



23 June, 2014

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

Cascabel Exploration Update

**SolGold Extends Intersection of Visible
Copper Sulphide Mineralisation in Hole 7**

Hole 7 Progress Update

The Board of SolGold (AIM code: SOLG) is pleased to provide the following exploration update for drilling activities associated with Hole 7 at the Company's Cascabel copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- **Drill hole CSD-14-007 ("Hole 7") has intersected visible copper sulphide mineralisation over a 710.60 metre down-hole extent, with visible mineralisation increasing and open at depth.**
- **Intervals of increasingly strong copper sulphide mineralisation commence from 540.70m depth and extend to the current depth of 1251.30m.**
- **Visible copper sulphide mineralisation below 540.70m depth increases in broad tandem with modelled magnetic intensity.**
- **Recently updated magnetic model is increasingly verified as an excellent tool to map the lateral extent of mineralisation in the vicinity of holes 5 and 7.**
- **Further correlation between visible mineralisation, magnetite in Hole 7 drill core and modelled magnetic susceptibility reinforces the prospectivity of the North West and South East targets that are magnetically contiguous with the Central Zone.**
- **Drilling of Hole 7 is progressing well and encountering abundant chalcopyrite, and the high Cu tenor mineral bornite, in intensely potassic-altered diorite.**
- **Target location of Hole 8 currently being refined.**

Commenting on today's update, SolGold CEO and Managing Director, Alan Martin said:

"The continuing identification of strong visual copper sulphide mineralisation in Hole 7, located 150m north-northwest of Hole 5, is confirming that the Central Zone at Alpala has not only significant vertical extent but also substantial strike extent in the northwest-southeast direction. This depth extension of strengthening copper sulphide abundance in Hole 7 provides encouragement that the Central Zone at Alpala may soon transition from the discovery stage to a resource drill-out stage. The board and I are extremely pleased with how the program is progressing at Alpala, and we look forward to reporting the first batches of assay results from Hole 7 in the coming two weeks."



SolGold's General Manager of Exploration, Dr Bruce Rohrlach added:

"At every step of the exploration process - from the early grass-roots exploration phases through to the current drill discovery stage - Alpala has delivered results that meet the high exploration hurdles that we set for successive exploration stages when exploring for world-class porphyry copper-gold deposits. The repeated achievement of these required geological, geochemical and geophysical criteria at all stages of an extended exploration program is common to the discovery path of many world class mineral deposits. Once again Alpala is delivering us excellent results, in the form of vertically extensive intersections of visible copper mineralisation. Our next steps are to continue demonstrating lateral extension of the two significant copper-mineralised zones in Holes 5 and 7."

FURTHER INFORMATION

Hole 7 Progress

Hole 7 is presently at a depth of 1251.30 metres and has continued to intersect the extensive zone of increasingly abundant visible copper-sulphide mineralisation. Mineralisation that is currently being encountered in the hole comprises disseminated, stringer and vein-controlled, coarse grained chalcopyrite and disseminated bornite hosted by a strongly potassic-altered diorite intrusion (see photographic plates below).

To date, the hole has intersected visible copper sulphides from 540.70 metres depth to the current hole depth of 1251.30 metres, and yielding an interval of visible mineralisation extending for over 710 metres down hole. Mineralisation is continuing at the current depth of 1251.30m. This extensive zone of visual copper sulphide mineralisation is strengthening with depth, and this trend closely mimics the modelled increasing magnetic susceptibility (Figure 1).

The last 49.80 metre interval (to 1251.30m) of drill core is characterised by a marked step-up in quartz vein density, from an average of 5 quartz veins per metre between 780.3m and 1201.5m, to 17 quartz veins per metre between 1201.5m and 1251.30m.

