13 June, 2014

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

Cascabel Exploration Update

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 intersected visual copper sulphide mineralisation from 540.7 to 960 metres.**
- **Drilling on Hole 7 is continuing and encountering copper sulphide mineralisation in potassic alteration including magnetite and stock-work quartz veining.**
- **South East and North West Targets are high priority areas that are reinforced by the updated magnetic model and the intersection of copper sulphides in Hole 7.**
- **Preliminary metallurgical test-work strategy on high-grade copper and gold mineralisation from Hole 5 defined and laboratory selected.**

Commenting on today's update, SolGold CEO and Managing Director, Alan Martin said:
"The presence of visual copper sulphide mineralisation in Hole 7, located 150m north-northwest of Hole 5, is an exciting development and supports our refined magnetic model in the Central Zone. The results confirm that we have continuity of copper mineralisation between Hole 5 and Hole 7. Whilst visible copper sulphides of similar style are observed in both drill holes, we wait for assays to confirm the copper and gold grades in Hole 7. Lateral continuity of mineralisation throughout the Central Zone at Alpala would bode well for similar mineralisation to exist at the South East and North West Targets and I look forward to delivering initial assay results from Hole 7 within the next several weeks".

SolGold's General Manager of Exploration, Dr Bruce Rohrlach added:
"As was the case with Hole 5, the spatial coincidence between visible copper sulphide mineralisation, magnetite in mineralised drill core and anomalously high magnetic susceptibility readings in Hole 7 provide increasing confidence that we can effectively predict the distribution of mineralisation within the Central Zone using the new magnetic model as a guide. This association further supports our interpretation that the North West and South East Targets are significant. The persistence of visible chalcopyrite and bornite copper sulphide mineralisation in Hole 7 at similar elevations as in Hole 5 is a robust indicator that mineralisation has significant lateral and vertical dimensions".

FURTHER INFORMATION

Hole CSD-14-007 ("Hole 7") Progress

Hole 7 is presently at a depth of 1079m and has intersected intervals of visible copper-sulphide mineralisation over a near-vertical interval of at least 418.70m, from 541.3m to 960m down hole. Mineralisation continues below 960m down hole and is currently being assessed in the field. Visible

mineralisation occurs in association with quartz stock-work veins within a potassic-altered diorite intrusion. Hole 7 is progressing towards a strong modelled magnetic target in the Central Zone (Figure 1). Drilling has progressed smoothly to date.

Hole 7 intersected argillic and phyllic altered volcaniclastics, dacite porphyry intrusions and minor andesite from surface to 567.1m depth and then intersected an extensive diorite intrusion from 567.10m to at least 960m depth. This extensive diorite intrusion is potassic altered with local zones of over-printing phyllic alteration. Quartz veins are observed in the upper part of the hole between 13.7m and 355.3m within the wall rocks, and then reappear with greater intensity below 528.4m depth. The quartz stock-work veins coincide with the appearance of pervasive magnetite that typifies potassic alteration, and also coincide with the appearance of visible copper sulphide minerals that are dominated by chalcopyrite, bornite and chalcocite in association with visible molybdenite.

Hole 7 will continue to be deepened to test the strongest part of the modelled magnetic anomaly and the continuing visible copper sulphide mineralisation (Figure 1).

