



17 February, 2016

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

Cascabel Exploration Update

Hole 16 rapidly advances beyond 700m depth, intersecting copper mineralisation from 568m, revealing the growing potential for southeast extension of the Alpala deposit.

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.

HIGHLIGHTS:

- **CSD-16-016 ("Hole 16") intersects significant visible copper mineralisation from 568.1m, containing porphyry style "B" type stockwork veining forming greater than 5% of the rock volume.**
- **Hole 16 at a current depth of 738.6m.**
- **Hole 16 is planned to extend the Alpala Central deposit by 100m to the southeast.**

DETAILED INFORMATION:

The Cascabel project is located in northern Ecuador, within the Eocene aged Andean Copper belt, the same metallogenic belt as some of the world's largest porphyry copper and gold deposits (**Figure 1**).

CSD-16-016 ("Hole 16") commenced on 25th January 2016 from the same drill site as Holes 4 and 14, and is at a current depth of 738.6m. This hole is being drilled to the southwest (at an azimuth of 198 degrees) and a dip of -83 degrees, and is planned to extend the known extent of the Alpala Central deposit 100m to the southeast as well as to the north east of the Hole 12 intersection (**Figure 2**).

Hole 16 initially intersected volcanic rocks with weak disseminated sulphide mineralisation and veining from surface to 563.4m. The drillhole passed through a major NNW trending post-mineral fault zone from 563.4m to 568.1m, and entered into host rock containing porphyry style "B" type quartz magnetite and copper sulphide veining, typical of the Alpala porphyry mineralisation, overprinted by later "C" type chalcopyrite veining, which combined form greater than 5% of the rock volume, diagnostic of the mineralised intrusive porphyry phases at Alpala.

The mineralisation encountered so far is typical of other holes drilled at Alpala. The presence of significant altered fracture zones along with visible networks of copper sulphide quartz and magnetite veining at a relatively high levels, similar to that intersected at similar depth within Hole 12, is very encouraging.



SolGold geologists believe this suggests that the porphyry system at depth could be very strong and fertile, similar to that intersected in Hole 12, which penetrated the high grade core of the Alpala deposit, returning a world class result of 576m @ 1.03% Cu, 1.19 g/t Au.

The evolving Leapfrog 3D geological model at Alpala predicts that Hole 16 will intersect the prospective "D10" early phase diorite intrusion from around 880m down hole, and pass thereafter into the often higher grade "QD10" quartz-diorite intrusion from 1270m. The hole is projected to a total depth of approximately 1600 metres, subject to ground conditions.

Photographs of drill core examples from mineralisation intersected in Hole 16 thus far are typical of mineralisation previously encountered in the upper parts of the Alpala deposit (**Figure 3**).

Significant portions of the Alpala system remain untested, and an aggressive drilling program is planned for 2016 in order to test these targets and also test the numerous targets being developed within the broader Cascabel licence area. The presence of these recent discoveries at surface, in conjunction with geophysical, geochemical and geological signatures of the inferred porphyry centres to date are very encouraging and highlight the fertility and strength of the mineralising systems present within the Cascabel cluster of porphyry copper gold targets.

