

22 December 2017

SolGold plc

("SolGold" or the "Company")

Cascabel Exploration Update

Assay results show continued growth along the Alpala trend.

Cascabel drilling fleet expands to 12 diamond drill rigs.

Maiden Mineral Resource Estimate nearing completion.

The Board of SolGold (LSE and TSX code: SOLG) is pleased to provide an update on current drilling at the Cascabel Project, the Company's 85% owned copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- Hole 26-D2 (Alpala NW) returned 453.7m @ 0.53 % CuEq (open-ended), incl. 229.7m @ 0.75 % CuEq. Hole 26-D2 ended in mineralisation at 1333.65m due to reaching limits of drilling capabilities in that hole.
- Hole 26-D3 (Alpala NW) intersected approximately 1136m of visible mineralisation (936-2072m), and ended in mineralisation due to limit of drilling capabilities. Assay results are pending.
- Hole 29-D2 (Alpala East) returned 484m @ 0.49 % CuEq, incl. 146m @ 0.74 % CuEq.
- Hole 30 (Alpala Central) returned 772m @ 0.62 % CuEq, incl. 500m @ 0.71 % CuEq.
- Hole 33 (Alpala Central) intersected approximately 977m of visible mineralisation (585-1562m). Assay results are pending.
- Cascabel drilling fleet currently 11 drill rigs and expanding to 12 drills. Rig 12, large track mounted drilling rig arriving in the last week of December 2017.
- The independent consultants are in the process of finalising their report into the Maiden Mineral Resource Statement for Alpala, and the Company expects to make an announcement shortly.

References to figures and tables relate to the version of this release visible in PDF format by clicking the link below:

http://www.rns-pdf.londonstockexchange.com/rns/1570A_-2017-12-22.pdf

FURTHER INFORMATION:

SolGold has completed over 63,000m of diamond drilling at Alpala (**Figure 1**). Over 120,000m of drilling is planned for 2018. SolGold has drill tested 5 of 15 copper-gold targets delineated in the 50km² tenement with a focus on Alpala. The remainder of the targets are scheduled for testing in 2018, subject to ongoing technical assessment, following completion of the Alpala maiden Mineral Resource Estimate which is planned for release shortly, and completion of ground magnetic modelling and Spartan Orion deep IP surveys.

Recent assay results received from ALS Laboratories in Lima, Peru for drilling at Alpala returned the following results (**Table 1**). Detailed summary of the progress of current drill holes at Alpala are shown below (**Table 2**).

Hole **26-D2** (Alpala NW) returned 453.7m @ 0.53 % CuEq (open-ended), incl. 229.7m @ 0.75 % CuEq. Hole 26-D2 ended in mineralisation at 1333.65m, due to reaching limits of drilling capabilities in that hole.

Hole **26-D3** (Alpala NW) intersected approximately 1136m of visible mineralisation (936-2072m), and ended in mineralisation due to limit of drilling capabilities. Assay results are pending. Hole 26-D3 confirms major extension to the northwest, along the Alpala trend, and represents the deepest strongly mineralised, open ended intercept on the project to date.

Hole **29-D2** (Alpala East) returned 484m @ 0.49 % CuEq, incl. 146m @ 0.74 % CuEq. Hole **29-D3** (Alpala East) intersected approximately 243m of visible mineralisation (949-1192m). Assay results are pending.

Holes 29-D2, and 29-D3 confirm the potential for further extensions of the Alpala deposit, deeper and to the east. Parent Hole **29**, currently underway, is planned to test deep at Alpala East target, along the deeper, open eastern edge of the deposit.

Hole **30** (Alpala Central) returned 772m @ 0.62 % CuEq, incl. 500m @ 0.71 % CuEq, representing a 120m extension of the deposit towards the south. Hole **30-D1** returned 542m @ 0.51 % CuEq, including 252m @ 0.64 % CuEq, extending the Alpala Central deposit approximately 120m towards surface. Further drilling with Rig 1 is expected to further extend the deposit towards surface along the open western edge of the deposit.

Hole **31** (Alpala SE) returned 299.8m @ 0.33 % CuEq, incl. 132m @ 0.48 % CuEq. Hole **31-D1** (Alpala SE) returned 226m @ 0.34 % CuEq, incl. 120m @ 0.38 % CuEq. Further drilling with Rig 3 will target extensions to the Alpala SE mineralisation southeast of Holes 24 and 24-D1.

Hole **32** (Alpala East) returned 484m @ 0.34 % CuEq, incl. 98.2m @ 0.37 CuEq. Hole 32-D1 intersected approximately 65m of visible mineralisation (1270-1335m). Assay results are pending.

Hole **33** (Alpala Central) intersected approximately 977m of visible mineralisation (585-1562m). Assay results are pending. Hole **33-D1** (Alpala Central) has intersected approximately 208m of visible mineralisation thus far (617-825m). Drilling continues.

