



27 February, 2014

Cascabel Project Update

Further Results Hole 5

New High Grade Copper and Gold Assays from 869.68m to 1194m at Alpala

324.32m at 1.07% Cu and 1.16 g/t Au, Supports World Class Status

The Board of SolGold (AIM code: SOLG) is pleased to provide the following project update for the Stage 1 drill program at the Alpala prospect within the Company's Cascabel copper-gold porphyry exploration project in northern Ecuador.

Highlights:

- **New copper and gold assays for Hole 5 were received with the following high grade results between 869.68m and 1194m:**
 - 324.32m grading 1.07 % Cu and 1.16 g/t Au (from 869.68m).**
 - Includes 50m grading 1.80% Cu and 2.26 g/t Au (from 1096m).**
- **Incorporating previous assay results, more extensive intersections at Alpala now include:**
 - 536m grading 0.92 % Cu and 0.90 g/t Au (from 658m).**
 - 416m grading 1.03% Cu and 1.08 g/t Au (from 778m).**
- **The length of hole interval assayed so far from 24m to 1194m depth yielded 1170m grading 0.58% Cu and 0.49 g/t Au.**
- **Strong visual copper mineralisation extends below 1194m depth.**
- **Assays for the 136m interval 1194 to 1330 metres expected in the next 7 days.**
- **Gold-rich nature of the Alpala copper porphyry system confirmed.**
- **Complex multidirectional veining and mineralisation with up to 12 different vein types identified in Hole 5 drill core.**
- **Drill rig being mobilised to drill site 6. Hole 6 targeting extension to the copper-gold mineralisation in Hole 5, 300 metres to the northwest.**
- **Gridding continues for planned 12km² 3D Induced Polarisation survey in April to assist prediction of the distribution of copper sulphide zones.**



SolGold CEO and Managing Director, Mr Alan Martin said:

“The high grade copper and gold results from 870 metres to 1194 metres are spectacular. These results demonstrate the high grade tenor of the Alpala system and with the copper and gold mineralisation – identified by assay or visual observation – continuing from close to surface to almost 1.4 kilometres down-hole, and the likelihood of a world class copper gold porphyry at Alpala is increasingly strong.”

Drill Hole CSD-13-005

CSD-13-005 was sited to test the western flank of the 4km² Alpala Magnetic Complex at depth beneath drill holes 1 and 2, which intersected long runs of copper and gold mineralisation associated with porphyry copper-gold quartz stock-work and sheeted veins at the Alpala prospect. Copper and gold assay results to a depth of 869.68m in Hole 5 were reported on the 14th January.

Hole CSD-13-005 was terminated on 21 February (as announced on the RNS of 24th February) due to drilling difficulties. The hole ended in mineralisation at a depth of 1370m.

Assay results from the interval 869.68m to 1194m have been received. The interval is characterised by strong porphyry copper-gold stock-work vein mineralisation with sulphides dominated by chalcopyrite as widespread veins and disseminations in intense magnetite-chlorite alteration.

The newly assayed interval from 869.68m to 1194m yielded an intersection of 324.32m grading 1.07 % Cu and 1.16 g/t Au (Figure 1). A higher grade interval within this section yielded 50m grading 1.80% Cu and 2.26 g/t Au.

Bulking previously reported assays with these new results, the following highly significant intersections are generated:

1170m grading 0.58% Cu and 0.49 g/t Au (from 24m).

536m grading 0.92% Cu and 0.90 g/t Au (from 658m).

416m grading 1.03% Cu and 1.08 g/t Au (from 778m).

Strong visible copper sulphide mineralisation is observed in drill core to extend beyond 1194m down-hole depth. Assays for the interval 1194m to 1330m are expected within 7 days, and were also requested for urgent analysis.

The 416m long and 536m long intersections from Hole 5 plot in the field of porphyry Au-Cu (i.e. gold-rich) porphyry systems (see Figure 2).

Table 1 lists the key intersections to date from Hole 5.

Figures 1 and 2 show the intersections on cross-section graph while Figure 3 illustrates the Au-rich nature of the intersections in Hole 5 at Alpala relative to other large South American porphyry copper-gold deposits.



Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Comments
CSD-13-005	24	1194	1170 m	0.58	0.49	Open at Depth
Incls	24	420	396m	0.32	0.17	
Incls	436	658	222m	0.26	0.11	
Incls	658	1194	536 m	0.92	0.90	Open at Depth
Incls	778	1194	416 m	1.03	1.08	Open at Depth
Incls	869.68	1194	324.32 m	1.07	1.16	Open at Depth
Incls	1096	1146	50 m	1.80	2.26	High Grade

Samples at 890-892m, 898-900m, 902-906m, 916-918m and 926-932m are preliminary results for Cu.

**Table 1 –
Table 1 – Intersections from hole CSD-13-005 at the Alpala Prospect.**

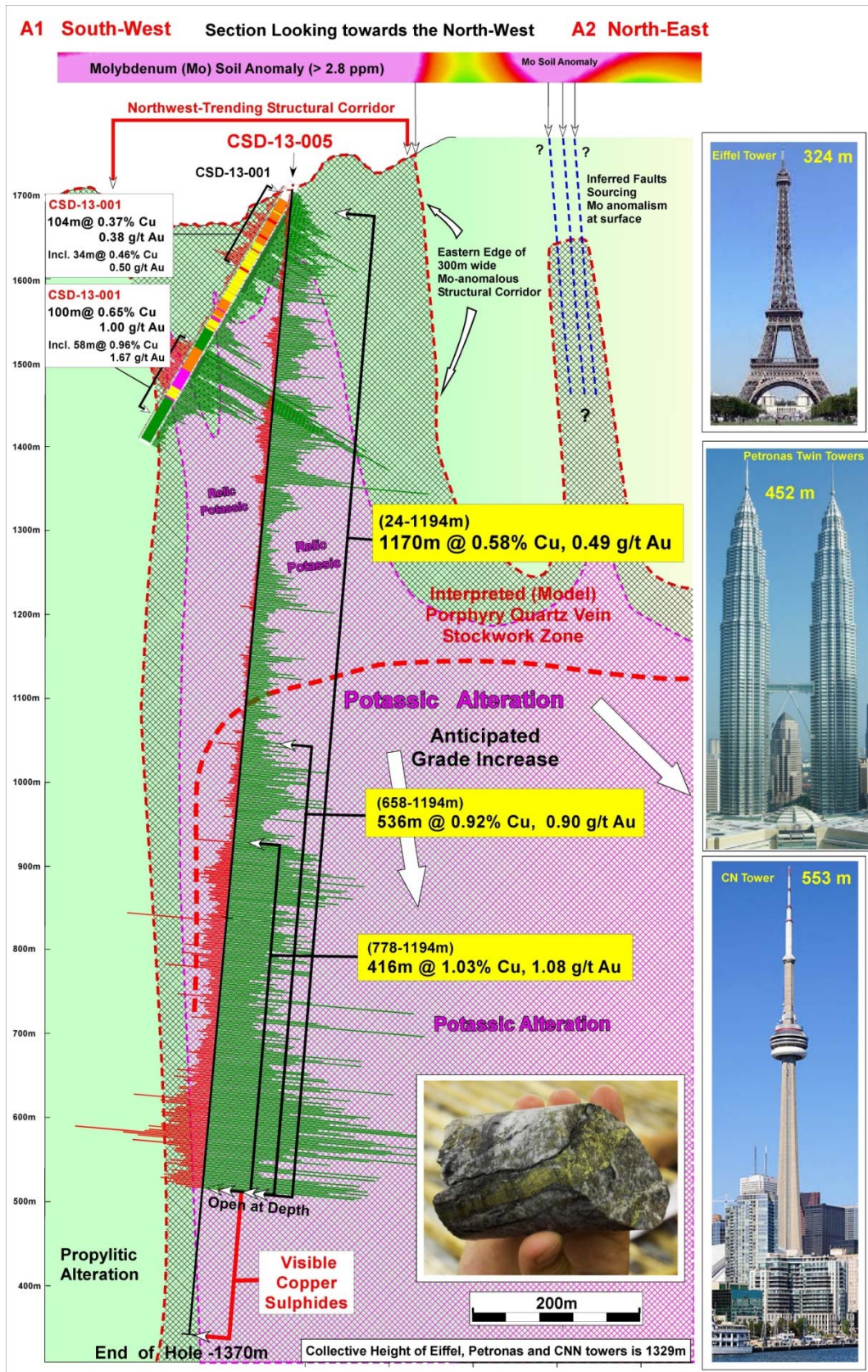


Figure 1 – Assay section for Holes 1 and 5. Continuous porphyry copper-gold mineralisation has been drilled from near surface to end-of-hole, over a vertical rock column exceeding 1300m.

