

26 July 2017

SolGold plc

("SolGold" or the "Company")

Cascabel Exploration Update

Alpala Central Resource Estimate December 2017

Alpala Southeast Growing with Hole 24-D1R

Alpala Northwest Confirmed by Hole 26

More Drill Rigs for Alpala Expansion

The Board of SolGold (AIM and TSX code: SOLG) is pleased to provide an update on the drilling progress of current holes 23R-D1, 24-D1R, 26, and 27 at Cascabel, the Company's 85% owned copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- **Hole 23R-D1 (Rig 1) extending Alpala Central to the east, continuing in a mineralised diorite intrusion at 1351.6m down hole.**
- **Hole 24-D1R (Rig 3) extending Alpala Southeast mineralisation to depth, below Hole 24 intercept, continuing in a mineralised diorite intrusion 1067.9m down hole.**
- **Hole 26 (Rig 4) extends Alpala Central deposit 100m to the northeast, and continues further to confirm the modelled deposit at Alpala Northwest, as drilling continues within strongly mineralised diorite porphyry 1875.9m down hole.**
- **Hole 27 (Rig 2) completed at 1614.3m extending Alpala Central deposit 100m southeast of Hole 21, and 250m southeast of Hole 16.**
- **Hole 28 (Rig 2) underway, testing extensions above Hole 16 (which returned 894m @ 1.41% copper equivalent). Currently at a depth of 276.4m.**
- **Hole 29 (Rig 5) being set up to test high grade extensions along Alpala Central deposit eastern flank.**
- **Rig 6 scheduled for arrival at Alpala in August as negotiations with a second drilling contractor progress rapidly towards increasing productivity with a total of up to 9 drill rigs on site in September 2017.**

Commenting on the current drilling, SolGold CEO, Nick Mather said:

"Hole 26 is particularly exciting for us, demonstrating clear extension of Alpala to the northwest, with much more intense mineralisation than evident in Holes 11 and 13, which we now suspect drilled over the top of the large high grade zone at Alpala Northwest."

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

http://www.rns-pdf.londonstockexchange.com/rns/1137M_-2017-7-26.pdf

FURTHER INFORMATION:

SolGold's Alpala deposit continues to grow with each new drill hole as drilling focusses on high grade porphyry centres at Alpala Northwest, Alpala Central and Alpala Southeast. Over 41,600m of drilling has been completed to date along the greater Alpala trend (**Figure 1**).

Recent state of the art 3D MVI magnetic modelling has revealed a northwest trending line of significant magnetic bodies at Moran, Trivinio, Alpala Northwest, and Alpala Central (**Figure 2**). These bodies are thought to replicate subsurface mineralised envelopes, such as that confirmed by drilling at Alpala Central. A zone of magnetite-destruction occurs over much of the Alpala porphyry cluster and is related to hydrothermal alteration in the near surface "lithocap" environment. Below this depth, high-grade copper and gold mineralization is related to magnetite-rich, hydrothermally altered intrusions that generally coincide with the 3D MVI magnetic model. At Alpala Southeast, intense phyllic and argillic alteration, determined by spectral alteration mapping, has contributed to magnetite destruction and masks the 3D MVI magnetic targets south of the Alpala Central deposit.

Hole 23R-D1 (Rig 1 Alpala Central) continues at a current depth of 1351.6m, following a revised deviation from the parent hole (Hole 23R) at 694.9m depth. To date this hole has intersected 656.6m of strongly mineralised diorite porphyry and drilling continues in visible mineralisation. Hole 23R-D1 is a "daughter" hole testing for the eastern extensions to the high grade intrusions intersected in Hole 23R, which recently returned 770m @ 1.44 % copper equivalent (0.71 % Cu, 1.16 g/t Au). Hole 23R-D1 has a planned down hole extension of 1000m from the parent hole.

Hole 24-D1R (Rig 3 Alpala Southeast) continues at a current depth of 1067.9m. Hole 24-D1 is a "daughter" hole leaving the "parent" (Hole 24) at 735.0m depth testing for deeper, eastern extensions to the mineralisation discovered in Hole 24 which recently returned 586.0m @ 0.43 % copper equivalent (0.27 % Cu, 0.25 g/t Au) from 636m, including 160m @ 1.04 % copper equivalent (0.63 % Cu, 0.65 g/t Au). Hole 24-D1R continues in mineralised diorite porphyry, having completed a down hole extension from the parent hole of 276.8m thus far. Hole 24-D1R has a planned extension from the parent hole of at least 600m.

