6 July 2016

SolGold plc

("SolGold" or the "Company")

Cascabel's True Potential Begins to Emerge
14 Porphyry Targets Identified to Date

The Board of Directors of SolGold (AIM: SOLG) provides shareholders with the following update from its Cascabel Copper-Gold Porphyry Project in Ecuador.

HIGHLIGHTS:

- **Additional targets supported by magnetic modelling and molybdenum in soils samples at Carmen, Parambas and Moran.**
- **Drilling to date at the Alpala deposit has returned remarkable results, with 5 of 17 holes ranking amongst the top published porphyry copper-gold exploration drill holes in history (ranked by metre percent copper equivalent).**
- **Magnetic modelling on the greater Moran-Alpala trend reveals striking similarities to the giant Hugo Dummet deposit of Oyu Tolgoi, Mongolia.**
- **Proximity to the growing high-grade Alpala porphyry copper-gold deposit and genetic similarity bodes well for the prospectivity of these satellite targets.**
- **Alpala Central deposit continues to grow with each drill hole, and holds numerous similarities with the large high-grade Golpu deposit in Morobe Province, Papua New Guinea.**
- **Evidence mounts to define Cascabel as a world class Tier 1 copper-gold porphyry field. Fourteen porphyry targets generated within the Cascabel concession, seven of which have been elevated to close to drill ready status.**

FURTHER INFORMATION:

The Directors of SolGold advise that recent geological and geochemical field work in conjunction with updated three dimensional MVI magnetic modelling has now defined fourteen copper-gold porphyry targets within the Cascabel project area in Northern Ecuador (refer **Figure 1,** Location). Proximity to and geologic similarity with the growing Alpala porphyry copper-gold deposit suggests that these satellite targets within the Cascabel tenement will yield similar deposits to Alpala Central, the only target drilled to date.

Revised magnetic modelling, reconciled to downhole magnetic susceptibility readings from drill core, has refined MVI magnetic models to represent a proxy for magnetite-chalcopyrite style porphyry mineralisation that exists at Alpala. Soil geochemistry, molybdenum anomalies and detailed 1:500 scale "Anaconda" style surface geological and structural mapping has resulted in the Company now having increased confidence in targeting other rich parts of the wider porphyry systems within the Cascabel tenement.

Recently, modelling has identified coincident magnetic and molybdenum anomalism which is considered to be particularly diagnostic at new targets at Moran, Carmen and Parambas. SolGold has recently reported on its initial investigations at Moran, and is currently commissioning mapping and sampling programs at Carmen and Parambas. As with Moran, SolGold aims to define significant areas of surface mineralisation at Carmen and Parambas.

Seven high priority porphyry centres are now within the Cascabel project, from a total of fourteen porphyry targets inferred to date, including the newly discovered Moran, and the recently defined Carmen and Parambas target areas (refer **Figure 4 and 6,** Cascabel Targets).

The Cascabel Project is located on the gold rich northern section of the prolific Andean Copper belt renowned as the production base for nearly half of the world's copper (refer **Figure 2,** Regional Setting).

SolGold's Global Exploration Manager, Mr Jason Ward, commented on today's release: *"….considering that tremendously fertile porphyry copper-gold systems characteristically form clusters of deposits, rather than a single body, the chances that we have discovered the best of this massive copper gold system in outcrop in Alpala Creek is very slim. The chance that we have drilled the best portion of the Alpala deposit itself is also very slim, and the ongoing discoveries of similar targets within the overall tenement is very encouraging. As we drill additional holes the eventual size of the greater Cascabel system will unfold*."

Drilling to date at the Alpala deposit has returned remarkable results, with 5 of 17 holes ranking amongst the top published porphyry copper-gold exploration drill holes in history by metre percent copper equivalent, as shown in the peer reviewed compilation of published drilling results set out in **Figure 3**.

The north westerly trend of the Moran-Alpala MVI magnetic anomaly reveals a geometry which is very similar to the very large, very rich porphyry system at Hugo Dummet, in Oyu Tolgoi, Mongolia (refer **Figure 5** , Long-section of the Moran-Alpala Wider Target Zone).

The quality of this corridor as a high priority target is supported by contiguous datasets, including MVI magnetics, soil geochemistry, induced polarisation resistivity, and spectrometry to assess the diagnostic clays mineralogy in soils which are typically consistent with sulphide bearing disseminated and/or stockwork style mineralisation peripheral to, and above, a mineralised porphyry stock. (refer **Figures 6, 7 and 8**).

By order of the Board
Karl Schlobohm
Company Secretary

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 30 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.

