



3 November, 2015

## SolGold plc

("SolGold" or the "Company")

### Cascabel Exploration Update

## Strong Copper-Gold Mineralisation Discovered at Surface at Aguinaga, Cascabel, Northern Ecuador. Characteristic Similarities to Alumbrera.

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 Ecuador (**Figure 1**).

#### HIGHLIGHTS:

- **Porphyry stock-work copper-gold mineralisation discovered at surface at Aguinaga, 1.6km north of Alpala.**
- **Rock-saw channel results over the exposed area return an open ended intersection of 9.0m @ 1.01 % Cu, and 0.79 g/t Au.**
- **Geophysical and geochemical similarities to Alumbrera copper mine in Chile.**
- **Second target over 1 billion tonnes at Cascabel.**

#### FURTHER INFORMATION:

After reconnaissance field-work initially located mineralised porphyritic diorite along the northern slope of Aguinaga Hill, subsequent detailed, 1:500 scale, "Anaconda" style geological and structural mapping has led to the discovery of porphyry stock-work copper-gold mineralisation outcropping at surface.

Mineralisation is exposed along the upper section of Aguinaga Creek, where classic porphyry style 'B'-type quartz-magnetite-chalcopyrite-bornite stock-work veining occurs within porphyritic diorite (**Figure 2**).

The outcropping mineralisation is accompanied by potassic (biotite) alteration and remains open to the north where creek sediments and jungle limit further surface exposure. Potassic alteration and bornite is highly diagnostic of the core mineralisation in a porphyry copper-gold system.

Rock-saw channel sampling results over the exposed outcrop returned an open ended intersection of 9.0m @ 1.01 % Cu, and 0.79 g/t Au (**Table 1, Figure 3**).



Trench_ID	Length (m)	Cu_%	Au_g/t	m/% Cu	m/g/t Au
AG001	1	0.84	0.57	0.84	0.57
AG001	1	1.59	0.93	1.59	0.93
AG001	1	0.8	0.42	0.8	0.42
AG001	1	0.47	0.24	0.47	0.24
AG001	1	0.7	0.33	0.7	0.33
AG001	2	0.26	0.196	0.52	0.392
AG001	2	2.07	2.11	4.14	4.22
<b>Totals</b>	<b>9</b>	<b>1.01</b>	<b>0.79</b>		

**Table 1:** Rock-saw channel sample results from Trench AG001 at Aguinaga.

The Aguinaga prospect lies on a prominent topographic high (1615m) about 3km south of Rocafuerte site office and 1.3km to the north-west of Alcala. SolGold's geologists believe the Aguinaga target is extremely compelling for four key reasons:

1. The interpreted porphyry centre at Aguinaga occurs at the confluence of a deep seated regional north-west trending structure with a major north-east trending lineament. This is the same structural regime within the same host rocks that hold the recently discovered porphyry deposit at Alcala (**Figure 4**).
2. Aguinaga is characterised by a classic 500m x 500m magnetic high surrounded by an annular magnetic-low which has strong similarities with the enormous Alumbra copper porphyry deposit in Chile, as well as the Grasberg and Batu Hijau magnetic signatures. This geometry is consistent with a large porphyry system characterized by a central magnetic high related to an intrusive centre and a magnetite-destructive halo caused by pyritic phyllic / argillic alteration (**Figure 5**).
3. The presence of a very strong annular chargeability high with a central tapering root at Aguinaga is consistent with sulphide-bearing, disseminated and/or stock work style mineralisation peripheral to and above a porphyry stock. (**Figure 6**).
4. The pattern of geochemical zonation is classic for a porphyry copper gold model. The presence of coincident copper, gold, and molybdenum in soil anomalies supports the inferred porphyry centre at Aguinaga. The low manganese in soil that flanks the central copper zone to the north and south is likely to be related to intense late-stage hydrothermal alteration. The presence of an elevated zinc aureole surrounding this area of low manganese is a geochemical signature that is typical of the metal zonation around porphyry copper-gold deposits. (**Figure 7**).

SolGold is currently conducting field mapping, rock saw trenching, and infill soil-sampling programs, along with spectral analysis of soils to determine hydrothermal alteration assemblages.

