



10 November, 2014

**SolGold plc**  
**("SolGold" or the "Company")**  
**Cascabel Exploration Update**  
**448.45 metres @ 0.56% Cu & 0.64 g/t Au (0.95% Cu Eq.)**  
**from Hole 8**  
**Hole 9 Commenced Drilling**

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:**

- Assays received for drill hole CSD-14-008 ("Hole 8"), 914.45m intersection from 396m to 1310.45m;
- A bulk intersection of 914.45m grading 0.41% Cu and 0.44 g/t Au from 396m depth, which equates to 0.67% Cu Eq. (definition for copper equivalent grade calculations below);  
  
Including the following intersections:
  - 448.45m @ 0.56% Cu and 0.64 g/t Au from 862m to 1310.45m (end of hole), which equates to 0.95% Cu Eq.;
  - 282m @ 0.60% Cu and 0.76 g/t Au (1.06% Cu Eq.) from 904m to 1186m;
  - 46.45m @ 0.71% Cu and 0.58 g/t Au (1.05% Cu Eq.) from 1264m to 1310.45m (end of hole);
- Hole 8 to be deepened;
- Hole CSD-14-009 ("Hole 9") commenced on 28 October;
- Copper and gold grade in the deeper intersections at Alpala compare favourably with other operating and development underground block cave operations; and
- Alpala prospect indicating substantial size in three dimensions.



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

**"We are pleased to once again deliver a very respectable intersection at Alpala, this time from Hole 8. It is particularly encouraging that this long interval of copper-gold mineralisation extends to the end of the hole. We are not only demonstrating extensive mineralisation in the vertical dimension, but are also beginning to see mineralisation at significant lateral spacing at Alpala, verifying the geophysics and the large size of this target. In fact grades are increasing with depth with grades of close to 1% copper and 1 g/t gold at the end of the hole. That we have tested less than 15% of the area of the primary target at Alpala, and continue to generate results of this calibre is a remarkable achievement. Additional excellent targets exist at South East Alpala, and other porphyry opportunities on the Cascabel concession, in particular Aguinaga, which is rapidly strengthening as a drill target."**

## **FURTHER INFORMATION**

### **Hole 8**

Hole 8 at Cascabel was drilled at the Alpala porphyry copper-gold prospect (Figure 1) during September. The hole was sited from the same location as Hole 5 and drilled towards grid north at a dip of 85 degrees. Hole 8 was planned to test for the northeast extension of the high-grade mineralisation that has been identified extending along a northwest trend from Hole 5 to Hole 7.

The bulk intersection from 396m to end of hole at 1310.45m is 914.45m grading 0.41% Cu and 0.44 g/t Au (0.66% Cu-equivalent). Mineralisation in Hole 8 remains open at depth and is increasing in grade. At the end of the hole, high grade copper and gold was intersected with grades of 0.95% Cu and 0.97 g/t Au.

The intersections from Hole 8 are listed in Table 1 below. Table 2 shows all intersections from the Alpala project expressed as Cu-equivalent values. The intersection of 448.45m grading 0.56% copper and 0.64 g/t gold establishes continuity of mineralisation extending north east from the Alpala footwall structure by at least 175m from this depth. Significant continuity of mineralisation in the vertical dimension as well as the northwest and northeast directions has been demonstrated.