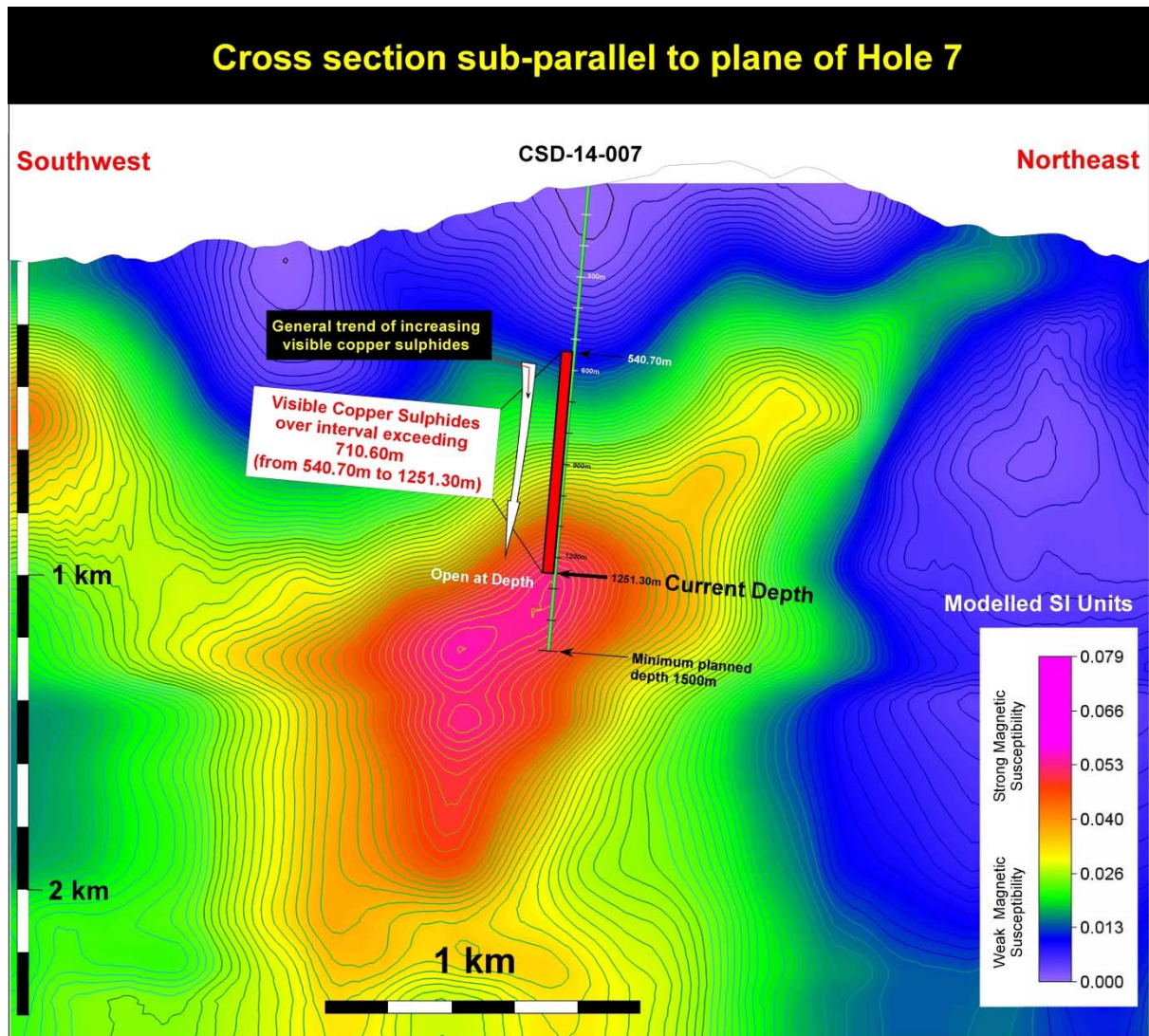


Figure 1 – Open-ended interval of visible copper sulphide mineralisation in Hole 7. The current hole depth is 1251.30m. The background image is a slice through the recently updated magnetic model.

A highly encouraging feature of the strongly mineralised zone that is currently being intersected in Hole 7 is the high abundance of associated hydrothermal magnetite, the magnetic mineral that is the source of the modelled magnetic anomaly in the Central Zone at Alpala. Thus the extensive modelled magnetic anomaly and its down-dip extension to the southwest (Figure 1), and its northwest and southeast extension portrayed in Figure 2, are robust targets for defining extensions to the mineralisation already discovered in Holes 5 and 7.

