perry Holloway – Director of Strategic Affairs

Mr. Holloway brings a distinguished career to SolGold, marked by his leadership roles at Omai Gold Mines (TSXV:OMG, Not Rated) and Guyana Goldfields (TSX:GUY, Not Rated). Additionally, he has provided consultancy services to prominent companies in Latin America's petroleum, mining, and aviation sectors. With three decades as a U.S. Diplomat, including his tenure as U.S. Ambassador to Guyana, Perry is adept in Government Relations, Public Affairs, Security and Negotiations. His operational footprint spans across Afghanistan, Colombia, Ecuador, El Salvador, Guatemala, Guyana, Mexico, and Paraguay.

Reed Huppman – Vice President, ESG

Reed Huppman is an environmental geologist with 40 years of experience in sustainability consulting. He has worked primarily in project finance for lenders and developers in over 50 countries across multiple sectors, including mining, oil and gas, power production and transmission, ports, and related infrastructure. He was also one of the key staff contracted to conduct a strategic review of the Equator Principles in 2018, which led to the publication of the current version of the Equator Principles 2020. In the last four years, he has supported over US\$50 billion in project finance.

Directors

Paul Smith – Chairperson

Mr. Smith is an experienced resources sector executive with a strong track record in capital markets, M&A, and restructurings. He co-founded Energy Reach Partners, which invests in and advises ventures focused on the resources and industrial technology sectors. Mr. Smith was previously the Head of Strategy at Glencore plc (LSE:GLEN, Not Rated) and a buy-side analyst at Marshall Wace Asset Management.

Scott Caldwell – Non-Executive Director

Mr. Caldwell is a mining engineer with over 40 years of experience in the global mining industry, having held several senior executive roles, including CEO at Guyana Goldfields and Allied Nevada Gold Corp., as well as COO at Kinross Gold Corp (TSX:K, Not Rated).

Nicholas Mather – Non-Executive Director

Mr. Mather has 35 years of experience in exploration and resource company management in various countries. He was managing director of BeMaX Resources NL from 1997 until 2000. He was instrumental in the discovery of the world-class Ginkgo mineral sand deposit in the Murray Basin in 1998. He was also the founder and Chairman of Waratah Coal Inc (TSXV:WCI, Not Rated) until its \$130m takeover by Minerology Pty Ltd in December 2008. He sits on the Board of several resource companies.

Maria Amparo Alban – Non-Executive Director

Mrs. Alban has more than 25 years of experience in international trade and sustainable development, particularly environmental compliance. She has worked in a number of countries and was instrumental in the Free Trade Agreement negotiation between Ecuador and the United States on environmental matters. Her Ecuadorean experience and knowledge will provide exceptional value to the SolGold Board during permitting and fiscal agreement negotiations in Ecuador.

Steve van Barneveld – Non-Executive Director

Mr. van Barneveld is a seasoned professional with a distinguished career spanning over 35 years in the international resources and infrastructure sectors. In his current role as General Manager, Australia West, Mr. van Barneveld has been a key player at a leading provider of minerals processing and associated infrastructure solutions for the global resources industry. He has a history of impressive leadership roles, including serving as General Manager of Strategy & Growth, Chief Operating Officer, and Principal Engineer.

John Liu – Non-Executive Director

Mr. Liu brings over 30 years of private investment advisory experience to the SolGold board, with a diverse background spanning multiple sectors, including mining, energy, technology, consumer, and healthcare. He previously worked as a partner at Valuestone Advisors for mining investments, as an advisor at Jiangxi Copper Corp for its overseas M&A projects, as a partner at Greenwood's PE Funds, as a director at Mousse Partners and Actis, and as an associate at Merrill Lynch Direct Investment Group. His experience includes assisting portfolio companies in strategy formation, fundraising, investing and corporate governance.

Charles Joseland – Senior Independent Director

Mr. Joseland is a highly experienced finance professional with a career focused on the mining, utilities, and energy sectors. With 32 years at PwC and as an audit partner working on large listed international groups, Mr. Joseland has expertise in financial oversight, governance, and risk management. His extensive career includes working in Spain and the Former Soviet Union and advising many organizations in Africa and North & South America.

Taylor Combaluzier, P.Geo. | VP, Mining Analyst
Daniel Kozielwicz | Research Associate
Shikhar Sarpal | Research Associate
Surya Sankarasubramanian | Research Associate

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Disclosure Statement
 Updated May 15, 2025

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Date	Rating	Target	Status	%
2024-11-19	NA	NA	BUY	53%
2025-03-13	NA	NA	BUY (S)	32%
2025-03-28	NA	NA	HOLD	2%
2025-05-02	NA	NA	TENDER/ SELL	2%
2025-05-15	BUY	0.75	NA	4%
			UNDER REVIEW	9%

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Company Name	Ticker Symbol	Disclosures
SolGold Plc.	TSX:SOLG	

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