



20 February, 2014

## Cascabel Project Update

### **Copper Sulphide Mineralisation Extended to 1303.5m in Hole 5 at Alpala Drilling Continues**

The Board of SolGold (AIM code: SOLG) is pleased to provide the following project update for the Stage 1 drill program at the Alpala prospect within the Cascabel Project at the Company's copper-gold porphyry exploration project in northern Ecuador.

#### **Highlights:**

- **Strongly visible porphyry copper sulphide mineralisation continues to current hole depth of 1303.5m in hole 5. Copper-rich sulphides include chalcopyrite, bornite and chalcocite as fine to coarse grained disseminations and in veins with magnetite.**
- **Strong correlation evident between magnetite content, magnetic characteristics and copper sulphide contents enabling correlation between the three dimensional Alpala magnetic model and copper-gold porphyry targets.**
- **Drilling to continue to sooner of 1500m depth or end of copper mineralisation (1500m depth expected to be reached in 10 days).**
- **324m of core dispatched for urgent assay. Results expected within 14 days.**
- **World class copper-gold porphyry system indicated with over 1300m of near-continuous visible copper sulphide mineralisation and classic porphyry system geological features.**



**SolGold CEO and Managing Director, Mr Alan Martin said:**

“The Board and exploration team are excited by this intersection. The geological features, mineralogy and strong copper sulphide mineralisation encountered from near the top of the hole to the current reported depth at 1303.5 indicates that we have drilled into a very substantial copper-gold porphyry system.

Its location in the Andean Copper Belt, one of the worlds’ most prolific copper-gold porphyry regions, augurs strongly for the discovery of a world class project.

We are enthused by the project’s location south of First Quantum’s giant Cobre Panama project in Panama (reserve of 3Bt at 0.38% Cu), numerous projects in neighbouring Columbia and large projects in Peru and Chile to the south. Ecuador’s world-class 982 million tonne Junin project (0.89% Cu) is located 70 kilometres south of Cascabel and clearly this is a very well mineralised region.

The bulk style of the mineralisation we are encountering presents great potential for cost efficient and effective bulk extraction.

Encouragingly, from an exploration point of view, we are finding a very strong correlation between visual copper sulphide contents, assayed copper grades, and a strong relationship between copper, gold and magnetite mineralisation. We are accordingly excited by the significance of the magnetic model and believe that the 12km<sup>2</sup> IP survey which we are shortly commissioning will enable further refinement of our drill hole targeting process.

The Alpala surface expression of the silica-clay cap on top of the system covers approximately 4km<sup>2</sup>, about the same size as that existing over the Tujuh Bukit deposit in Indonesia, and other large porphyry deposits. Our chief explorationist Dr. Bruce Rohrlach’s experience at Tujuh Bukit is proving invaluable at this project”.

**Drill Hole CSD-13-005**

CSD-13-005 was sited to test the depth and lateral extent of bulk-style copper and gold mineralisation encountered in holes 1 and 2 at the Alpala prospect. Copper and gold assay results have been received to a depth of 869.68 metres as reported on the 14<sup>th</sup> January. A strong relationship between copper and gold mineralisation and magnetic character is indicated to date.

Hole CSD-13-005 resumed drilling from 869.68m depth on the 28<sup>th</sup> January. On the 10<sup>th</sup> February, the Company announced the observation of coarse-grained and highly visible chalcopyrite mineralisation from 869.68m to 1106.80m depth. From 869.68m to 1106.80m the hole intersected potassically altered porphyry style rocks with intense potassic alteration and veining ranging between 10-30 veins per metre, with variable fine to coarse grained copper sulphide fill and disseminated copper sulphides (chalcopyrite, bornite, chalcocite).

As of the 19<sup>th</sup> February the hole has reached a current depth of 1303.50m and strong copper mineralisation has continued to be encountered to the current hole depth of 1303.5m. This latest extension to Hole CSD-13-005 continues to encounter coarse grained chalcopyrite mineralisation in sulphide-rich veins (‘C’-veins) as well as widespread disseminations of chalcopyrite, bornite and chalcocite (see Plates 1-7). Magnetite and anhydrite, which also characterise the potassic zone of porphyry systems, continue to be observed in this interval.