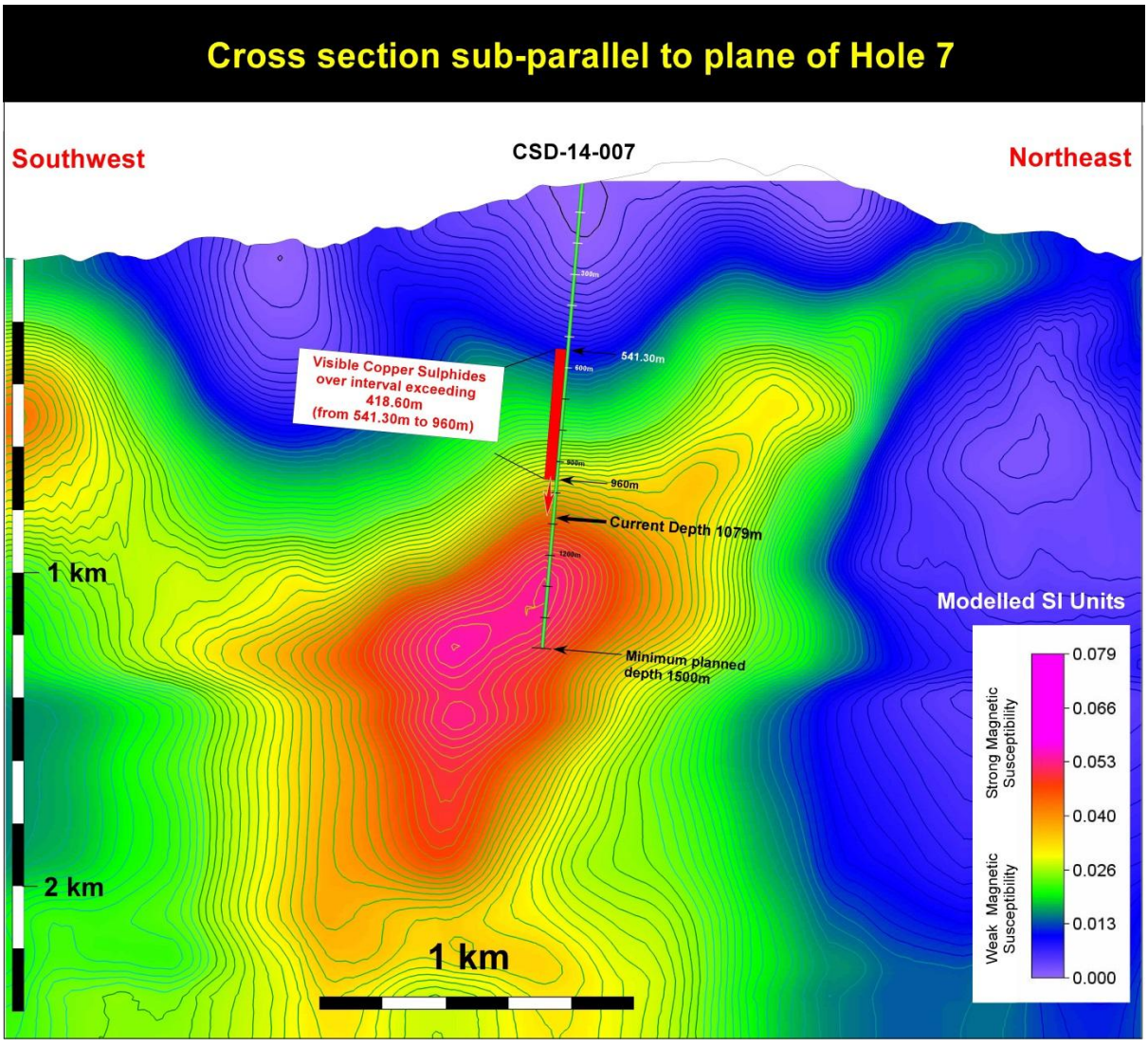


Figure 1 – Open-ended interval of visible copper sulphide mineralisation in Hole 7. Current hole depth is 1079m. The background image is a slice through the recently updated magnetic model.

South East and North West Targets

The South East Target and the North West Target were further defined in the second generation magnetic modelling (Figure 2). They are extensive, semi-annular magnetic anomalies that directly underlie highly acidic alteration cores to the lithocap at surface. Importantly, these two large magnetic targets are partly contiguous with the magnetic anomaly in the Central Zone which has been demonstrated by Hole 5 to be strongly mineralised (see RNS dated 24th March 2014 for results of Hole 5) and further supported by the Hole 7 intersection of visible copper sulphides.

The discovery of extensive peripheral (low-grade) copper mineralisation in Holes 3 and 6 provide robust additional encouragement that the magnetic cores of the South East and/or North West Targets are mineralised.

Hole 3 drilled above the South East Target and was terminated due to hole collapse. It intersected 747.33m grading 0.11% Cu, with grades peaking near the bottom of the hole at 0.23% Cu and 0.14 g/t Au over 128 metres.