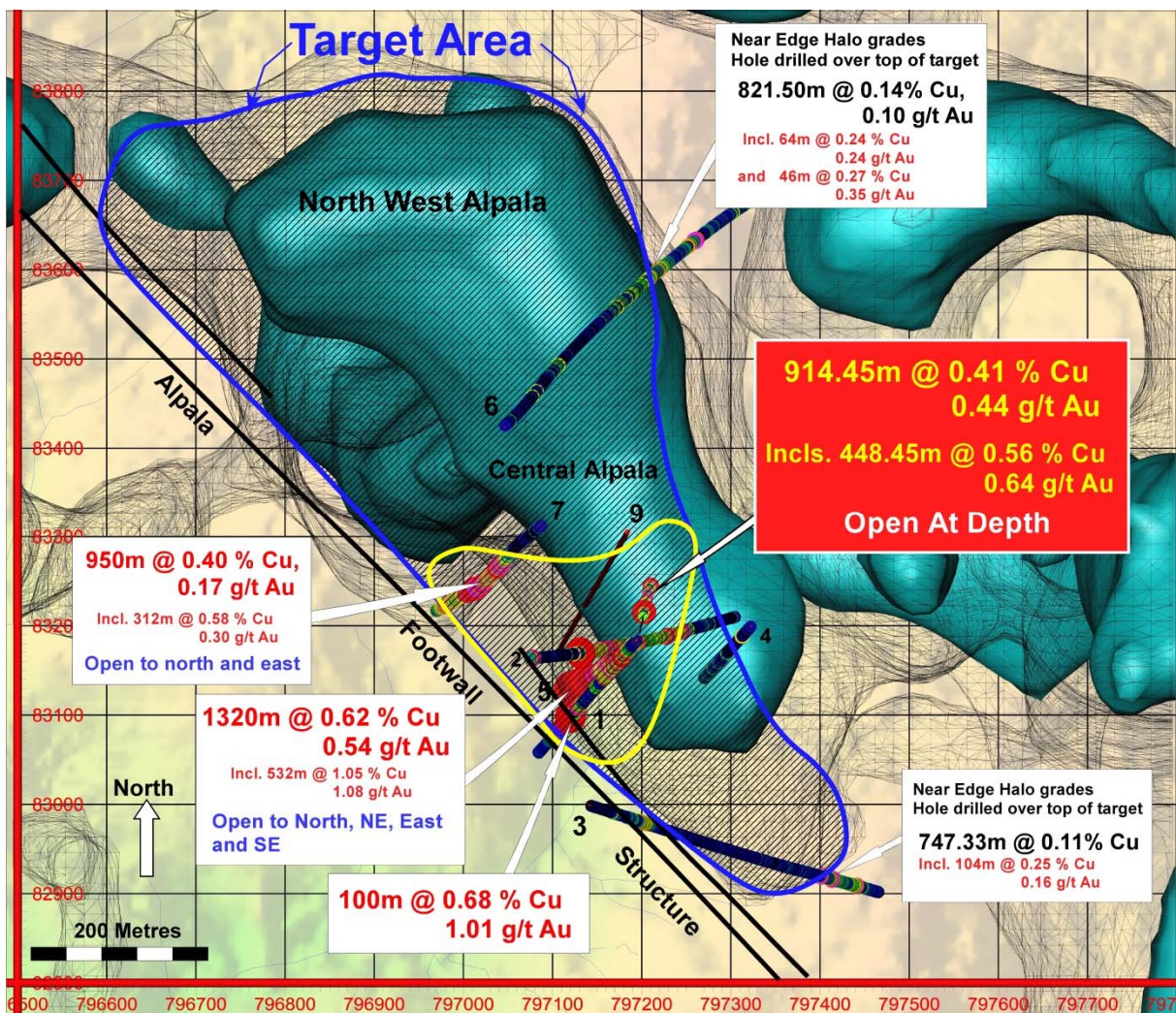
Figure 2 shows a cross-section through Holes 1, 2, 5 and 8 at Alpala. Hole 8 intersected extensive basaltic andesite and andesite volcanic lavas with lesser volcanic breccia from surface to 715m depth followed by several phases of intrusion that comprise microdiorite, diorite and quartz diorite from 715m to end of hole at 1310.45m.

Extensive lower grade copper and gold mineralisation at shallow levels occurs within and around the interpreted early diorite and microdiorite intrusions and overlying volcanic host rocks, over a vertical extent exceeding 500 metres. These diorite and microdiorite intrusions are preserved in the northeast hanging wall to a quartz diorite intrusion that occurs at depth in Hole 8, and was widely intersected in Hole 5 (Figure 2).

Robust grade copper and gold mineralisation occurs within the interpreted younger quartz diorite intrusion that was emplaced along the Alpala footwall structure (Figure 3). The high-grade copper-gold mineralisation also extends into and overprints the early diorite body. The quartz B-vein shell, (B-veins host much of the copper and gold mineralisation in porphyry copper deposits), appears to be developed around both the shallow diorite intrusions and the quartz diorite intrusion, suggesting that both phases may have contributed metal to the Alpala deposit (Figure 2).

Copper sulphide mineralisation in Hole 8 is dominated by chalcopyrite, with lesser bornite and traces of molybdenite. Plates 1, 2 and 3 show the style of disseminated mineralisation encountered near the bottom of Hole 8. Fine grained disseminated chalcopyrite mineralisation increased in intensity over the last 50 metres of the drill hole as it penetrated deeper into the broadening quartz diorite body.

