

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

**Cascabel Exploration Update**

**High Grade Copper and Gold Intersected in Hole 7**

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

**HIGHLIGHTS:**

- **Drill hole CSD-14-007 ("Hole 7") assays received to 1251.26m depth. Hole 7 intersected 597.26m grading 0.46% copper and 0.18 g/t gold from 654m to 1251.26m depth;**
- **Higher grade intervals include:**
  - 195.26m grading 0.67% copper and 0.36 g/t gold from 1056m,**
  - 91.26m grading 0.83% copper and 0.57 g/t gold from 1160m, and**
  - 51.26m grading 1.05% copper and 0.85 g/t gold from 1200m depth;**
- **Higher grade intervals are strengthening downward and are open at depth;**
- **Results to date indicate intersection mostly of lower grade halo above and around the stronger magnetic core which commenced around 1200m depth;**
- **Increasing copper sulphide mineralisation commenced from 540.70m depth, and mineralisation extends to the current hole depth of 1351.80 metres;**
- **Hole 7 continues to test the depth extensions of the modelled magnetic response;**
- **Broad zone of copper and gold mineralisation discovered in Hole 7 correlates with the same zone in Hole 5 located 150 metres to the southeast;**
- **Hole 7 is being deepened to a minimum depth of 1500 metres with a reduced drill core size, and will drill beyond 1500 metres if in strong copper sulphide mineralisation;**
- **Confirmation of copper and gold mineralisation extending from Hole 5 to Hole 7 reinforces the potential of the adjacent targets;**
- **Target location for Hole 8 is currently being refined; and**
- **Quantec Orion IP equipment now released from Ecuadorian Customs and will commence mobilisation to site today, Wednesday, July 16<sup>th</sup>.**

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

**"The receipt of assays from the mineralised section of core in Hole 7 demonstrates that we have continuity of the copper and gold mineralisation from Hole 5. The significance of Hole 7 is that the copper and gold mineralisation continues to be associated with the strong magnetic anomaly in the Central Zone. This strong magnetic response extends northwest of Hole 7 and southeast of Hole 5."**



**“Strong copper sulphide mineralisation in the form of chalcopyrite and associated but lesser bornite is visible from 1201.5 metres depth and appears to correlate with the high grade copper and gold zone intersected in Hole 5 from a depth of 1052 metres. We are encouraged that further copper and gold mineralisation is likely to be discovered as we extend the hole beyond 1251 metres.”**

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

**“It is particularly pleasing that we continue to intersect extensive vertical intervals of copper mineralisation lateral to the initial Hole 5 discovery hole. Because of the close association of copper-gold mineralisation with strong magnetic signatures, further refinement of the Alpala magnetic model is planned with the aim of having this completed by the time we have IP results. The combination of these data-sets will better constrain which magnetic anomalies are associated with or devoid of sulphides. In the interim, we will continue to laterally expand the area of identified high grade copper-gold mineralisation within the extensive Central Zone at Alpala.”**

## **FURTHER INFORMATION**

### **Hole 7 Progress and Assay Results**

Hole 7 is presently at a depth of 1351.80 metres. The hole was reduced from NQ to BQ diameter at 1251.30m depth to enable the hole to be deepened. Additional BQ rods purchased by the drill contractor from overseas have arrived on site and were mobilised to the drill rig. Drilling of Hole 7 recommenced on 12th July.

The hole is continuing to intersect visible copper-sulphide mineralisation. Mineralisation that continues to be encountered in the hole comprises disseminated, stringer and vein-controlled, coarse grained chalcopyrite hosted by a strongly potassic-altered diorite intrusion (see photographic plates below).