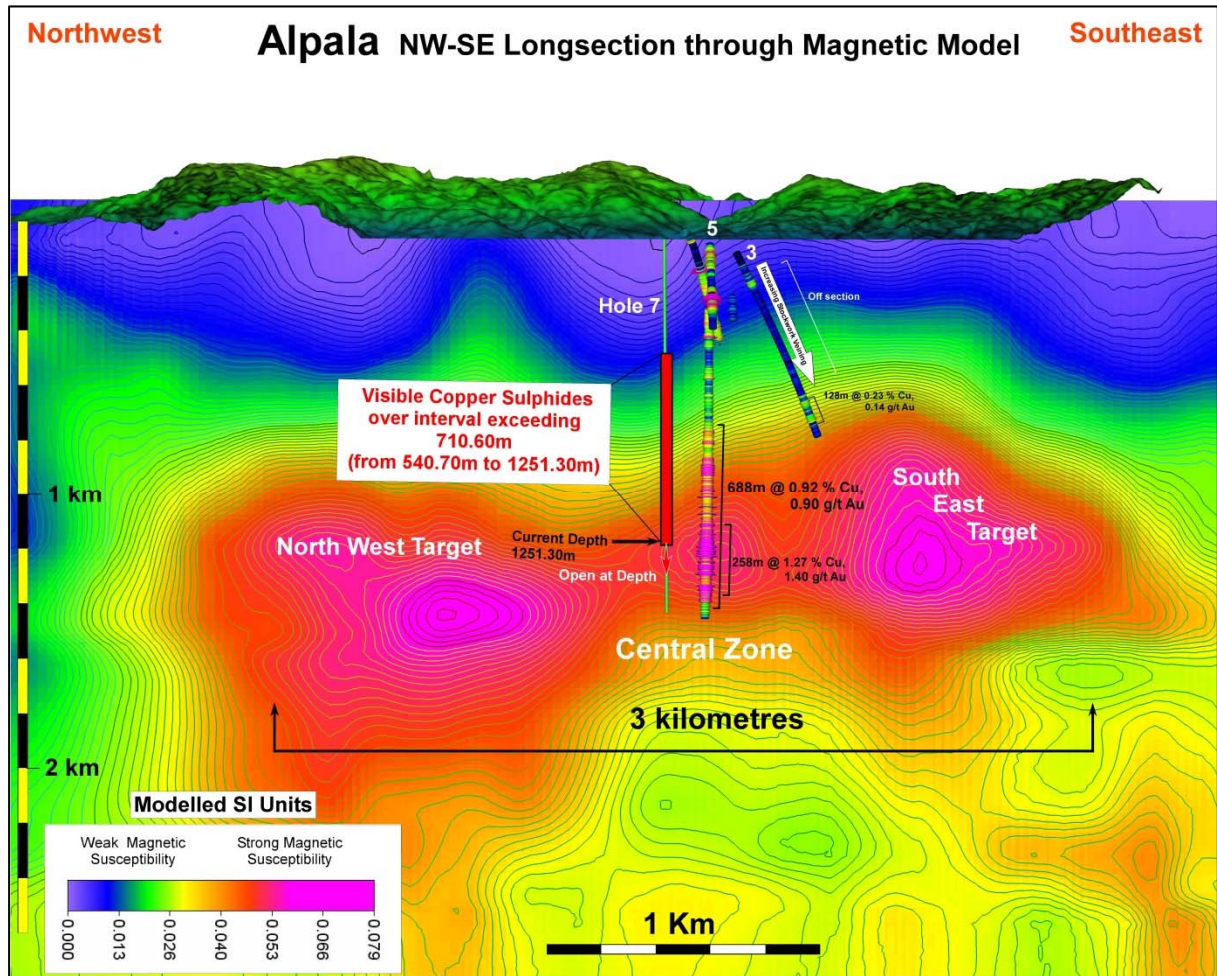


Figure 2 – Open-ended interval of visible copper sulphide mineralisation in Hole 7. The current hole depth is 1251.30m.

Hole 7 will continue to drill into the modelled magnetic anomaly that coincides with the mineralised potassic alteration zone.



HOLE 7 – Disseminated Chalcopyrite

CSD-14-007 Drill Core – 1036.2m

Coarse Chalcopyrite

Massive Magnetite + Fine Grained Disseminated Chalcopyrite



Quartz - Pyrite - Chalcopyrite Vein

Coarse Pyrite - Chalcopyrite



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HOLE 7 – Chalcopyrite stringer veins

