

SolGold plc
("SolGold" or the "Company")**Cascabel Exploration Update****Hole 16 at Cascabel Continues to Intersect Intense Copper
and Gold Mineralisation to Current Depth of 1,217m****Assay Results Extend Rich Copper - Gold Deposit at Alpala****Surface Copper-Gold Results Confirm Trivinio Drill Target****HIGHLIGHTS:****Hole 16 - Alpala Central Deposit**

- Hole 16 at a depth of 1,217m.
- Mineralisation increasing in intensity.
- Over 650 metres of mineralisation encountered thus far.
- Hole 16 Assay Received from 516m to 764m:
 - 216m @ 0.94 % Copper and 1.26g/t Gold from 548m (open at depth), including:
 - 60m @ 2.01 % Copper and 3.41g/t Gold from 704m (open at depth).
- Intense multidirectional quartz-magnetite-copper sulphide veining in drill core.
- Increasing intensity of bornite (a copper sulphide mineral containing 63% copper) down hole and to the south east.

Trivinio Prospect

- Trivinio Prospect drilling planned based on confirmation of copper-gold anomalism up to 0.43% Cu and 0.43g/t Au at surface.

DETAILED INFORMATION:**Alpala Central Deposit**

The Directors of SolGold advise that at 12 noon Central America time on Thursday 3 March 2016, Hole 16 (CSD-16-016) was drilling at a depth of 1,217m. The drill hole continues to encounter intense porphyry style copper-gold mineralisation at the Alpala deposit in Northern Ecuador. The Cascabel Project is located within the northern portion of the Andean copper belt, renowned as the host of 48% of the World's copper production, and numerous Tier 1 global resource assets (refer **Figure 1 Regional Setting**).

Cascabel boasts numerous large porphyry copper-gold targets within a cluster of prospective porphyries in a relatively unexplored section of the Andean copper belt. SolGold enjoys the support of the Ecuadorean Government in developing the nation's exploration and mining industry. Cascabel presents numerous logistical advantages which augment its likely large scale and high copper-gold grades. It is located on a sealed multi-lane national highway at a low elevation with abundant water, labour, hydroelectric power, and a short 80km distance to a Pacific deep water port site and 150kms to an established deep water port at Esmeraldas (refer **Figure 2 Location Map**).

Hole 16 at Alpala has a planned depth of 1,800m and is currently drilling at a rate of approximately 30 metres per day, without difficulties. The hole is projected to intersect the upper surface of the typically high grade Quartz Diorite intrusive phase at a depth of 1,270m. The intersections achieved in Hole 16 increase the known strike extent of copper and gold mineralisation along the greater Alpala trend to over 650m. The Alpala Central deposit, which outcrops in Alpala Creek, is open in all virtually all directions, and is to date defined over a strike length of over 450m, an average lateral width of 250m, and a vertical extent of 1,800m (refer **Figure 3 Three Dimensional Model**).

Hole 16 is being drilled at a declination of 85 degrees towards the south south west (198 degrees), and targets extensions 100m to the south east of Hole 12 which delivered a record result for the project of 1,312m at 0.67% copper and 0.63g/t gold (for 1.05% CuEq), including 576m at 1.03% copper and 1.19g/t gold (for 1.75% CuEq) in the high grade section.

First assay results for Hole 16 have been returned for the section from 514 metres to 764 metres a distance of 250 metres, returning:

216m @ 0.94 % Cu, 1.26 g/t Au from 548m (open at depth), including:

60m @ 2.01 % Cu, 3.41 g/t Au from 704m (open at depth)

The results confirm the strong extension of the Alpala Porphyry system to the south east of Hole 12.

Photographs of the recently encountered mineralisation show intense porphyry style stock work veining and mineralisation (refer **Figure 4 Core Photos**).

The extension of Alpala Central to the south east is accompanied by increased intensity of bornite mineralisation at surface and increasing intensity of veining with depth. Hole 16 has now encountered over 650m of strongly mineralised porphyry host rocks. Sub-horizontal vein sets and the prevalence of strong magnetite alteration (a magnetically susceptible iron-oxide mineral used as a temperature proxy to high temperature copper mineralisation in porphyry systems) support the likelihood of significant mineralisation potential surrounding the Alpala Central system (refer **Figure 5 Three Dimensional Magnetic Model**).

At depth, the deposit remains open and is expected to continue for a further 500-800m vertically, similar to the vertical extent of the Wafi Golpu deposit in Papua New Guinea and the Grasberg deposit in Indonesia.

The 3 Dimensional Magnetic Model enveloping the Alpala Structural Zone in which the Alpala Central deposit is hosted, has a vertical extent of over 2km and a length of 2.5kms and a width of up to 500 metres. Additional targets on the Alpala Structural Zone and within the 3D Magnetic Model include Cristal, Alpala south east, and Alpala northwest. The strong relationship between copper grade and magnetite content evident from drill core readings lends credibility to a very large size 3D Magnetic Model as a very large copper gold porphyry target (refer **Figure 5**).