Hole 26 (Rig 4 Alpala Northwest) continues at a current depth of 1876.0m, within a mineralised diorite intrusion. Visible copper sulphide mineralisation encountered in upper portion of Hole 26 extends the Alpala deposit approximately 120m northeast of hole 15R2, which returned 830m @ 0.93 % copper equivalent (0.63 % Cu, 0.46 g/t Au). A strongly mineralised diorite intrusion encountered in the lower portion of Hole 26 confirms the Alpala Northwest deposit at depth, some 400m below the intersection achieved in Hole 13 of 190m @ 0.82 % copper equivalent (0.63 % Cu, 0.31 g/t Au). Hole 26 continues towards a revised planned depth of at least 2000m.

Hole 27 (Rig 2 Hematite Hill), was completed on 14th July at a depth of 1614.3m, having extended the Alpala Central deposit 100m southeast of Hole 21, and approximately 250m southeast of the intersection achieved in Hole 16 which returned 894m @ 1.41 % copper equivalent (0.78 % Cu, 0.99 g/t Au). Assays results are pending.

Hole 28 (Rig 2 Hematite Hill) started on 15th July from the same site as Hole 27, and is at a current depth of 276.4m, with the aim of infilling between holes 16, 21 and 27 focusing on confirming resource potential at Alpala Central.

Hole 29 (Rig 5) is being set up to test high grade extensions along the eastern flank of the Alpala Central deposit.

Selected examples of mineralisation being encountered in recent drill holes are shown in **Figures 3, 4, 5 and 6**.

Rig 6 scheduled for arrival at Alpala in August as negotiations with a second drilling contractor progress rapidly towards increasing productivity with a total of up to **9 drill rigs** by September.

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.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of the Regulation (EU) No 596/2014 until the release of this announcement.

By order of the Board
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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, dual AIM and TSX-listed (SOLG on both exchanges) copper gold exploration and future development company with assets in Ecuador, Solomon Islands and Australia. SolGold's primary objective is to discover and define world-class copper-gold deposits. The Board and Management Team have substantial vested interests in the success of the Company as shareholders as well as strong track records in the areas of exploration, mine appraisal and development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical and modelling techniques and the guidance of porphyry copper and gold expert Dr Steve Garwin.

SolGold was shortlisted as a nominee for the Mining Journal Explorer Achievement Award for 2016. The Company announced USD54m in capital raisings in September 2016 involving Maxit Capital LP, Newcrest International Ltd and DGR Global Ltd, and a USD41.2m raising in June of 2017 largely from Newcrest International with USD1.2m raised from Ecuadorean investors. All of these raisings were undertaken at substantial premiums to previous raisings, and SolGold currently has circa USD68 million in available cash to continue the exploration and development of its flagship Cascabel Project.

Mr Craig Jones joined the SolGold Board on 3 March 2017, nominated to the Board of SolGold by Newcrest Mining, now a 14.54% shareholder in SolGold. Mr Jones is a Mechanical Engineer and is currently the Executive General Manager Wafi-Golpu (Newcrest-Harmony MMJV). He has held various senior management and executive roles within the Newcrest Group, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects, and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr Jones worked for Rio Tinto.

Cascabel, SolGold's 85% owned "World Class" (Ref: Cautionary Notice) flagship copper-gold porphyry project, is located in northern Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and approximately 8% of TSX-V-listed Cornerstone Capital Resources ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession. Subject to the terms of existing agreements, Cornerstone is debt financed by SolGold for its share of costs to completion of a Feasibility Study.

The investments by Newcrest for 14.54% of SolGold endorses Ecuador as an exploration and mining destination, the management team at SolGold, the dimension, size and scale of the growing Alpala deposit, and the prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, logistics are important competitive advantages offered by the project.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km², along with an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets.