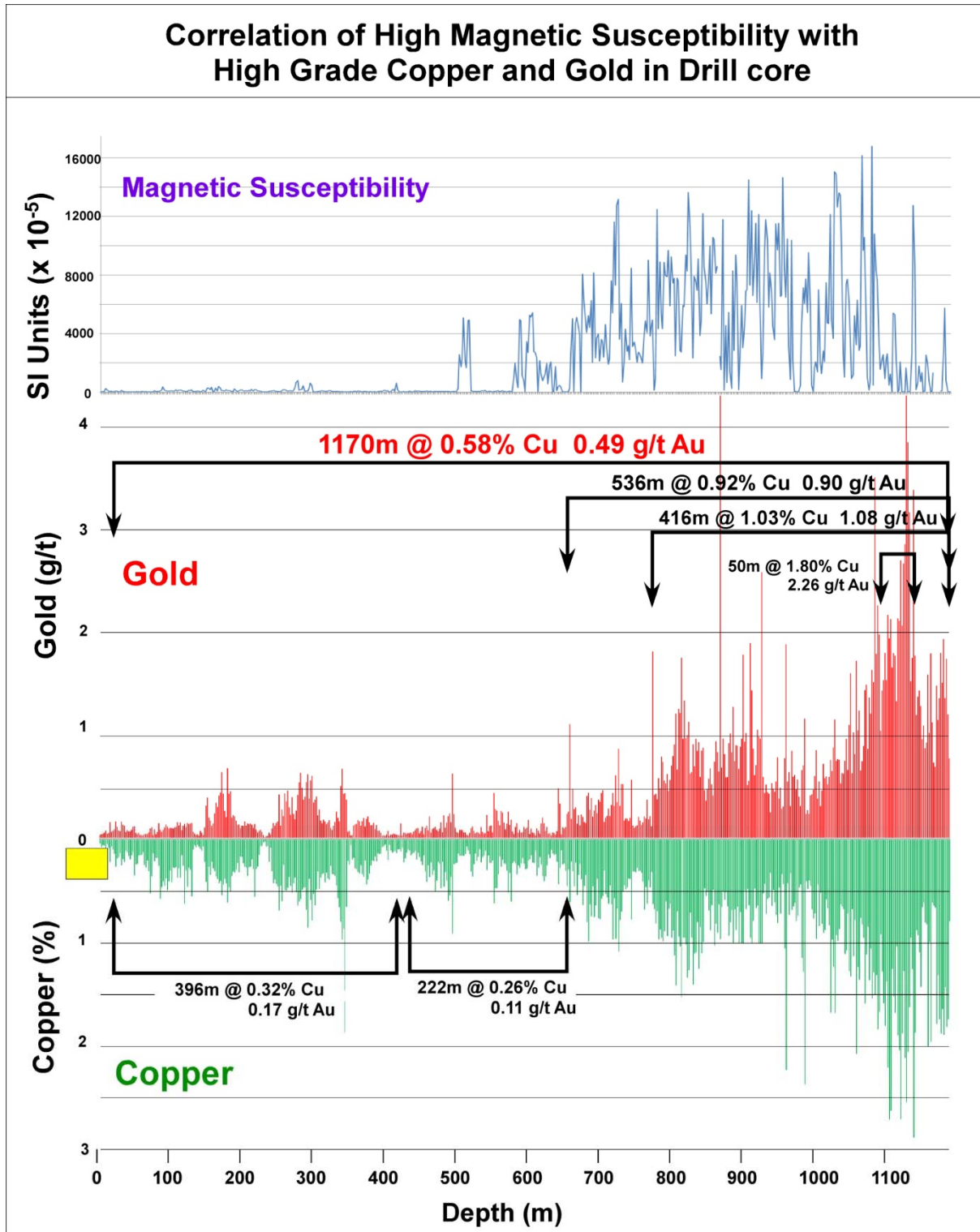


Figure 2 – Histogram illustrating increase in copper, gold and magnetic susceptibility of drill core with increasing depth in hole CSD-13-005.