Hole 8 was terminated on 11 October at a depth of 1310.45m. The drill hole intersected extensive strong copper and gold mineralisation from 862m to the end of hole at 1310.45m depth, yielding an intersection of 448.45m grading 0.56% copper and 0.64 g/t gold. This intersection equates to 448.45m at 0.95% Cu-equivalent. Using a copper price of US\$6614/tonne and a gold price of US\$40/gram (\$1,244/ounce), the Cu-equivalent ("Cu Eq.") grade is calculated by [Cu Eq. = Cu% + (Au g/t x 0.6)].



**Figure 1:** Location of drill holes at Central Alpa. The yellow outline shows the area tested by Holes 5, 7 and 8, whilst the blue outline shows the extent of the Central and North West Alpa targets. Presently only 14% of the lateral target areas at Central and Northwest Alpa has been tested by drilling. Hole 9 is presently testing for lateral and depth extensions of the high-grade copper-gold mineralisation encountered in Holes 5, 7 and 8. Holes 3 and 6 have assisted in refining the target area which will continue to evolve with future drill holes. It is important to note that both Holes 3 and 6 drilled over the top of the Alpa targets.

Hole CSD-14-008 Intersections - Alpala Copper-Gold Porphyry							
Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%	Comment
<b>CSD-14-008</b>	396	1310.45	<b>914.45</b>	0.41	0.44	<b>0.67</b>	Open at depth
Incls	396	862	466	0.25	0.24	0.39	
Incls	396	430	34	0.56	0.25	0.71	
Incls	550	674	124	0.34	0.42	0.59	
Incls	862	1310.45	<b>448.45</b>	0.56	0.64	<b>0.95</b>	Open at depth
Incls	904	1186	<b>282</b>	0.60	0.76	<b>1.06</b>	
Incls	1264	1310.45	<b>46.45</b>	0.71	0.58	<b>1.05</b>	Open at depth

**Table 1** – Significant copper and gold assay intersections in Hole 8.

Selected Intersections - Alpala Copper-Gold Porphyry							
Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%	Comment
<b>CSD-13-001</b>	22	296	<b>274</b>	0.42	0.53	<b>0.73</b>	
incls	22	144	<b>122</b>	0.34	0.34	<b>0.54</b>	
incls	196	296	<b>100</b>	0.68	1.01	<b>1.28</b>	
incls	226	280	<b>54</b>	1.00	1.75	<b>2.05</b>	
<b>CSD-13-002</b>	130	420	<b>290</b>	0.37	0.30	<b>0.55</b>	
incls	130	230	<b>100</b>	0.46	0.52	<b>0.77</b>	
incls	184	224	<b>40</b>	0.50	0.67	<b>0.90</b>	
<b>CSD-13-003</b>	122	140	<b>18</b>	0.33	0.04	<b>0.35</b>	
incls	586	690	<b>104</b>	0.25	0.16	<b>0.35</b>	
<b>CSD-13-004</b>	-	-	-	-	-	-	
<b>CSD-13-005</b>	26	1346	<b>1320</b>	0.62	0.54	<b>0.94</b>	
incls	458	1346	<b>888</b>	0.77	0.72	<b>1.21</b>	
incls	778	1310	<b>532</b>	1.05	1.08	<b>1.70</b>	
incls	1062	1212	<b>150</b>	1.49	1.71	<b>2.52</b>	
<b>CSD-14-006</b>	888	952	<b>64</b>	0.24	0.24	<b>0.38</b>	
and	1136	1182	<b>46</b>	0.27	0.35	<b>0.48</b>	
<b>CSD-14-007</b>	662	1612	<b>950</b>	0.40	0.17	<b>0.51</b>	
incls	1002	1314	<b>312</b>	0.58	0.30	<b>0.76</b>	
incls	1162	1294	<b>132</b>	0.76	0.50	<b>1.06</b>	
incls	1198	1251.3	<b>53.3</b>	1.04	0.84	<b>1.54</b>	
<b>CSD-14-008</b>	396	1310.45	<b>914.45</b>	0.41	0.44	<b>0.67</b>	Open at depth
Incls	396	862	466	0.25	0.24	0.39	
Incls	396	430	34	0.56	0.25	0.71	
Incls	550	674	124	0.34	0.42	0.59	
Incls	862	1310.45	<b>448.45</b>	0.56	0.64	<b>0.95</b>	Open at depth
Incls	904	1186	<b>282</b>	0.60	0.76	<b>1.06</b>	
Incls	1264	1310.45	<b>46.45</b>	0.71	0.58	<b>1.05</b>	Open at depth