Plates 1 to 7 are photographs of mineralised core at select intervals between 1108m and 1279.60m depth.

A total of 324m of samples (from 869.68m to 1194m depth) have been forwarded to the assay laboratory for priority assay.

Hole 5 will continue to be drilled until the sooner of either when 1500m depth is reached, or when copper mineralisation is observed to significantly diminish.

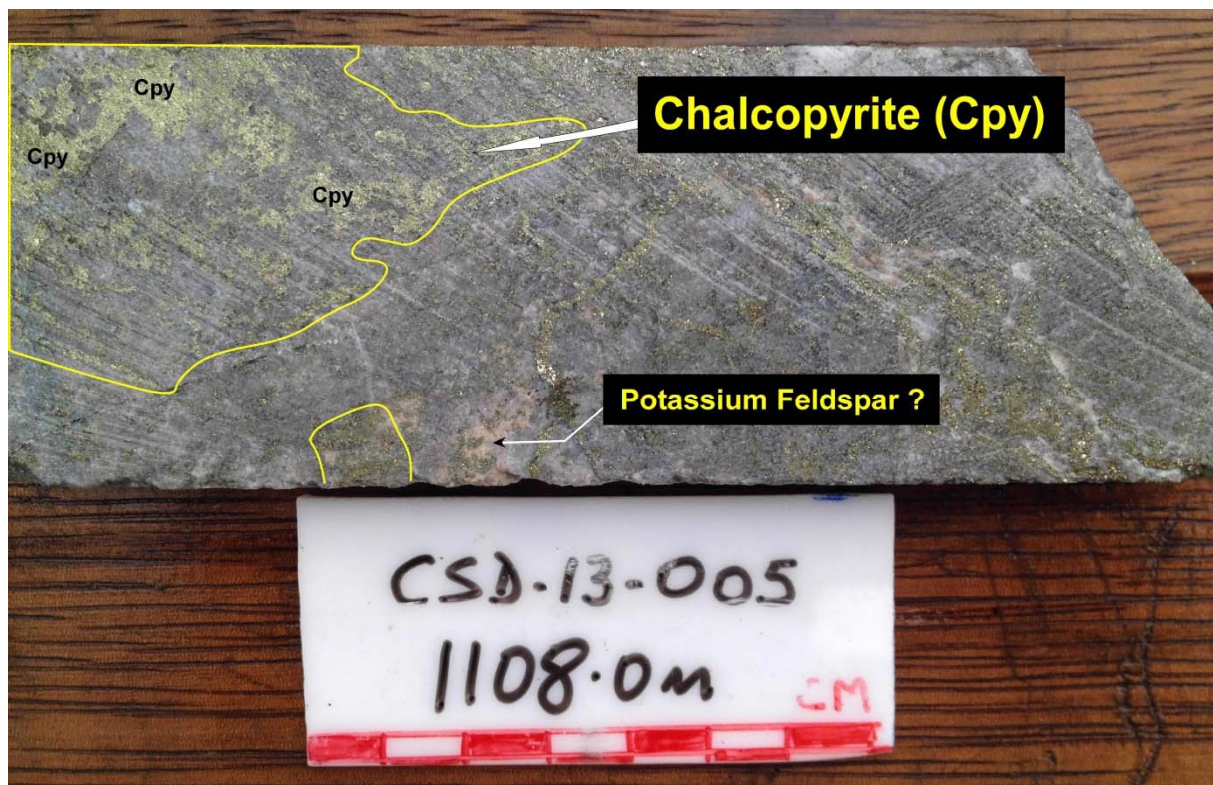


Plate 1



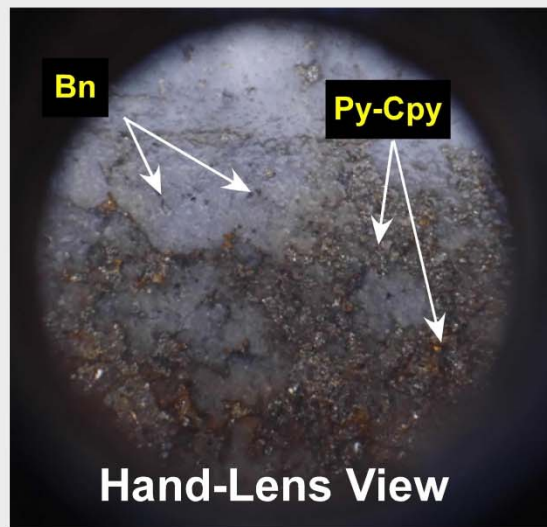
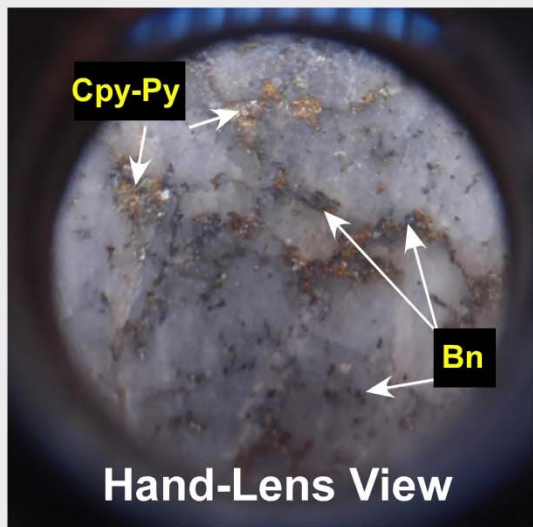
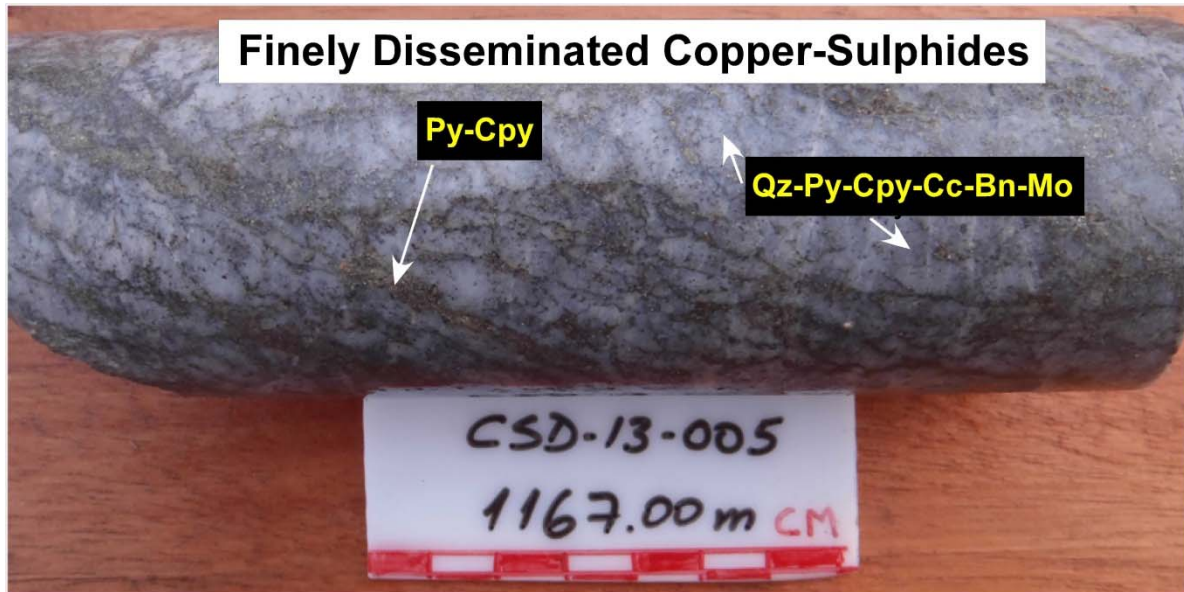