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

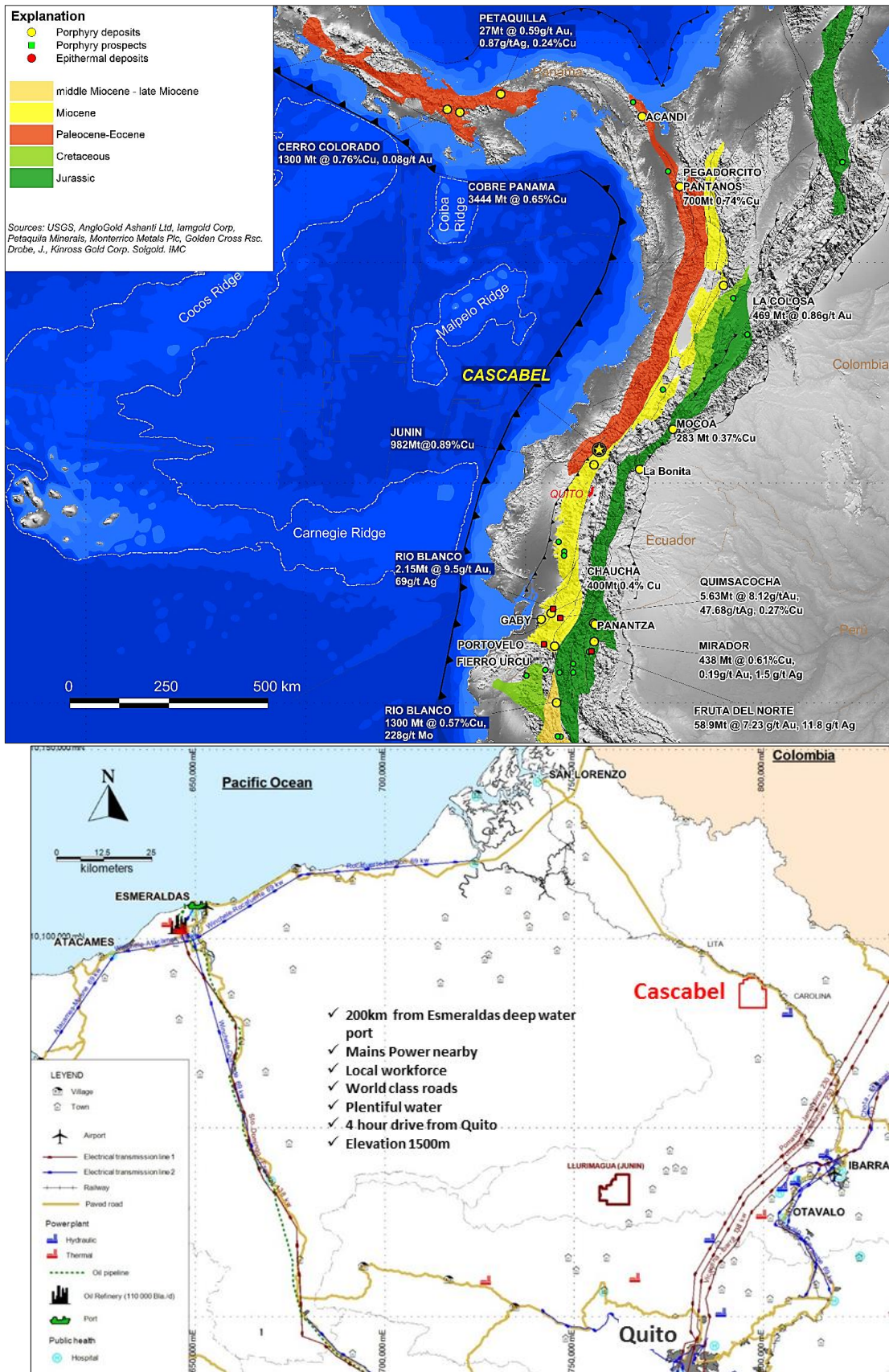


Figure 1: Location of Cascabel project in northern Ecuador.