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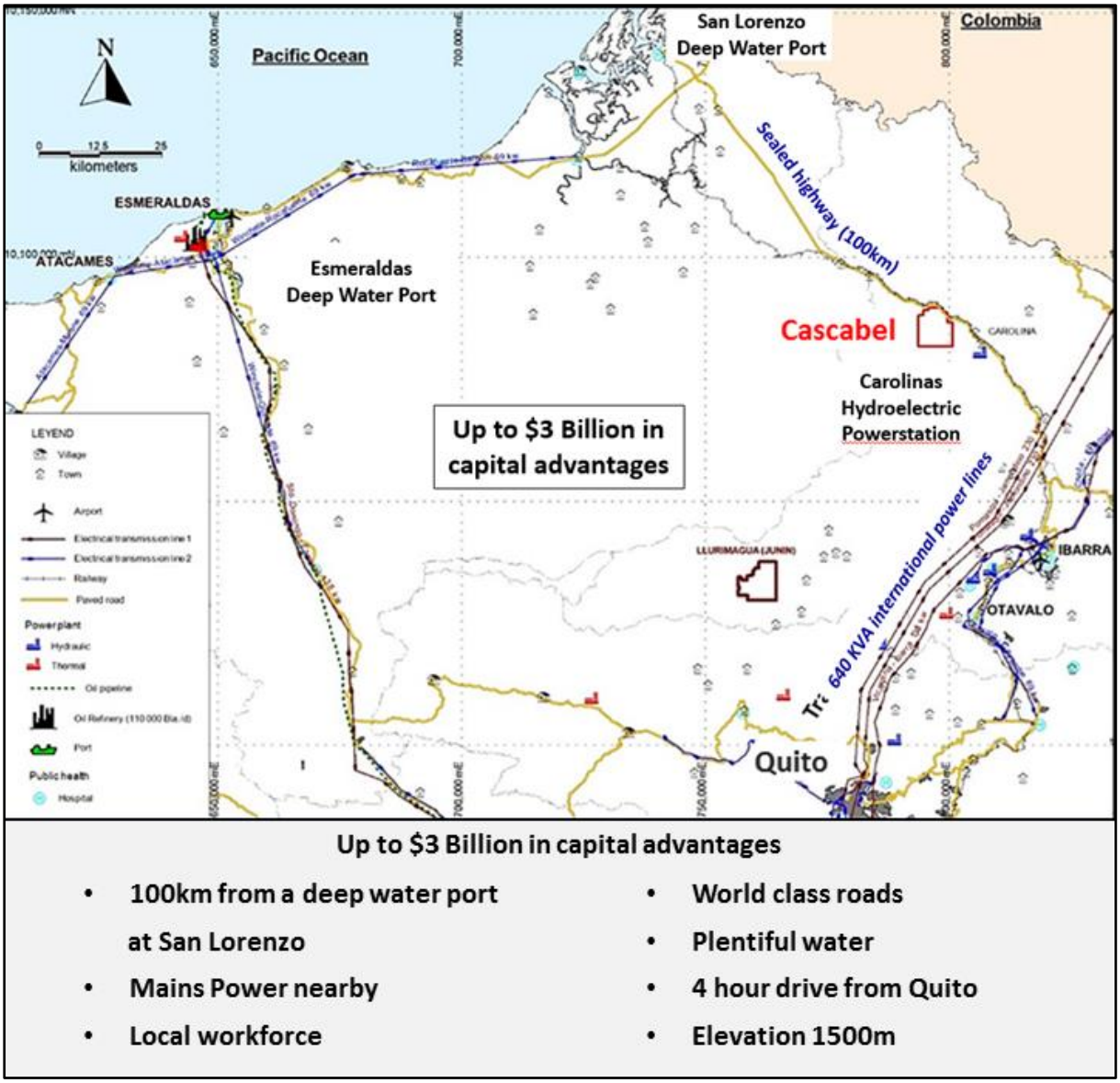


Figure 1: Location of Cascabel project in northern Ecuador.

