6 August, 2014

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

Cascabel Exploration Update
Hole 7 Completed, Drill Rig Being Mobilised to Hole 8
IP Survey Commences

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:

- **Drill hole CSD-14-007 ("Hole 7") has been terminated at a downhole depth of 1672.76 metres;**
- **Intervals of strong visible copper sulphide mineralisation continued from 1251.26m to 1298.30m;**
- **Drill rig moving to drill site for hole CSD-14-008 ("Hole 8");**
- **Refined magnetic modelling provides substantial additional resolution of the magnetic domains within the Greater Alpala Magnetic Complex;**
- **Orion 3D "Deep Earth Imaging" IP geophysical survey equipment and personnel on site. Survey set-up completed and data acquisition commenced on 3 August; and**
- **Samples for preliminary metallurgical test-work from three intervals in CSD-13-005 ("Hole 5") have been received by Inspectorate in Vancouver, and test-work is in advanced stages.**

Commenting on today's update, SolGold CEO and Managing Director, Alan Martin said:
"The Company continues to progress key aspects of the exploration program at the Cascabel Project with the imminent commencement of Hole 8 in the Central Zone, the commencement of the Orion 3D IP survey, and preliminary metallurgical test-work on drill core from Hole 5. In addition, we are encouraged by the converging agreement between observations made by our geological team and a refined magnetic vector inversion ("MVI") model which has become available in the past fortnight. A surface exploration program in the area west-northwest of Alpala will also be initiated in August to extend the soil grid over magnetic anomalies along structural strike from Alpala. I look forward to providing progressive updates as we advance our flag-ship Cascabel Project on multiple fronts."

FURTHER INFORMATION

Hole 7

Hole 7 was terminated on 25 July at a depth of 1672.76 metres after encountering substantial intersections of copper-gold mineralisation from 540.70 metres on the southwest edge of the Central Magnetic Feature.

From 1251.26m to 1298.30m the hole continued to intersect diorite with varying degrees of potassic alteration. Visible copper sulphides continued through the remainder of the hole but at progressively diminishing intensities, in association with marginal inner propylitic alteration types.

From 1298.30m to 1672.76m there is a progressive reduction in quartz vein intensities indicating that the hole was progressing towards the margin of the system.

Assays from 1251.26m to 1600m depth are expected within a week, whilst the remaining assays from 1600m to 1672.76m are expected within four weeks.