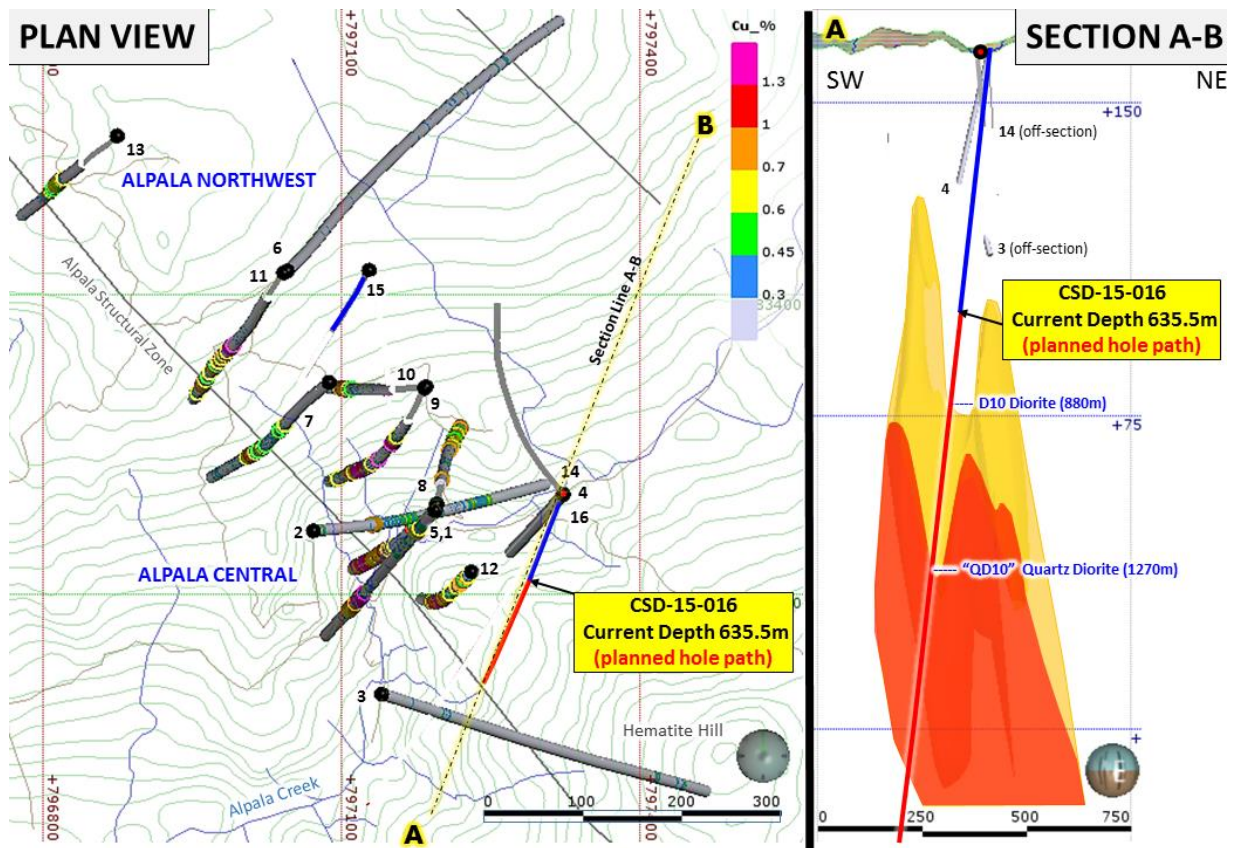


Figure 2 (Left): Location of drill holes along the Alpa trend, showing progress of CSD-16-016 as drilling progresses towards testing the southeast extension of the Alpa deposit.

Figure 2 (Right): Southwest-northeast trending cross-section along the Hole 16 drill path, showing current depth over geology model. Hole 16 is expected to enter prospective mineralised “D10” and “QD10” intrusions from around 880m to the end of hole.