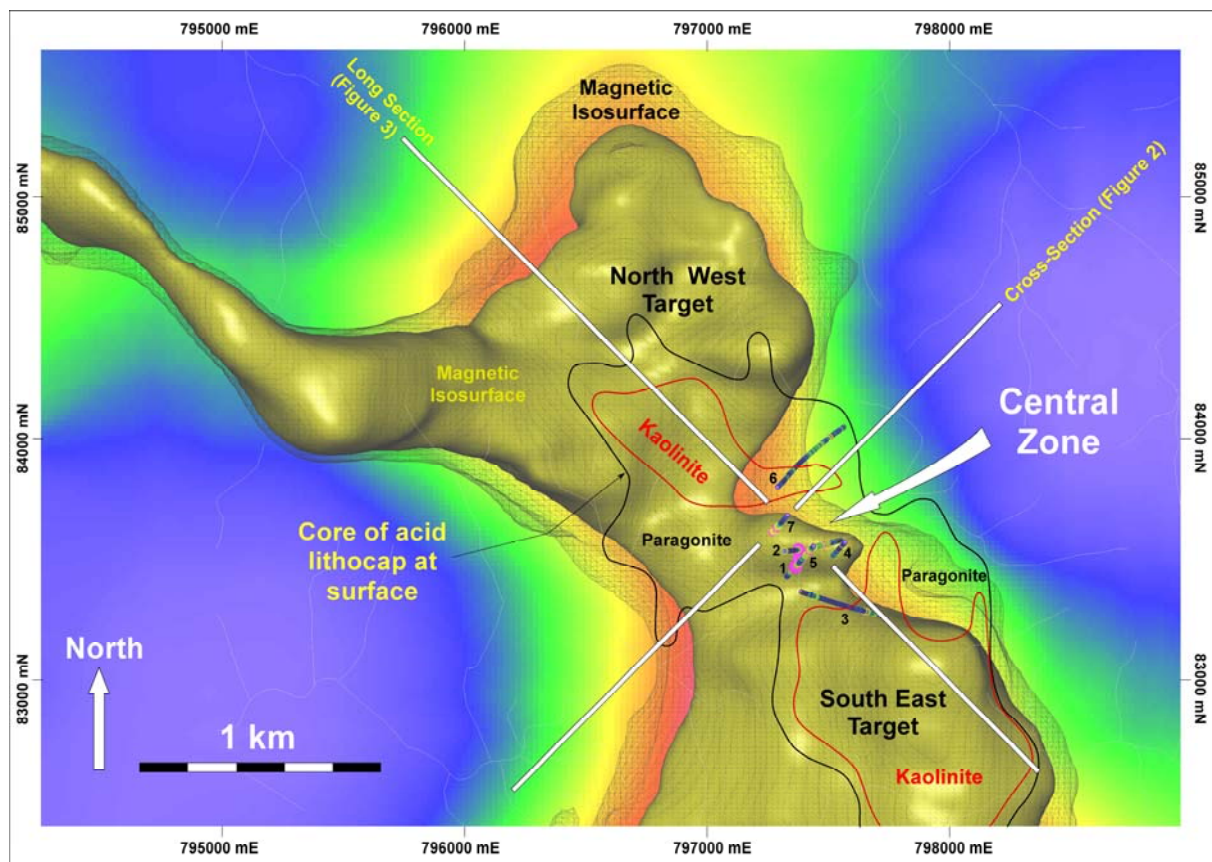
To date, the hole has intersected visible copper sulphides from 540.70 metres depth to the current hole depth of 1351.80 metres, and yielding an interval of visible mineralisation extending for 811.10 metres down hole. This extensive zone of visual copper sulphide mineralisation is strengthening with depth, and this trend closely mimics the increasing magnetic susceptibility and modelled magnetic body (Figures 2 and 3).

Assay results for Hole 7 have been received to 1251.26m depth. The intersections encountered to date are listed in Table 1 below. The interval from 654m to 1251.26m yielded 597.26m grading 0.46% copper and 0.18 g/t gold, with high-grade intervals comprising 195.26m grading 0.67% copper and 0.36 g/t gold from 1056m depth, 91.26m grading 0.83% copper and 0.57 g/t gold, and 51.26m grading 1.05% copper and 0.85 g/t gold from 1200m to the depth of the most recent assays at 1251.26m.

