



4 November 2013

**SolGold Plc**  
("SolGold" or the "Company")

## **Drill Hole CSD-13-003 Intersects Long Runs of Visual Copper Sulphide and Molybdenite**

The Board of SolGold (AIM code: SOLG) is pleased to report visual observations from drill hole CSD-13-003 at the Alpala prospect within the Cascabel Project, the Company's copper-gold porphyry exploration project in northern Ecuador (refer Figure 1). Laboratory assays from drill hole CSD-13-003 have not yet been received and SolGold is unable to determine the likely grade of the mineralised intervals.

### **Highlights:**

- **Drill hole CSD-13-003 intersects 579m of visual copper +/- molybdenum mineralisation from 111m to 690m.**
- **Newly discovered, variable molybdenum mineralisation intersected in CSD-13-003 from 283 to 635 meters.**
- **Porphyry mineralisation and quartz stockwork vein intensity increases down-hole in CSD-13-003 towards the interpreted porphyry core.**
- **Drill Hole CSD-13-003 terminated at 751.33m.**
- **Drill Hole CSD-13-004 commenced drilling on the 29<sup>th</sup> October.**
- **Assays for top 252 meters of Hole CSD-13-002 to be announced within days.**
- **Assays from 252 to 547 metres (end of hole) are expected within 2 weeks.**
- **The current 5 hole, 2500 m program is proposed to be expanded to 11 holes for a total of 6600 m.**
- **3.9 square kilometre magnetic complex at Alpala redefined with 5 main magnetic apophyses or broad cupolas coincident with Cu-Mo +/- Au soil anomalies.**
- **A 12 square kilometer ground-based 3D Induced Polarisation (IP) survey over the broader Alpala region is planned to further define the margins of the porphyry system and high-grade cores.**
- **SolGold fully funded to complete the proposed 11 hole drill program.**

References to figures and tables relate to the version of this release on the Company's website ([www.solgold.com.au](http://www.solgold.com.au)) or visible in PDF format by clicking the link below:

### Metallogenic Belts and Magmatic-Hydrothermal Deposits in Ecuador

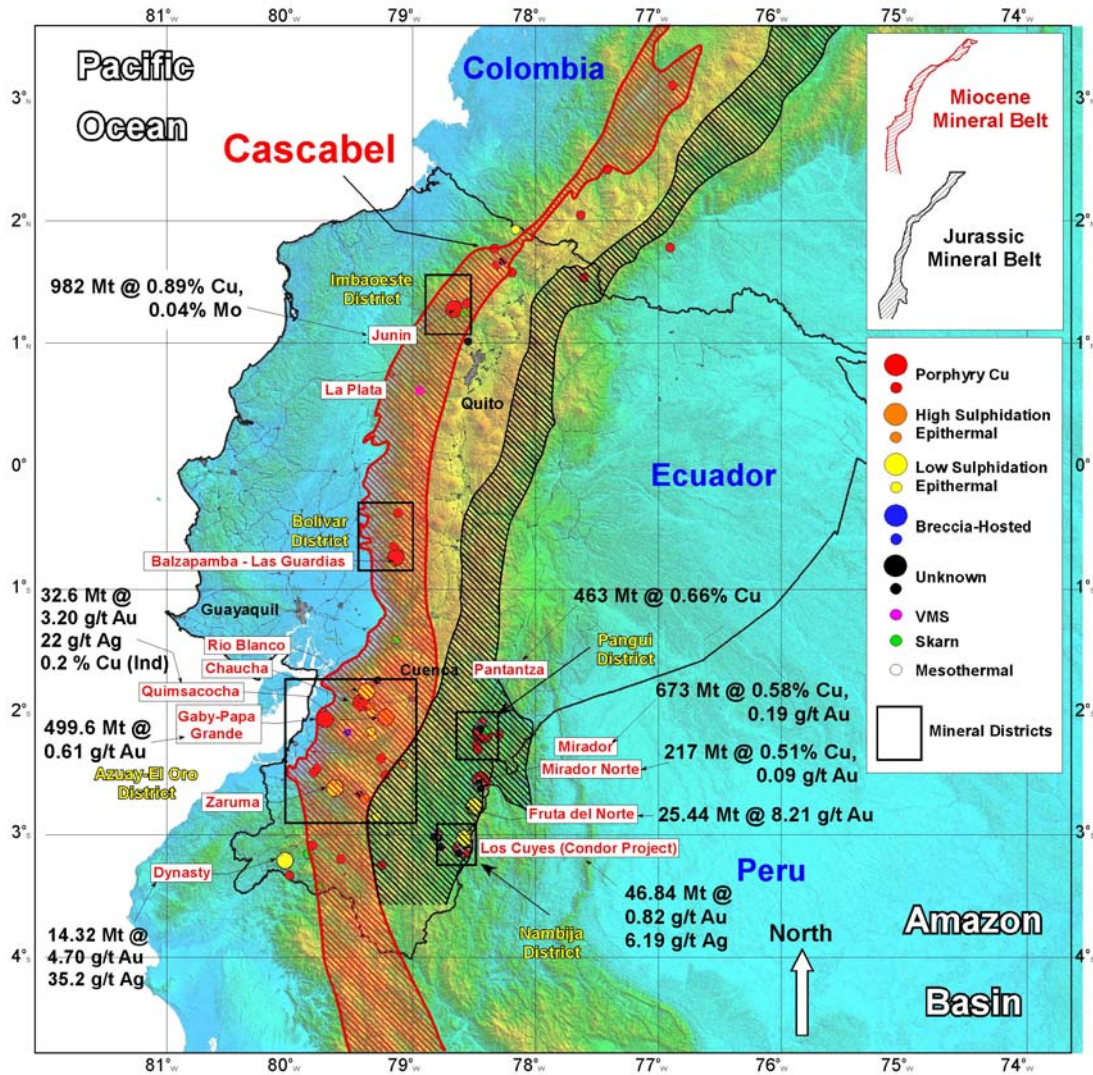


Figure 1 – Location Map – Cascabel Project, northern Ecuador

Commenting on today’s update, SolGold CEO and Managing Director, Alan Martin said, “The extensive stockwork veining and chalcopyrite mineralisation at Alpala, now with newly discovered molybdenite in drill hole CSD-13-003, confirms the large scale of the Alpala mineralising system. Drill hole CSD-13-003 adds to our understanding of zonation within the 4.3 square kilometre area of the Alpala lithocap. Following completion of drill hole CSD-13-004, we will expand the drill spacing to test additional highly prospective target areas of the Alpala magnetic complex. There are five magnetic apophyses or cupolas identified by geophysical modelling within a 3.9 square kilometre complex”.



## **Alpala Porphyry Copper-Gold Prospect**

The Alpala prospect comprises porphyry copper-gold mineralisation outcropping in erosional gullies along the Alpala drainage system, where surface trenching has identified mineralised sheeted and stockwork quartz veins bearing the copper sulphide minerals chalcocite, covellite, bornite and chalcopyrite and associated gold mineralisation. The area of out-cropping porphyry copper-gold mineralisation at Alpala lies beneath a 2.5 km by 1.7 km zone of intense acid alteration at higher elevations on the northwest and southeast margins of the Alpala drainage system. This zone of acid alteration defines a 'lithocap' (*a capping zone of acidic hydrothermal alteration characterized by the presence of strong silica and clay that typically forms at shallow levels overlying porphyry copper-gold deposits*). The lithocap is centred over a regional magnetic-high anomaly which defines the broader extent of the Alpala target, and is associated with widespread geochemical anomalism (copper, gold, molybdenum) in soil and rock chip samples.

SolGold is very encouraged by the drill results to-date and proposes an expansion of the current 5 hole, 2500 metre diamond drilling program to a total of 11 holes for an additional 4100 metres for a total of 6600 metres. The expanded program is designed to test extensions to the porphyry copper-gold mineralisation encountered in hole CSD-13-001 (assays results announced on 16 October) and to identify other centres of copper-gold mineralisation within the magnetic complex.