In light of the recent second stage 3D magnetic inversion modelling that highlighted the South East Target as a high priority for high grade copper and gold mineralisation, the following comments from the Company's market releases of 4th November 2013 and 16th December 2013 are worth re-iterating as they clarify the potential significance of the South East Target:

RNS - 4th November 2013: Hole 3 intersected increasing intensities of porphyry-related quartz stock-work veining from surface (~0.5 veins per metre) to 713m depth (~18 veins per metre). The eastward trend of increasing stock-work veining is consistent with the hole drilling obliquely through the marginal halo of a porphyry system whose centre may be located to the northwest or southeast. Porphyry copper-gold-molybdenum deposits are typically surrounded by haloes of lower grade mineralisation (pyrite plus chalcopyrite +/- traces of molybdenite and gold) that can extend hundreds of metres and up to a kilometre from the centre of the porphyry deposit.

RNS - 16th December 2013: The mineralisation encountered throughout Hole 3 is consistent with an extensive low-grade copper halo that typically develops around the margins of large porphyry copper-gold systems. The assays from Hole 3 confirm that mineralising fluids have moved through extensive volumes of rock at Alpala, further evidence for our confidence in the potentially large size of the Alpala copper-gold porphyry system.

The Company continues to interpret the large South East Target as a mineralised potentially high grade copper-gold porphyry system, with Hole 3 skimming the upper margin.

Hole 6 drilled adjacent to the North West Target and the Central Zone and was terminated following receipt of the updated second stage magnetic model. It intersected 821.50m grading 0.14 % Cu and 0.10 g/t Au, with peak grades in the lower half of the hole adjacent to the North West Target and Central Zone.

These vertically extensive halo intersections (747.33m long above the South East Target and 821.50m long adjacent to the North West Target) reflect copper-bearing fluids interacting with large volumes of rock, a feature characteristic of world-class copper deposits.

The combination of two well mineralised holes within (i.e. Hole 5) or on the margins (i.e. Hole 7) of the Central Zone magnetic high, and two peripheral holes with long runs of low-grade halo copper mineralisation above the South East Target magnetic high (i.e. Hole 3) and adjacent to the North West Target magnetic high (i.e. Hole 6), provides an increasingly solid understanding of the likely geometry and locus of the Alpala porphyry system(s). The assay evidence of high grades (Hole 5) and continued association of visible copper sulphide mineralisation with magnetic rocks in Hole 7 provide the Company confidence that it can begin to build a world-class resource at Alpala.

