

2 May, 2014

SolGold plc
(“SolGold” or the “Company”)

Cascabel Exploration Update

The Board of SolGold (AIM code: SOLG) is pleased to provide the following exploration update for the Company’s Cascabel copper-gold porphyry project in northern Ecuador.

Highlights:

- **Expansion, deepening and further refinement to magnetic modelling confirms multiple, large targets northwest, west and southeast of the current drilling at Alpala;**
- **Hole 6 completed to final depth of 1401.5 metres;**
- **Hole 7 location confirmed between 5 and 6 and drilling south-west;**
- **Planning for metallurgical tests underway for Hole 5 mineralisation; and**
- **Quantec “Orion” IP survey expected to commence within 2 weeks.**

Commenting on today’s update, SolGold CEO and Managing Director, Alan Martin said: **“The second round of magnetic modelling has been a significant step forward for the Alpala Prospect at Cascabel. The discovery of high-grade copper and gold porphyry mineralisation to depths of greater than 1000 metres in Hole 5 prompted a detailed review of all exploration data and remodelling of the magnetic data at depth. The conclusions from this review point to the presence of 3 targets at Alpala; the Central Zone, which was discovered by Hole 5, the North West Target and the South East Target, which are yet to be drill tested. All of these targets, combined, represent the potential for billions of tonnes of copper gold mineralised porphyry, which we will test by drilling in due course. The IP survey is anticipated to add another layer of critical exploration data and we are very excited to be commencing the survey in the next two weeks. Most porphyry deposits have a definite IP signature and we expect that the IP survey at Alpala will assist with defining the distribution of sulphides that may be associated with high grade copper and gold mineralisation.**

Despite the depth of the copper and gold at Alpala, it is pleasing to note that the deep and large Hugo Dummett deposit at Oyu Tolgoi in Mongolia (Rio-Ivanhoe Resources: Rio Tinto managed project) is being developed using underground block caving technology. I think the comments in the Ivanhoe Mines Ltd IDOP Technical Report (March 2012) are worth mentioning here: **“The Hugo Dummett underground deposit will be mined by block caving: a safe, highly productive, cost-effective method. The deposit is comparable in dimension and tonnage to other deposits currently operating by block cave mining elsewhere in the world.”**

SolGold’s General Manager of Exploration, Dr Bruce Rohrlach added, **“The exploration model that is being used to target the Alpala region is increasingly being refined as we feed-back data from each new drill hole and further constrain the geometry of the magnetic bodies. The expanded magnetic model is increasingly suggestive of a gently-dipping and highly elongated morphology to the magnetic bodies, a morphology that is similar to some large porphyry systems such as the Hugo Dummett and Heruga deposits in Mongolia.**

INFORMATION

3D Inversion Magnetic Modelling

The initial 3D inversion magnetic model at Alpala - which maps the distribution of magnetic rocks often associated with mineralised zones of porphyry systems - extended from surface to around 1100 metres depth. The initial model was created to assist in identifying targets that might be amenable to open-pit exploitation.