## **Drill Hole CSD-13-003 Intersects Long Runs of Porphyry Copper-Molybdenum Mineralisation**

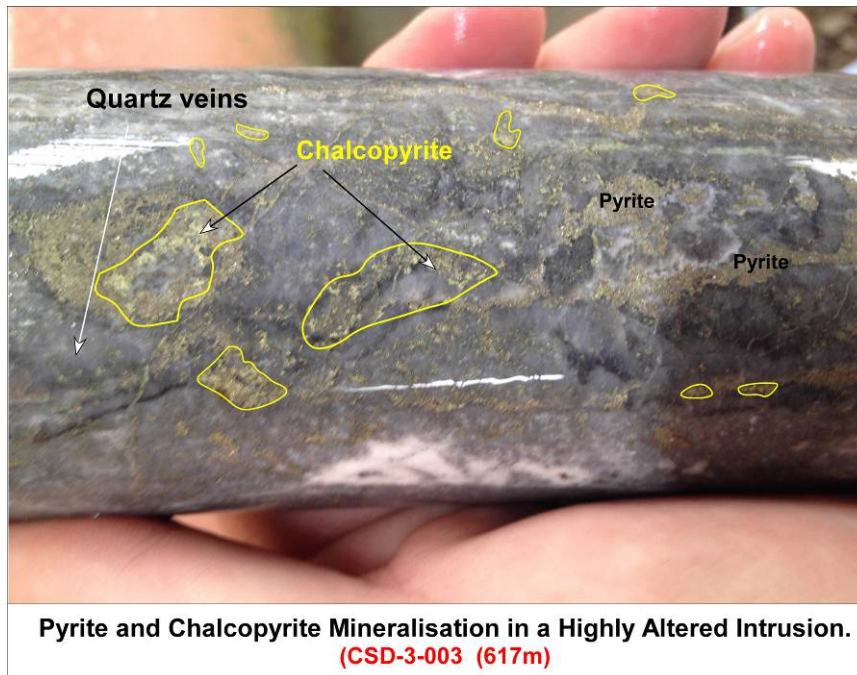
Drill hole CSD-13-003 was collared south of holes CSD-13-001 and CSD-13-002 (Figure 4) and drilled at 60 degrees inclination towards 110 degrees azimuth to test a broad and variable magnetic anomaly that lies east of the area of trenching at Alpala. The hole was terminated at 751.33m depth.

Hole CSD-13-003 intersected long runs of variably weak to locally moderate but very persistent chalcopyrite and molybdenite mineralisation, with visible chalcopyrite encountered from 76 metres to 751.33 metres (end-of-hole). Visible chalcopyrite was more pronounced at 590 metres to 690 metres down hole. Visible molybdenite was most apparent from 283 metres to 635 metres.

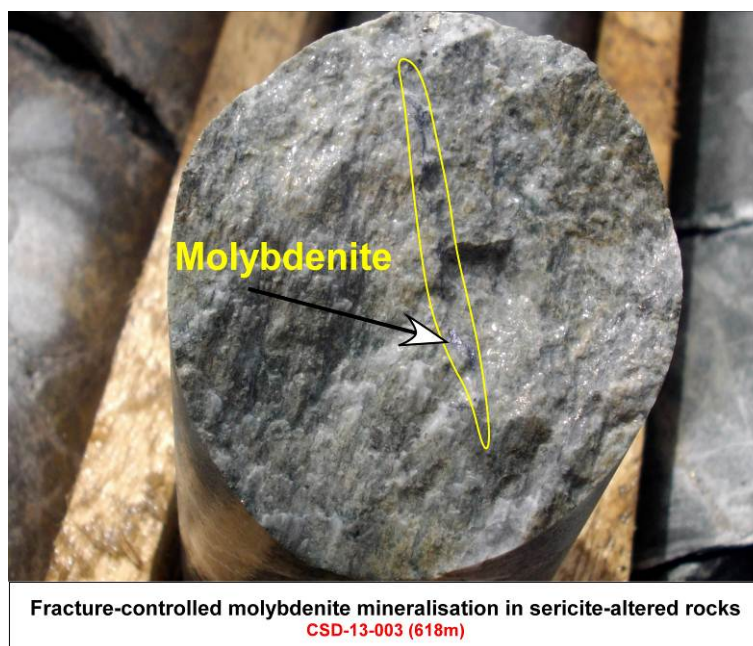
The hole also intersected increasing intensities of porphyry-related quartz stockwork veining from surface (~0.5 veins per metre) to 713m depth (~18 veins per metre). The eastward trend of increasing stockwork veining is consistent with the hole drilling obliquely through the marginal halo of a porphyry system whose centre may be located to the northwest or southeast. Porphyry copper-gold-molybdenum deposits are typically surrounded by haloes of lower grade mineralisation (pyrite plus chalcopyrite +/- traces of molybdenite and gold) that can extend hundreds of metres and up to a kilometre from the centre of the porphyry deposit.