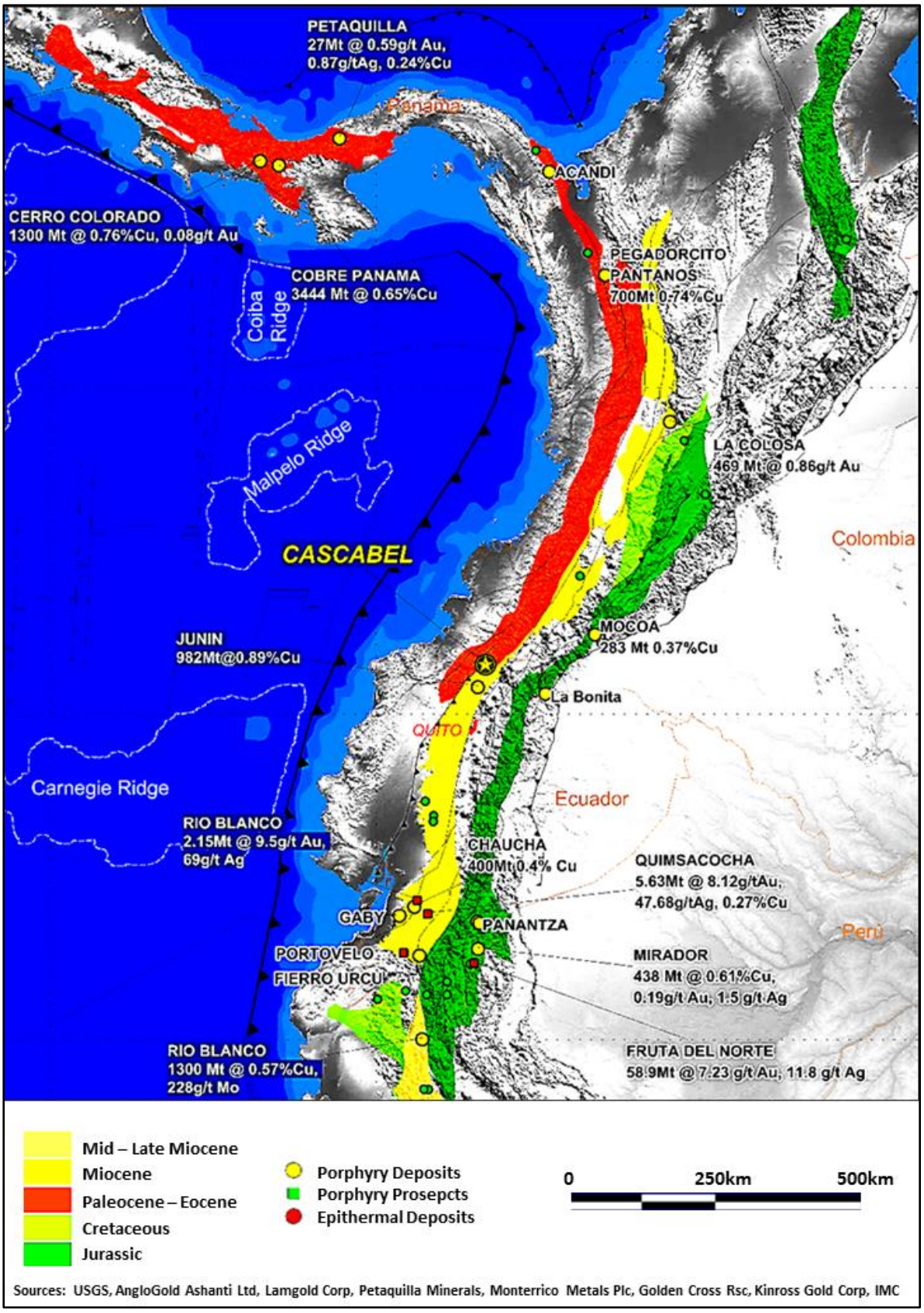
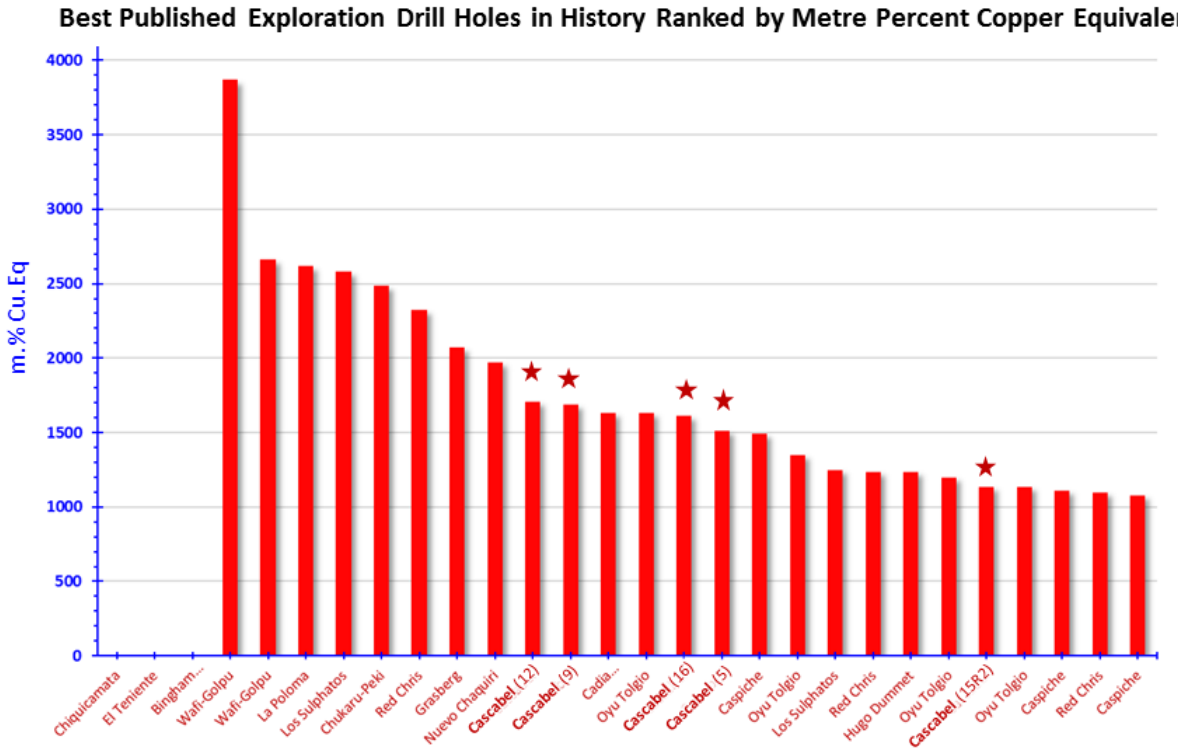


Figure 2: Regional Setting of the Cascabel Project, in the northern Andean Copper Belt.