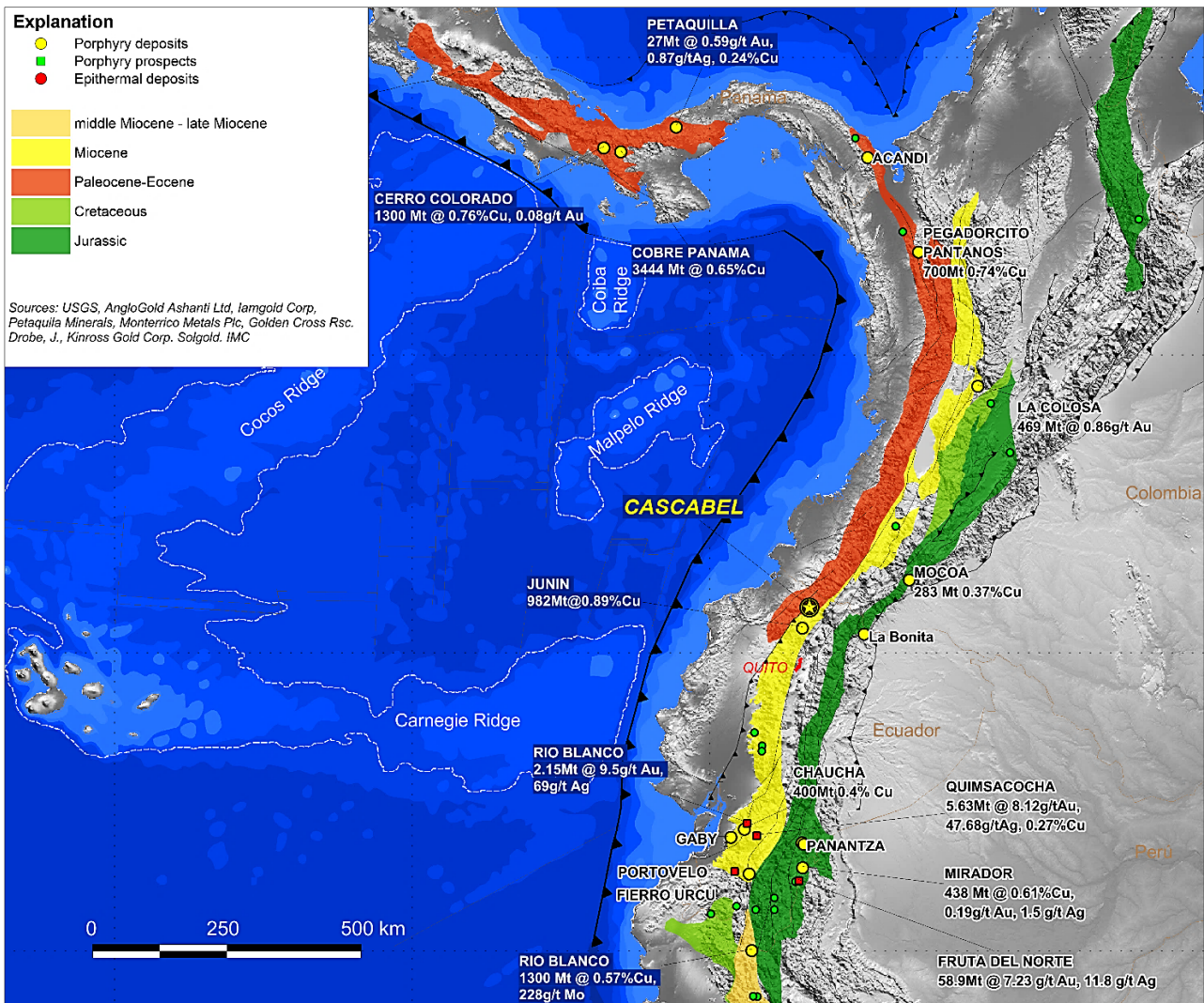
SolGold expects to bring the prospect to drill-ready status over the coming quarter.