SolGold is encouraged by the increasing intensity of molybdenite mineralisation and increased vein density close to the centre of the porphyry system at Alpala.

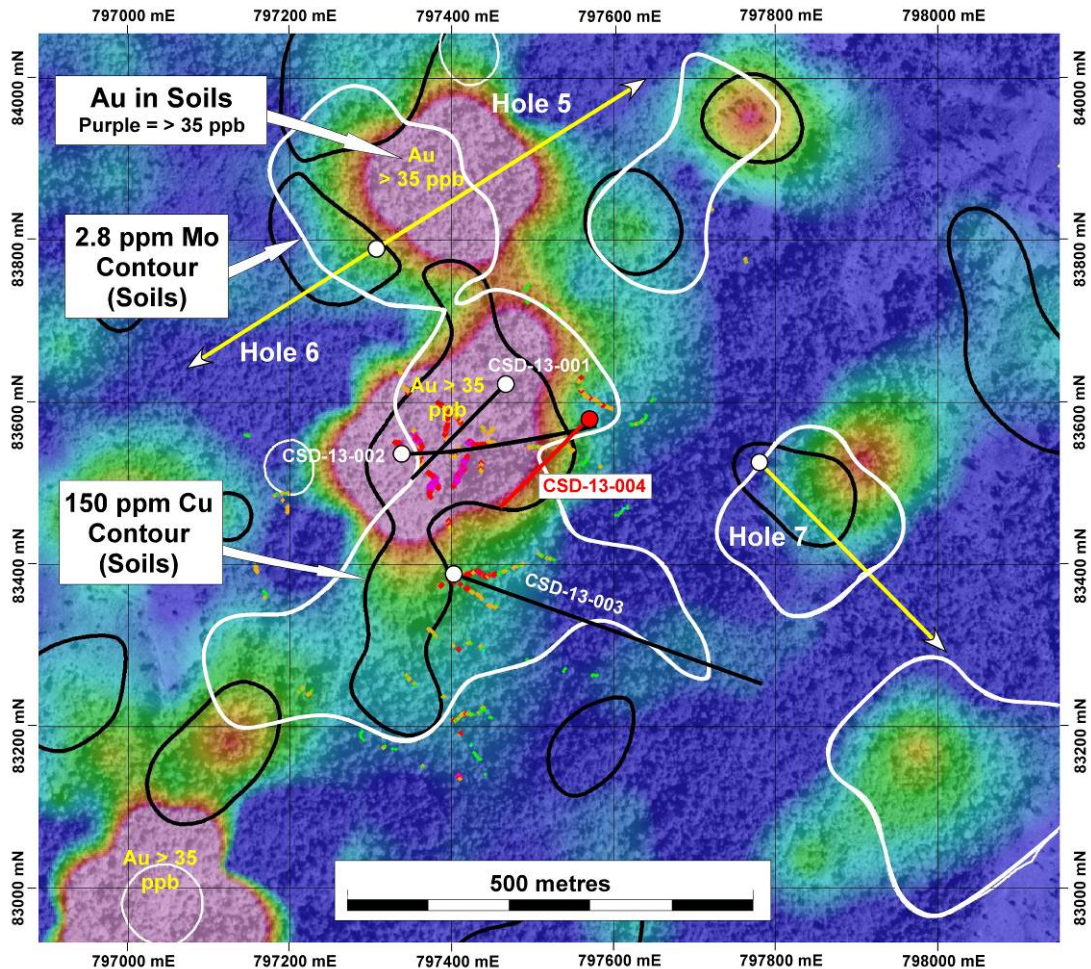




**Figure 2** – Chalcopyrite mineralisation encountered in hole CSD-13-003.



**Figure 3** – Molybdenite mineralisation encountered at 618m in hole CSD-13-003.



**Figure 4** - Plan map showing drill hole CSD-13-003 and CSD-13-004 relative to CSD-13-001 and CSD-13-002.

The base map shows soil gold anomalies, the white outlines show soil molybdenum anomalies and the black outlines show soil copper anomalies.