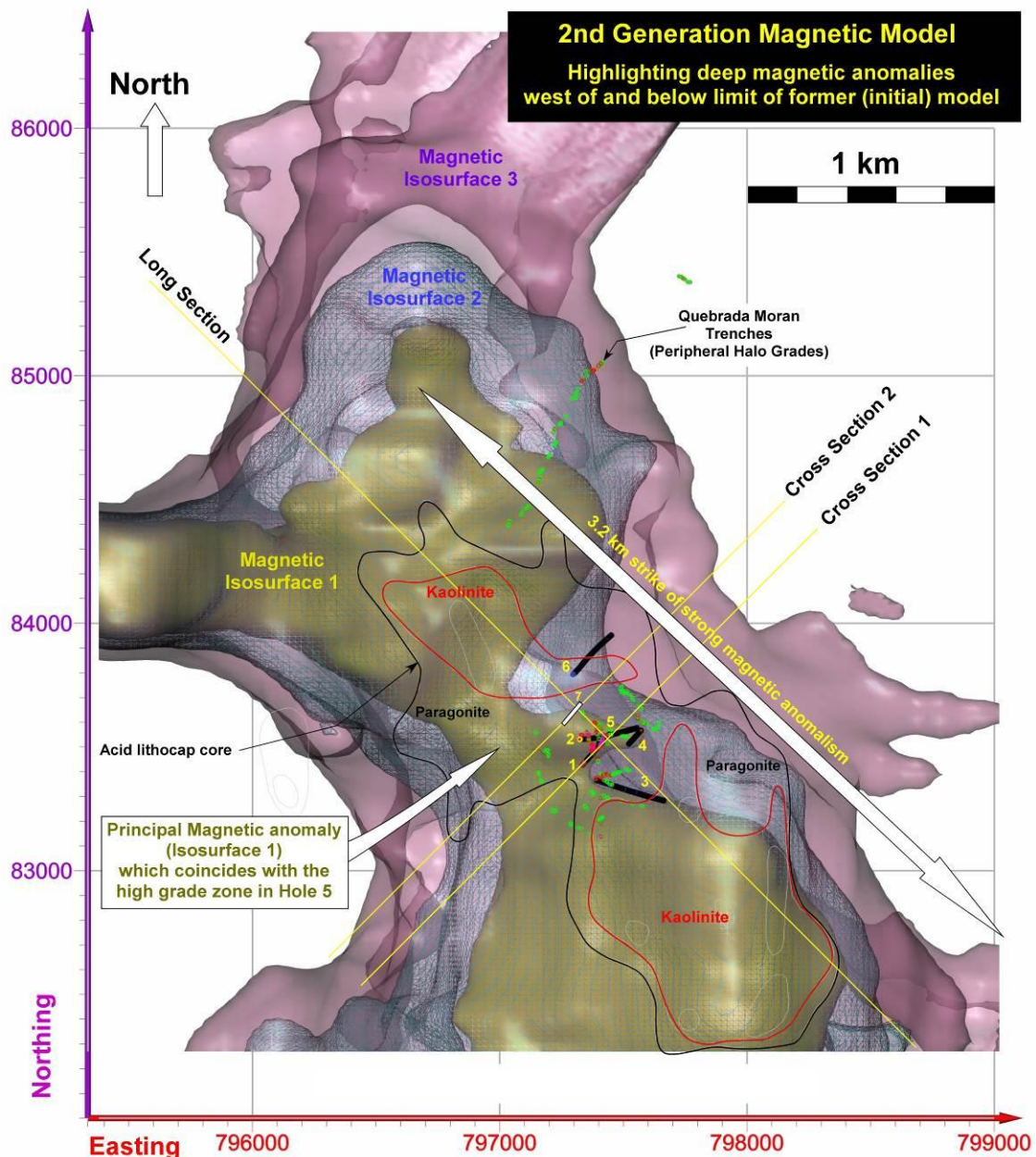


Figure 1 – Plan view of new expanded (2nd generation) magnetic model over Alpala, which extends to significantly greater depth and lateral extent than the initial model. Three magnetic isosurfaces are plotted to show the geometry of the sub-surface magnetic anomalies. The location of cross-sections 1 and 2 (Figures 2 and 3) and a long-section (Figure 6) are shown by the yellow lines.

Following the recent discovery of high-grade copper and gold in Hole CSD-13-005 (“Hole 5”) below the depth of the initial magnetic model, a refined and greatly expanded model was created for the Alpala region by Chris Moore of Moore & Associates (Aust) Pty. Ltd. This work is ongoing. The new magnetic model is extended to 2500 metres depth to identify high-grade targets that might be amenable to deeper block-cave underground mining. The new model is also being extended further to the west, to cover a larger area of the Alpala magnetic region. The result of this new modelling is not only a significant refinement in model accuracy, but it also allows SolGold to view the entire magnetic domain in three dimensions rather than just the shallow eastern domain.

Previous representations of the magnetic bodies at Alpala were constrained to areas less than 1100 metres in depth, and optimised for areas shallower than 600 metres, and mostly east of the area of current drilling where a magnetic apophyse was identified.

The new modelling is revealing a deeper and much more magnetic westward extension to these eastern anomalies. The new deeper model allows us to see previously unrecognised but more intense magnetic anomalies to the west and northwest of Hole 5. Very significantly, the high-grade porphyry copper-gold mineralisation in Hole 5, which occurred in association with magnetite and high magnetic susceptibility readings in drill-core, now correlate well with the refined magnetic model (see Figure 2).