SolGold has completed over 41,000m of drilling and expended over USD49M on the program, which includes corporate costs and investments into Cornerstone. This has been accomplished with a workforce of up to 176 Ecuadorean workers and geoscientists, and 6 expatriate Australian geoscientists. The results of 35 holes drilled (including re-drilled holes) and assayed to date have produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as indicated by Hole 12 (CSD-16-012) returning 1560m grading 0.59% copper and 0.54 g/t gold including, 1044m grading 0.74% copper and 0.54 g/t gold.

The average grade of all metres drilled to date on the project currently stands at 0.32% copper and 0.27 g/t gold. Intensive diamond drilling is planned for the next 12 months with 10 drill rigs expected to be operational by early 2018, targeting over 90,000m of drilling per annum.

Cascabel is characterised by fifteen (15) identified targets, "World Class" drilling intersections over 1km in length at potentially economic grades, and high copper and gold grades in richer sections, as well as logistic advantages in location, elevation, water supply, proximity to roads, port and power services; and a progressive legislative approach to resource development in Ecuador.

To date, SolGold has drill tested 4 of the 15 targets, being Alpala Northwest, Alpala Central, Hematite Hill, and Alpala Southeast. Currently drill testing of Alpala Northwest, Alpala Central and Alpala Southeast targets is underway, with drill testing of the Aguinaga target to commence in August 2017.

The Alpala deposit is open in multiple directions and the mineralised corridor marked for drill testing of the greater Alpala cluster occurs over a 2.2km strike length from Trivinio in the northwest to Cristal in the southeast. The mineralised corridor is known to be prospective over approximately 700m width.

High priority targets within the Alpala cluster, at Moran approximately 700m to the north, and at Aguinaga approximately 2.3km north east, are closely modelled by 3D MVI magnetic signatures that currently encompass over 10Bt of magnetic rock. Based on a strong spatial and genetic relationship between copper sulphides and magnetite, this body of magnetic rock is considered to be highly prospective for significant copper and gold mineralisation, and requires drill testing.

SolGold is focussing on extending the dimensions of the Alpala deposit including Hematite Hill, Alpala South East, Cristal, Alpala Northwest and Trivinio before completing a resource estimate and drill testing of the other key targets within the Cascabel concession at Aguinaga, Tandayama-America, Alpala West, Carmen, Alpala East, Moran, Parambas, and Chinambicito.

The Company is currently planning further metallurgical testing and completion of an independent Pre-Feasibility Study at Cascabel. SolGold is investigating both high tonnage open cut and underground block caving operations, as well as a high grade / low tonnage initial underground development towards the economic development of the copper gold deposit/s at Cascabel.

Drill hole intercepts have been updated to reflect current commodity prices, using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion factor of 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. True widths of down hole intersections are estimated to be approximately 25-50%.

Following a comprehensive review of the geology and prospectivity of Ecuador, SolGold and its subsidiaries have also applied for additional exploration licences in Ecuador over a number of promising porphyry copper gold targets throughout the Country. 38 such concessions have been granted and announced to date. SolGold is negotiating external funding options which will provide the Company with the ability to have some of these projects fully funded by a third party while focussing on Cascabel.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects, with drill testing of the Normanby project planned for the coming

quarter. Joint venture agreements are being investigated for a joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

SolGold retains interests in its original theatre of operations, Solomon Islands in the South West Pacific, where the 100% owned, but as yet undrilled, Kuma prospect on the island of Guadalcanal exhibits surface lithocap characteristics which are traditionally indicative of a large metal rich copper gold intrusive porphyry system. SolGold intends in the future to apply intellectual property and experience developed in Ecuador to target additional "World Class" copper gold porphyries at Kuma and other targets in Ecuador and Argentina.

SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's AIM Market in 2006, and dual-listed onto the TSX in July 2017 (both exchanges using the ticker code: SOLG) and currently has on issue a total of 1,515,555,686 fully-paid ordinary shares, 31,795,884 options exercisable at 28p and 9,795,884 options exercisable at 14p.

CAUTIONARY NOTICE

News releases, presentations and public commentary made by SolGold plc (the "**Company**") and its Officers may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors. Such forward-looking and interpretative 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 interpretations and forward-looking statements. Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of TSX and LSE-AIM and LSE for companies or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may reinterpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.