CSD-14-007 Drill Core – 1070.0m

Fine Grained Disseminated Chalcopyrite - Chalcocite - Bornite

Coarse Bornite



Massive Chalcopyrite

Disseminated Magnetite

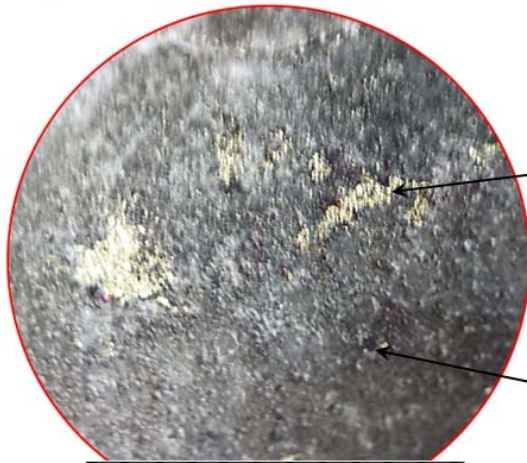
Massive Chalcopyrite



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HOLE 7 – Disseminated Chalcopyrite & Bornite



Disseminated Chalcopyrite

Disseminated Bornite



CSD-14-007 Drill Core – 1102.5m (Magnified 10x)

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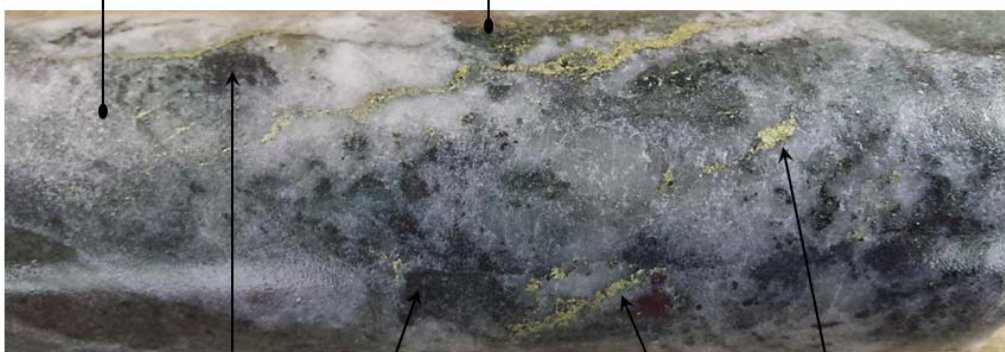


COPPER SULPHIDE - HOLE 7

CSD-14-007 Drill Core – 1150.0m

Chalcopyrite "C-Vein"

Magnetite – Chalcopyrite (intense potassic alteration)



Massive Magnetite – Disseminated Chalcopyrite

Coarse Grained Chalcopyrite

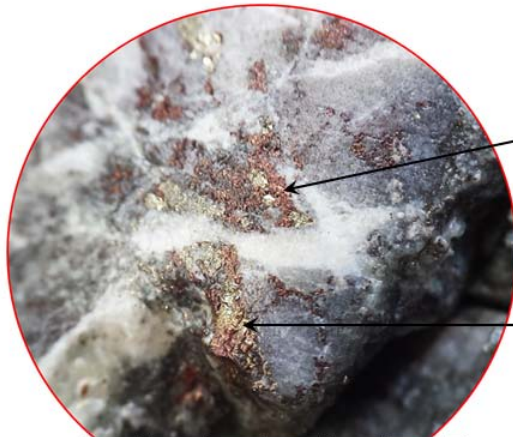


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HOLE 7 – Copper Rich Bornite Mineralisation

CSD-14-007 Drill Core – 1151.4m



Coarse Grained Bornite

Bornite - Chalcopyrite Intergrowth



1:1000 METRIC
Magnified 25x

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HOLE 7 – Intense Potassic Alteration

CSD-14-007 Drill Core – 1180.3m

Silica - Chalcopyrite - Magnetite - (intense potassic alteration)



Coarse Chalcopyrite



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HOLE 7 – Strongly Mineralised and Potassic Altered

CSD-14-007 Drill Core – 1202.1m

Silica - Chalcopyrite - Magnetite - (intense potassic alteration)



Massive Magnetite – Disseminated Chalcopyrite



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HOLE 7 – Strongly Mineralised and Potassic Altered

CSD-14-007 Drill Core – 1232.2m

Silica - Magnetite - Chalcopyrite (intense potassic alteration)



Coarse Chalcopyrite

Disseminated Magnetite – Chalcopyrite - Pyrite



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About Cascabel

SolGold owns 21.1m shares (approximately 11%) in TSX.V-listed Cornerstone Capital Resources (Cornerstone), and 85% of Exploraciones Novomining S.A. ("ENSA"). 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 60km to the southwest of Cascabel, the 3.3 billion tonnes 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 joint venture 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 has been approved at Kuma.

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, 12,820,000 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.