Drilling is continuing to extend this high grade zone at depth.

| Hole ID           | Depth From  | Depth To       | Interval (m)  | Cu (%)      | Au (g/t)    | Comment       |
|-------------------|-------------|----------------|---------------|-------------|-------------|---------------|
| <b>CSD-14-007</b> | <b>654</b>  | <b>1251.26</b> | <b>597.26</b> | <b>0.46</b> | <b>0.18</b> | Open at depth |
| Incls.            | <b>1056</b> | <b>1251.26</b> | <b>195.26</b> | <b>0.67</b> | <b>0.36</b> | Open at depth |
| Incls.            | <b>1160</b> | <b>1251.26</b> | <b>91.26</b>  | <b>0.83</b> | <b>0.57</b> | Open at depth |
| Incls.            | <b>1200</b> | <b>1251.26</b> | <b>51.26</b>  | <b>1.05</b> | <b>0.85</b> | Open at depth |

**Table 1 – Copper and Gold Intersections from Hole 7 at the Alpala porphyry Cu-Au prospect**



**Figure 1 – Two isosurfaces of the Alpala magnetic model at 0.0466 and 0.0406 SI (System International) units respectively, showing the locations of Holes 1 to 7 in the mineralised Central Zone, and the orientation of the cross-section and long-section shown in Figures 2 and 3. The background image is a horizontal slice through the magnetic model near the base of Hole 5.**