### Hole CSD-13-004 In Progress

Drill hole CSD-13-004 commenced drilling on the 29<sup>th</sup> October and was at a depth of 259m as of the 3rd November. Drill hole CSD-13-004 is sited east of holes CSD-13-001 and CSD-13-002 (Figure 4) and is being drilled towards azimuth 225 degrees, at an inclination of 75 degrees and a target depth of 600m.

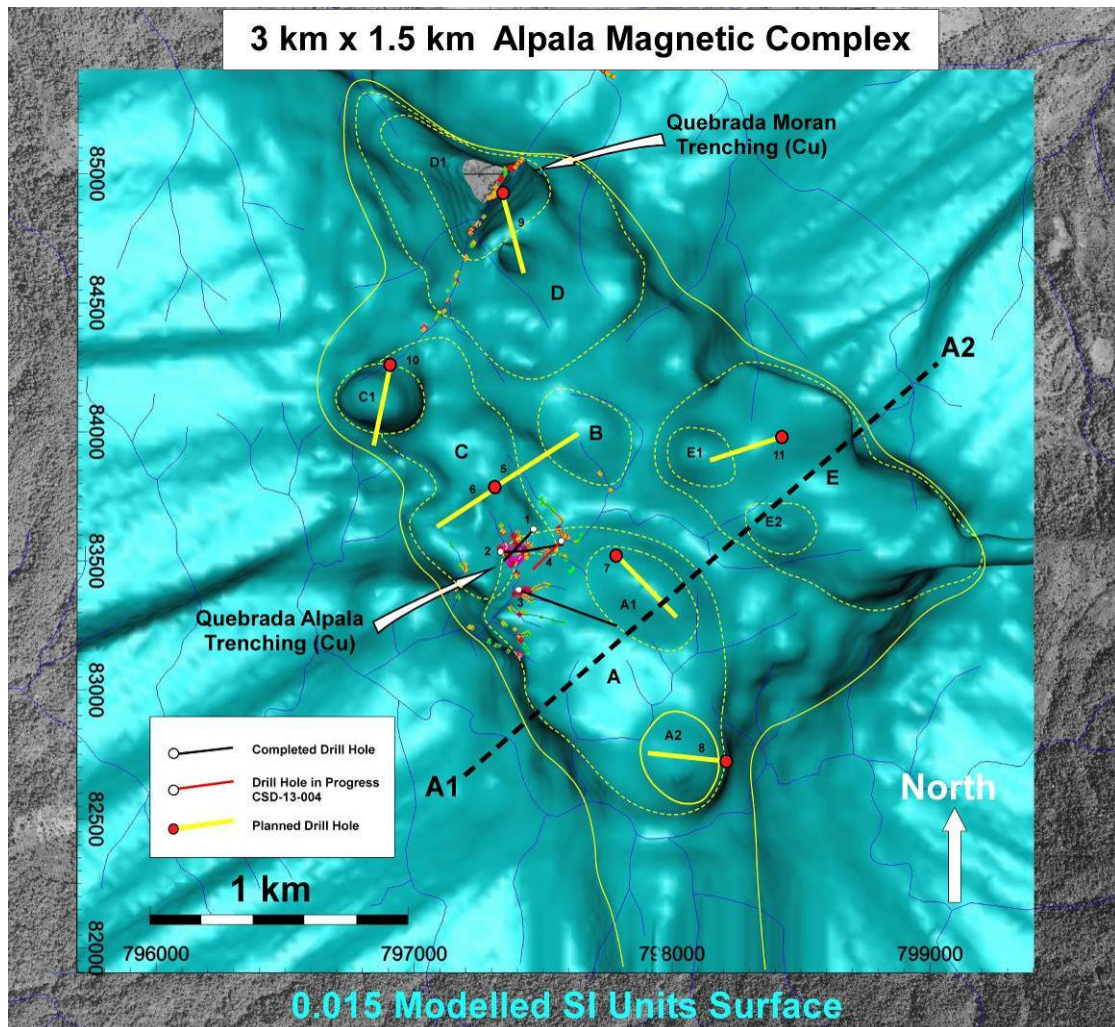
The hole is sited to test approximately 300m below the copper and gold intersection in hole CSD-13-001 (302m grading 0.39 % Cu, 0.48 g/t Au; including higher grade intervals of 100m @ 0.65% Cu, 1.0 g/t Au and 58m @ 0.96% Cu and 1.67 g/t Au).