NOTES: 1. Copper equivalent conversion factor of 0.89 calculated from copper price US$2.2-/pound and gold price US$1350/ounce.
2. The Chilean, Chiquicamata and El Teniente, state owned drilling results remain unpublished. 3. Bingham Canyon drilling results remain unpublished.
Sources: various company releases & broker reports, intierra.com, infomine.com.

Company	Property	Location	Interval (m)	Copper (%)	Gold (g/t)	Cu.Eq (%)	m% Cu.Eq
Codelco	Chiquicamata***	Northern Chile	?	?	?	?	
Codelco	El Teniente***	Central Chile	?	?	?	?	
Kennecott	Bingham Canyon	Utah, USA	?	?	?	?	
Newcrest / Harmony Gold	Wafi-Golpu	PNG	883	2.15	2.23	4.13	3868
Newcrest / Harmony Gold	Wafi-Golpu	PNG	799	1.9	1.43	3.17	2661
Anglo American	La Poloma	Central Chile	730	3.58	-	3.58	2613
Anglo American	Los Sulphatos	Central Chile	717	3.60	-	3.60	2581
Reservior Minerals / Freeport Mcmoran	Chukaru-Peki	Eastern Serbia	291	5.13	3.40	8.16	2485
Imperial Metals	Red Chris	BC, Canada	1024	1.01	1.26	2.13	2324
Freeport McMoran	Grasberg	Irian Jaya	591	1.7	1.8	3.30	2069
Anglo Gold Ashanti	Nuevo Chaquiri	Colombia	810	1.65	0.78	2.34	1968
Solgold - *Hole 12*	**Cascabel**	**Northern Ecuador**	**1312**	**0.67**	**0.63**	1.23	**1706**
Solgold - *Hole 9*	**Cascabel**	**Northern Ecuador**	**1088**	**0.66**	**0.89**	1.45	**1686**
Newcrest	Cadia Ridgeway	NSW, Australia	341	0.93	3.86	4.37	1633
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	326	3.77	1.23	4.86	1630
Solgold - Hole 16	***Cascabel***	***Northern Ecuador***	***1146***	**0.63**	**0.78**	1.32	**1616**
Solgold - Hole 5	***Cascabel***	***Northern Ecuador***	***1306***	**0.62**	**0.54**	1.10	**1515**
Exeter Resources	*Caspiche*	*Northern Chile*	*1214*	0.90	0.33	1.19	1493
Ivanhoe Mines	*Oyu Tolgoi***	*Southern Mongolia*	*476*	2.16	0.67	2.76	1347
Anglo American	Los Sulphatos	Central Chile	990	1.26	-	1.26	1247
Imperial Metals	Red Chris	Canada	1135	0.50	0.59	1.03	1237
Ivanhoe Mines	Hugo Dummet	Southern Mongolia	302	3.11	0.98	3.98	1235
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	258	3.68	0.98	4.55	1202
Solgold - Hole 15R2	**Cascabel**	**Northern Ecuador**	**1338**	**0.49**	**0.36**	**0.81**	**1137**
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	422	2.48	0.21	2.67	1135
Exeter Resources	Caspiche	Northern Chile	1058	0.70	0.35	1.01	1111
Imperial Metals	Red Chris	BC, Canada	716	0.79	0.74	1.45	1096
Exeter Resources	Caspiche	Northern Chile	793	0.96	0.40	1.32	1078

NOTES: 1. Copper equivalent conversion factor of 0.89 calculated from copper price US$2.2-/pound and gold price US$1350/ounce.
2. The Chilean, Chiquicamata and El Teniente, state owned drilling results remain unpublished. 3. Bingham Canyon drilling results remain unpublished.
Sources: various company releases & broker reports, intierra.com, infomine.com.

Figure 3: Published exploration drill results, ranked by metre percent copper equivalent.