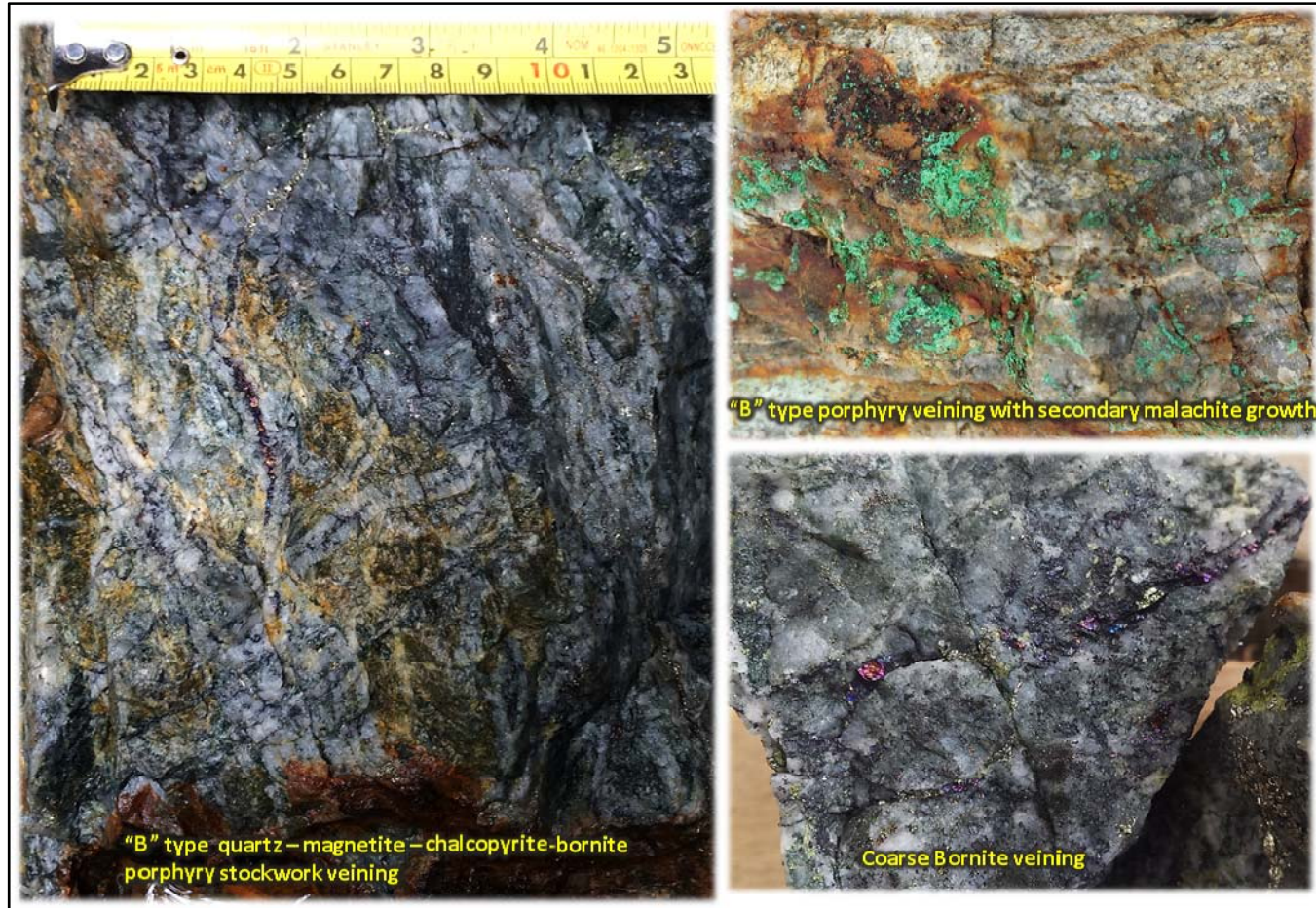
**Qualified Person:**

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.

By order of the Board  
Karl Schlobohm  
Company Secretary



**Figure 1:** Location plan of the Cascabel Project in Northern Ecuador, showing mineral belts of the northern portion of the Andean Copper Belt