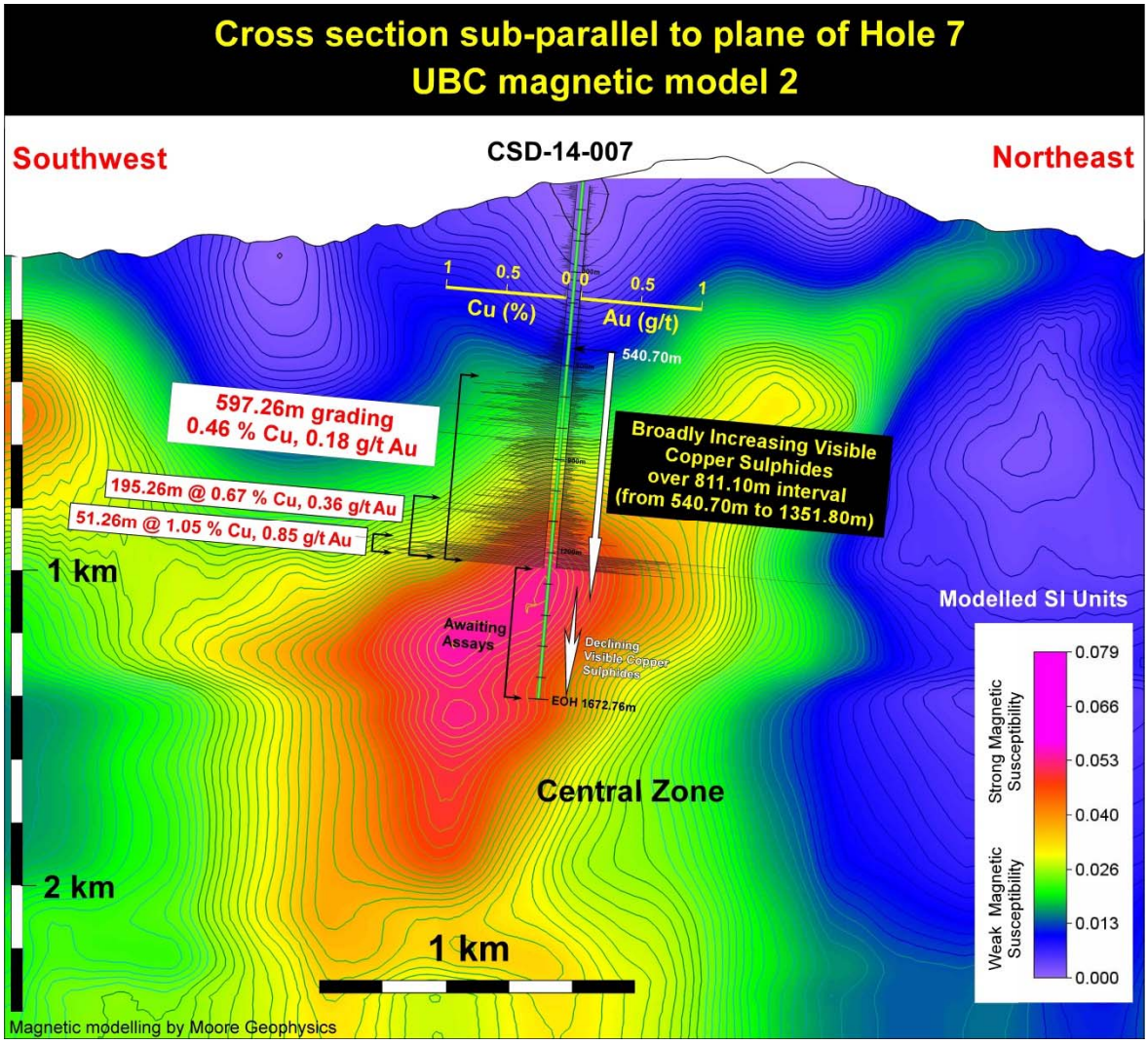

Figure 1 – Histograms of copper and gold mineralisation in Hole 7 on a background image of the modelled magnetic susceptibility from the second UBC (University of British Columbia) model (Model 2).

MVI Modelling

The current unconstrained magnetic model at Alpala was created using the UBC (University of British Columbia) smooth body inversion algorithm that had historically been considered industry best practice. The depth of investigation required at Alpala, coupled with the challenging low magnetic inclination of the Earth's field in Northern Ecuador, has required SolGold to push this modelling as far as can feasibly be achieved, when considering the non-unique nature inherent in potential field solutions.

New generation magnetic modelling algorithms that allow MVI modelling have recently been developed collaboratively by UBC GIF (University of British Columbia Geophysical Inversion Facility), industry and front end software developers (Geosoft) who have commercialised this new technology. Traditional 'susceptibility' algorithms assume the observed magnetic field is due totally to induced magnetisation, orientated parallel, or anti-parallel, to the Earth's field. In contrast, MVI modelling incorporates the three vector components of the magnetic data. This allows the modelling to be more effective in challenging situations where geological processes or geophysical effects, such as deformation, anisotropy, remanent magnetization, high susceptibilities and low inclination of the Earth's field, alter the direction of magnetisation. In this way MVI allows the magnetisation direction to vary within the model, allowing a more accurate representation of the sub-surface geology. SolGold's geophysicist, Chris Moore of Moore Geophysics, has negotiated an agreement with Geosoft that allows access to these algorithms for use on third party client projects.