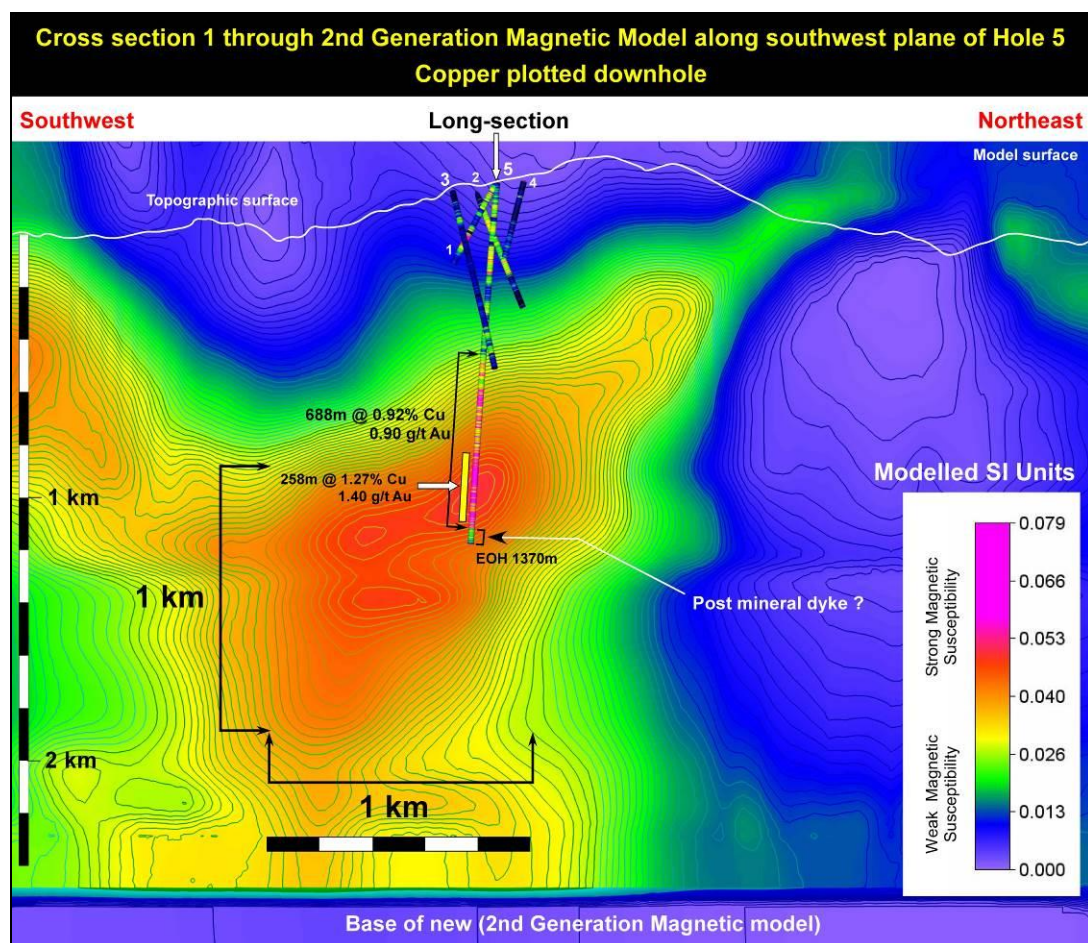


Figure 2 – Cross-section (Section 1) through the refined magnetic model and along the plane of Hole 5. Intensely magnetic material in the model section coincides very well with both the 688m and 258m copper and gold intersections in Hole 5.

On Section 1 (Figure 2), the magnetic anomaly that coincides with the principal 688-metre-long high grade copper-gold intersection in Hole 5 extends and thickens markedly down-plunge towards the southwest. Significant volumes of magnetic rock are modelled in this region, and based on the results of Hole 5 are interpreted to be mineralised zones of magnetite-rich potassic alteration and which are potentially copper-gold bearing.

On Section 2 (Figure 3), located approximately 150m further to the northwest, a parallel vertical slice through the magnetic model shows a very similar geometry, with a thick wedge of modelled magnetic rock covering a significant and equivalent cross-sectional area as on Section 1.