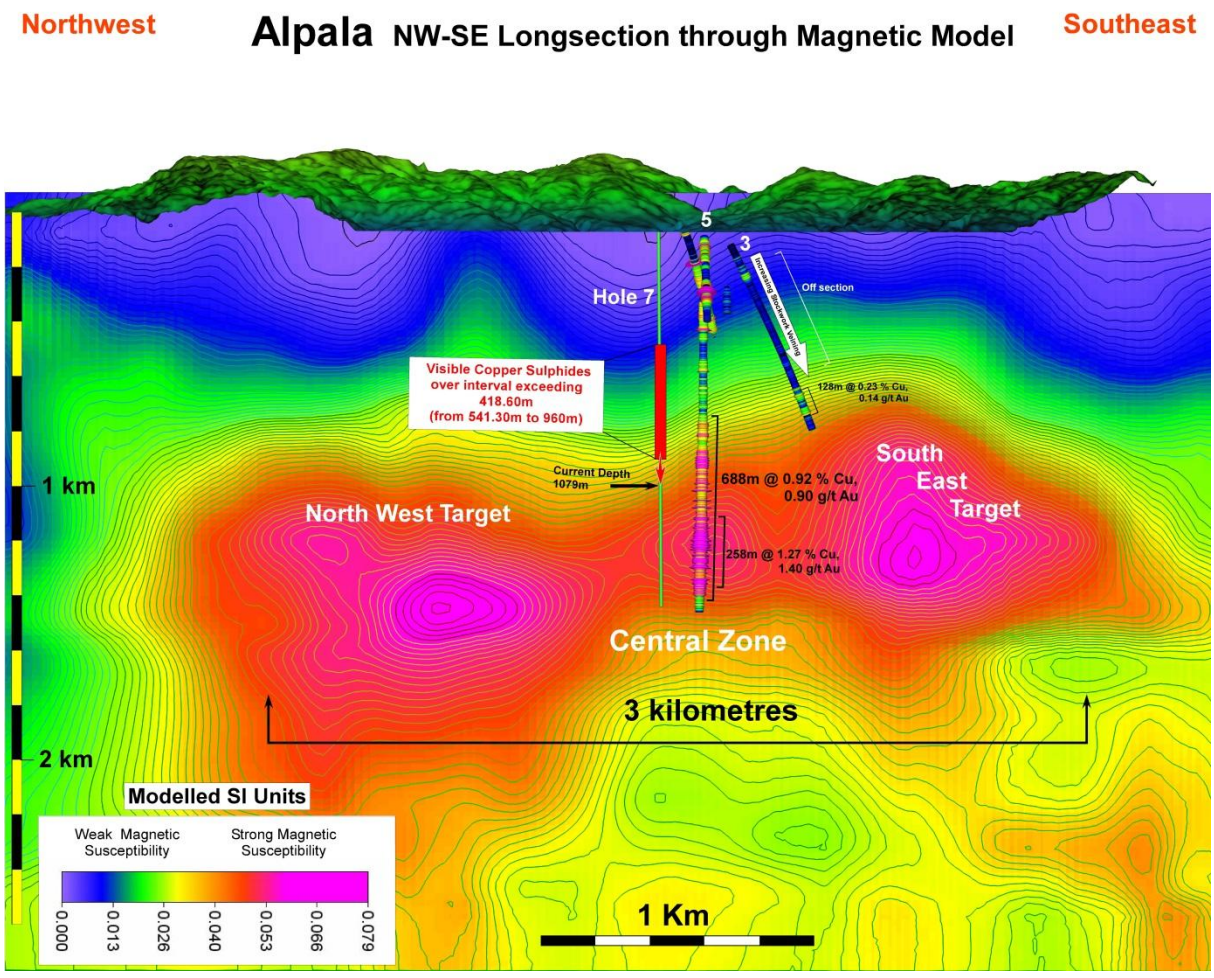
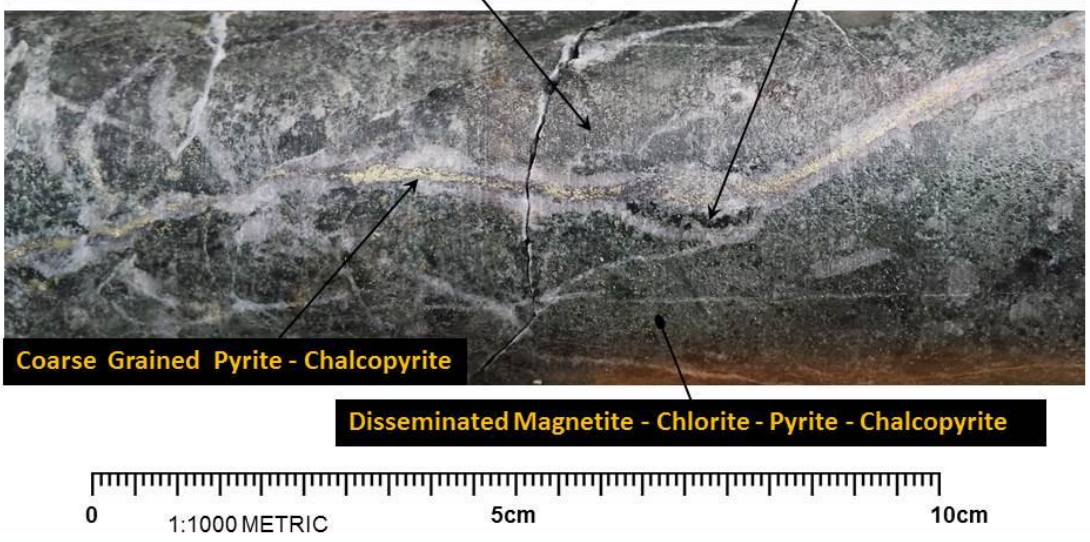


Figure 2 – Open-ended interval of visible copper sulphide mineralisation in Hole 7. The current hole depth is 1079m.