Trivinio Prospect

Sample assay results for surface rock saw channel sampling at Trivinio have been received and indicate surface copper gold mineralisation of up to 0.43% copper and 0.43g/t gold. The mineralisation is hosted by volcanic rocks within the upper argillic clay altered zone interpreted to lie above a significant copper porphyry system believed to be responsible for the mineralisation. The prospect has been mapped so far over an area of 300 x 400 metres at surface, but is unclosed and is more extensive than the Alpala Creek discovery out crop. Trivinio has been advanced to drill-ready status and a drilling platform has been identified. Subject to the results of Hole 16, rig availability and logistics, SolGold intends to drill this target in the next 6 months (refer **Figure 6**), along with the promising outcropping Aguinaga Prospect located 1.2kms north east of Alpala Central.

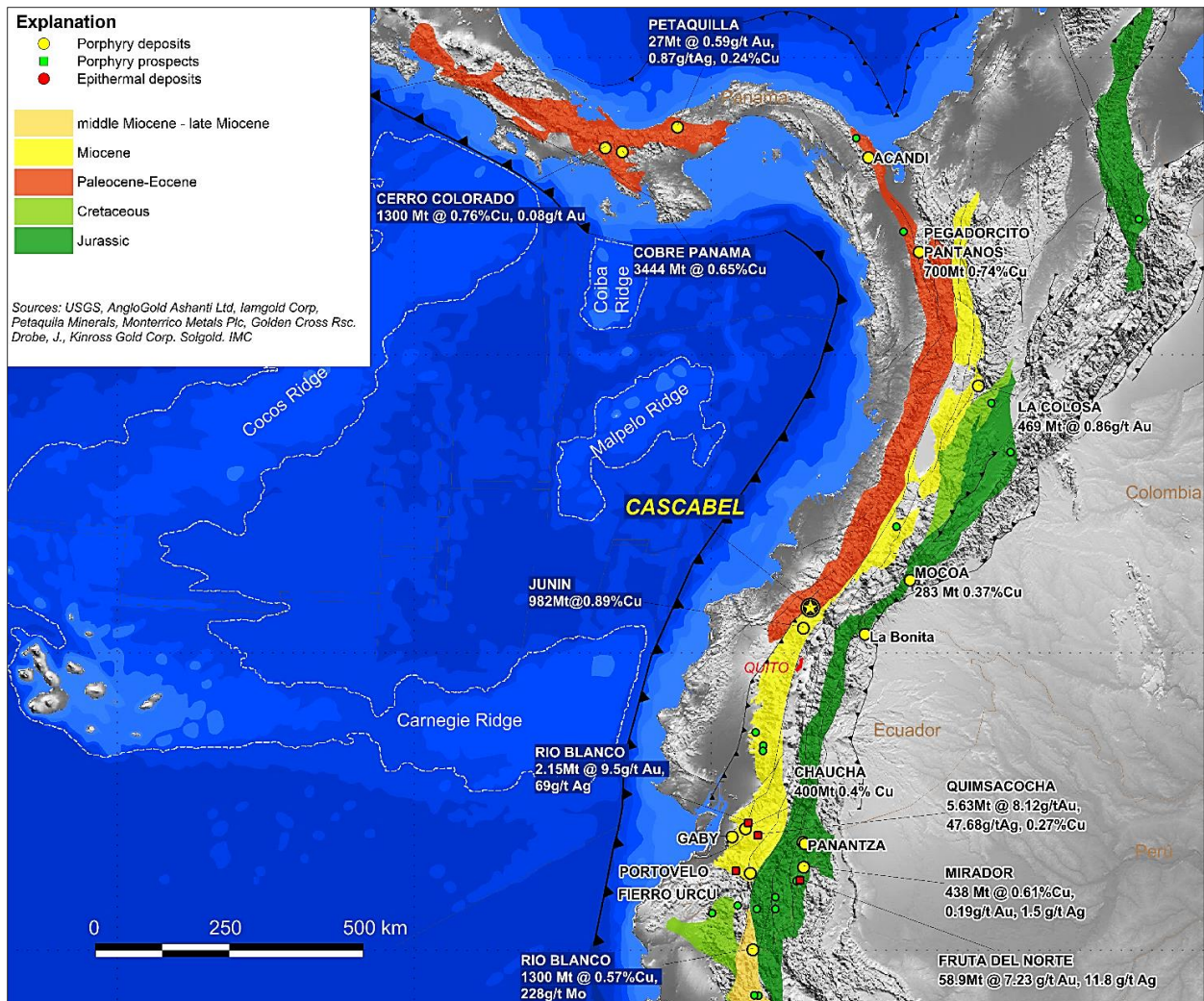


Figure 1: Regional Setting of the Cascabel Project, in the Andean Copper Belt.