**Assay results for top 252 metres of drill hole CSD-13-002 will be announced within a few days. Assay results for the remainder of hole CSD-13-002 are expected to be received within two weeks.**

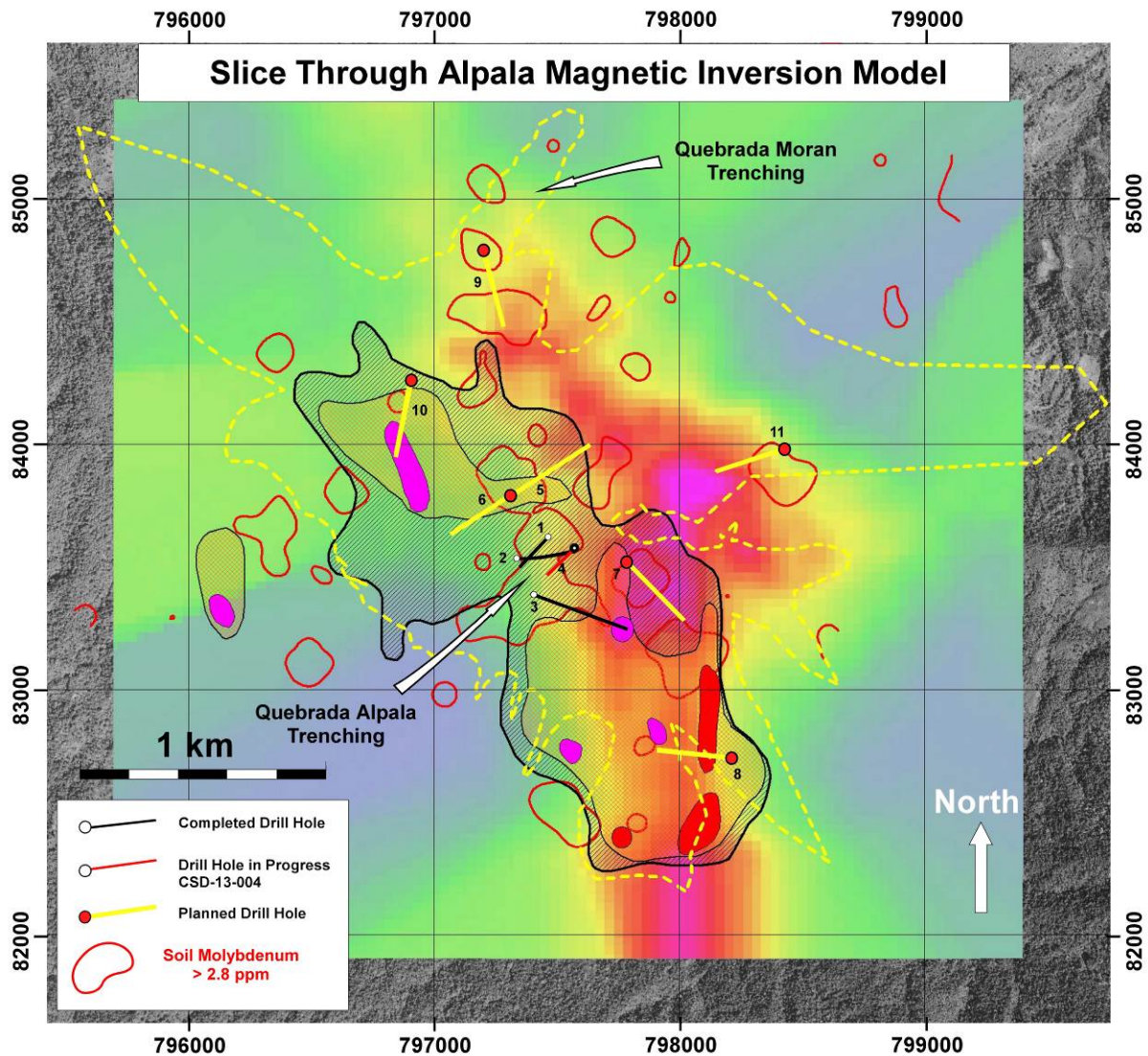


### Targeting and Forward Drilling Program

Magnetic data at Alpala has been reinterpreted at differing magnetic intensities, and numerous high quality targets have been defined which will be tested in the expanded drill program at Alpala (Figure 5). There are at least 5 magnetic targets within the 3.9 square kilometre magnetic complex that will be tested.



**Figure 5** - The location of completed drill holes CSD-13-001, 002 and 003, current drill hole CSD-13-004 and planned drill hole sites 5-11 (yellow lines). On-going drilling will test progressively larger areas within the extensive Alpala magnetic complex. A schematic cross-section along line A1-A2 is shown in Figure 7.