HOLE 7 – Quartz-Chalcopyrite "B-veins"

CSD-14-007 Drill Core – 695.1m



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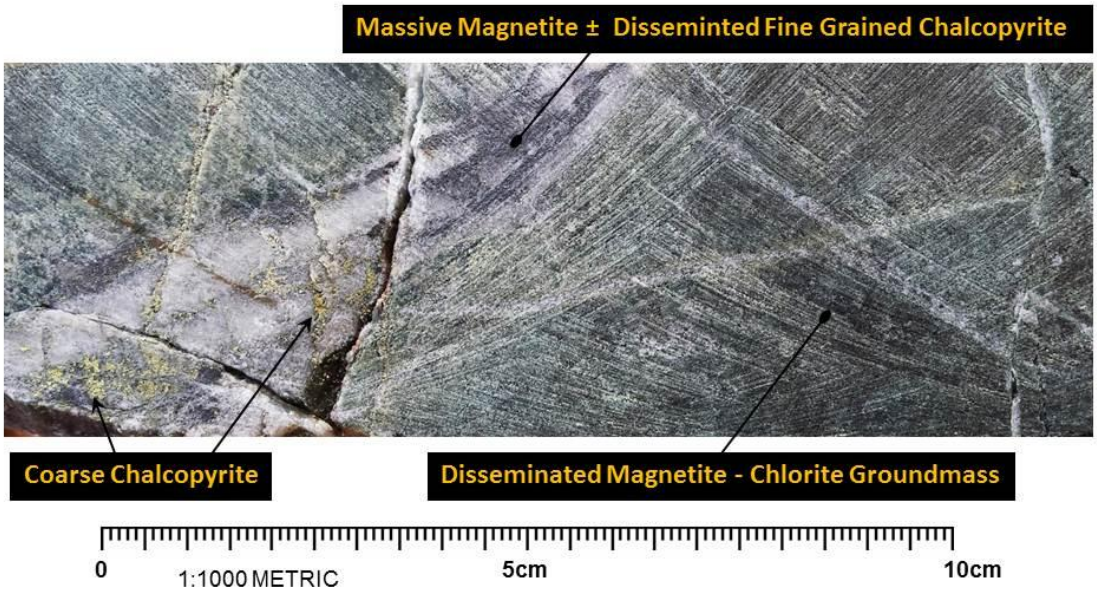
HOLE 7 – COARSE GRAINED CHALCOPYRITE