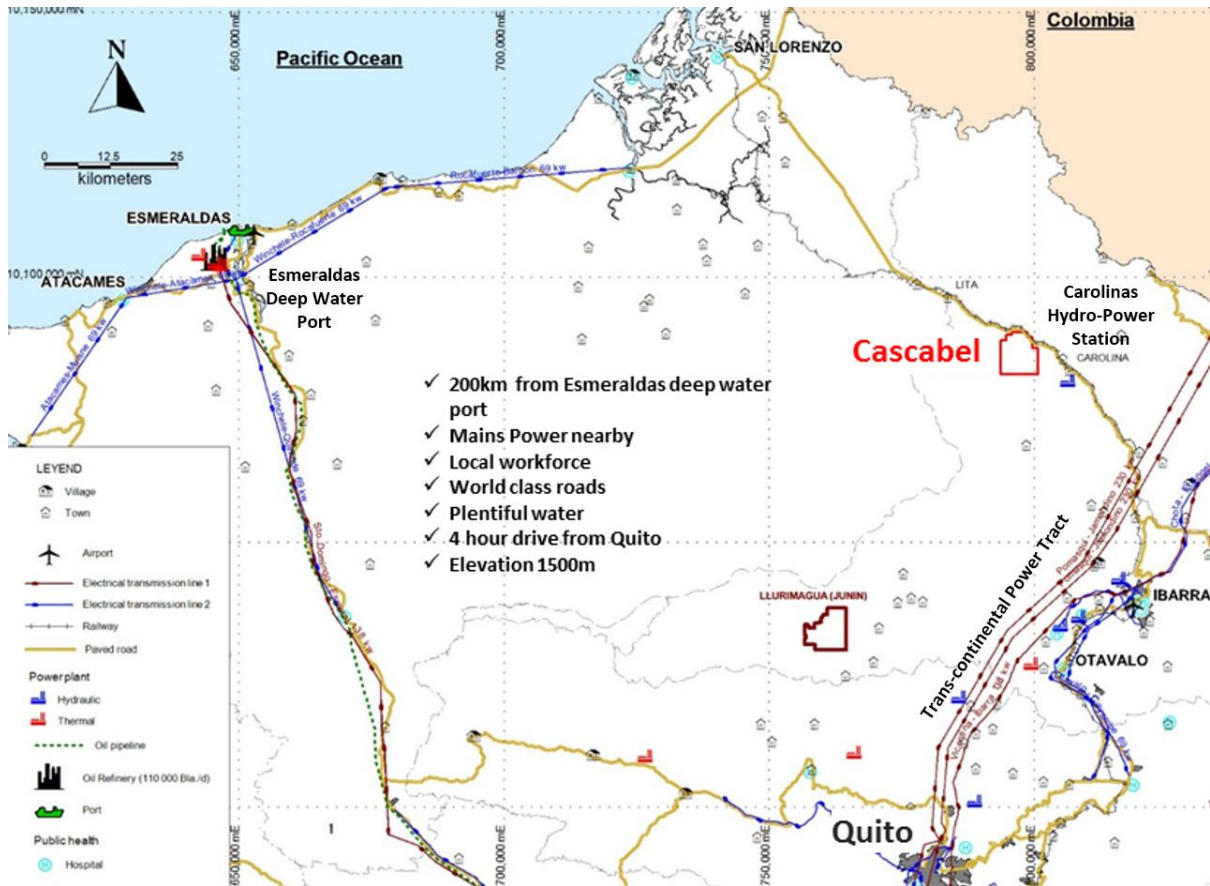


Figure 2: Location of Cascabel project in northern Ecuador.