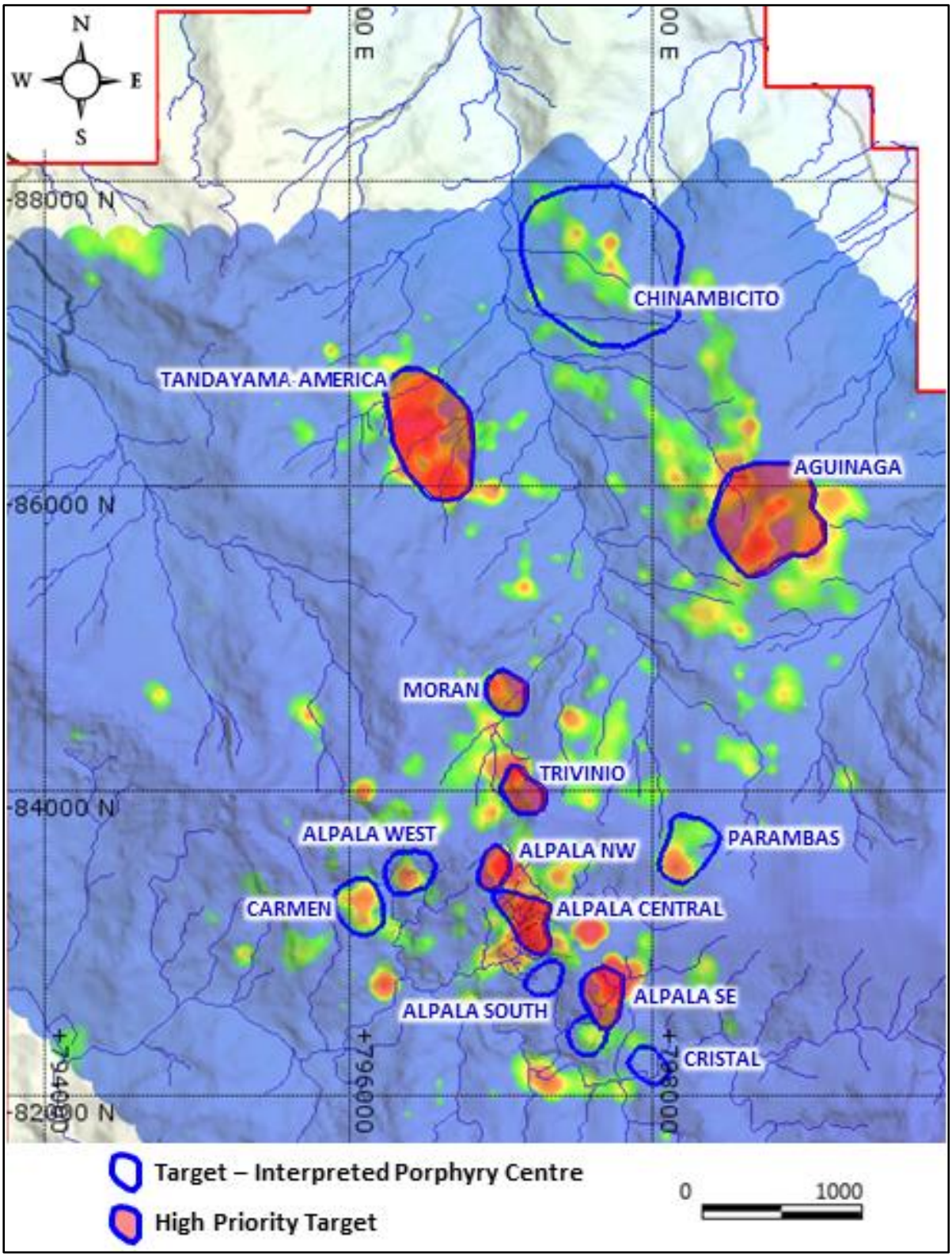


Figure 4: Cascabel targets, showing high priority drill targets amongst the total of fourteen porphyry targets over soil molybdenum geochemistry.