**Table 2** – Significant copper and gold assay intersections from all drill holes at Alpala.

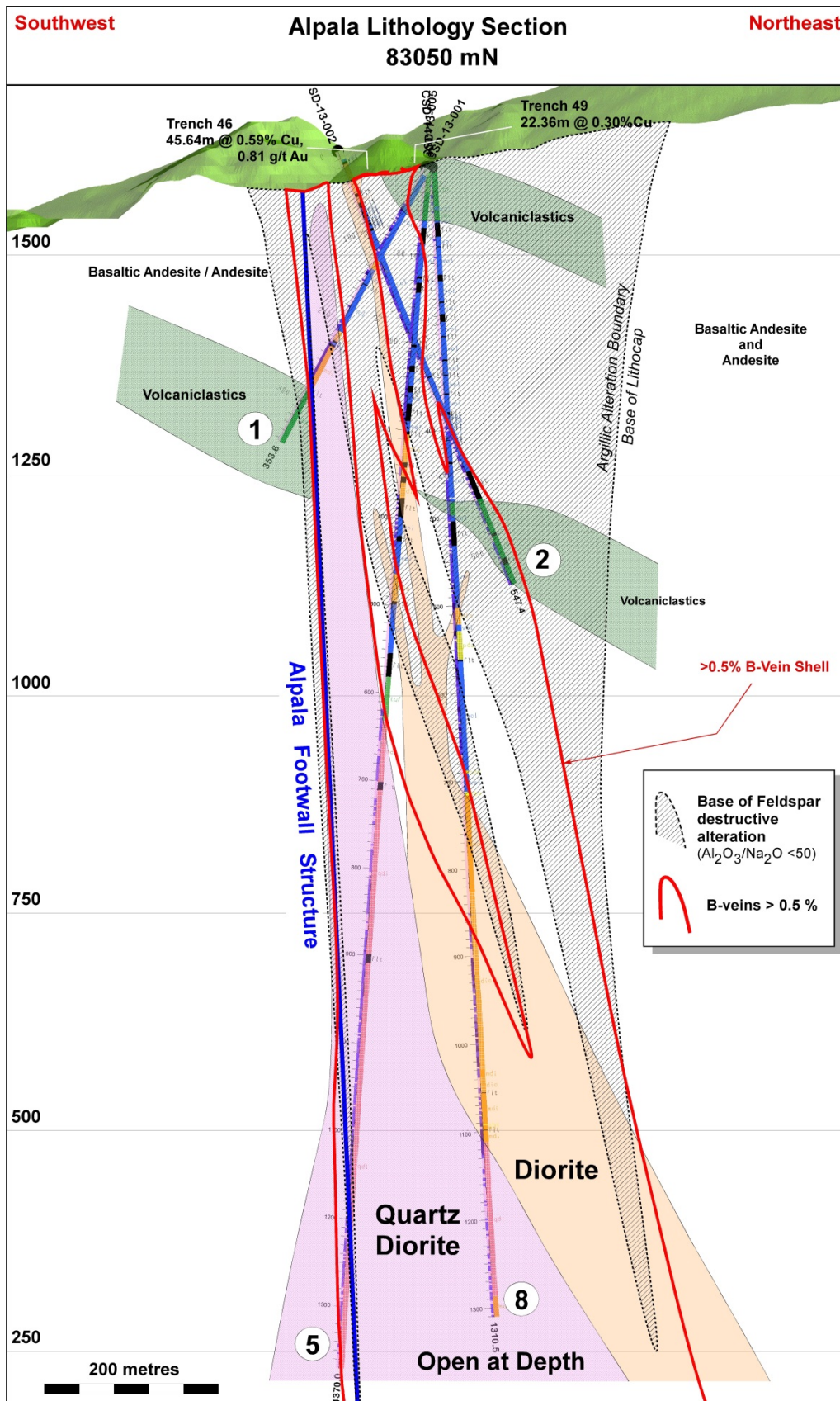