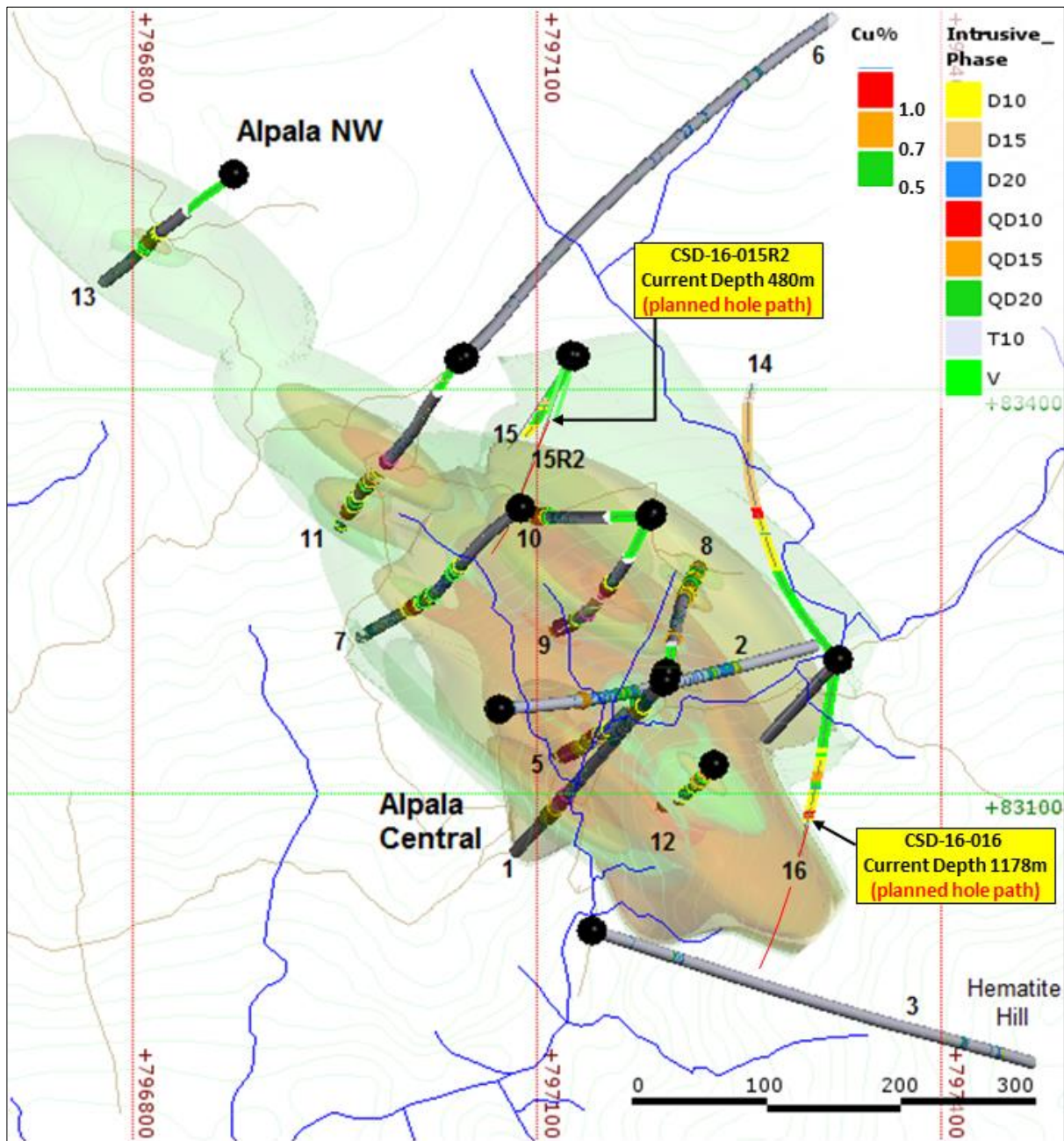


Figure 3: Three dimensional Leapfrog model of the Alpa deposit showing drilling results for Holes 1-13, and partial results received for Hole 16 from 516m to 764m. Assay results for drill holes 14, 15R2 and the remainder of 16 are pending, and downhole geology is displayed for these holes.