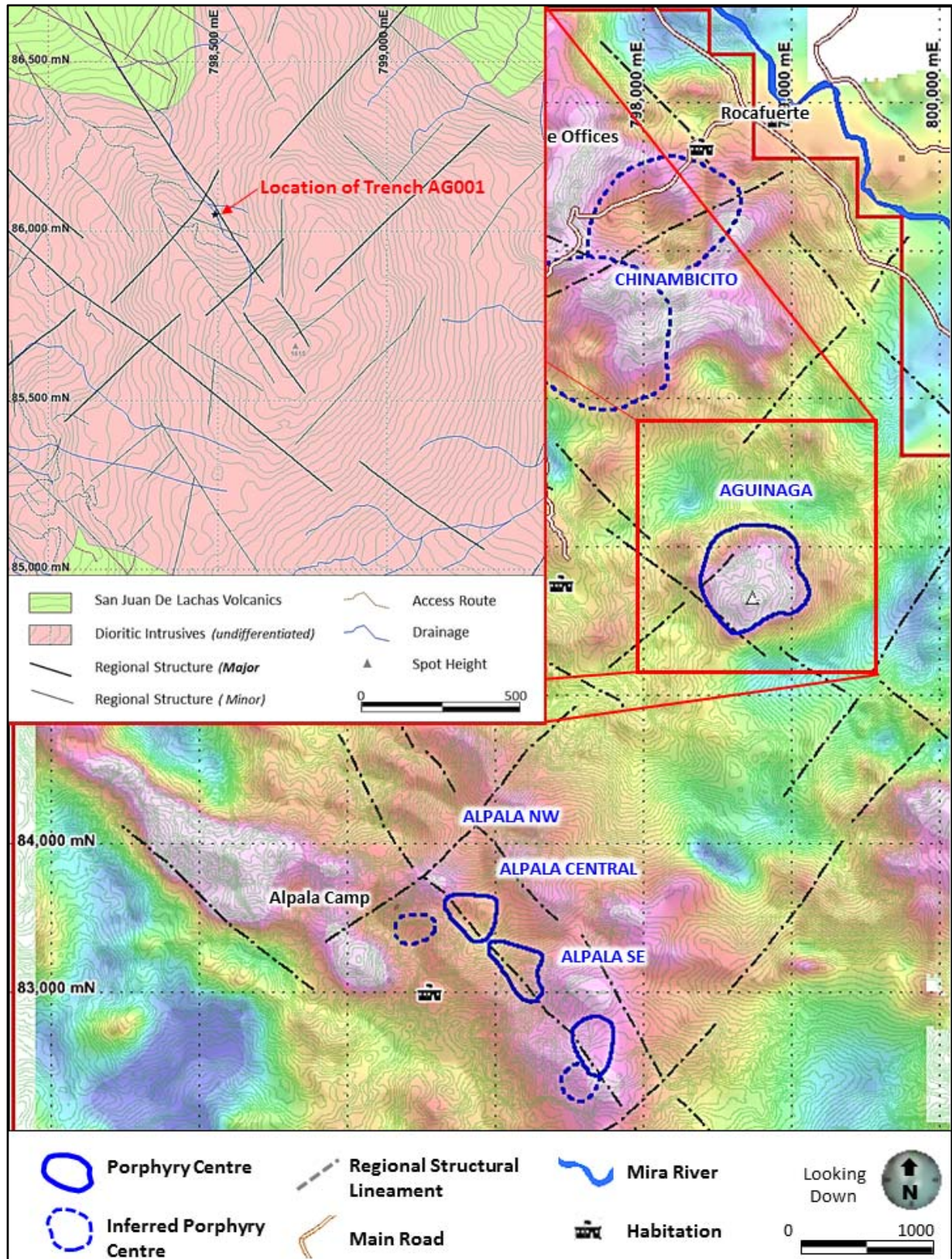


**Figure 2:**

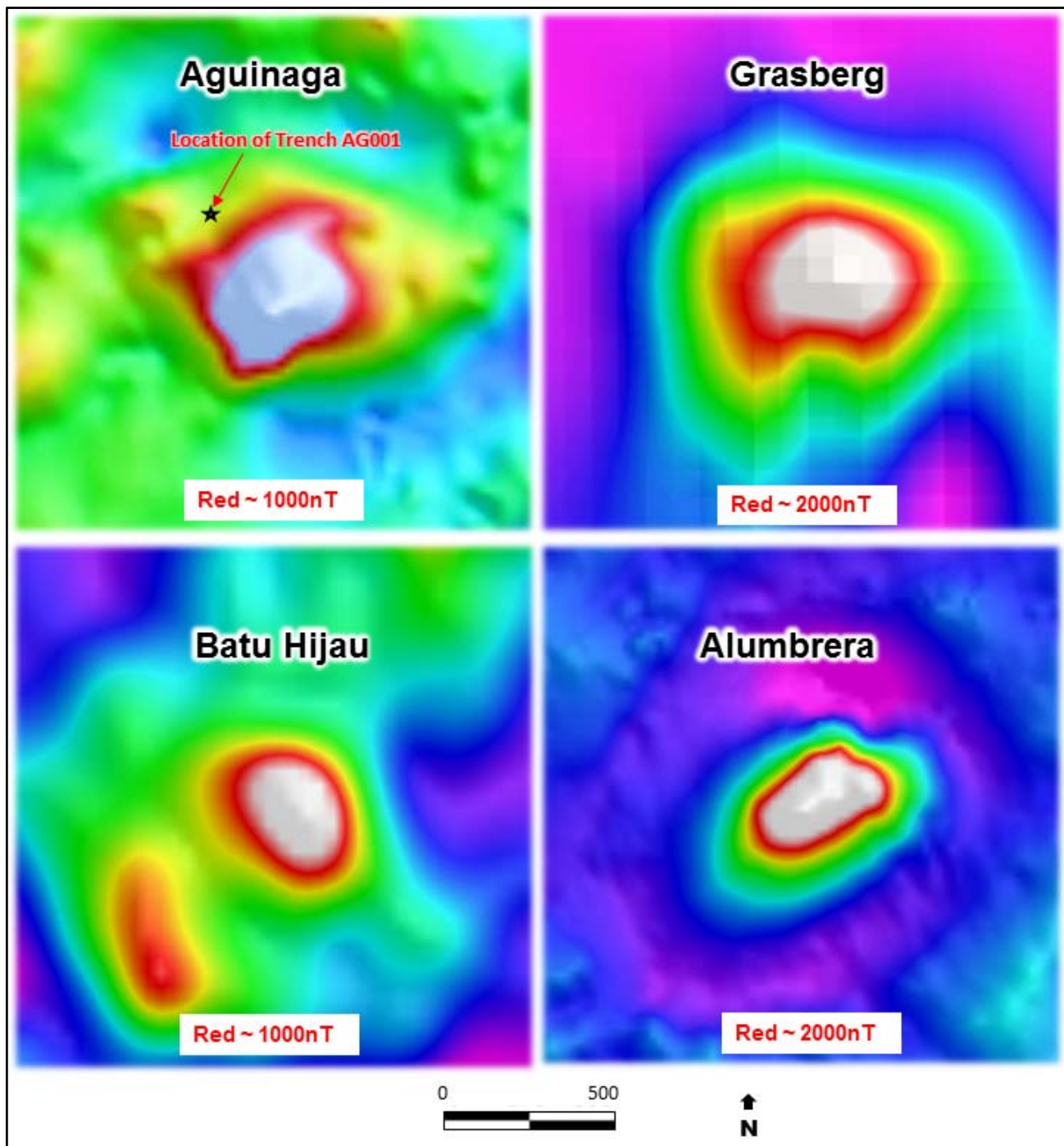
Examples of porphyry stock-work veining and visible copper sulphide mineralisation (bornite, chalcopyrite) from Trench AG001, Aguinaga