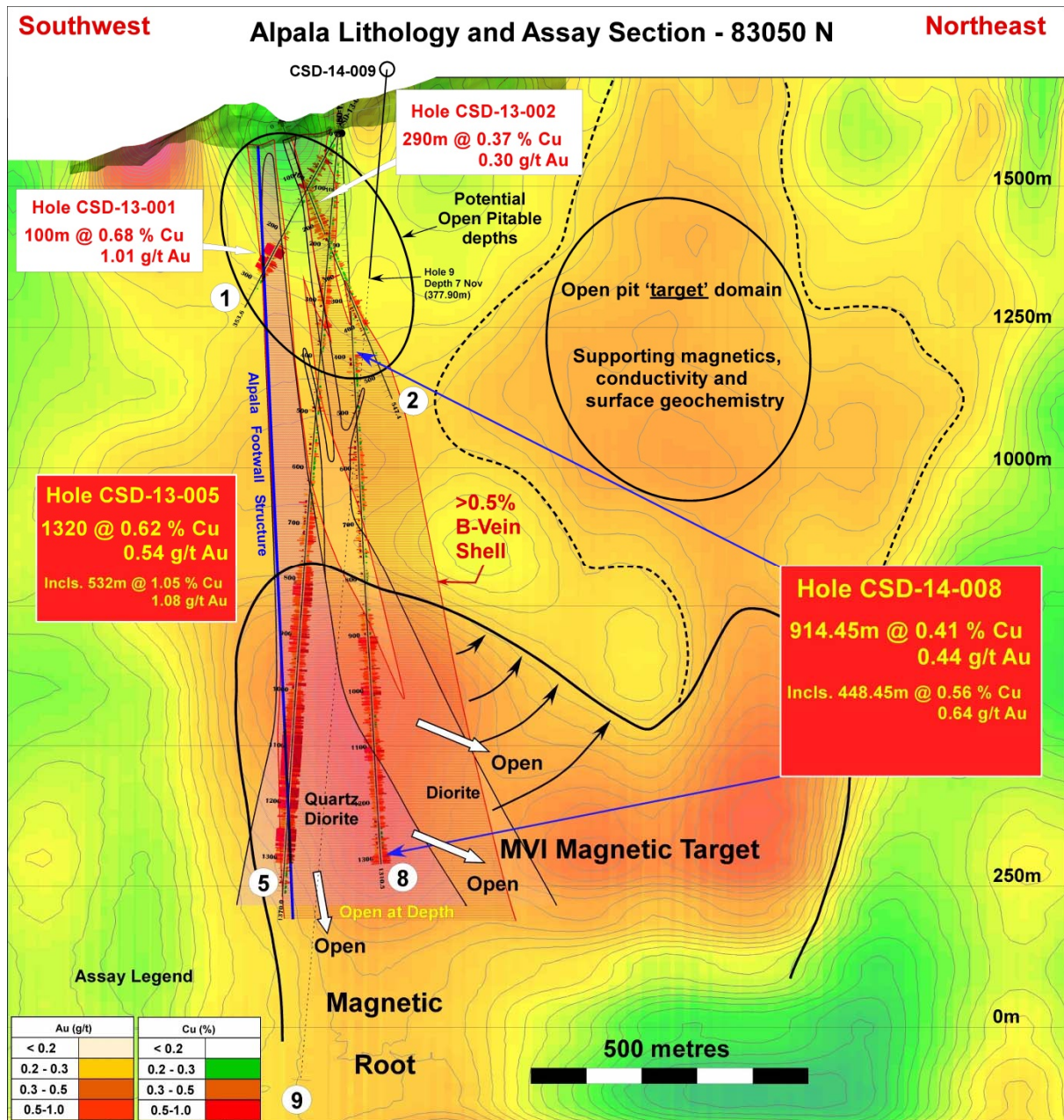


Figure 2 – Northeast-southwest lithology cross-section through Holes 1, 2, 5 and 8 (labelled) at Alpala.