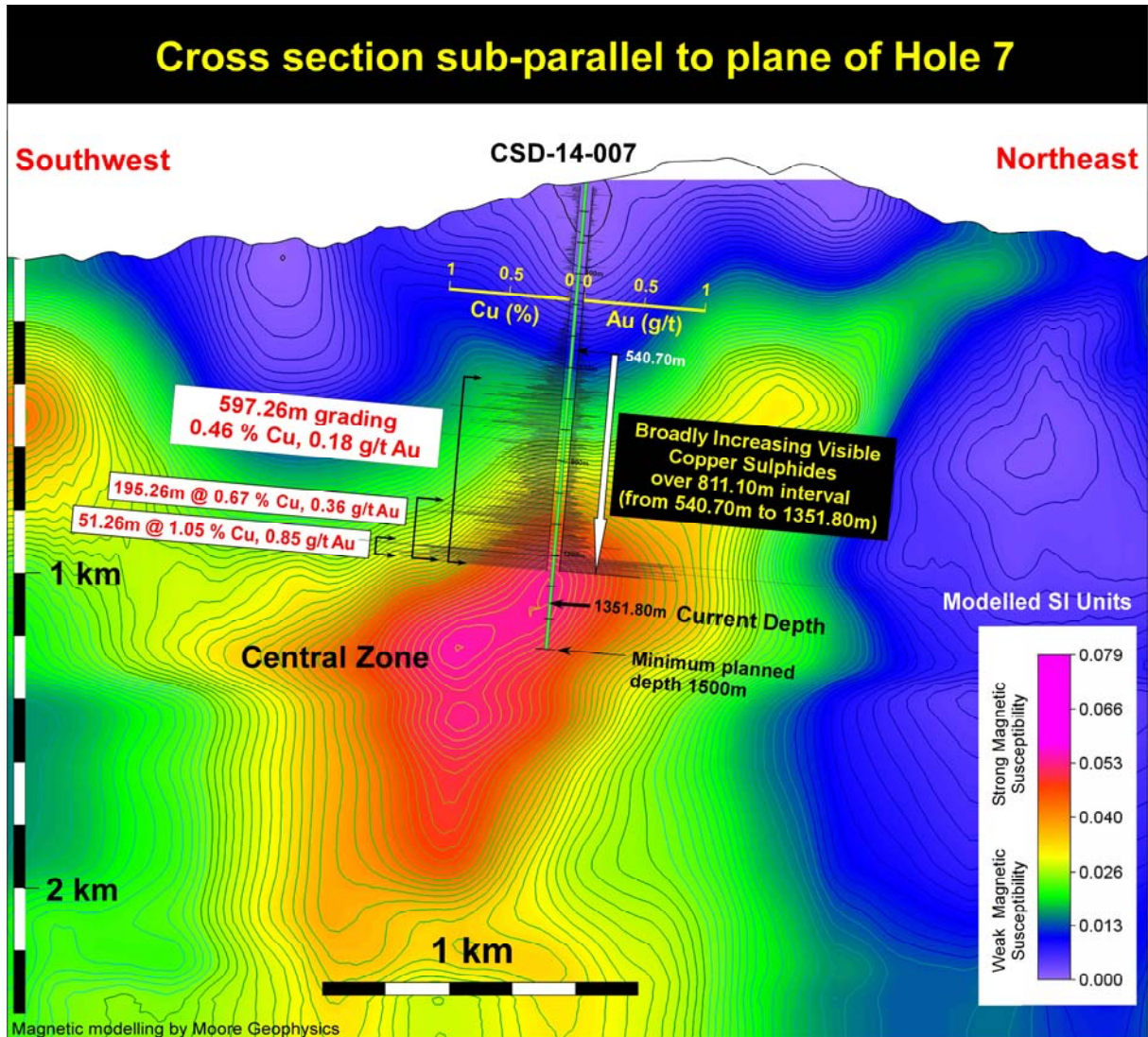
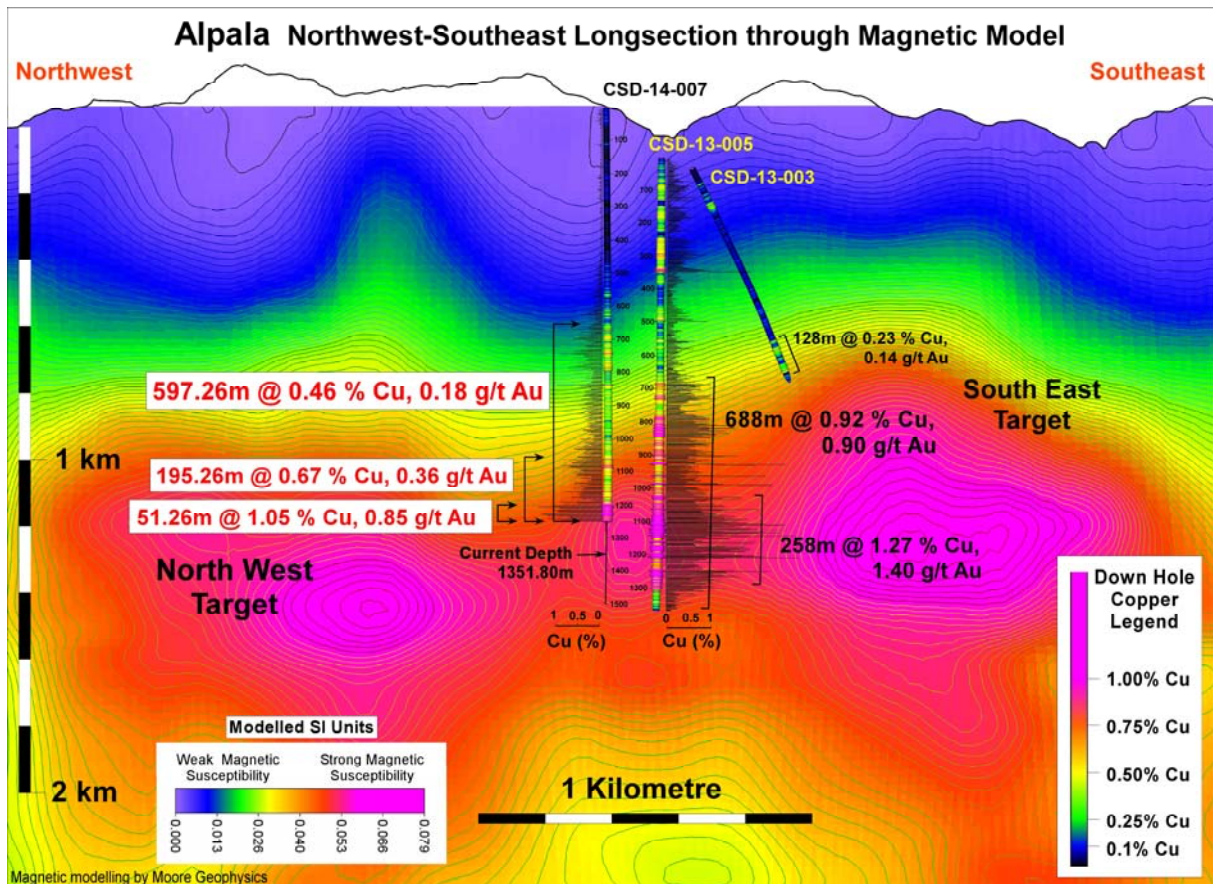


Figure 2 – Histograms of copper and gold mineralisation in Hole 7 on a back-ground image of the modelled magnetic susceptibility. Hole 7 will be extended beyond 1500m down-hole depth if it stays in strong copper sulphide mineralisation.