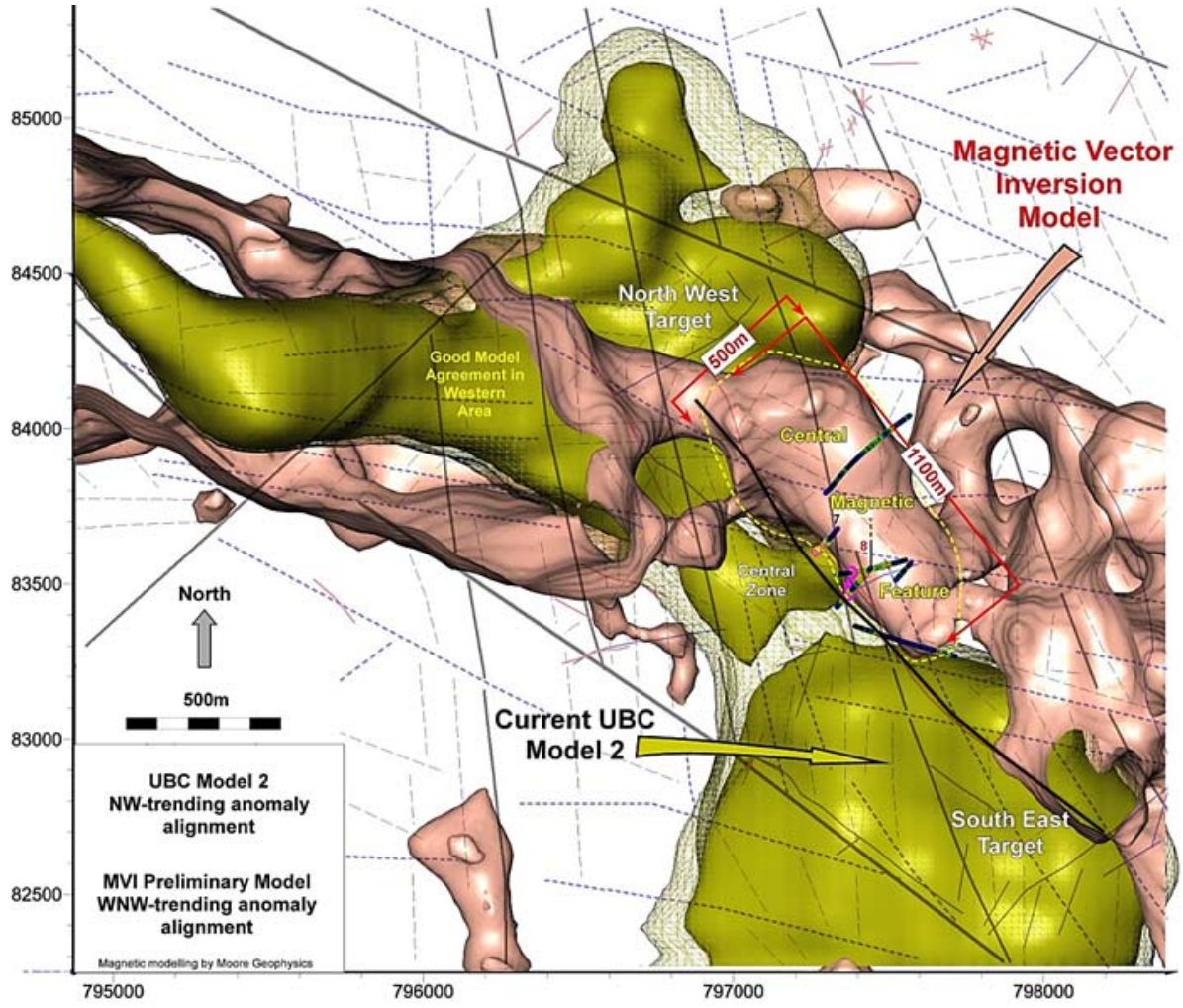

Figure 2 – Map view of the UBC Model 2 (yellow-green) and the most recent MVI Model. The models show good correlation in the northwest whilst there are offsets in the models in the southeast, potentially due to the MVI model better accounting for remanence effects. The MVI model shows more detailed resolution as well as better concordance with the west-northwest regional fault network and north-northwest second-order fault network in the Alpala region.

An MVI magnetic model has been generated at Alpala. Figures 2, 3, 4 and 5 below illustrate this work. This refined model is well supported by geology observed in drill holes, as well as interpretations of regional faults generated from the 2D magnetic interpretation. Holes 5 and 7 have drilled down the southwest margin of a magnetic domain up to 1.1 km long by 0.5 km wide by 1.0 km tall (Figures 2 and 3) and slowly diverged away from this magnetic domain towards the southwest. Both holes ended in lower grade - lower assayed grade in Hole 5 and lower visible copper grade in Hole 7 - away from the new MVI magnetic domain. This trend of weakening mineralisation at depth to the southwest suggests that the heart of the system in the Central Zone lies in the 500m wide northwest-trending magnetic corridor that passes northeast of Holes 5 and 7. The presence of extensive intervals of proximal halo mineralisation in holes 3 and 6 support the refined MVI model, and suggests mineralisation of higher grade lies below and northwest of the lower Hole 3 intersection and below and southwest of the lower Hole 6 intersection.