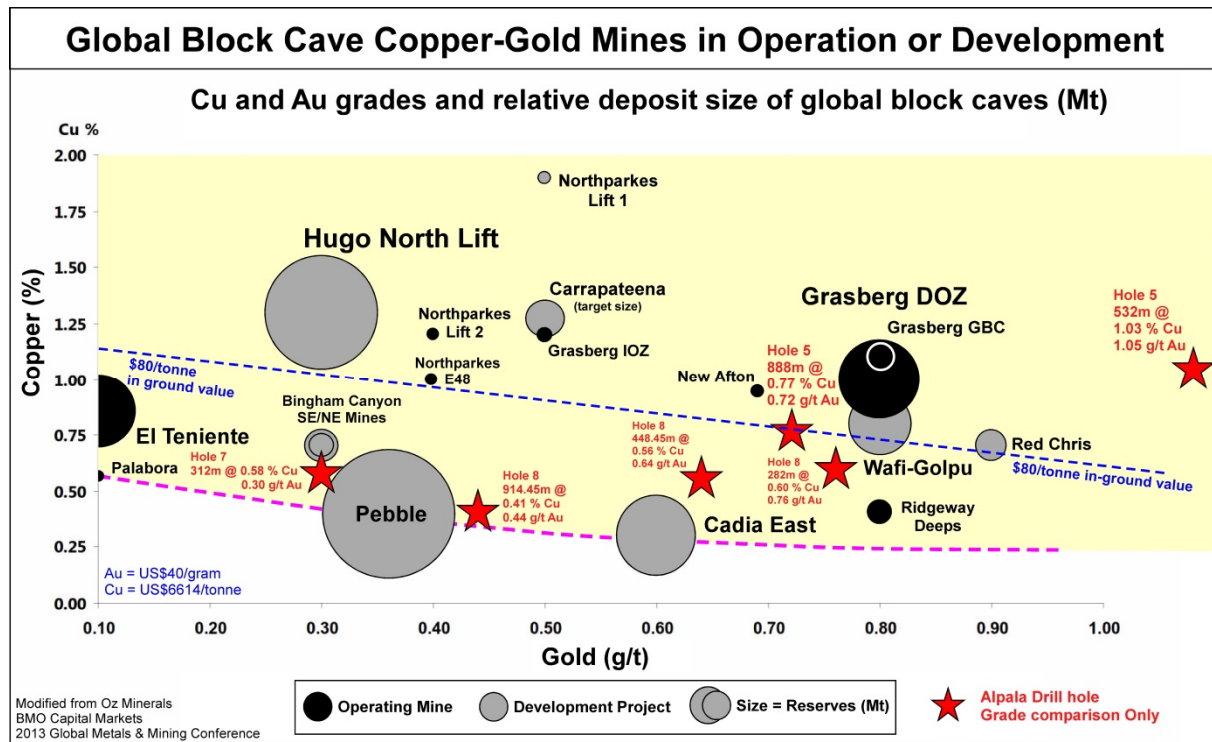
**Figure 3** – Northeast-southwest cross-section showing copper and gold assays in Holes 1, 2, 5 and 8 at Alpala.

### Hole 9

Hole 9 is located 120m north of the Hole 5 drill pad and is being drilled with an 85 degree inclination towards 210 degrees UTM (Universal Transverse Mercator). Drilling commenced on 28 October, and as of 8 November the hole was at 452 metres depth and progressing towards the top of the target at 860 metres downhole depth.