**Figure 3:** The northern end of Trench AG001 showing rock-saw channel results over mineralised diorite porphyry.

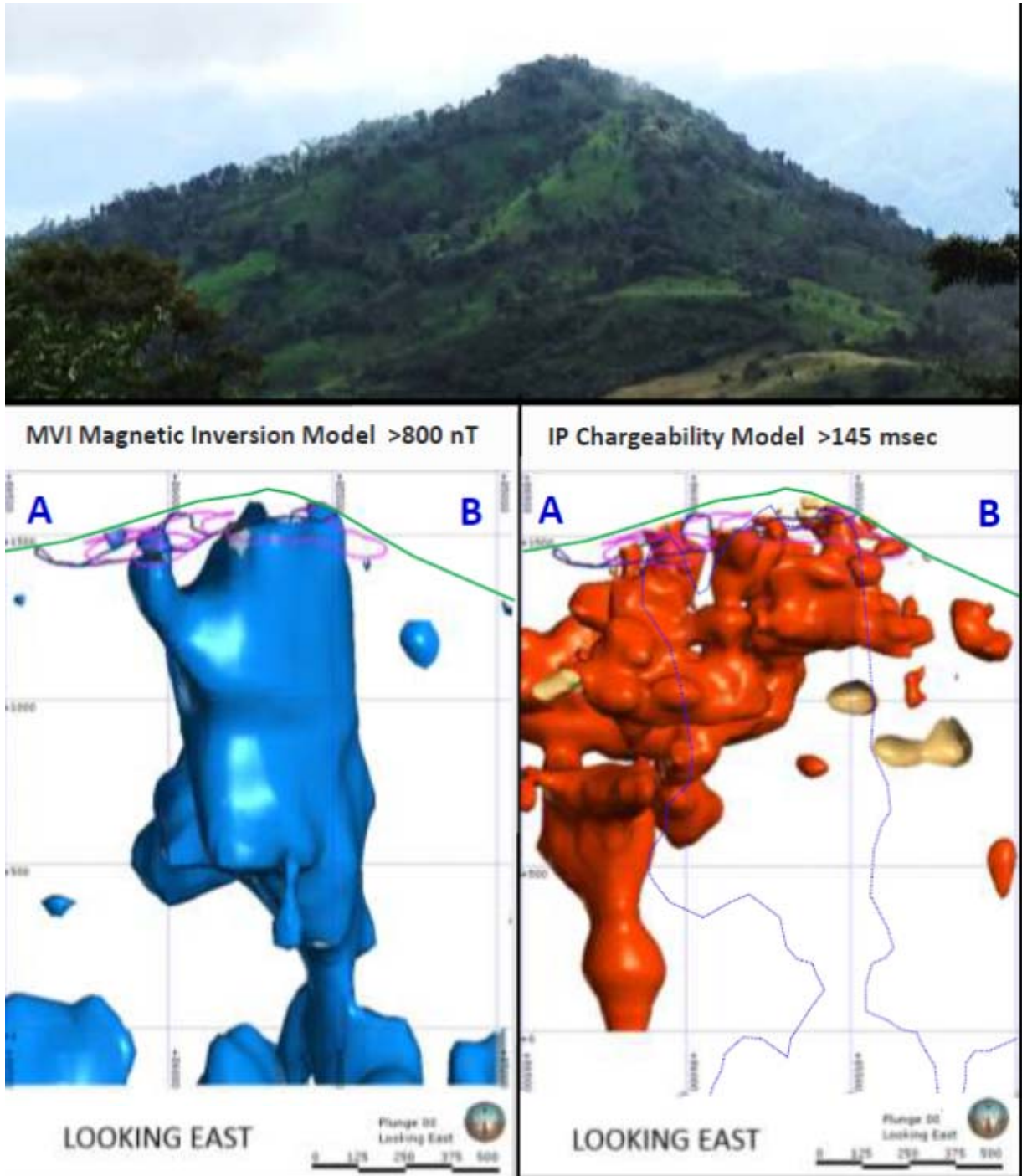


**Figure 4:** Location of the Aguinaga prospect over Cascabel RTP magnetics background with regional structural framework. **INSET:** Location of recent trenching work over local geology and structure.