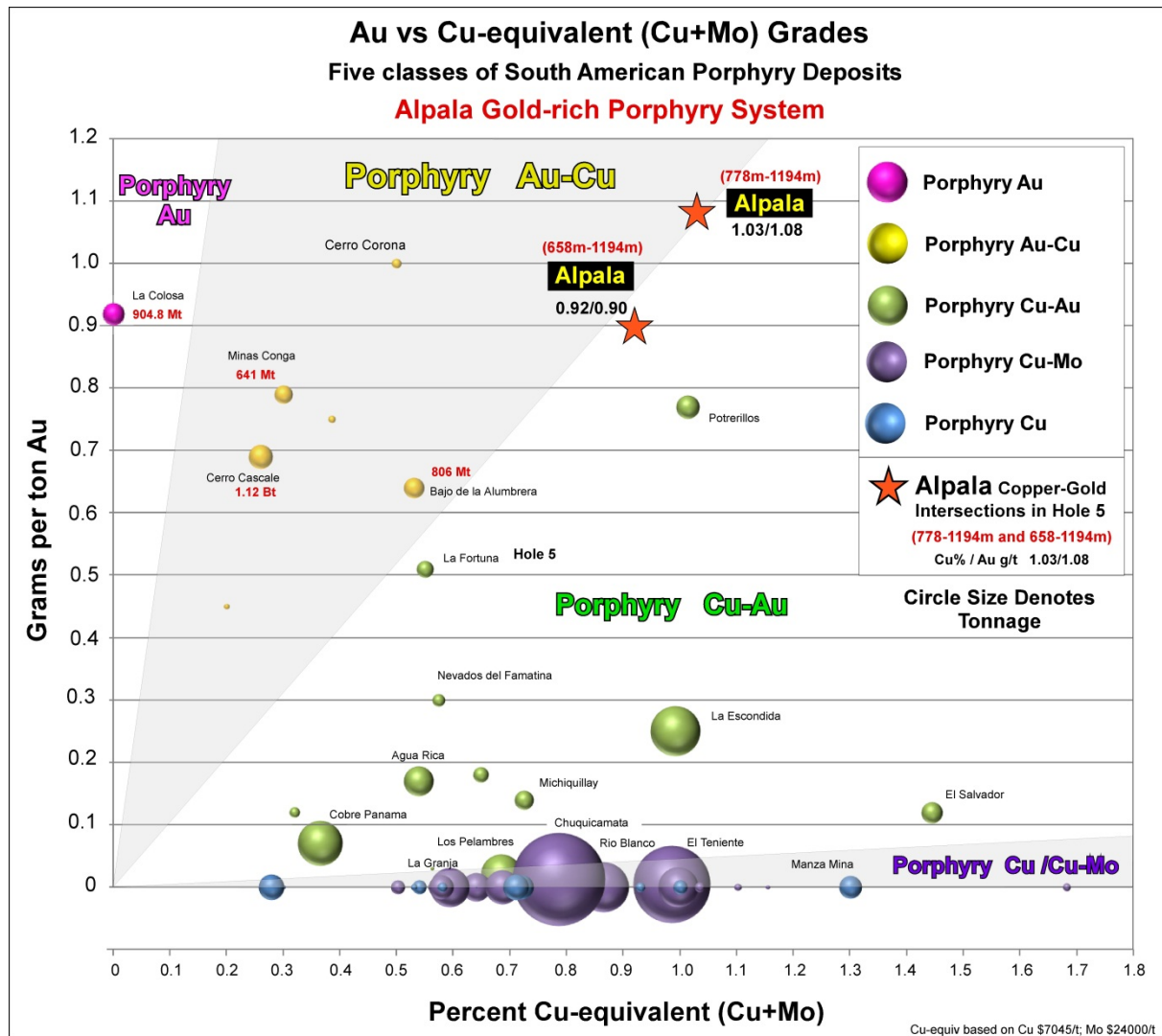


Figure 3 – Plot of copper and gold grades of large South American porphyry systems and the grade of two intersection intervals from Hole 5 at the Alpala porphyry prospect at Cascabel.