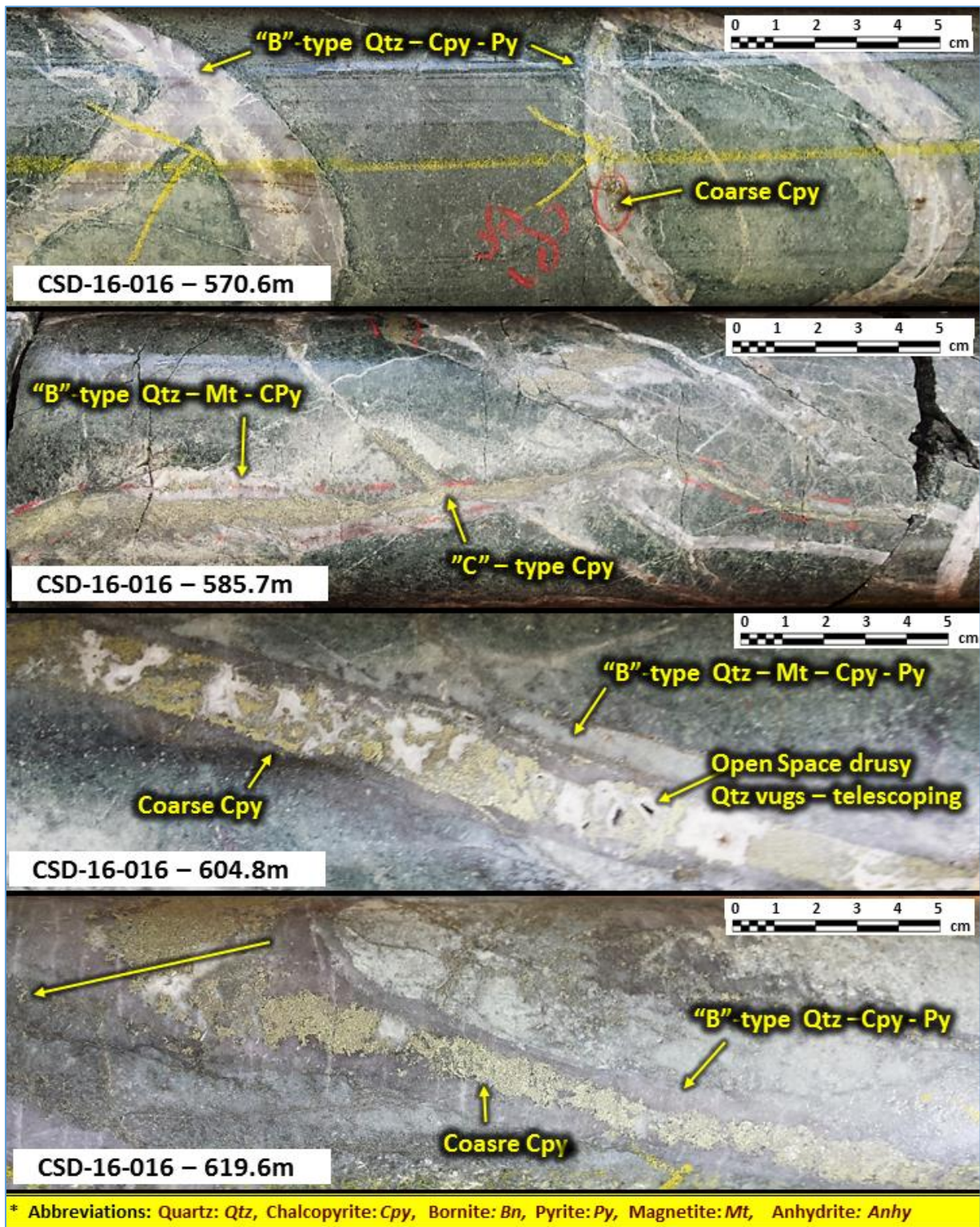


Figure 3: Photos of mineralised core from CSD-16-016 at Alpa Central, Cascabel.