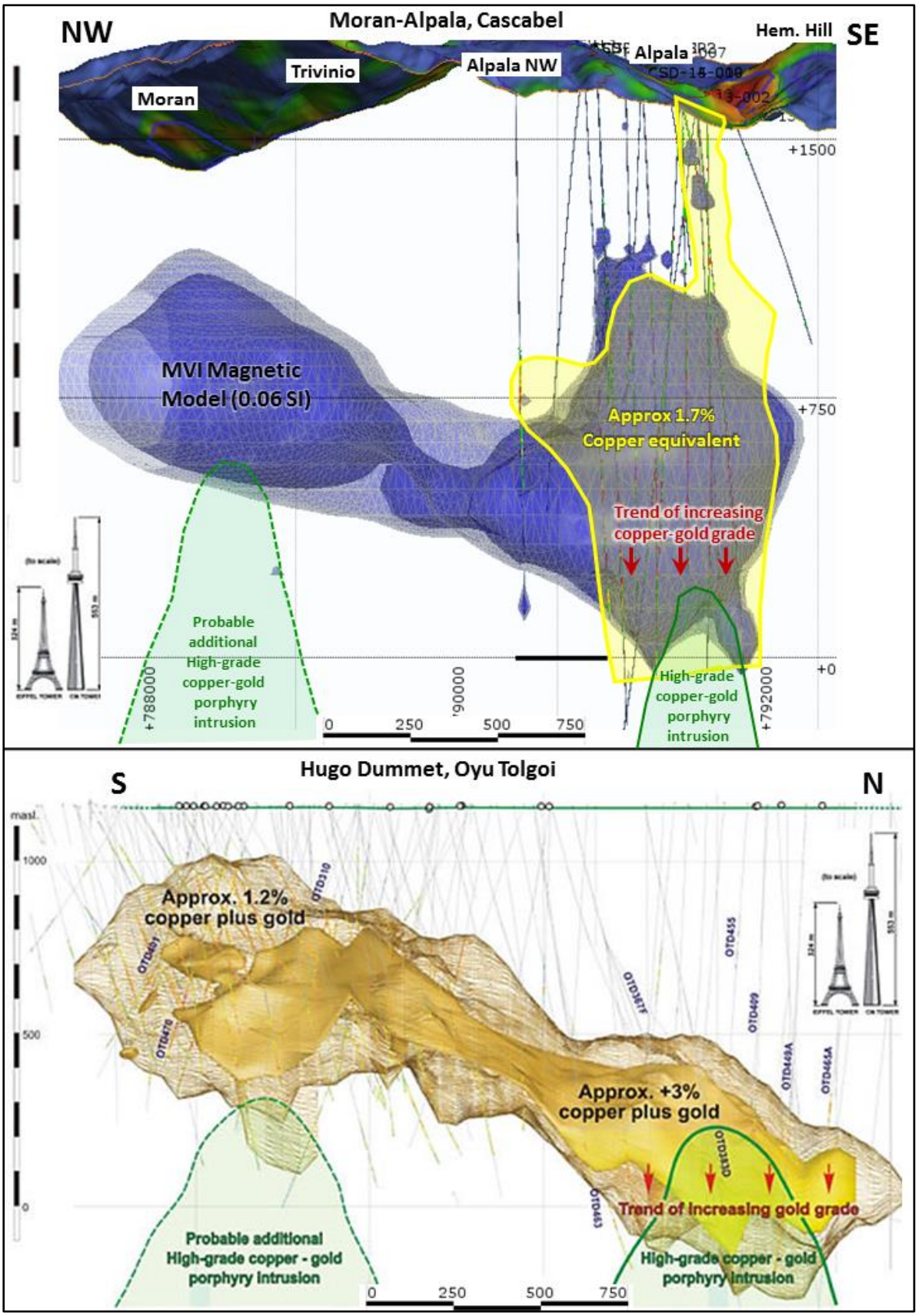


Figure 5: Long-section of the Moran-Alpala Wider Target Zone, showing scale comparison with the very large, very rich Hugo Dummet deposit in Oyu Tolgoi, Mongolia.