Mobilisation of Drill Rig to Drill Site for Hole CSD-14-006

Mobilisation of the drill rig from Hole 5 to Hole 6 has commenced. Drilling of Hole 6 is estimated to commence on Saturday 1st March 2014. Hole 6 is sited to test the north-ward extension of porphyry mineralisation that has been discovered in Holes 1, 2 and 5 at Alpala, in an area of strong and coincident molybdenum (Mo) and gold (Au) soil anomalism that lies along structural strike from Hole 5 (Figure 4). Hole 6 will also test the Alpala Magnetic Complex at depth by drilling northeast-ward into the flank of the Alpala regional magnetic high.

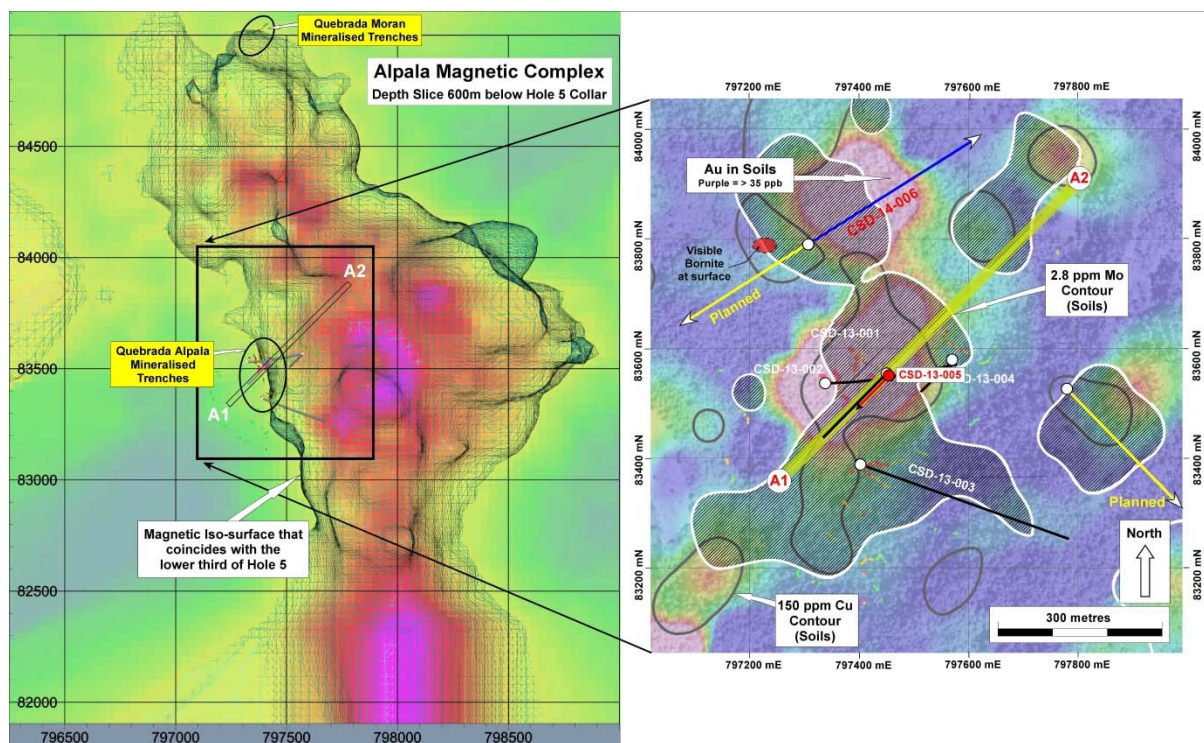


Figure 4 – Location of Holes 5 and 6 on the western margin of the Alpala Magnetic Complex (left panel) and relative to Cu, Au, Mo soil anomalies (right panel). Hole 6 is collared 320m NNW of the Hole 5 collar.