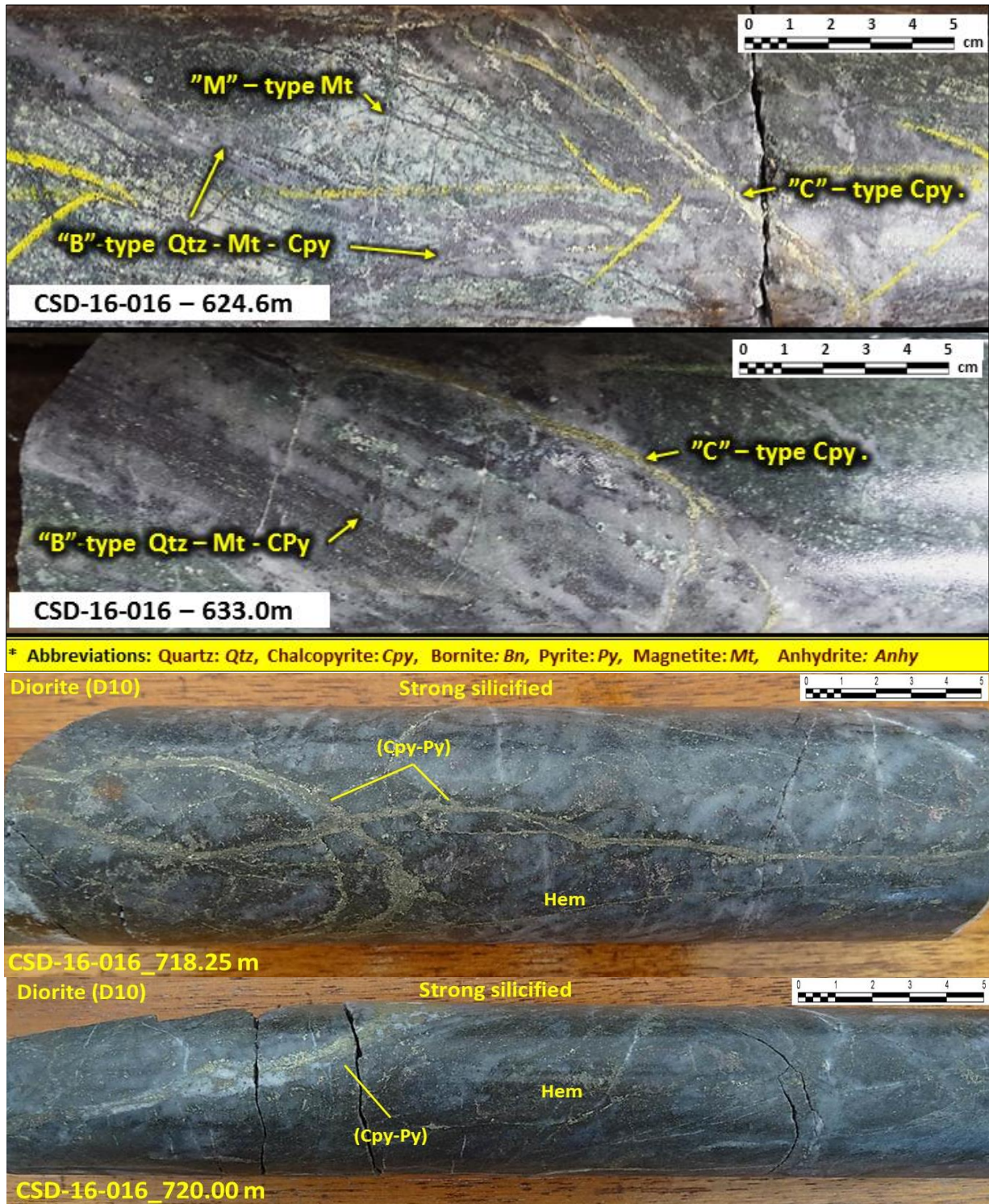


Figure 3: Photos of mineralised core from CSD-16-016 at Alpala Central, Cascabel.