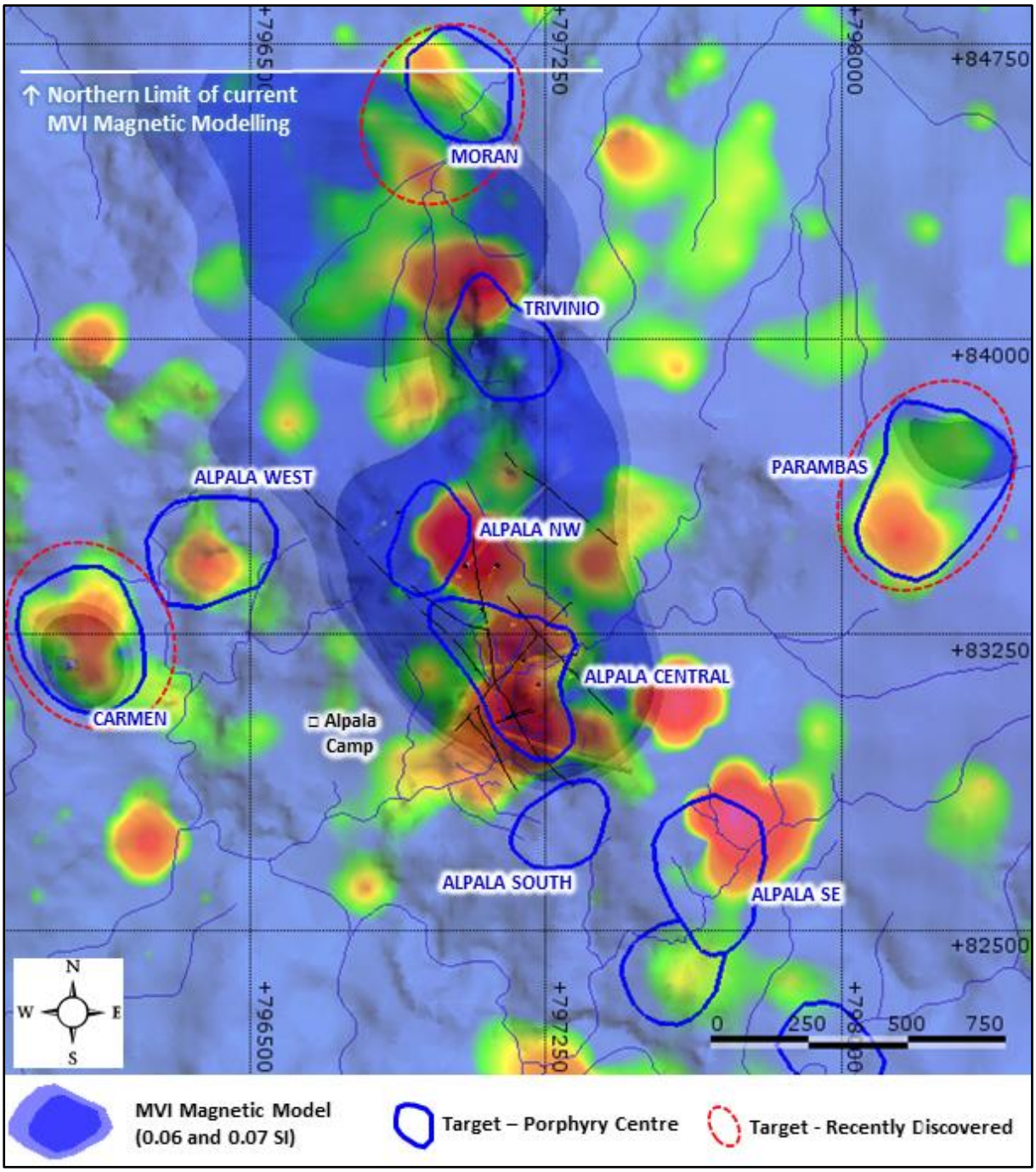


Figure 6: Moran-Alpala targets, showing porphyry targets over soil molybdenum geochemistry, over MVI magnetic models.

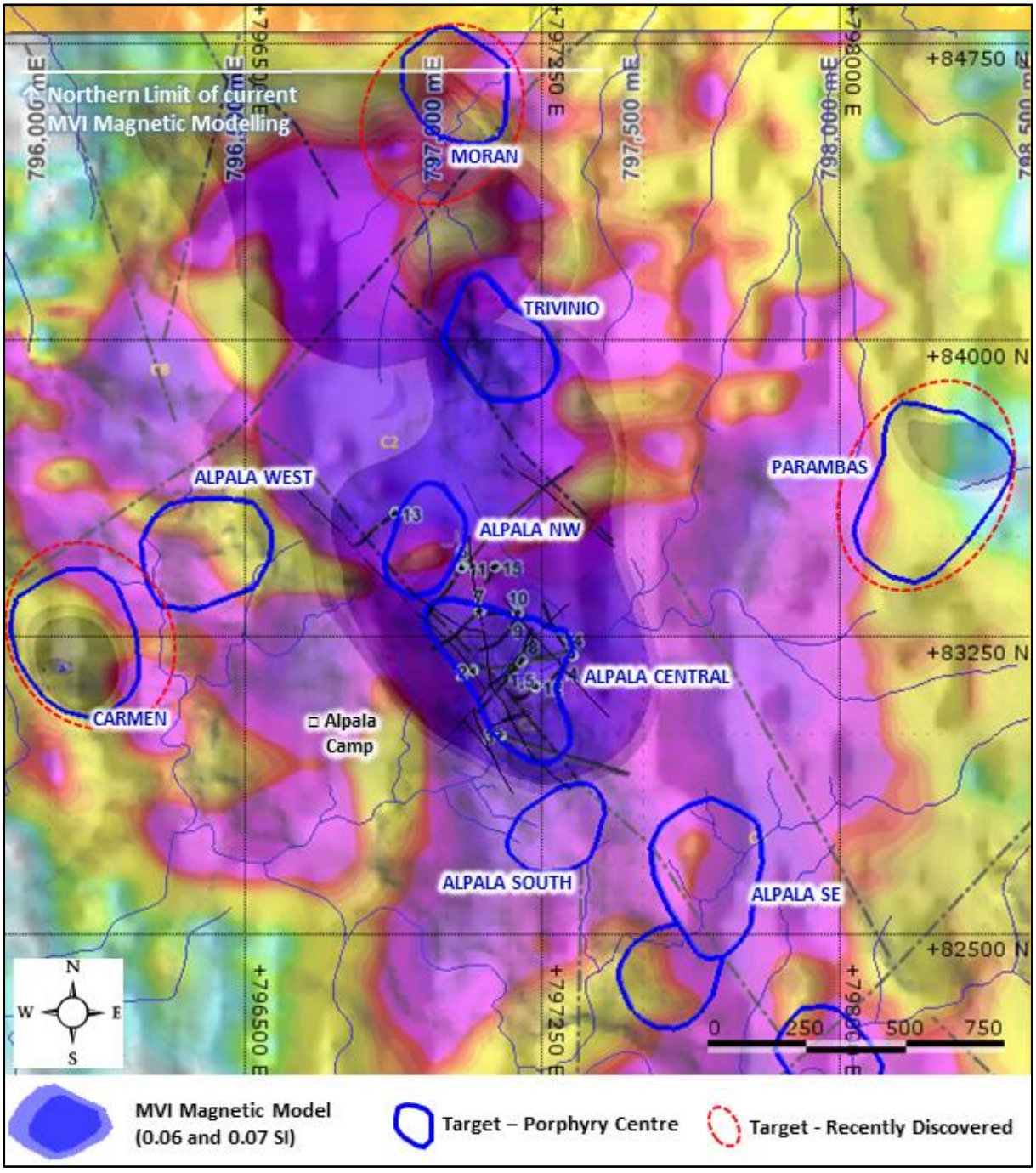


Figure 7: Moran-Alpala Wider Target Zone, showing IP DC Resistivity.