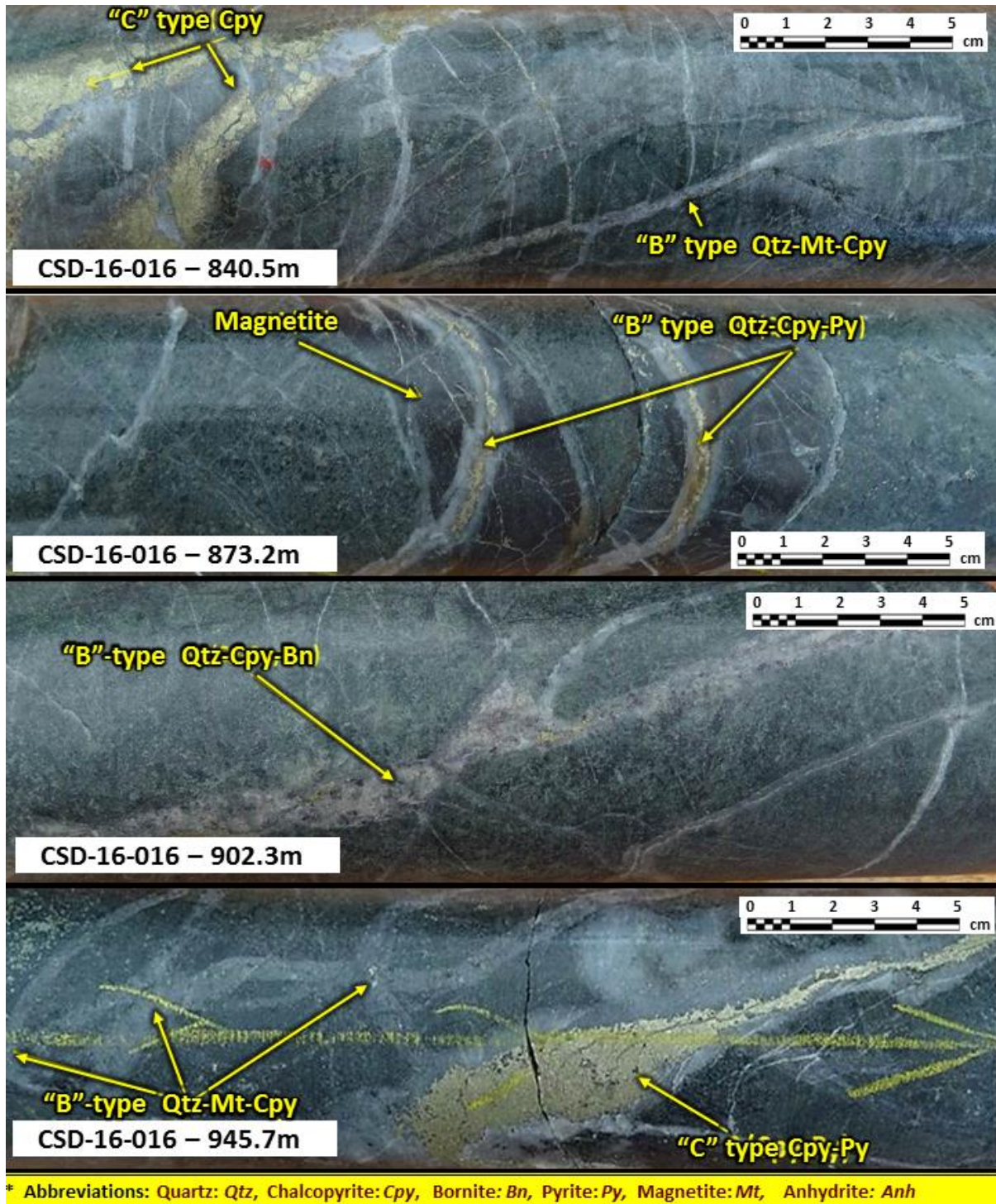
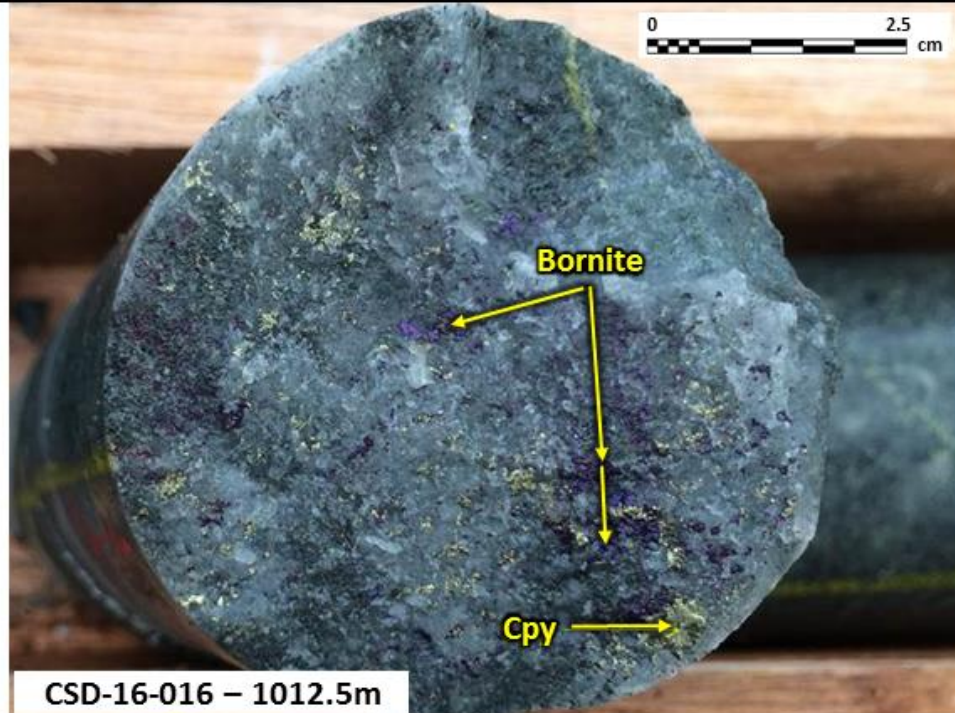
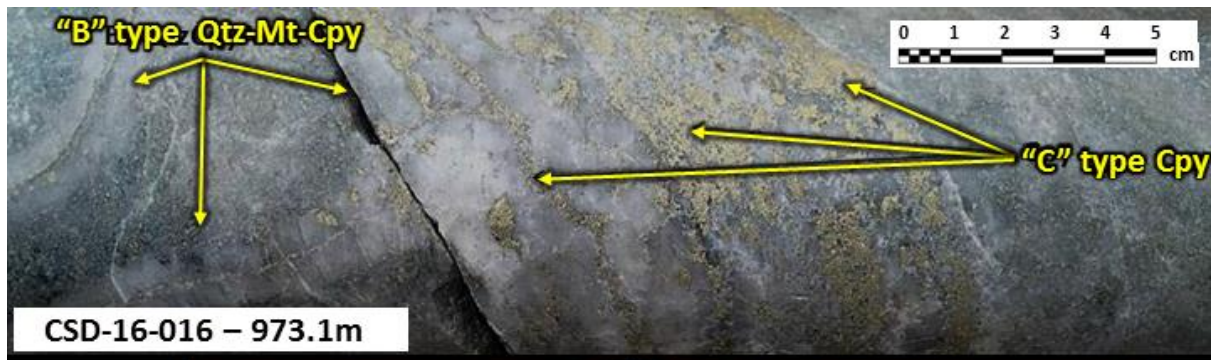


Figure 4(a): Drill core photos



* Abbreviations: Quartz: *Qtz*, Chalcopyrite: *Cpy*, Bornite: *Bn*, Pyrite: *Py*, Magnetite: *Mt*, Anhydrite: *Anh*