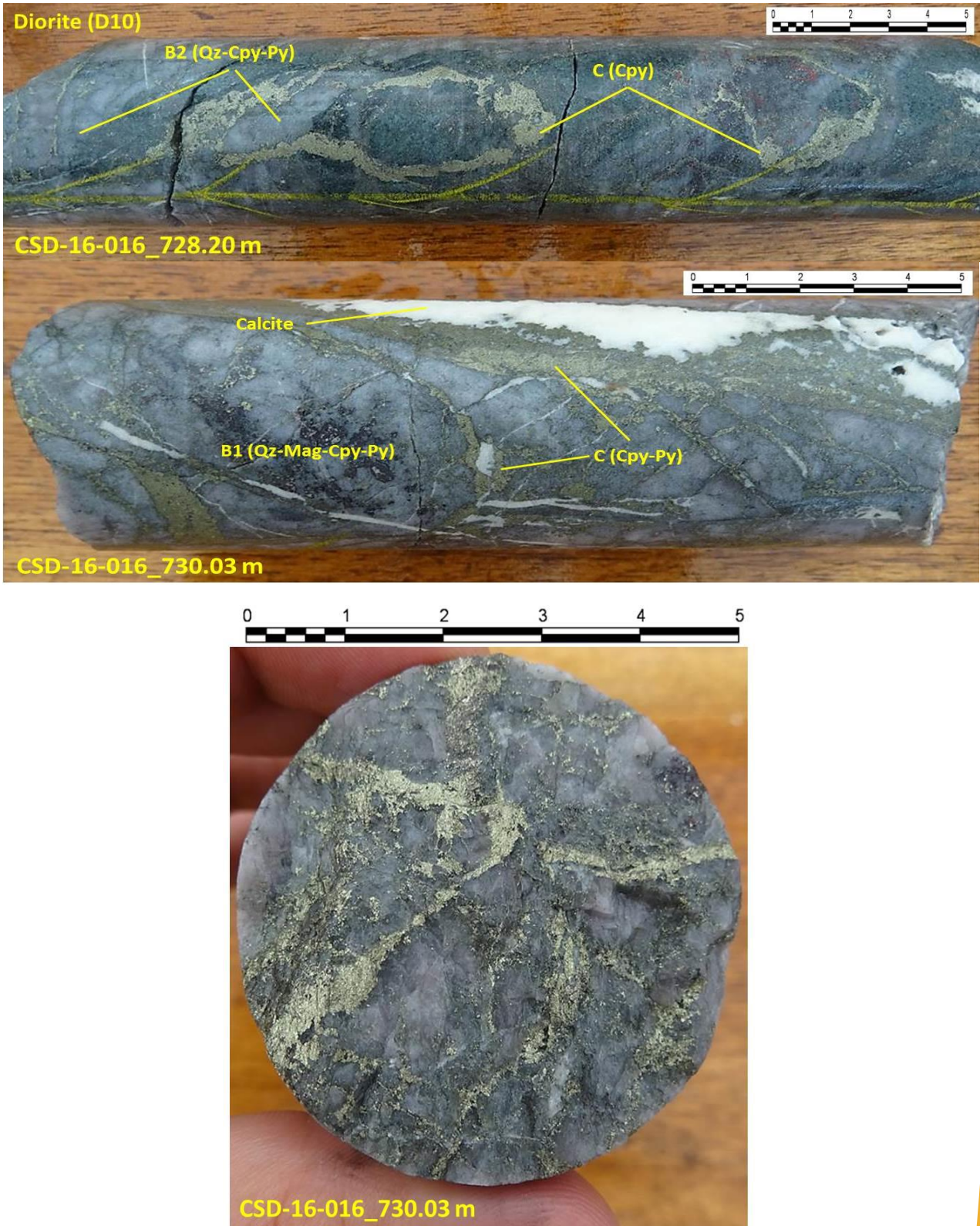


Figure 3: Photos of mineralised core from CSD-16-016 at Alpala Central, Cascabel.



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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, 14km² and 9km² Induced Polarisation and Magnetotelluric "Orion" surveys at the Alpala and Aguinaga targets respectively. By October 2015, the Company had completed approximately 25km² of soil sampling and 14km² 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 during 2016, in addition to drill testing the other key targets in the Cascabel concession at Aguinaga, Trivinio, Alpala Southeast, Cristal, Tandayama America and Chinambicito. 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.



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. Copper equivalent grades are calculated using a gold conversion factor of 0.6, determined using copper price of US\$3/pound and gold price of US\$40/gram.

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 822,716,605 ordinary shares allotted, 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.

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.