Hole **34** (Alpala West) intersected approximately 65m of visible mineralisation (395-457m). Assay results are pending. Hole 34 passed over the top of the Alpala trend, and confirmed mineralisation approximately 250m northwest of hole 13, extending the known strike length of the Alpala Deposit to approximately 1500m.

Drill holes 35, 36, 37, 38 and 39 are in progress, and Hole 40 is set to commence following completion of rig move to Alpala SE.

Further drill testing will focus on:

- Extending and infilling the Alpala Central area with Rigs, 1, 6 and 5.
- Expanding the system at Alpala Northwest and Trivinio with Rigs 8,9,10,11, and 12.
- Testing extensions of the system at Alpala Southeast with Rigs 2,3, and 4.
- Testing geochemical and magnetic targets at Alpala West and Carmen with Rig 7.

There are currently 11 drilling rigs active at Alpala. The Cascabel drilling fleet will expand to 12 drills with the arrival of a large track mounted drill rig (Rig 12) during the last week of December 2017.

ABBREVIATIONS USED

CuEq - copper equivalent

Cu - copper

Au - gold

m - metres

incl. - including

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 JORC Code and NI 43-101. Mr Mather supervised the preparation of this release and 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
Karl Schlobohm
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Brisbane, Australia

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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, dual LSE 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.

In October 2017, at the Mines and Money Americas Conference in Toronto, SolGold's Nicholas Mather won the award for the CEO of the Year - Exploration, Latin America. SolGold won the Exploration Award for Latin America, and Ecuador won the Country Award for Latin America. Each party then duly won the 2017 award for each respective category on a global basis at London Mines and Money on 30 November 2017.

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. In November 2017 SolGold raised a further £45m at 25p per share, placed with institutions and Newcrest pursuant to their anti-dilution rights. SolGold currently has circa USD110m in available cash to continue the exploration and appraisal of its flagship Cascabel Project, and with which to conduct regional exploration programs on its 77 other 100%-owned projects in its wholly owned subsidiary companies.

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" (Refer www.solgold.com.au/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 5% 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 ("Financing Option").

In terms of repayment, SolGold shall receive 90% of Cornerstone's share of earnings or dividends from ENSA or the Tenement to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that, but for the Financing Option, would have been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed.

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 other targets at Aguinaga, Parambas, Tandayama-America, Moran and Chinambicito.

SolGold has completed over 63,000m of drilling and expended over USD69M in Ecuador, which includes Cascabel exploration, regional exploration, corporate costs and investments into Cornerstone. This has been accomplished with a workforce of up to 260 Ecuadorean workers and geoscientists, and 6 expatriate Australian geoscientists. The results of 60 holes drilled (including re-drilled holes, daughter holes and current 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, including non-mineralised intersections, currently stands at 0.31% copper and 0.26 g/t gold. Intensive diamond drilling is planned for the next 12 months with 12 drill rigs expected to be operational by early 2018, targeting over 120,000m of drilling in 2018.

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 5 of the 15 targets, being Alpala Northwest, Alpala West, 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 other priority targets to be considered following the publication of the Company's maiden resource estimate for Alpala, and the finalisation of further IP surveying and modelling work currently underway.

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 a further 700m to the north of Trivinio, 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 Alpala Central, Alpala Northwest, Alpala West, Alpala East, Alpala South East, Trivinio, and Carmen, over the coming Quarter. Following completion of a Maiden Resource Estimate and then drill testing the other key targets within the Cascabel concession at Aguinaga, Tandayama-America, Moran, Cristal, Parambas and Chinambicito.

The Company is currently planning further metallurgical testing and completion of an independent Preliminary Economic Assessment and Pre-Feasibility Studies 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 several applications for additional exploration licences in Ecuador over a number of promising porphyry copper gold targets throughout the Country.

SolGold, through its 4 subsidiary companies, has 100% ownership of 77 granted concessions throughout Ecuador. Each subsidiary company has technical teams, led by experienced senior geologists, on the ground prospecting granted tenements and collecting baseline data, whilst regional geophysics surveys are being planned. Significant copper occurrences have been identified at numerous projects to date, including La Hueca, Machos, Rio Armarillo, Sharug, Porvenir and Timbara.

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 the Solomon Islands.

SolGold is based in Brisbane, Queensland, Australia. The Company is listed on the LSE and TSX, with both exchanges using the ticker code: SOLG, and currently has on issue a total of 1,696,245,686 fully-paid ordinary shares, 31,795,884 share options exercisable at 28p; 9,795,884 share options exercisable at 14p and 46,762,000 share options exercisable at 60p.

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 the TSX and LSE 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.

This release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the Company's plans for developing its properties. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: transaction risks; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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 (1) Singer and Menzie, 2010; (2) Schodde, 2006; (3) Schodde and Hronsky, 2006; (4) Singer, 1995; (5) Laznicka, 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 729Mt at 1.06% copper equivalent, using a cut-off grade of 0.4% copper equivalent, to 969Mt at 0.92% copper equivalent, using a cut-off grade of 0.3% copper equivalent. These estimates equate to an endowment of between 7.7-8.9Mt 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.
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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.