Figure 4(b): Drill core photos

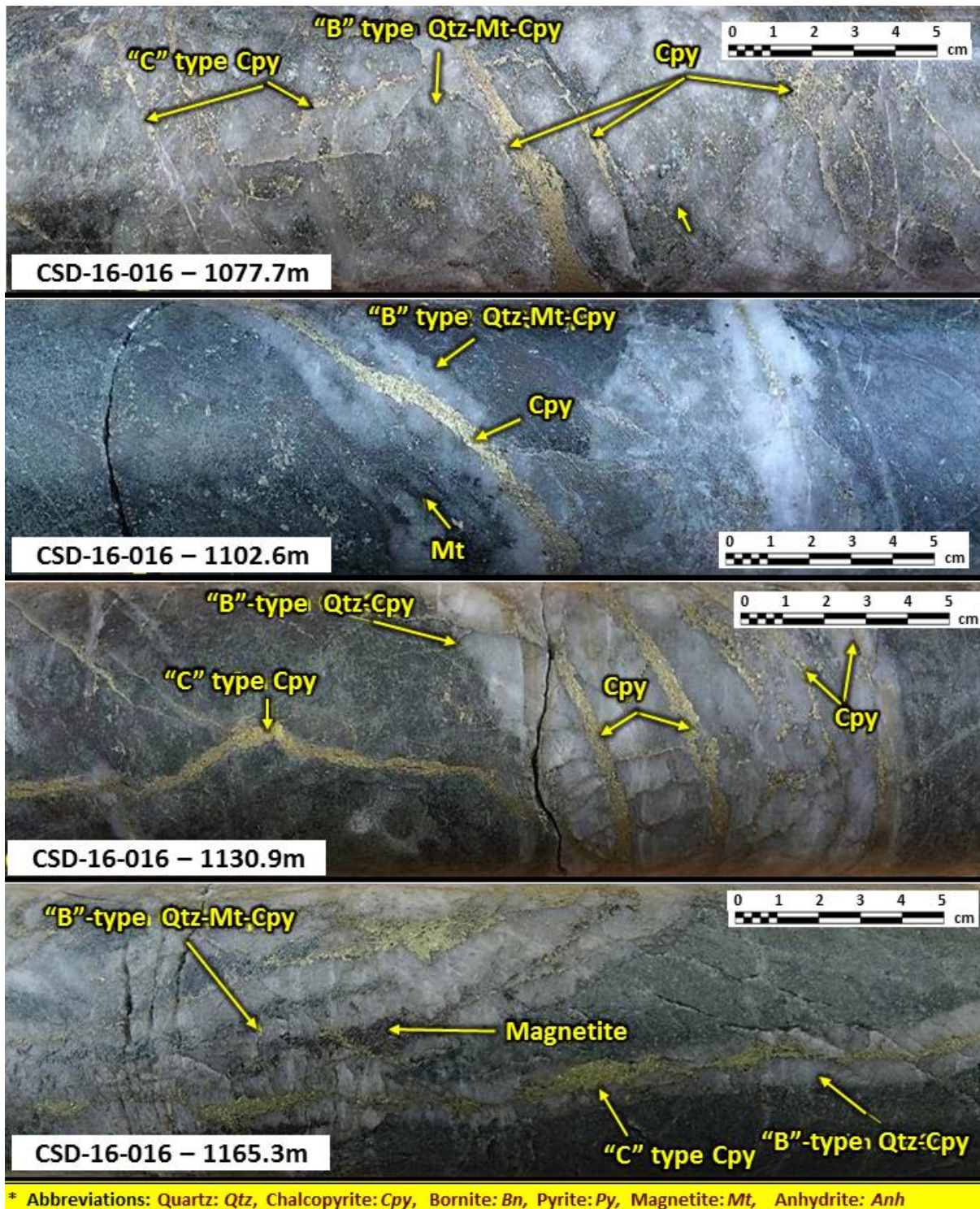


Figure 4(c): Drill core photos

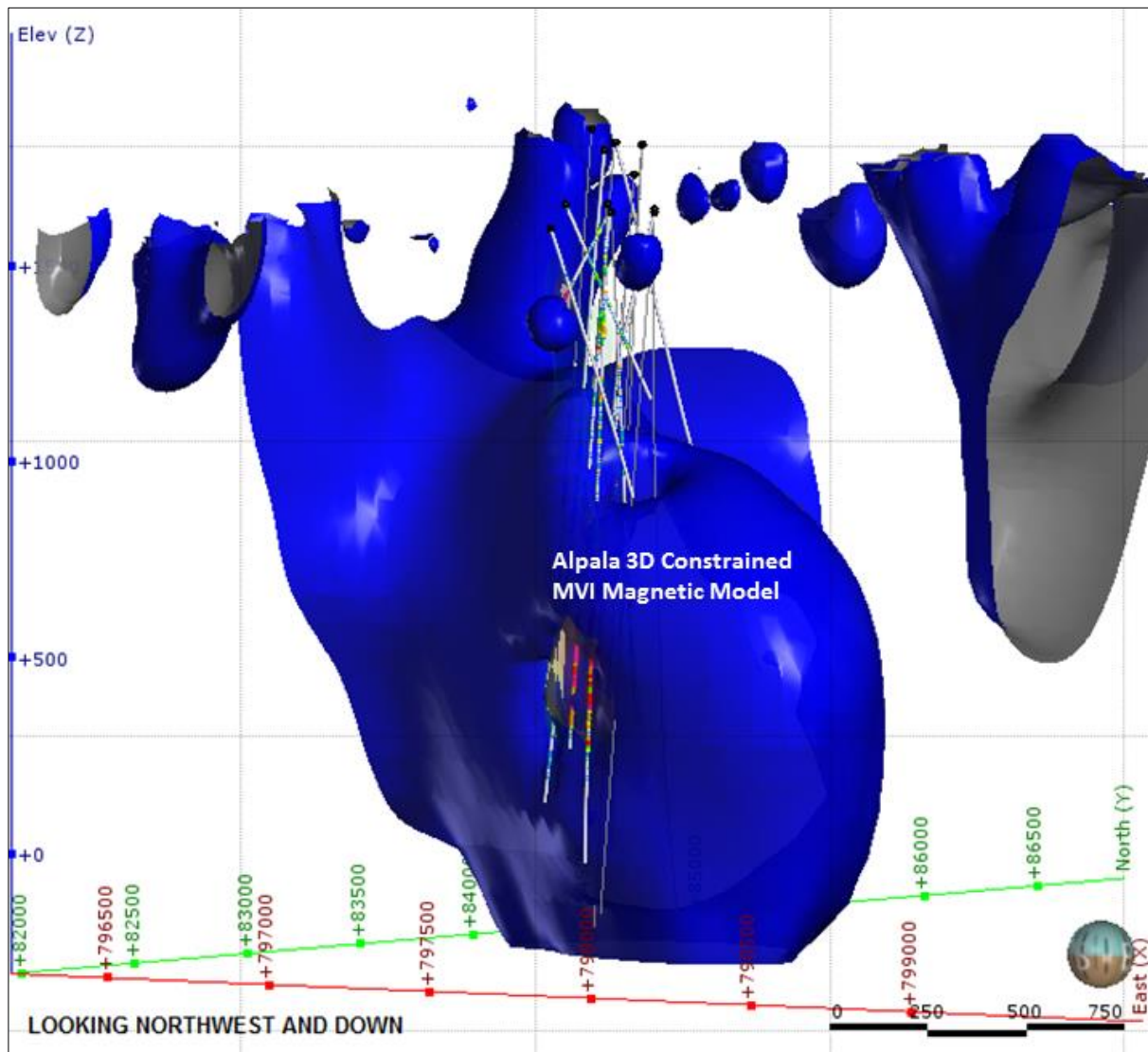


Figure 5: Alpala constrained 3D MVI magnetic model showing areas of untested magnetism surrounding the Alpala central drilling area.