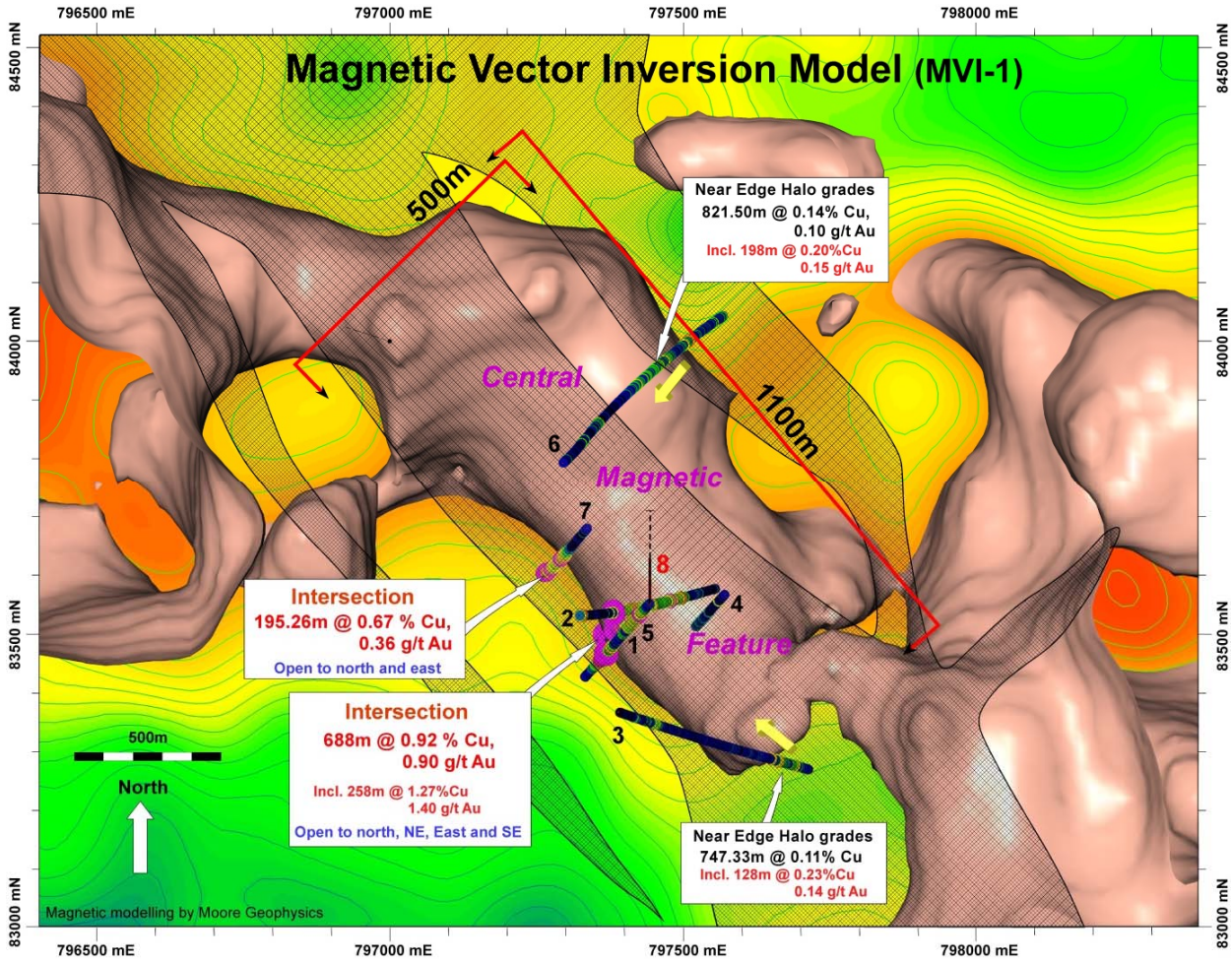

Figure 3 – Enlarged plan view of the MVI magnetic model in the Central Zone region at Alpala. Mapped argillic alteration shown by the cross-hachured shape that lies centrally over the Central Zone MVI model magnetic high. Holes 5 and 7 drilled down the southwest margin of a 1.1 km long by 0.5 km wide magnetic domain (labelled "Central Magnetic Feature") before slowly diverging away from this magnetic domain towards the southwest. Both holes ended in lower assayed grade (Hole 5) or lower visible copper grade (Hole 7) away from the new MVI magnetic domain, suggesting that the core of the system lies in the 500m wide northwest-trending magnetic corridor that passes northeast of Holes 5 and 7. The presence of extensive intervals of halo mineralisation in Holes 3 and 6 support the refined MVI model, and suggest mineralisation is below and northwest of the lower Hole 3 intersection and southwest of the lower Hole 6 intersection (yellow arrows). Hole 8 will test this new MVI magnetic domain – which has an upper surface at around 800m depth – in an area 160m north-northeast of the Hole 5 intersection.