**Figure 3 – Open-ended interval of copper mineralisation in Hole 7. The current hole depth is 1351.80 m. The background image is a slice through the recently updated magnetic model, within the steep-dipping plane of holes 5 and 7. Hole 7 will be extended beyond 1500m down-hole depth if it stays in strong copper sulphide mineralisation. Hole 3 shows an increase in vein density from surface (1 vein every 2 metres) to approximately 18 veins per metre at 718 metres downhole.**

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 2), and its extensions portrayed in Figure 3, are robust targets for defining extensions to the mineralisation already discovered in Holes 5 and 7.

Hole 7 is continuing to drill into the core of the modelled magnetic anomaly that coincides with the mineralised potassic alteration zone.

### Quantec Orion 3D DCIP Survey Equipment

The Orion 3D DCIP and MT survey equipment owned by Quantec Geoscience cleared the regulatory requirements of Ecuador Customs on 15<sup>th</sup> July, following completion of the final administrative documentation. Mobilisation of the equipment from the custody of Ecuador Customs to the Cascabel site will commence today, Wednesday July 16<sup>th</sup>.

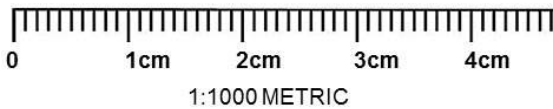


## HOLE 7 – Intense Potassic Alteration

CSD-14-007 Drill Core – 1236.3m



**Chalcopyrite & Magnetite Mineralisation  
Disseminated throughout groundmass  
(intense potassic alteration)**



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## HOLE 7 – Intense Potassic Alteration

CSD-14-007 Drill Core – 1239.0m

**Silica - Magnetite - Chalcopyrite (intense potassic alteration)**



**Intense silicification**

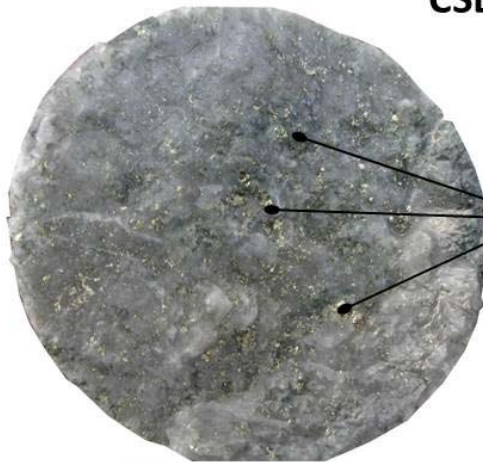


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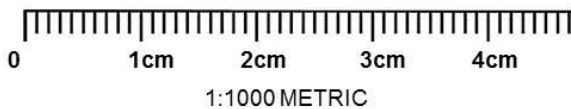