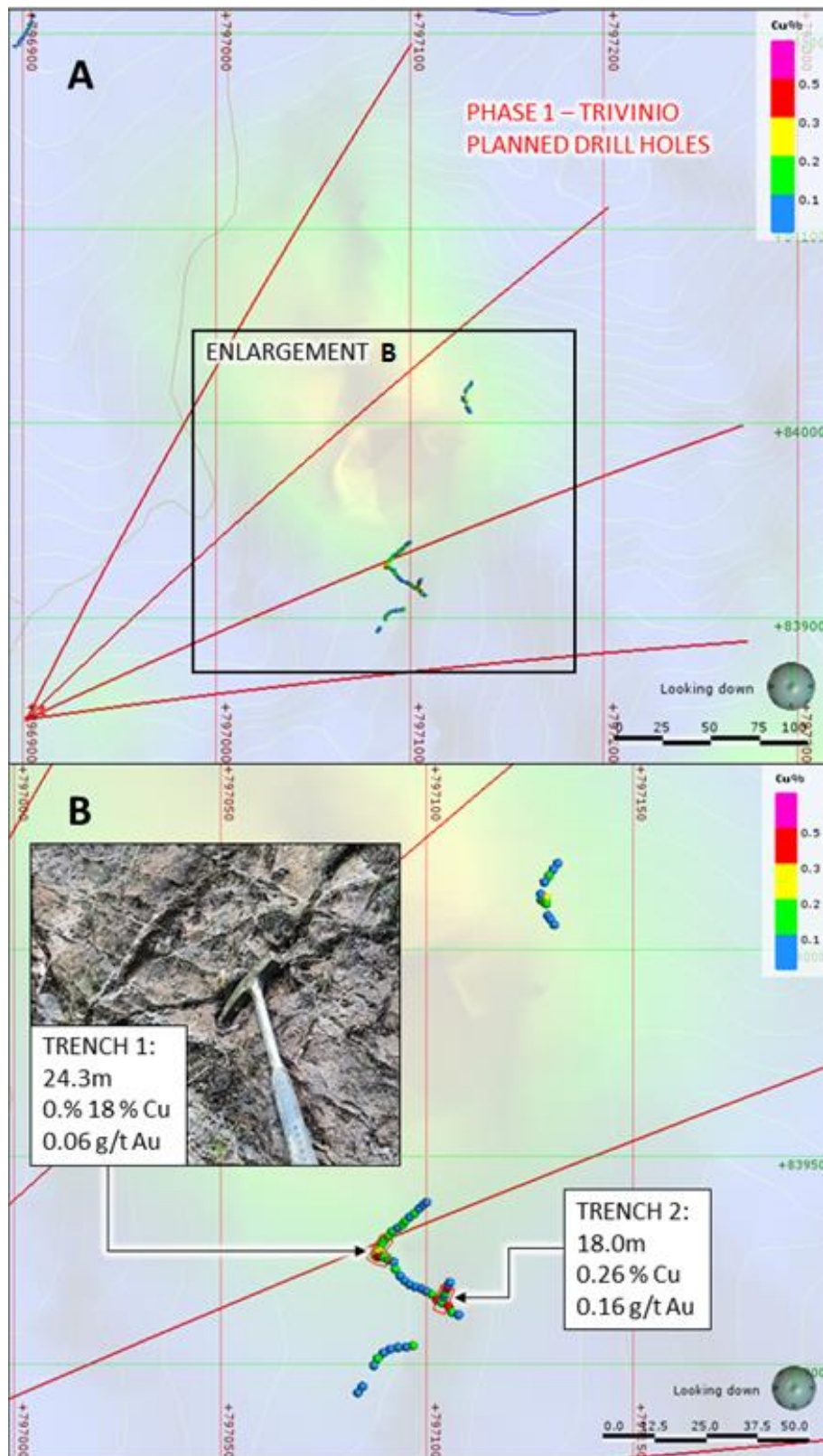


Figure 6: Trivinio prospect map showing planned drilling and recent trench results. The presence of anomalous levels of copper and gold within volcanic host rocks at Trivinio suggest the presence of a mineralising porphyry system at depth.

Qualified Person:

Information in this report relating to the exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hons Geol.), the Chief Executive Officer of the Company. Mr Mather is a Fellow of the Australasian Institute of Mining and Metallurgy who has in excess of 25 years' experience in mineral exploration and is a Qualified Person under the AIM Rules. Mr Mather consents to the inclusion of the information in the form and context in which it appears.

By order of the Board
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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, AIM-listed (SOLG) copper gold exploration and development company with assets in Ecuador, the Solomon Islands and Australia. The Company's objective is to create substantial shareholder value by discovering and defining world-class copper-gold deposits. SolGold's Board and Management Team have high vested interests in the success of Company, holding approximately 14% of its issued share capital, as well as strong track records in the areas of exploration mine development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical techniques and the guidance of Newmont trained porphyry expert Dr Steve Garwin.

Cascabel, the Company's world class flagship copper-gold porphyry project, is located in North West Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. This geological province hosts several world-class copper and gold deposits. SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and approximately 11% of TSX-V-listed Cornerstone Capital Resources, which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

To date the Company has completed geological mapping, soil sampling, 14km² and 9km² Induced Polarisation and Magnetotelluric “Orion” surveys at the Alpala and Aguinaga targets respectively. By December 2015, the Company had completed approximately 25km² of soil sampling, 14km² of electrical surveys, 18,400m of drilling and expended approximately US\$30m. Diamond drilling currently continues with two drilling rigs.

Cascabel is characterised by multiple targets, world class drilling intersections over 1km in length, and high copper and gold grades, as well as logistic advantages in location, elevation, water supply, proximity to road, port and power services and a jurisdiction with a progressive legislative approach to resource development.

In 2016, SolGold is planning an initial resource statement over a portion of the Alpala Central deposit, the most advanced target at Cascabel. In addition, it is planning to commence drill testing the other key targets within the Cascabel concession. The company plans to complete further metallurgical testing, and completion of early stage mine and plant design in line with a scoping study for economic development options at Cascabel. SolGold is investigating both high tonnage / low grade open cut potential as well as high grade / low tonnage underground developments as a block caving operation.

Data aggregation methods for reporting of drilling results reports intercepts with up to 10 metres internal dilution (excluding bridging to a single sample). Intercepts are selected using copper equivalent cut-off grades indicated using a gold conversion factor of 0.6. Gold conversion factor calculated from copper price of USD \$3/pound and gold price of USD \$40/gram.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects. Joint venture agreements are still being investigated with the strategy for the joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's AIM Market in 2006, under the AIM code ‘SOLG’ and currently has a total of 822,716,605 ordinary shares allotted, 4,820,000 options exercisable at 50p, 7,280,000 options exercisable at 28p and 9,280,000 options exercisable at 14p. On 2 October 2015, SolGold issued two 12 month Convertible Notes for A\$1.25m and £500,000 each respectively, convertible at the greater of 1.75 p or 80% of volume weighted average price over the 5 days preceding the date of notification of conversion.

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The news release may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to the Company’s proposed strategy, plans and objectives or to the expectations or intentions of the Company’s directors. Such forward-looking 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 forward-looking statements. Accordingly, you should not rely on any forward-looking statements and save as required by the AIM Rules for Companies or by law, the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.