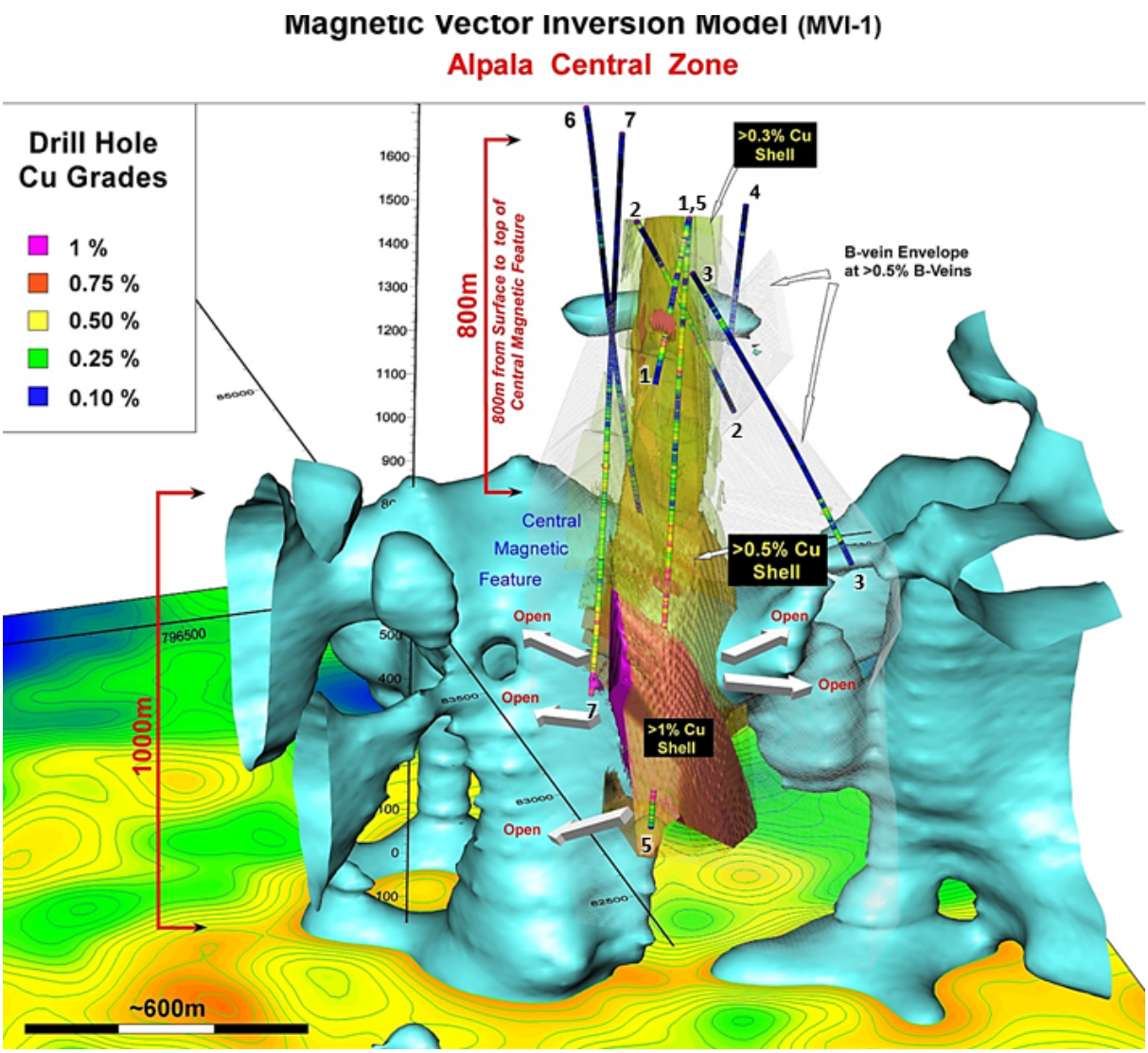

Figure 4 – 3D orthographic view looking north-northeast across the MVI model in the Central Zone at Alpala. Shells of copper (Cu) grade at 0.3%, 0.5% and 1.0% have been estimated using inverse distance interpolation between drill holes. The high-grade zone at greater than 1% coincides with marginal potassic alteration on the southwest edge of the Central Magnetic Feature. The top of the magnetic column lies at around 800m below surface, and the MVI magnetic anomaly extends for over a kilometre in the vertical dimension, extending from around 800m depth to beyond 1800m depth.

Hole 8

Hole 8 has been sited on the same pad as Hole 5 and will be drilled with an 85 degree inclination towards due north (Figure 4). The drill rig is currently being mobilised to the new drill site.

The hole is targeted to intersect the MVI magnetic anomaly at a point that is approximately 100m north-northeast of the upper contact of the high-grade zone in Hole 5, and at a point approximately 170m north-northeast of the lower contact to the high-grade copper-gold intersection in Hole 5 (Figure 5).

The hole will aim to generate a copper-gold intersection at the third apex of a triangle, with Holes 5 and 7 lying along the structurally controlled southwest margin of the MVI magnetic anomaly and Hole 8 yielding an intersection within the anomaly 100m to 170m northeast of Holes 5 and 7 (Figure 5).