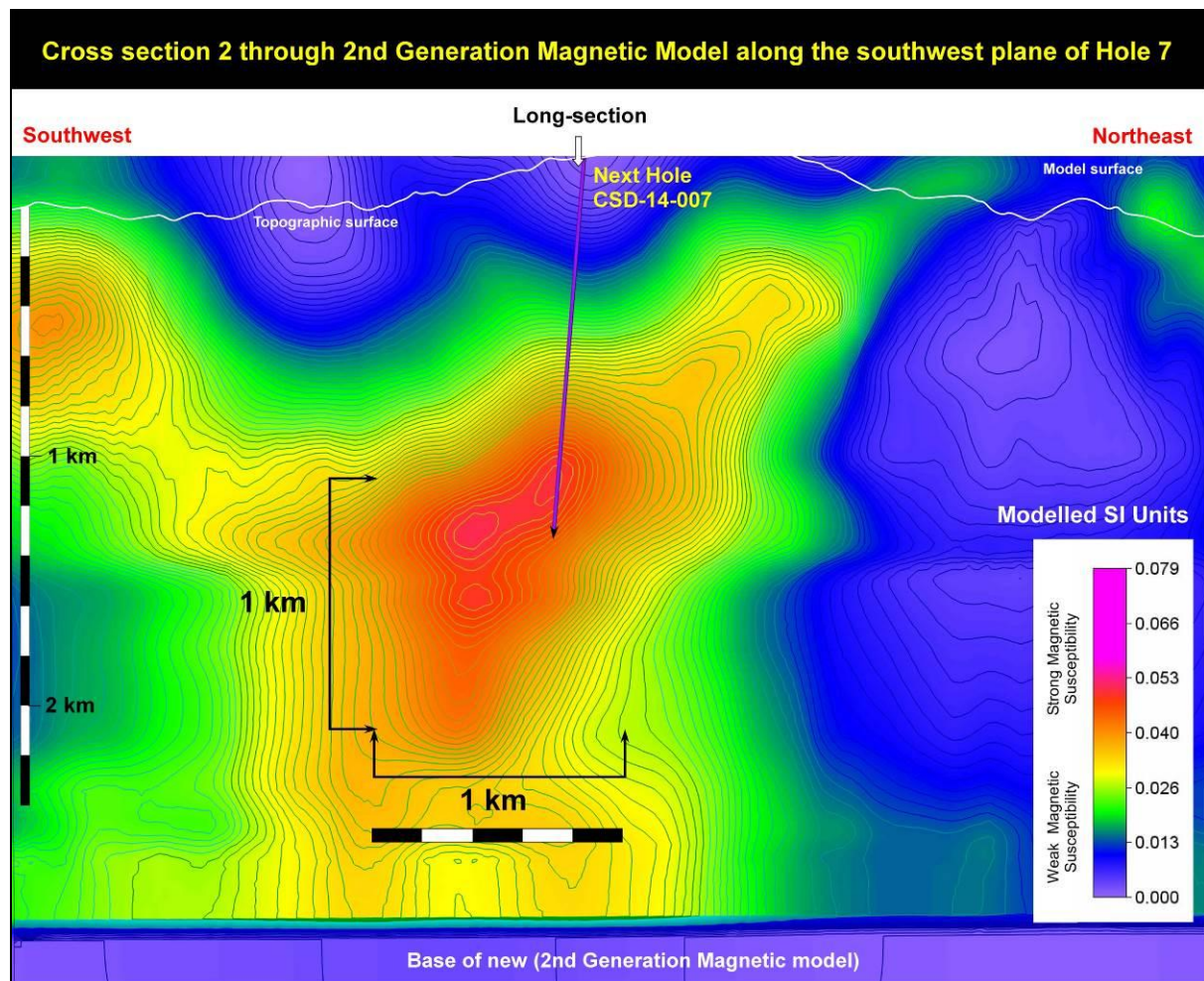


Figure 3 – Cross-section 2 through the expanded magnetic model and along the plane of the next proposed hole - Hole 7. Hole 7 will target the northwest extension of mineralisation encountered in Hole 5.

Figures 4 and 5 present views of selected iso-surfaces from the new and refined inversion model, and illustrate the overall geometry of the magnetic bodies at Alpala. The robustness of this model is confirmed, not only by the grade-model correlation in Figure 2, but also by the location of halo mineralisation in Hole 3 just above the South East Target, and similar halo grades at surface in the Quebrada Moran trenches which lie proximal to and above the North West Target.