Plate 2

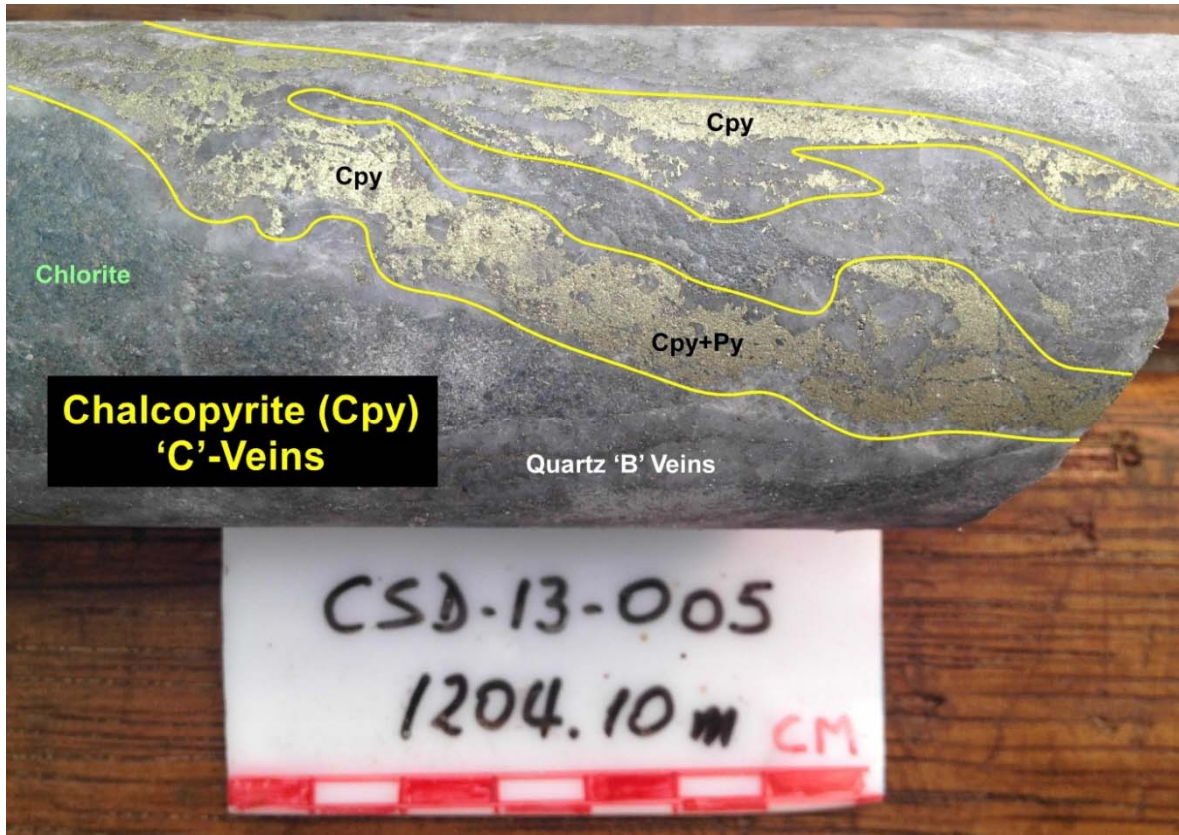


Plate 3

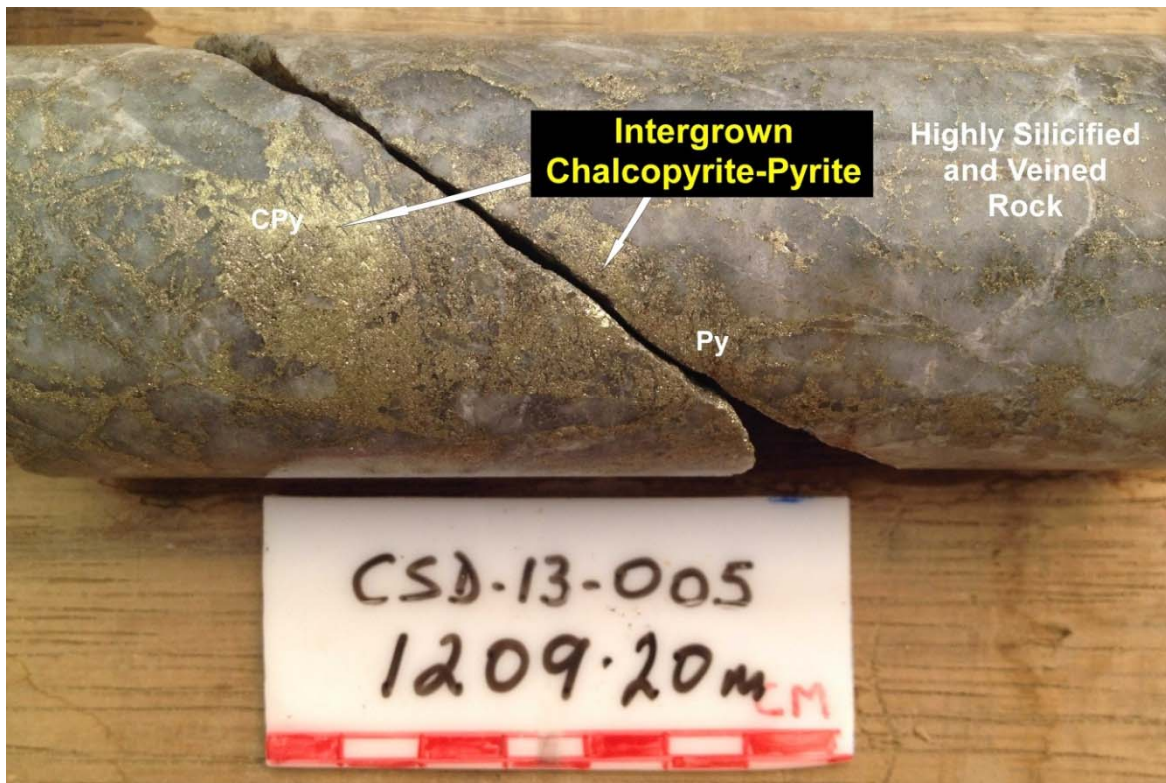


Plate 4



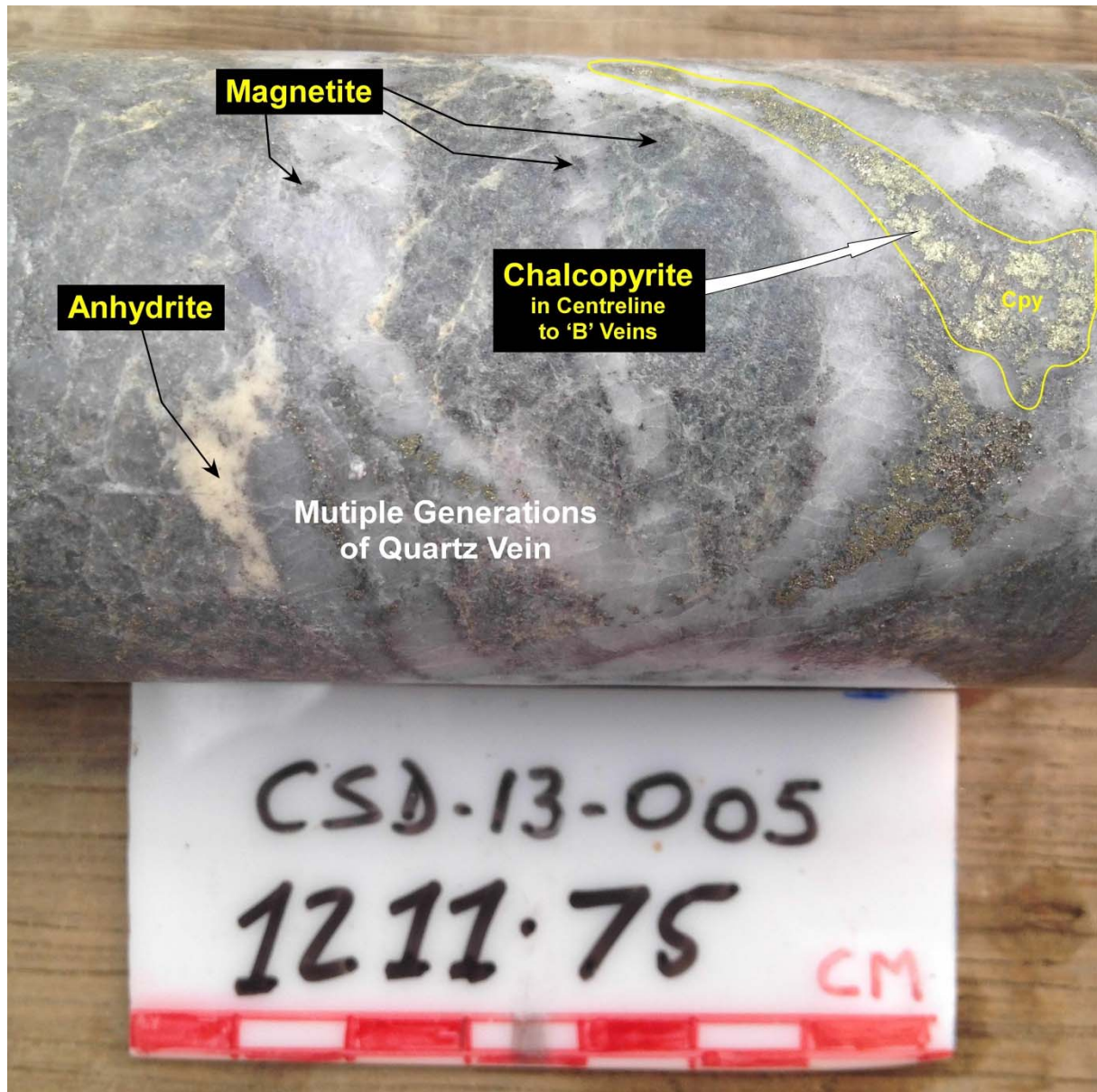


Plate 5



Plate 6

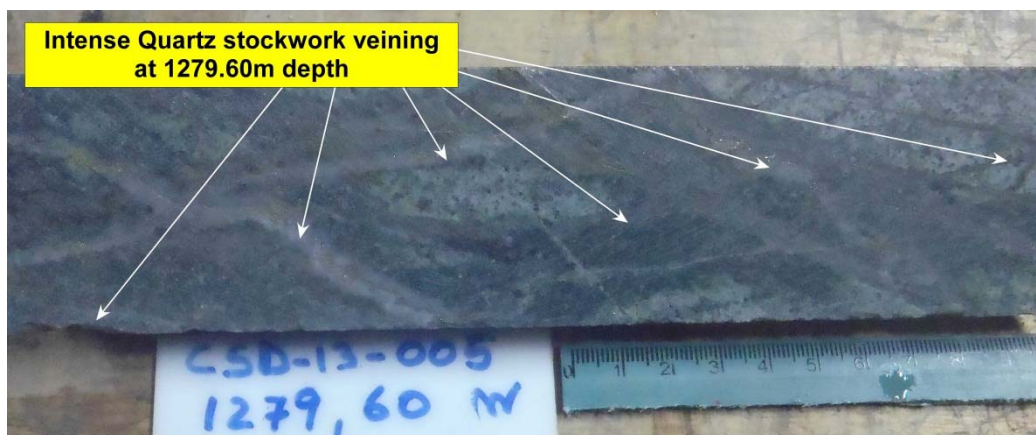


Plate 7





## About Cascabel

SolGold holds a 50% interest, and has elected to increase its ownership to 85% interest, in Exploraciones Novomining S.A. ("ENSA"), an Ecuadorean registered company, which holds 100% of the Cascabel concession in northern Ecuador. Cornerstone Capital Resources Inc. ("Cornerstone") currently holds the other 50% of ENSA.

The Cascabel project is located in north-western 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 60 km to the southwest of Cascabel, the 3.3 billion tonne 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

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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 JV 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 is being considered at Kuma, while a JV partner is being sought for the Fauro project to pursue drilling of gold-copper targets defined in the 2011 exploration program.

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 Alternative Investment Market (AIM) in 2006, under the AIM code 'SOLG' and currently has a total of 603,895,309 fully-paid ordinary shares, 19,608,000 options exercisable at 50p, 11,000,000 options exercisable at 28p, 8,000,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.