The Company and its officers do not endorse, or reject or otherwise comment on the conclusions, interpretations or views expressed in press articles or third-party analysis, and where possible aims to circulate all available material on its website.

The Company recognises that the term "World Class" is subjective and for the purpose of the Company's projects the Company considers the drilling results at the growing Alpala Porphyry Copper Gold Deposit at its Cascabel Project to represent intersections of a "World Class" deposit on the basis of comparisons with other drilling intersections from "World Class" deposits tabulated in **Table 1**, some of which have become, or are becoming, producing mines and on the basis of available independent opinions which may be referenced to define the term "World Class" (or "Tier 1").

The Company considers that "World Class" deposits are rare, very large, long life, low cost, and are responsible for approximately half of total global metals production. "World Class" deposits are generally accepted as deposits of a size and quality that create multiple expansion opportunities, and have or are likely to demonstrate robust economics that ensure development irrespective of position within the global commodity cycles, or whether or not the deposit has been fully drilled out, or a feasibility study completed.

Standards drawn from industry experts (1Singer and Menzie, 2010; 2Schodde, 2006; 3Schodde and Hronsky, 2006; 4Singer, 1995; 5Laznicka, 2010) have characterised "World Class" deposits at

prevailing commodity prices. The relevant criteria for "World Class" deposits, adjusted to current long run commodity prices, are considered to be those holding or likely to hold more than 5 million tonnes of copper and/or more than 6 million ounces of gold with a modelled net present value of greater than USD 1 Billion.

The Company cautions that the Cascabel Project remains an early exploration stage project at this time. Despite the relatively high copper and gold grades over long intersections and broad areas, and widespread surface mineralization discovered at the Cascabel Project to date, much of which has still not yet been drill tested, the Company has yet to prepare an initial mineral resource estimate at the Cascabel Project and any development or mining potential for the project remains speculative. There is inherent uncertainty relating to any project at an exploration stage, prior to the determination of a mineral resource estimate, preliminary economic assessment, pre-feasibility study and/or feasibility study. There is no certainty that future results will yield the results seen to date or that the project will continue to be considered to contain a "World Class" deposit. Accordingly, past exploration results may not be predictive of future exploration results.

From the drilling results at the growing Alpala Porphyry Copper Gold Deposit (only) within the Cascabel Project, the Company considers the deposit to have significant resource potential and the data gathered has provided the basis for the estimation of an exploration target over the area drilled to date. Initial 3D modelling and grade shell interpolants have outlined an approximate exploration target at Alpala that ranges from 630Mt at 1.10% copper equivalent, using a cut-off grade of 0.4% copper equivalent, to 845Mt at 0.90% copper equivalent, using a cut-off grade of 0.3% copper equivalent. These estimates equate to an endowment of between 6.9-7.9Mt of contained copper equivalent (**Figure A**).

Copper equivalent grades used are calculated using a gold conversion factor of 0.63, determined using a copper price of USD 3.00/pound and a gold price of USD 1300/ounce. Drill hole intercepts are calculated using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. True widths of down hole intersections are estimated to be approximately 25-50%.

The Company cautions that the potential quantity and grade ranges (exploration target) disclosed above for the Alpala Porphyry Copper Gold Deposit within the Cascabel Project is conceptual in nature, and there has been insufficient exploration to define a mineral resource, and the Company is uncertain if further exploration will result in the exploration target being delineated within a mineral resource estimate.

On this basis, the reference to the Cascabel Project as "World Class" (or "Tier 1") is considered to be appropriate. Examples of global copper and gold discoveries since 2006 that are generally considered to be "World Class" are summarised in **Table 2**.

References cited in the text:

1. Singer, D.A. and Menzie, W.D., 2010. *Quantitative Mineral Resource Assessments: An Integrated Approach*. Oxford University Press Inc.
2. Schodde, R., 2006. *What do we mean by a world class deposit? And why are they special*. Presentation. AMEC Conference, Perth.

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4. Singer, D.A., 1995, *World-class base and precious metal deposits-a quantitative analysis*: Economic Geology, v. 90, no.1, p. 88-104.
5. Laznicka, P., 2010. *Giant Metallic Deposits: Future Sources of Industrial Metal, Second Edition*. Springer-Verlag Heidelberg.