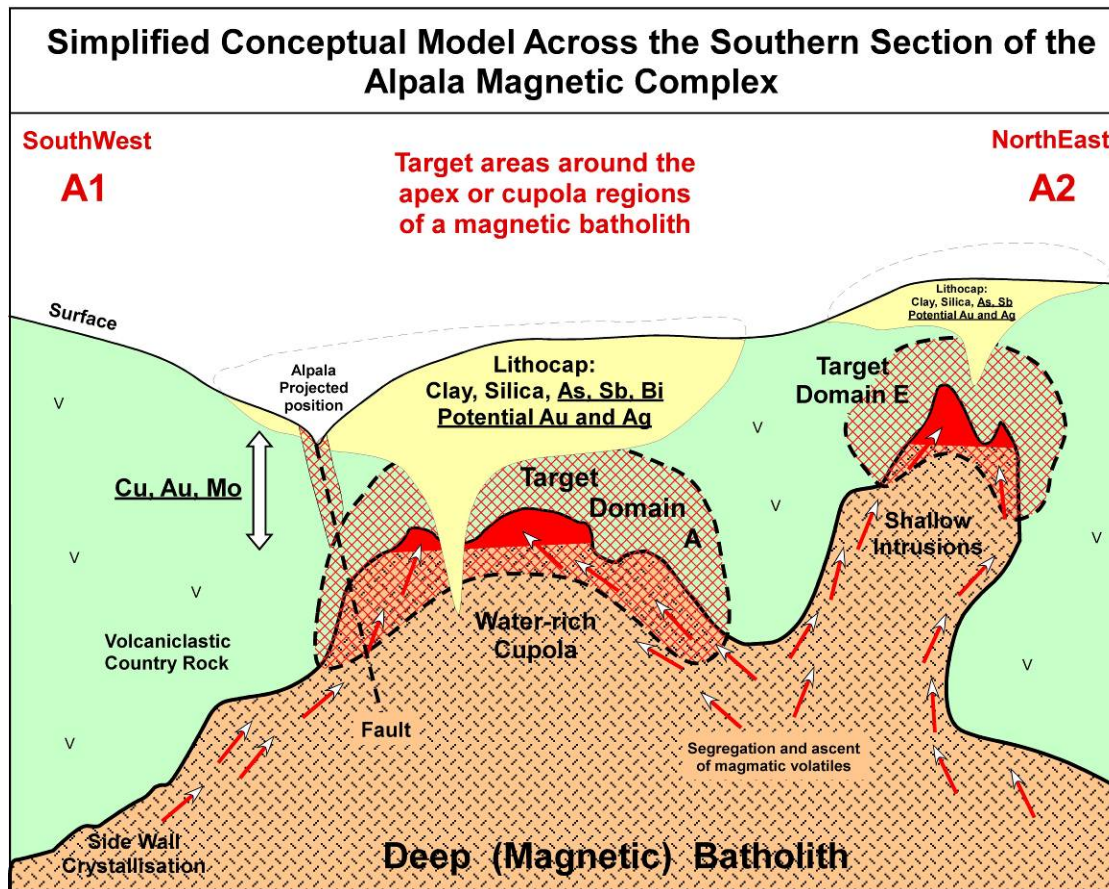


**Figure 6** - The location of completed drill holes CSD-13-001, 002 and 003, current drill hole CSD-13-004 and planned holes at sites 5-11. The base map shows a horizontal slice through the reinterpreted magnetic model at an approximate RL of 1130m ASL (480m below the collar of CSD-13-003) whilst the yellow dashed outline marks the mapped limits of argillic (clay-rich) alteration at surface.

The expanded 11-hole drill program is designed to test at least 5 highly prospective copper-gold-molybdenum porphyry targets over a much broader 3.9 square kilometre region of the Alpala magnetic complex. The area covered by the current drilling to date (holes CSD-13-001 to 004) is small in comparison to the extent of the 4.3 square kilometre argillic (clay-rich) alteration in the lithocap (Figure 6) and the extent of the geochemical soil (gold, molybdenum and copper) and magnetic anomalies (Figures 5 and 6).

Holes CSD-13-005 and CSD-13-006 will test the northern and northwestern extension of copper-gold mineralisation at Alpala (Figure 4) while CSD-13-007 will better test the magnetic anomaly east of holes CSD-13-001 to 003 (Figure 6). SolGold is fully funded for this expanded drill program.





**Figure 7** – Schematic northeast-southwest section through the southern portion of the Alpala magnetic complex, illustrating the conceptual porphyry copper-gold target zones around the cupola (apex) of magnetic intrusions. The location of the schematic model section is shown in Figure 5. Similar concepts are being applied to target areas in domains A, B, C, D and E as shown in Figure 5.

### 12 Square Kilometre Regional 3D Induced Polarisation (IP) Electrical Survey Planned

SolGold is presently planning a ground-based 3D induced polarisation (IP) survey over the broader Alpala region. The area planned for surveying covers approximately 3.7 km by 3.2 km, and surveying will commence once a suitable geophysical contractor has been appointed. The IP survey will allow SolGold to map the distribution of sulphides within the extensive lithocap, and allow better discrimination of drill targets.

### About Cascabel

SolGold holds a 50% interest, and can earn up to 85% interest, in Exploraciones Novomining S.A. (“ENSA”), an Ecuadorean registered company, which holds 100% of the Cascabel concession in northern Ecuador. Cornerstone Capital Resources Inc. (“Cornerstone”) currently holds the other 50% of ENSA.





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 60 km 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.

**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 25 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  
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Company Secretary

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## 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 sea 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 JV partner is being sought for the Fauro project to pursue drilling of gold-copper targets defined in the 2011 exploration program.

SolGold's strategy is to be an integrated gold and copper discoverer, developer and miner.

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.