About Cascabel

The Cascabel project is located in north-western Ecuador in an under-explored northern section of the richly endowed Andean Copper Belt. World class deposits located within this belt include the 982 million tonnes at 0.89% Cu Junin copper project located some 60km to the southwest of Cascabel, the 3.3 billion tonne at 0.36% Cu Cobre Panama deposit located to the north in Panama and the 905 million tonnes at 0.92 g/t Au La Colosa porphyry deposit located to the north in Colombia, containing 26 million ounces of gold. The Alpala Prospect exhibits surface mineralisation and alteration patterns indicative of a porphyry copper gold system and has a similar footprint to large porphyry systems around the world.

As recently announced SolGold has exercised its right to increase its ownership of Exploraciones Novomining S.A. (“ENSA”) from 50% to 85%. ENSA is an Ecuadorean registered company which holds 100% of the Cascabel concession in northern Ecuador. Cornerstone will hold the remaining 15% of ENSA.

Qualified Person:

Information in this report relating to the exploration results is based on data reviewed by Dr Bruce Rohrlach (BSc (Hons), PhD), the GM Exploration of the Company. Dr Rohrlach is a Member of the Australasian Institute of Mining and Metallurgy who has in excess of 26 years’ experience in mineral exploration and is a Qualified Person under the AIM Rules. Dr Rohrlach consents to the inclusion of the information in the form and context in which it appears.

By order of the Board
Karl Schlobohm
Company Secretary



Contacts:

Mr Alan Martin

SolGold Plc (CEO and Managing Director)
amartin@solgold.com.au

Tel: +61(0)488 223 828

Mr Nicholas Mather

SolGold Plc (Executive Director)
nmather@solgold.com.au

Tel: +61 (0)7 3303 0665

Mr Karl Schlobohm

SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Tel: +61 (0)7 3303 0661

Mr Ewan Leggat / Ms Katy Birkin

SP Angel Corporate Finance LLP (Broker)
Ewan.leggat@spangel.co.uk

Tel: +44 (0)20 3463 2260

Mr Stephen Weir

RFC Ambrian Limited (Nominated Advisor)
stephen.weir@rfcambrian.com

Tel: +61 (0)2 9250 0048

Mr Dominic Barretto / Ms Anna Legge

Yellow Jersey PR Limited (Financial PR)
dominic@yellowjerseypr.com

Tel: +44 (0)20 3664 4087

NOTES TO EDITORS

SolGold's exploration projects are located in northern Ecuador, Australia, and the Solomon Islands. In Ecuador, they consist of a JV with Cornerstone Capital Resources Inc. on the Cascabel copper-gold project. In Australia, SolGold holds 100% of the Rannes, Mt Perry, Cracow West and Normanby Projects, all in southeast Queensland. In the Solomon Islands they comprise the Fauro Project (located on Fauro Island), and the Lower Koloula, Malukuna and Kuma licenses which are located on Guadalcanal.

The Cascabel copper-gold project is located approximately 180 km by sealed road north of Ecuador's capital, Quito, 20 km south of the Colombian border, and 75 km inland from the coastal city of San Lorenzo.

At the Rannes project SolGold has announced indicated and inferred resources of 18.7 million tonnes at 0.9 g/t gold equivalent (gold + silver) for 550,146 ounces of gold equivalent (296,657 ounces of gold and 10,137,736 ounces of silver; see announcement dated 23 May 2012 for details of the resource statement and gold equivalent ratios). The Rannes project is currently under review.

In the Solomon Islands, a soil geochemical survey and 3D modelling of magnetic data is being considered at Kuma, while a JV partner is being sought for the Fauro project to pursue drilling of gold-copper targets defined in the 2011 exploration program.

SolGold's objective is to create substantial shareholder value by discovering and defining world class copper-gold deposits.



SolGold's Board includes accomplished professionals with strong track records in the areas of exploration, mine development, investment, finance and law. Board and Management have significantly vested interests in the Company, holding approximately 14% of its issued share capital.

SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's Alternative Investment Market (AIM) in 2006, under the AIM code 'SOLG' and currently has a total of 603,895,309 fully-paid ordinary shares, 19,608,000 options exercisable at 50p, 11,000,000 options exercisable at 28p, 8,000,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.