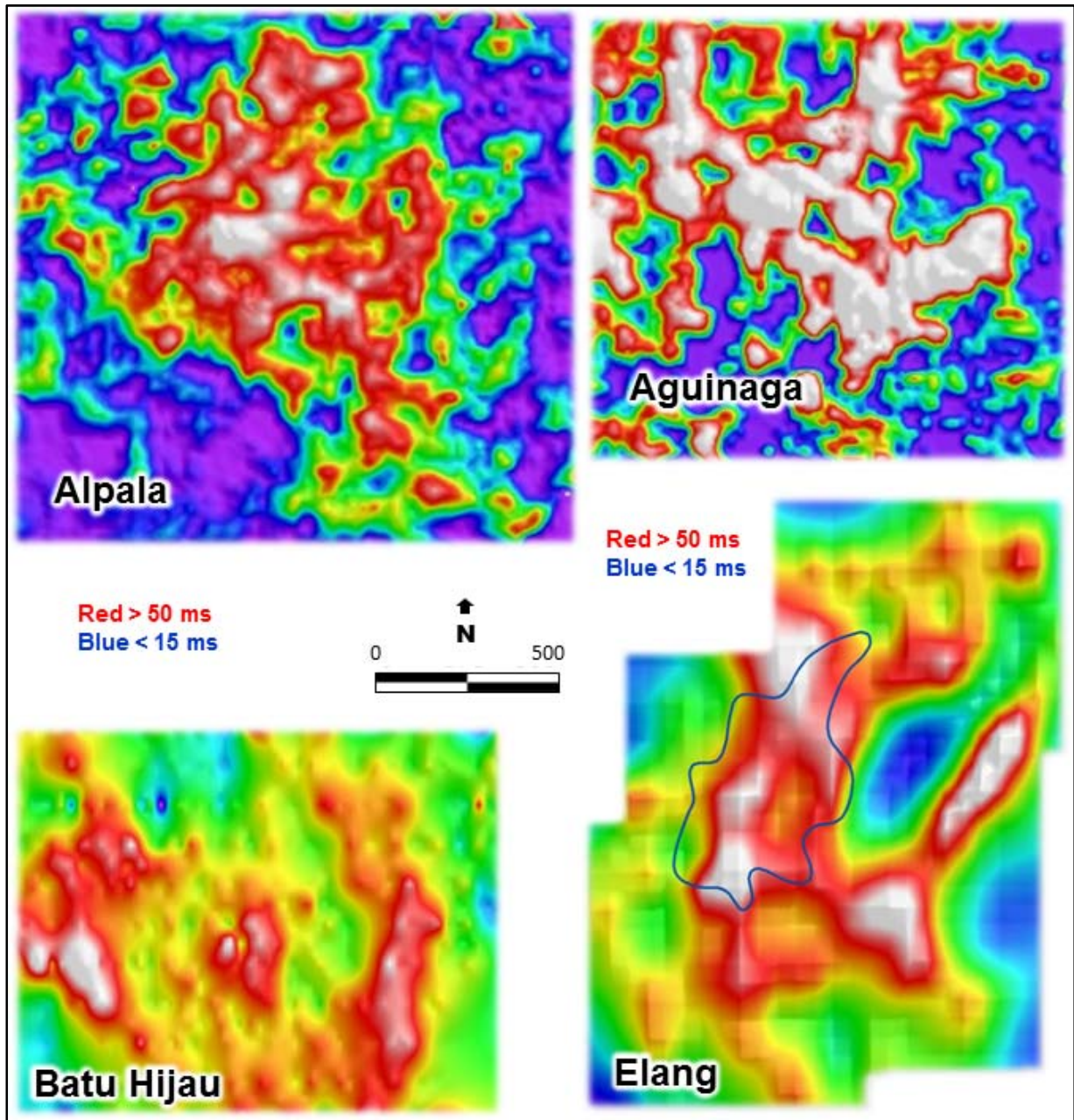


**Figure 5:** Scaled comparison in aeromagnetic signature between Aguinaga in northern Ecuador, and the Alumbraera, Grasberg and Batu Hijau deposits. Strong magnetic response, with discrete central magnetic highs due to Chalcopyrite-Magnetite mineralisation and surrounding annular magnetic low due to core potassic zone magnetite destructive hydrothermal alteration and characteristic of globally important copper porphyries.