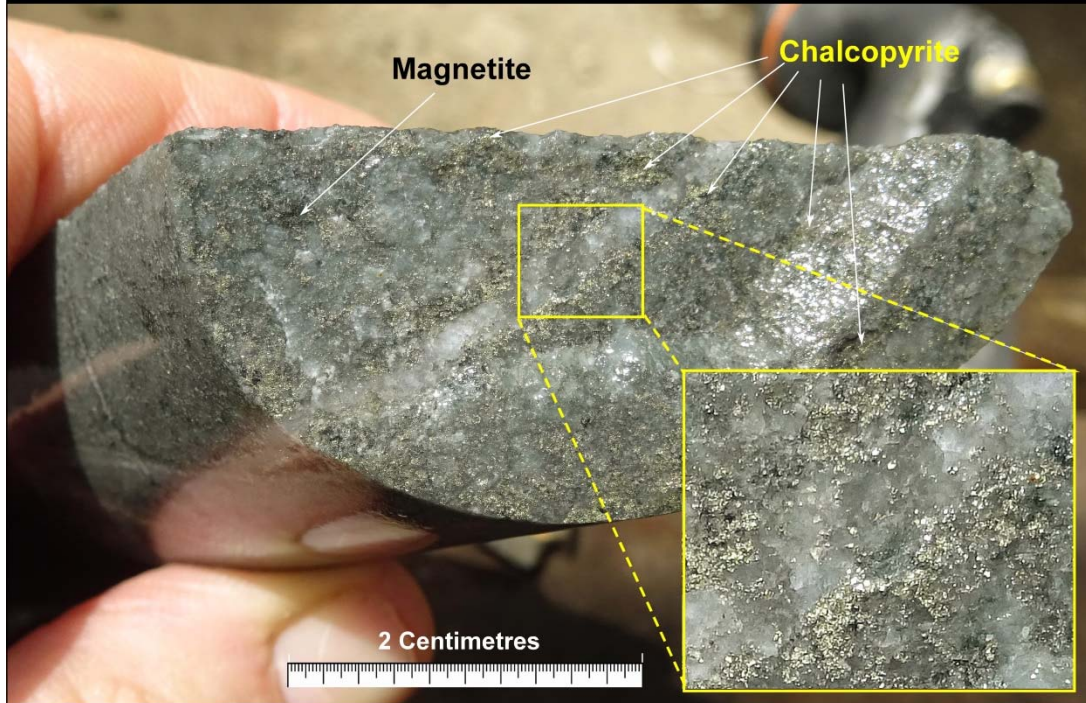
### Block Cave Grade Comparison

The three main high grade copper-gold intersections encountered to date in Holes 5, 7 and 8 (excluding the high grade intersection in Hole 1) commence at depths of 658m, 1056m and 862m respectively. These intersections are within the grade range of current block cave underground mining operations and block cave development projects in Australia, Canada, Mongolia, Papua New Guinea and the United States (Figure 4). This data is encouraging as the Company extends the high grade copper-gold zone at Central Alpalá.



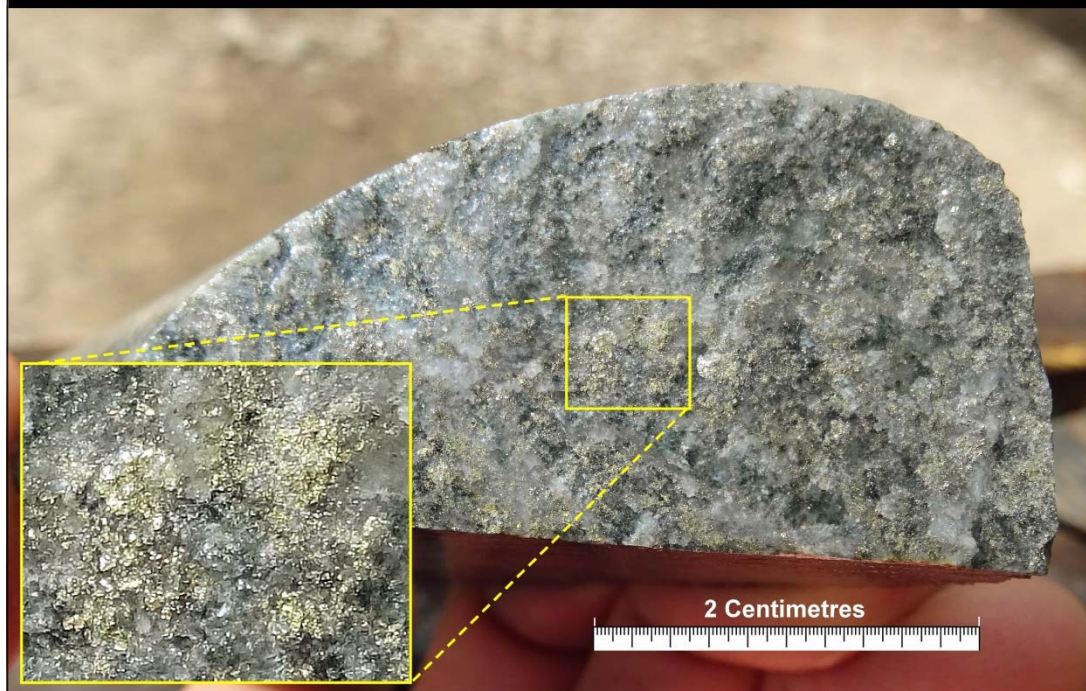
**Figure 4:** Grade comparison between intersections in the three deep drill holes at Alpalá and some operating and development block cave operations around the world. Data from Oz Minerals BMO Capital Markets 2013 Global Metals and Mining Conference presentation and a GMP Securities tabulation. All plotted block cave examples lie at grades above the minimum grade curve (dashed pink line).