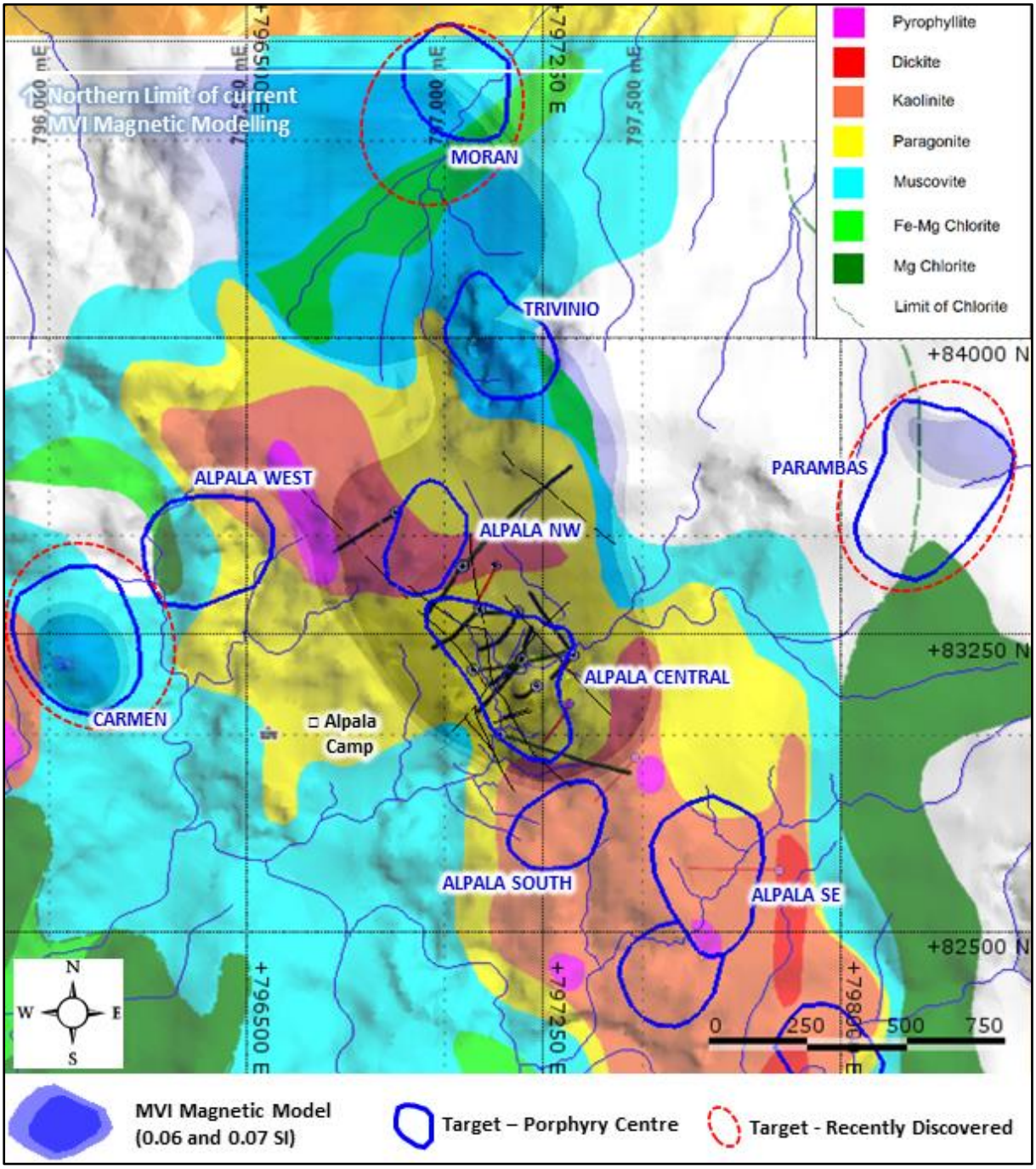


Figure 8: Moran-Alpala Wider Target Zone, showing ASD soil spectrometry interpretation.

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^2 and 9km^2 Induced Polarisation and Magnetotelluric "Orion" surveys at the Alpala and Aguinaga targets respectively. By June 2016, the Company had completed approximately 25km^2 of soil sampling, 14km^2 of electrical surveys, 23,700m of drilling and expended a total of approximately US$32m on the program, corporate costs and investments. Diamond drilling currently continues with two drilling rigs.

Cascabel is characterised by multiple targets, world class drilling intersections over 1km in length, and high copper and gold grades, as well as 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, Moran, Alpala Northwest, Hematite Hill, 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 0.89, determined using copper price of US$2.20/pound and gold price of US$1350/ounce.

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 953,897,601 ordinary shares issued, 4,820,000 options exercisable at 50p, 7,280,000 options exercisable at 28p and 9,280,000 options exercisable at 14p.

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