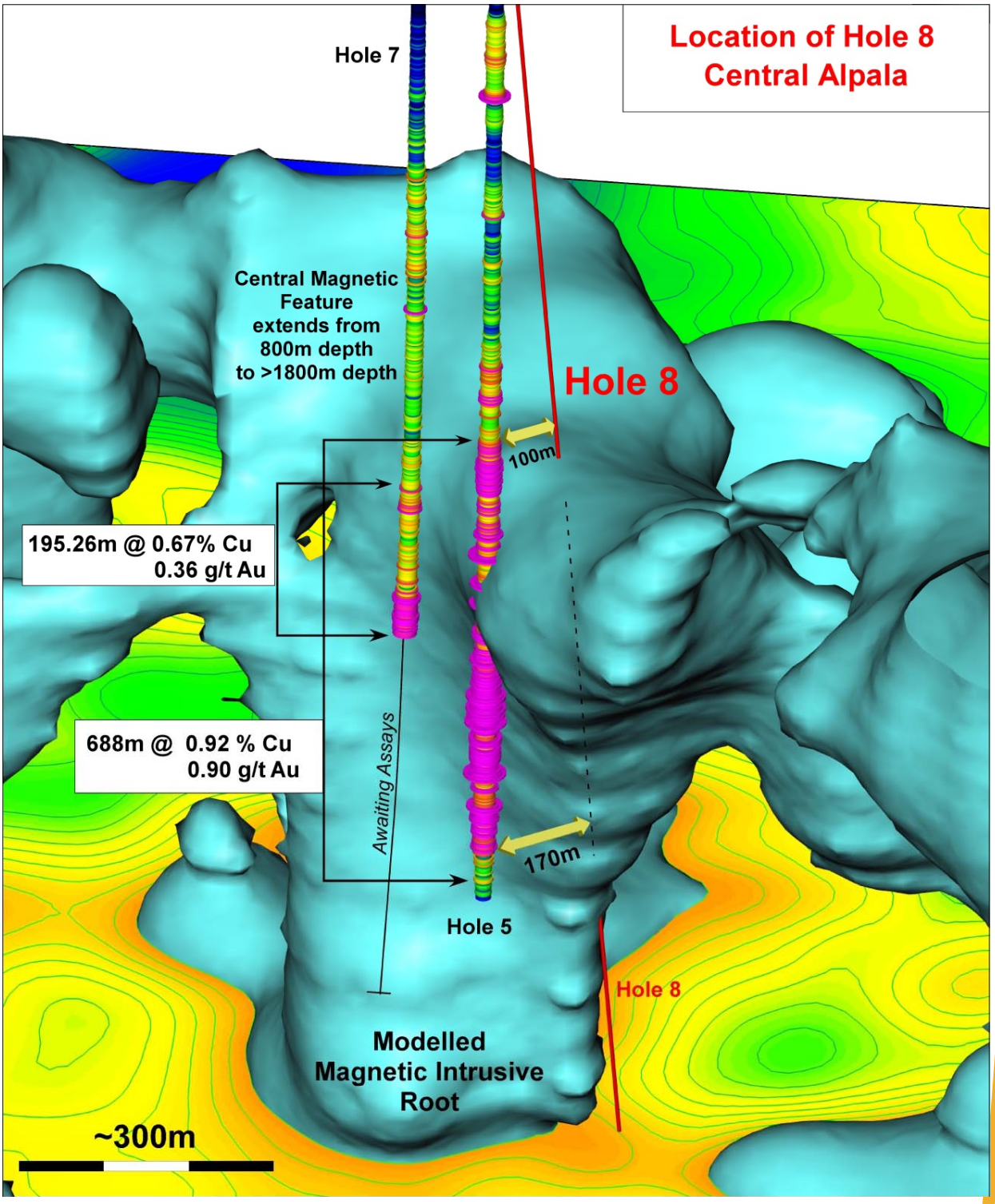

Figure 5 – 3D image of the MVI magnetic model, looking north-northwest, and showing the location and separation of Hole 8 from the high grade copper and gold intersected in Hole 5. Hole 8 will test the MVI magnetic anomaly at a spatial separation of 100m and 170m north-northeast from Hole 5.

IP Survey and Magnetic Modelling

The Quantec Orion IP geophysical equipment was released from customs on 17 July and transported to the field office at Rocafuerte on the same day. The equipment was then mobilised to the Alpala camp by mule and manpower from 18 July to 21 July. On 26 July the Quantec team completed an inventory of all the equipment and confirmed safe arrival of all required hardware. The Quantec team commenced laying out the cables over the entire survey area, and this set-up phase of the survey was completed on 2 August.

The Orion 3D IP surveying of the Alpala grid commenced on 3 August. Chargeability and conductivity measurements are being taken during daylight hours whilst magneto-telluric measurements are being taken during the nights. The resistivity data are derived from magneto-telluric measurements that use natural atmospheric electrical discharges as the energy source. The chargeability and conductivity surveying should penetrate to around 800m depth whilst the resistivity surveying should penetrate to around 2 kilometres depth.

The Orion 3D IP survey at Alpala is anticipated to take approximately 3-4 weeks to complete the acquisition of survey data. It is expected that provision of the raw field data will be made to the Company within 2-3 weeks following completion of the survey. Preliminary inversion models will be completed and provided by Quantec within approximately 4-5 weeks of completion of the field survey or provision of the survey GPS data to Quantec's data modellers. It is expected that completion of all project deliverables will be available towards the end of October 2014.

