

SolGold plc

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SolGold surges as BHP bumps up stake

SolGold plc's (LON:SOLG) shares jumped on the news BHP Group PLC (LON:BHP) is investing an extra US\$22m in the company, becoming its largest shareholder.

The Australian gold and copper miner said in an update on Monday that the FTSE 100 giant has agreed to buy 77m shares at 22.15p each, increasing its stake from 11% to 14.7%.

READ: BHP boss retires to take FTSE 100 exodus to 21

The price of the share subscription agreement represents a 13% premium to Friday's closing price of 19.68p, but well down on the 37p-40p range seen in the first half of the year.

SolGold is focused on projects in Ecuador, including the flagship Alpala mine that is estimated to have a net present value of US\$6.1bn.

The company is working on a pre-feasibility study scheduled to end in the first quarter of 2020.

Current estimates are for 2,050m tonnes (Mt) at 0.6% copper equivalent and 900 Mt at 0.35% copper equivalent.

SolGold shares have been under pressure over the past six months due to difficult economics in Ecuador, lower copper prices and the need for more financing for the study at Alpala, which house broker Liberum said should now be causing less concern.

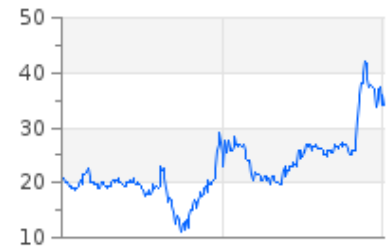
"Ecuador also remains one of the most prospective mining jurisdictions globally and assays from the Blanca gold prospect could confirm a new commercial discovery just to the north of Alpala," analysts said in a note at the end of last week.

Shares were up 11% to 21.65p on Monday morning.

Price: 34.25

Market Cap: £709.73 m

1 Year Share Price Graph



October 2019 May 2020 October 2020

Share Information

Code: SOLG

Listing: AIM

52 week	High	Low
	43.9	10

Sector: Gold & silver

Website: www.solgold.com.au

Company Synopsis:

SolGold is Brisbane based and carries a diverse portfolio of exploration projects in Ecuador, Solomon Islands and Australia. SolGold's projects include, Ecuador, Cascabel in Joint Venture with Cornerstone Capital Resources, Guadalcanal and Fauro (Solomon Islands) and Rannes and Mt Perry (Queensland, Australia).

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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