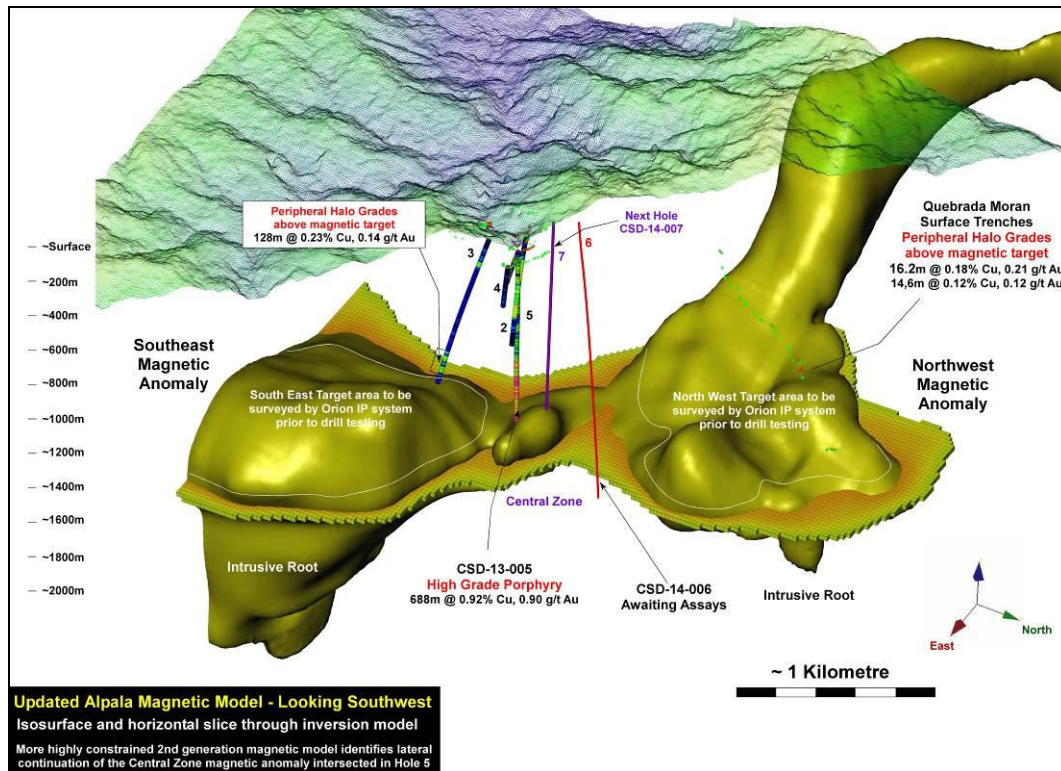


Figure 4 – View looking downwards towards the southwest across the magnetic core of the Alpala magnetic anomaly. Hole 5 encountered high-grade porphyry copper-gold mineralisation around and within the magnetic core anomaly, while Hole 3 and trenches at Quebrada Moran, which both lie above the strongest magnetic iso-surface, encountered proximal halo mineralisation.