Gridding over the Aguinaga prospect is near complete, and this will allow the Quantec team to commence surveying the Aguinaga area following completion of the Alpala survey.

Metallurgical Testwork

Three samples for metallurgical test-work from Hole 5 were received by Inspectorate Exploration and Mining Services Ltd ("Inspectorate") of Richmond, Vancouver, on 2 July. Inspectorate is associated with the ACME Laboratory Group that conducts the assaying of drill core from the Cascabel project. The initial test work is presently underway at Inspectorate.

The results of this initial test-work are anticipated to be received by the end of the September quarter.

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

Contacts:

Mr Alan Martin
SolGold Plc (CEO and Managing Director) **Tel: +61(0) 488 223 828**
amartin@solgold.com.au

Mr Nicholas Mather **Tel: +61 (0) 7 3303 0665**
SolGold Plc (Executive Director)
nmather@solgold.com.au

Mr Karl Schlobohm **Tel: +61 (0) 7 3303 0661**
SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Mr Ewan Leggat/Ms Katy Birkin **Tel: +44 (0) 20 3463 2260**
SP Angel Corporate Finance LLP (NOMAD and Broker)
Ewan.leggat@spangel.co.uk

Mr Dominic Barretto / Ms Anna Legge **Tel: +44 (0) 7747 788 221**
Yellow Jersey PR Limited (Financial PR)
dominic@yellowjerseypr.com

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, 12,730,000 options exercisable at 28p, 9,730,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.

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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.