## HOLE 7 – Disseminated Chalcopyrite Mineralisation

CSD-14-007 Drill Core – 1246.2m



Disseminated Chalcopyrite Mineralisation  
Throughout groundmass



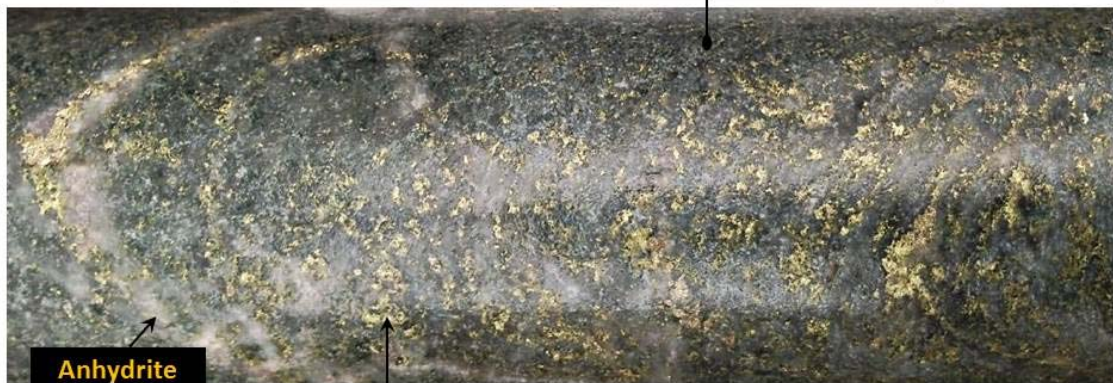
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## HOLE 7 – Intense Potassic Alteration

CSD-14-007 Drill Core – 1292.3m

Silica-Magnetite-Chalcopyrite (potassic alteration)

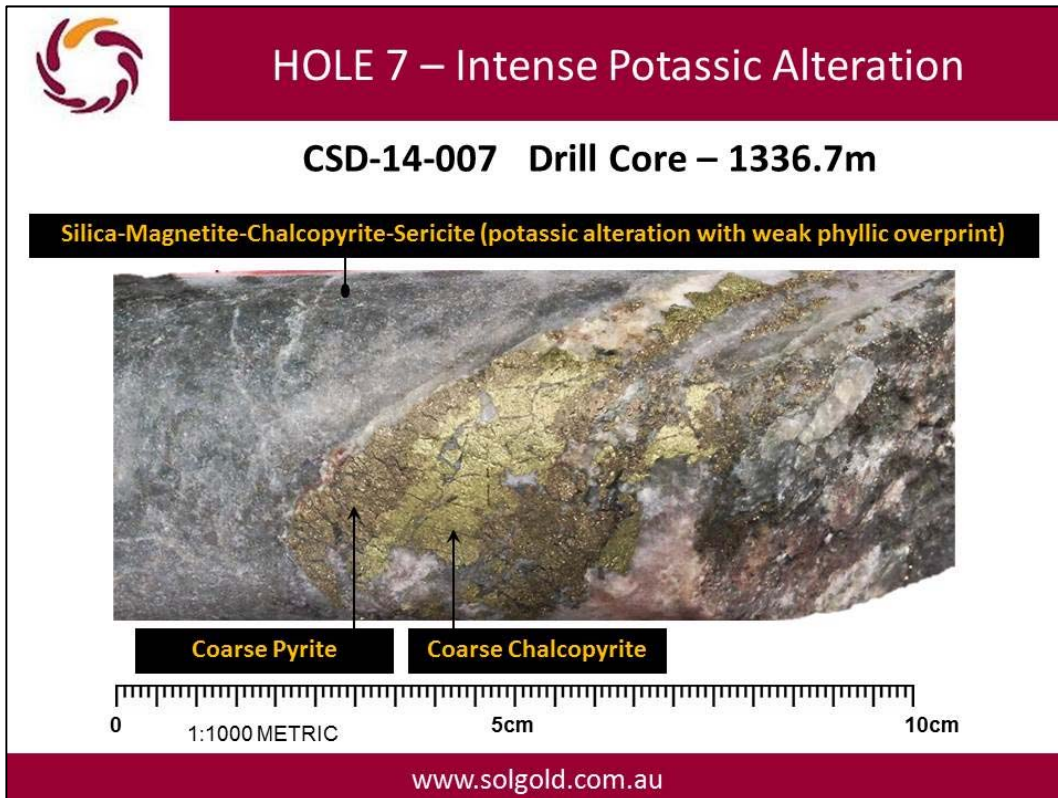


Anhydrite

Coarse Chalcopyrite



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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.

An updated corporate presentation is available on the Company’s website ( [www.solgold.com.au](http://www.solgold.com.au) ).

### 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 is underway at Kuma and 3D modelling of magnetic data has been approved.

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.

#### **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 the Company does not accept any obligation to disseminate any updates or revisions to such forward-looking statements.