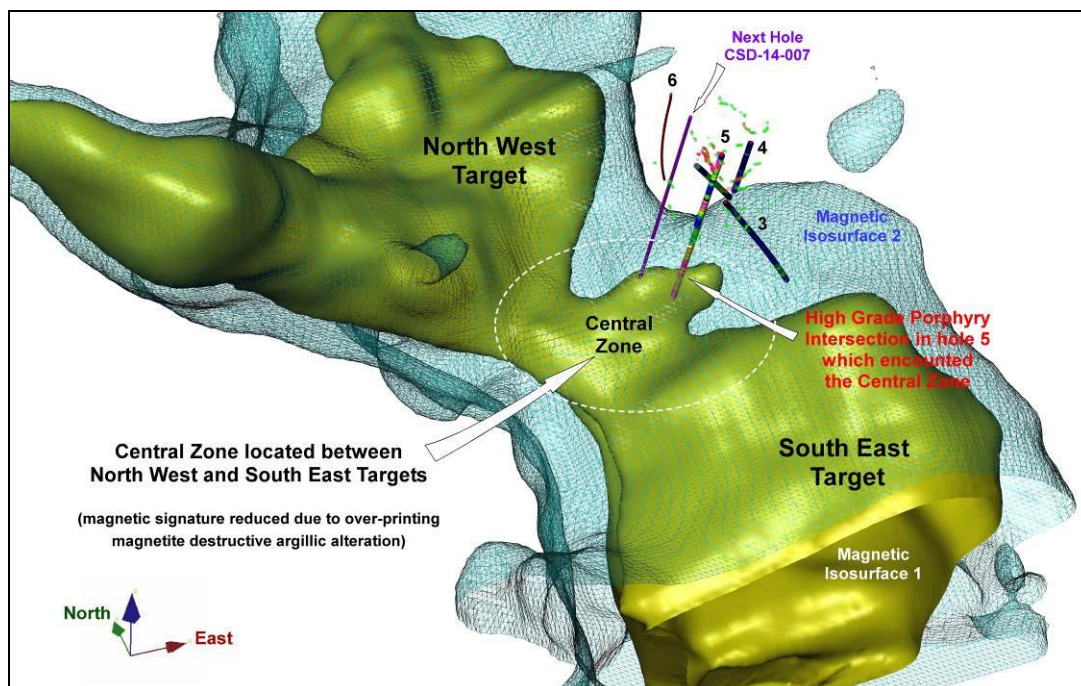


Figure 5 – View north-northeast across the expanded and refined Alpala magnetic model, showing location of Hole 6 and the next hole CSD-14-007 (“Hole 7”).

Figure 6 shows a northwest-southeast oriented long-section through the new Alpala magnetic model (see Figure 1 for long-section location).

It is apparent that the vertically extensive and high-grade copper-gold intersection in Hole 5 coincides well with the modelled, gently-dipping magnetic anomaly that lies at depths of around 800m to 1800m and that spans a strike length of over three kilometres.