**CSD-14-008 1295.85m 0.84 % Cu, 0.71 g/t Au**  
**Fine grained disseminated Chalcopyrite in Microdiorite**



**Plate 1** – Disseminated Chalcopyrite mineralisation near the end of Hole 8 (1295.85m depth).

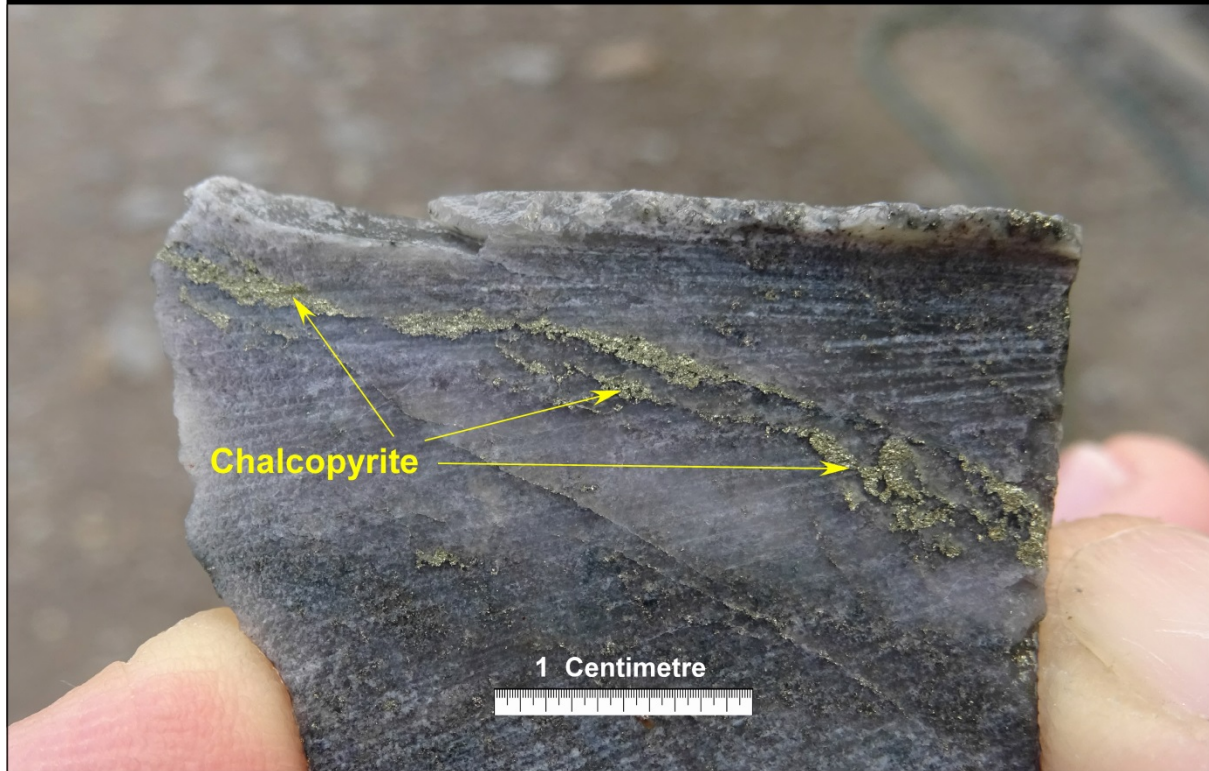
**CSD-14-008 1295.95m 0.84 % Cu, 0.71 g/t Au**  
**Fine grained disseminated Chalcopyrite in Microdiorite**



**Plate 2** – Disseminated Chalcopyrite mineralisation near the end of Hole 8 (1295.95m depth).



**CSD-14-008 1309.30m 0.95 % Cu, 0.97 g/t Au**  
**Chalcopyrite C-vein re-opening an earlier Quartz B-vein**



**Plate 3** – Chalcopyrite in 'C'-veins re-opening an earlier generation quartz vein near bottom of Hole 8.

### 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  
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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 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 and 9,730,000 options exercisable at 14p.

#### **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.