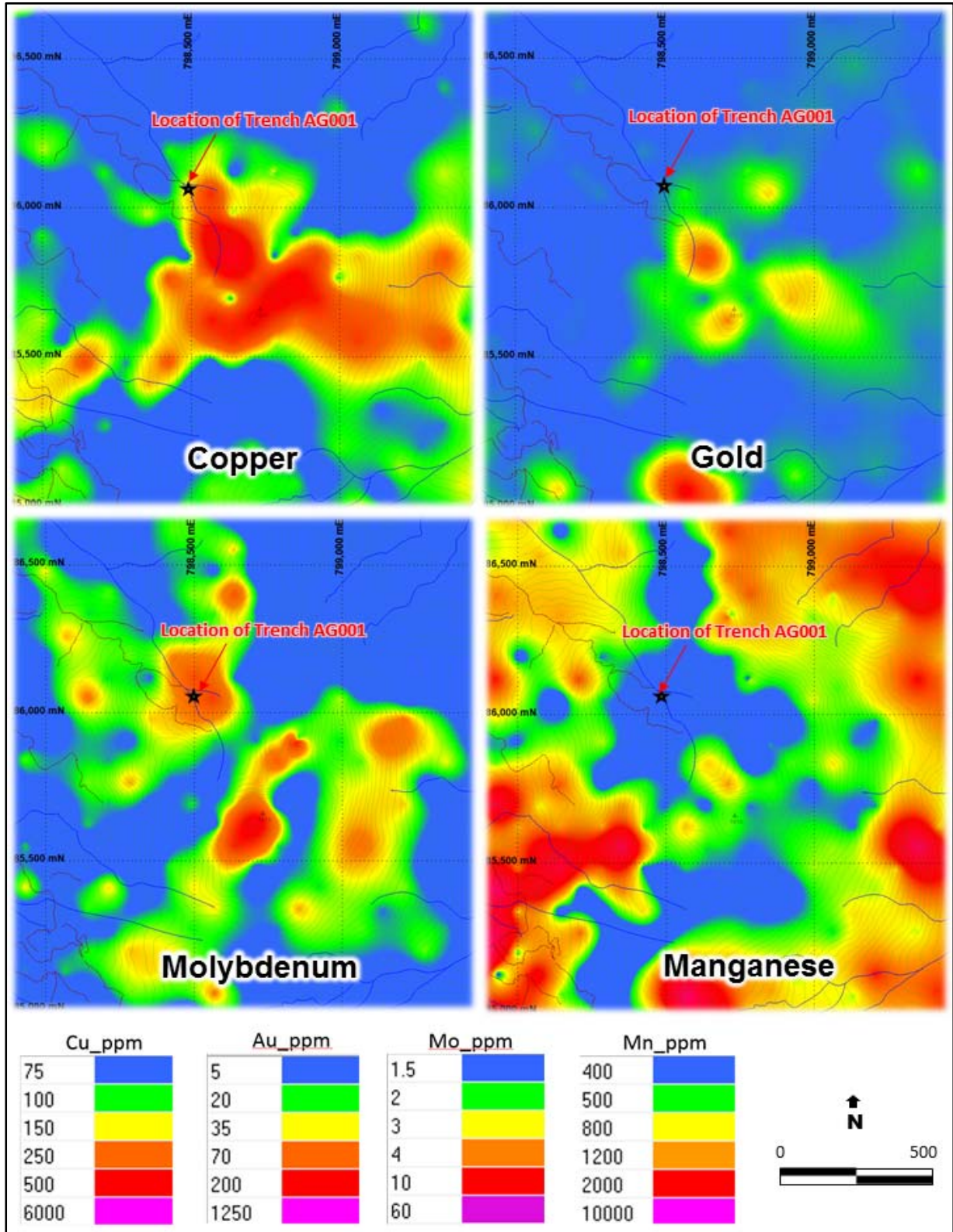




**Figure 6:** 3D IP chargeability and Magnetics models at Aguinaga.



**Figure 7:** Strong chargeability response due to sulphides associated with mineralisation in scaled comparison between Aguinaga and Alpala in northern Ecuador, and with Elang and Batu Hijau deposits in Indonesia.



**Figure 8:** 'Textbook' style soil geochemistry over the Aguinaga prospect.



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## NOTES TO EDITORS

SolGold is a Brisbane, Australia based, AIM-listed (SOLG) copper gold exploration and development company with assets in Ecuador, the Solomon Islands and Australia. The Company's objective is to create substantial shareholder value by discovering and defining world-class copper-gold deposits. SolGold's Board and Management Team have high vested interests in the success of Company, holding approximately 14% of its issued share capital, as well as strong track records in the areas of exploration mine development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical techniques and the guidance of Newmont trained porphyry expert Dr Steve Garwin.

Cascabel, the Company's world class flagship copper-gold porphyry project, is located in North West 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 11% of TSX-V-listed Cornerstone Capital Resources, which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

To date the Company has completed geological mapping, soil sampling, 14km<sup>2</sup> and 9km<sup>2</sup> Induced Polarisation and Magnetotelluric "Orion" surveys at the Alpala and Aguinaga targets respectively. By October 2015, the Company had completed approximately 25km<sup>2</sup> of soil sampling and 14km<sup>2</sup> of electrical surveys, 21,000m of drilling and expended approximately US\$30m. Diamond drilling continues with two drilling rigs completing approximately 8000 metres per rig each per annum.

Cascabel is characterised by multiple targets, world class intersections rich in high grades of copper and gold, logistic advantages in location, elevation, water supply, proximity to road, port and power services and a progressive legislative approach to resource development.



SolGold is planning a resource statement at Alpala the most advanced target at Cascabel by mid-2016, in addition to drill testing the other key targets at Aguinaga, Tandayama America and Chinambicito in the Cascabel concession. By the end of 2016 the company is planning further metallurgical testing, and completion of early stage mine and plant design and a scoping study for an economic development at Cascabel. Solgold is investigating both high tonnage / low grade open cut and high grade low tonnage underground developments as a block caving operation.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects. Joint venture agreements are still being investigated with the strategy for the joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

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 760,453,071 fully paid ordinary shares, 4,820,000 options exercisable at 50p, 7,280,000 options exercisable at 28p and 9,280,000 options exercisable at 14p. On 2 October 2015, SolGold issued two 12 month Convertible Notes for A\$1.25m and £500,000 each respectively, convertible at the greater of 1.75 p or 80% of volume weighted average price over the 5 days preceding the date of notification of conversion. At the minimum conversion price of 1.75p and an AUD/GBP exchange rate of 2.171 SolGold would issue a further 64,666,156 shares for an undiluted total of 825,119,227 shares.

#### **CAUTIONARY NOTICE**

The news release may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's directors. Such forward-looking 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 forward-looking statements. Accordingly, you should not rely on any forward-looking statements and save as required by the AIM Rules for Companies or by law, the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.