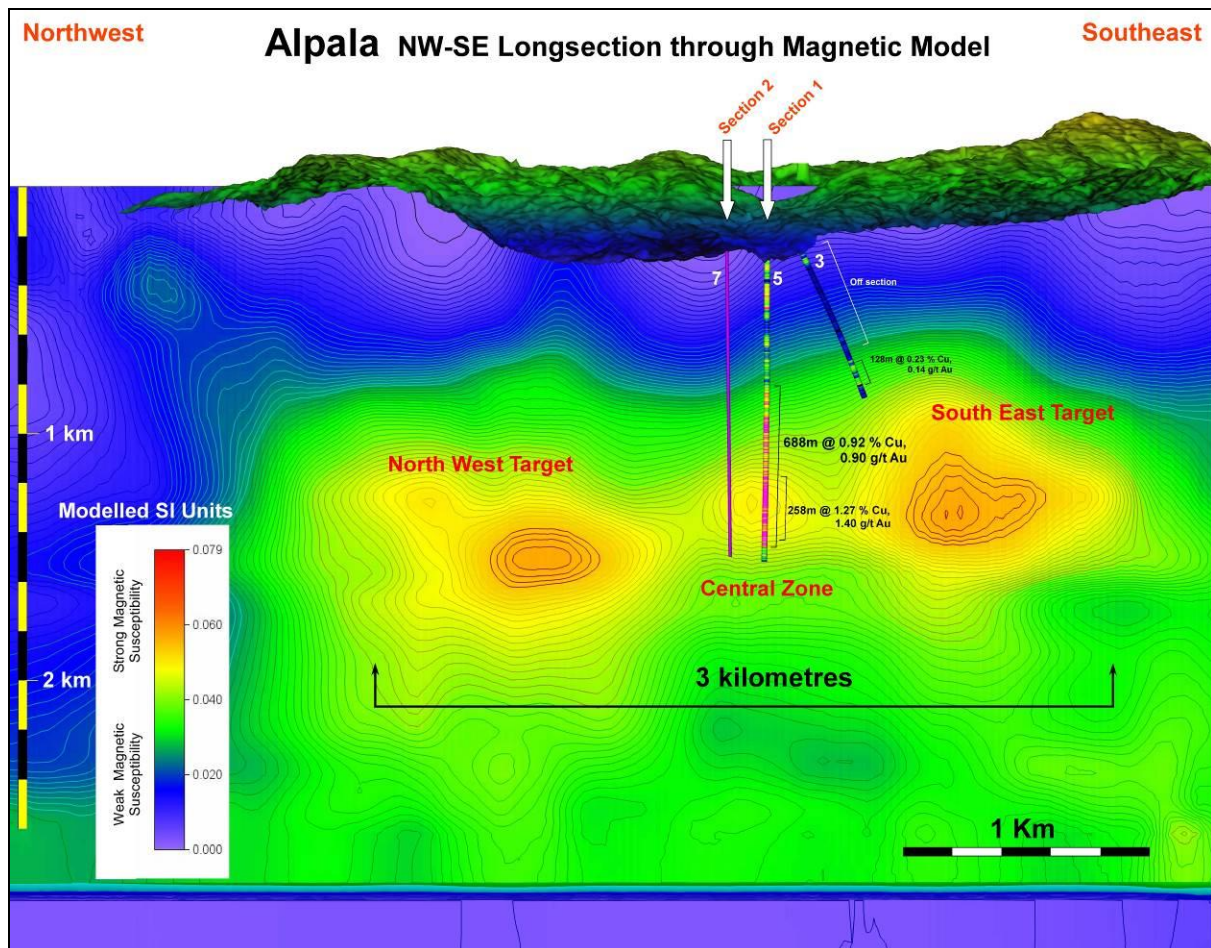


Figure 6 – Long-section (northwest-southeast) through the new magnetic model and passing through the collar of Hole 5. The magnetic feature that coincides with highly mineralised potassic alteration in Hole 5 appears continuous with magnetic features that define the North West Target and the South East Target, greatly expanding the target area.

Scale of the Modelled Alpala Magnetic Anomaly Relative to the Pebble and Hugo Dummett Resources

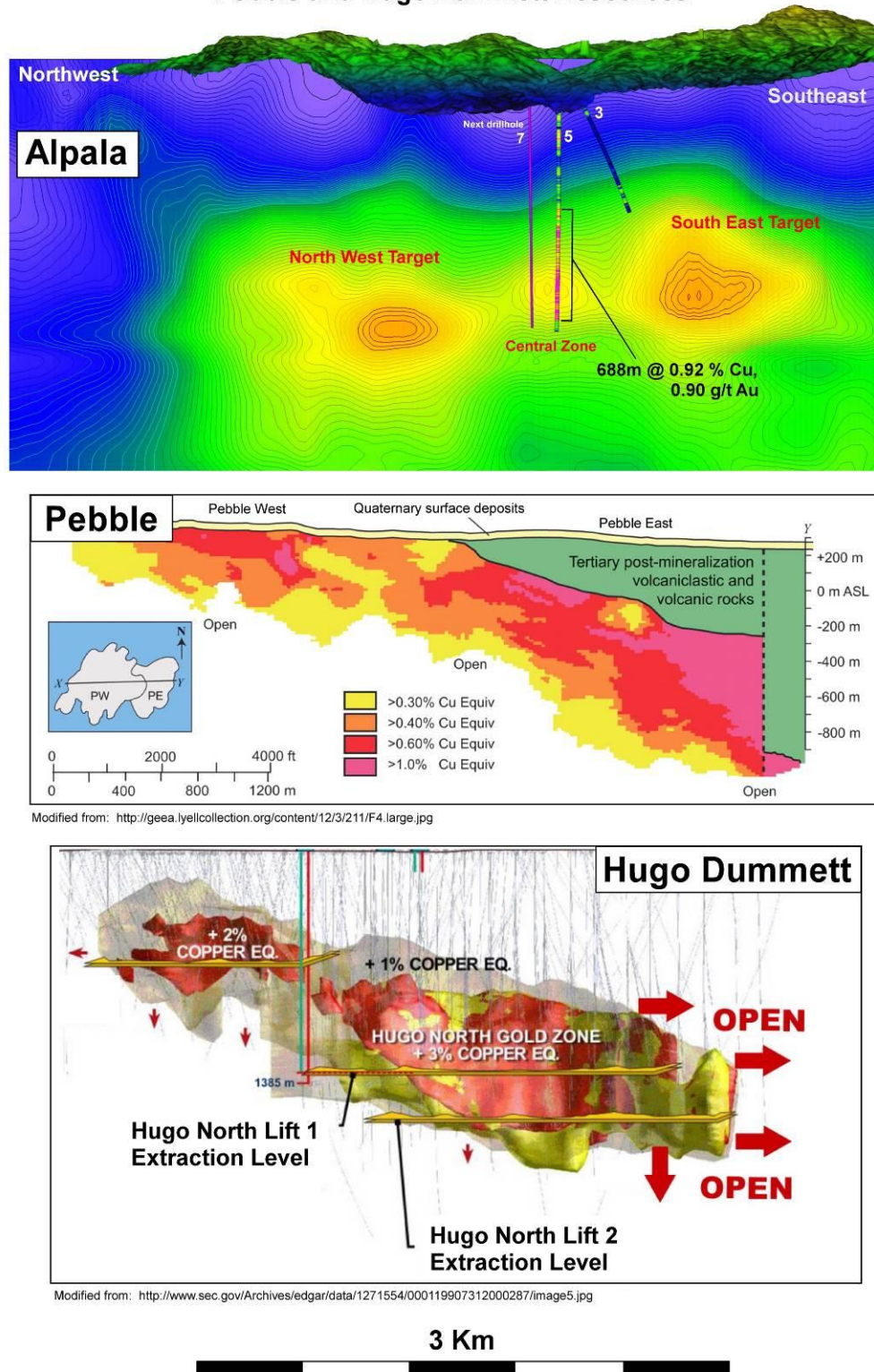


Figure 7 – Scale and geometric comparison of the newly modelled Alpala magnetic anomaly (of which high grade mineralisation has been intersected in the central part) and resources at the Pebble and Hugo Dummett deposits. The comparisons are made for exploration model development only, and no comparison is intended in terms of copper and gold grade and size.



Hole CSD-14-006 Update

Hole CSD-14-006 ("Hole 6") was terminated on the 20th April at 1401.5 metres depth. The location of Hole 6 is shown in Figures 1, 4 and 5.

The hole intersected a thick sequence of volcanoclastic breccias which were argillic-altered from surface to 471 metres depth, propylitic-altered from 471 to 965.5 metres depth, phyllic altered from 965.5 to 1111.5 metres depth and then potassic-altered with variable phyllic and propylitic overprint from 1111.5 to 1395.4 metres, before ending in intense phyllic alteration to end of hole. Looking at Figures 4 and 5 it is clear that Hole 6 drilled on the margins and to the east of the Central Zone.

The Company anticipates releasing the results for Hole 6 as part of a further drilling and results update in late May to early June 2014.

Hole CSD-14-007 Position Selected and Drill Rig Being Mobilised

The location for drill hole CSD-14-007 ("Hole 7") has been selected and the drill pad is currently being cleared. The hole is being collared to test the same magnetic anomaly in which Hole 5 intersected 1346m grading 0.61% Cu and 0.53 g/t Au from 24m depth and 688m grading 0.92% Cu and 0.90g/t Au from 658m depth.

The Hole 7 position will test the shallow northwest-trending mineralised structural zone (encountered in surface trenches and in Holes 1 and 5) about 150m northwest of Hole CSD-13-005 ("Hole 5"), and then continue deeper to test the magnetic body, which was highly mineralised in Hole 5. Hole 7 will be drilled sub-parallel to Hole 5, but at a location around 150 metres to the northwest, midway between Holes 5 and 6.

The location of Hole 7 relative to Hole 5 and the other holes at Alpala is shown on Figures 1 and 3-7.

Metallurgical Testing

SolGold is planning to undertake preliminary metallurgical flotation testing on composites of mineralisation from drill Hole 5, and a testing strategy and agreement with a commercial metallurgical laboratory will be finalised shortly.

Induced Polarisation (IP) Survey

Equipment for the Orion DCIP-MT survey at Alpala has arrived in Quito, Ecuador, and is currently undergoing clearance in customs. When the approximately 4 tonnes of equipment has been cleared, it will be transported to the Rocafuerte field office in preparation for commencement of surveying.

Gridding, in preparation for the survey, is well advanced, with all required 108 line kilometres of gridding completed. An additional 10-12 days is required for final quality control on some grid-points prior to the survey being ready to commence.

A team of 13 Quantec expatriate personnel are expected to arrive in Ecuador during May to commence the survey. The setting up and running of the survey is anticipated to take 27 days to complete and is expected to be completed in June with final processed data products due during July.



Whilst conventional IP systems typically see to depths of around 400m, the Orion system can read chargeability to potential depths of 800m, and beyond if ground conditions are ideal. The Orion system can also read resistivity-chargeability data to potential depths of 2 kilometres using magnetotelluric measurements. The Orion system is a very sophisticated survey technique and will be used to map sulphide distribution across the entire recognised extent of the lithocap and magnetic anomalies at Alpala. The Orion system will provide a quantum leap in data density over conventional IP systems that are the industry norm.

About Cascabel

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 holds the remaining 15% of ENSA.

The Cascabel project is located in northwestern 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 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



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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 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 AIM Market in 2006, under the AIM code 'SOLG' and currently has a total of 652,153,202 fully paid ordinary shares, 16,666,000 options exercisable at 50p, 10,550,000 options exercisable at 28p, 7,550,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.