CSD-14-007 Drill Core – 726.4m



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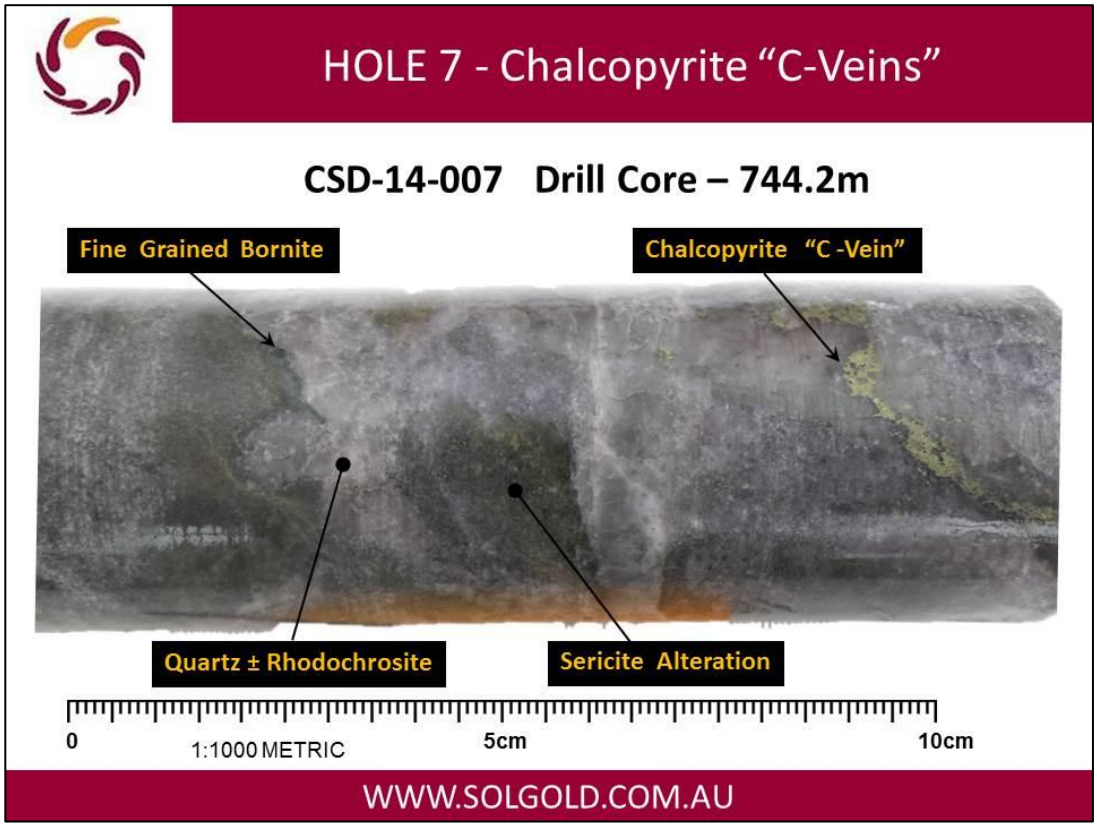
HOLE 7 - Chalcopyrite "C-Veins"
CSD-14-007 Drill Core – 744.2m
Fine Grained Bornite
Chalcopyrite "C -Vein"
Quartz ± Rhodochrosite
Sericite Alteration
0
1:1000 METRIC
5cm
10cm
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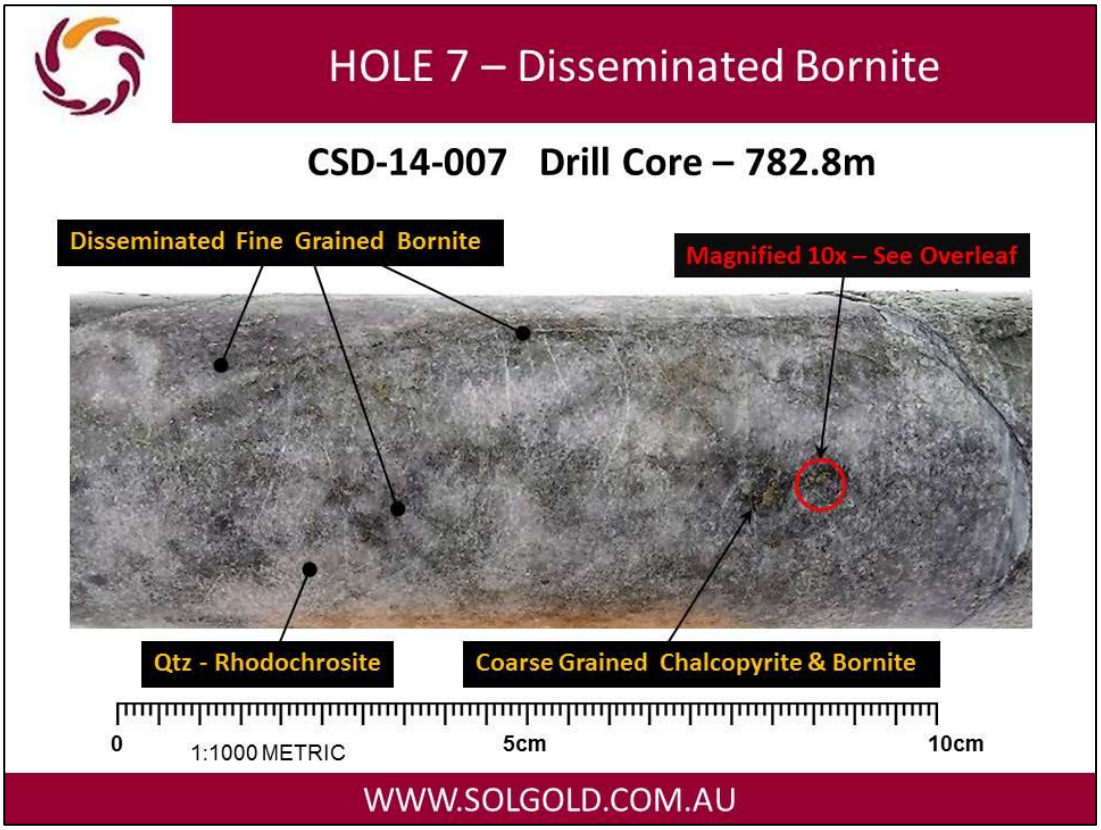
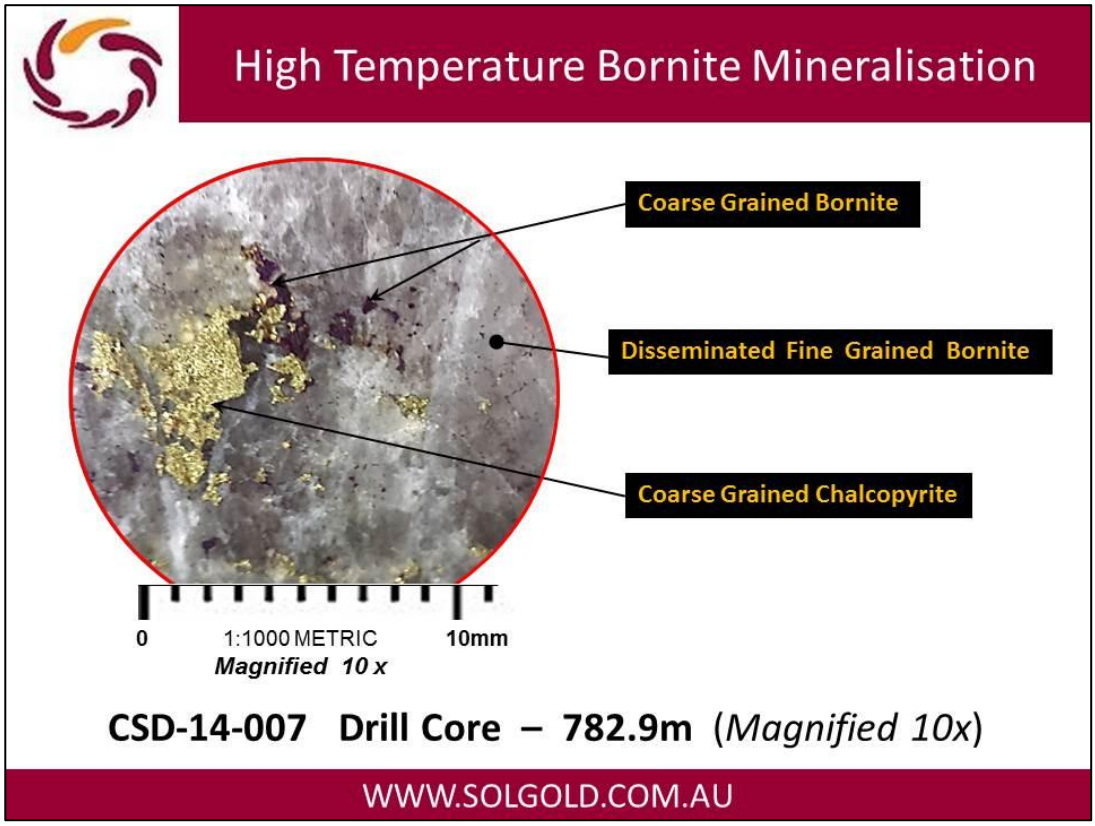

HOLE 7 – Disseminated Bornite
CSD-14-007 Drill Core – 782.8m
Disseminated Fine Grained Bornite
Magnified 10x – See Overleaf
Qtz - Rhodochrosite
Coarse Grained Chalcopyrite & Bornite
0
1:1000 METRIC
5cm
10cm
WWW.SOLGOLD.COM.AU


High Temperature Bornite Mineralisation
Coarse Grained Bornite
Disseminated Fine Grained Bornite
Coarse Grained Chalcopyrite
0
1:1000 METRIC
10mm
Magnified 10 x
CSD-14-007 Drill Core – 782.9m (Magnified 10x)
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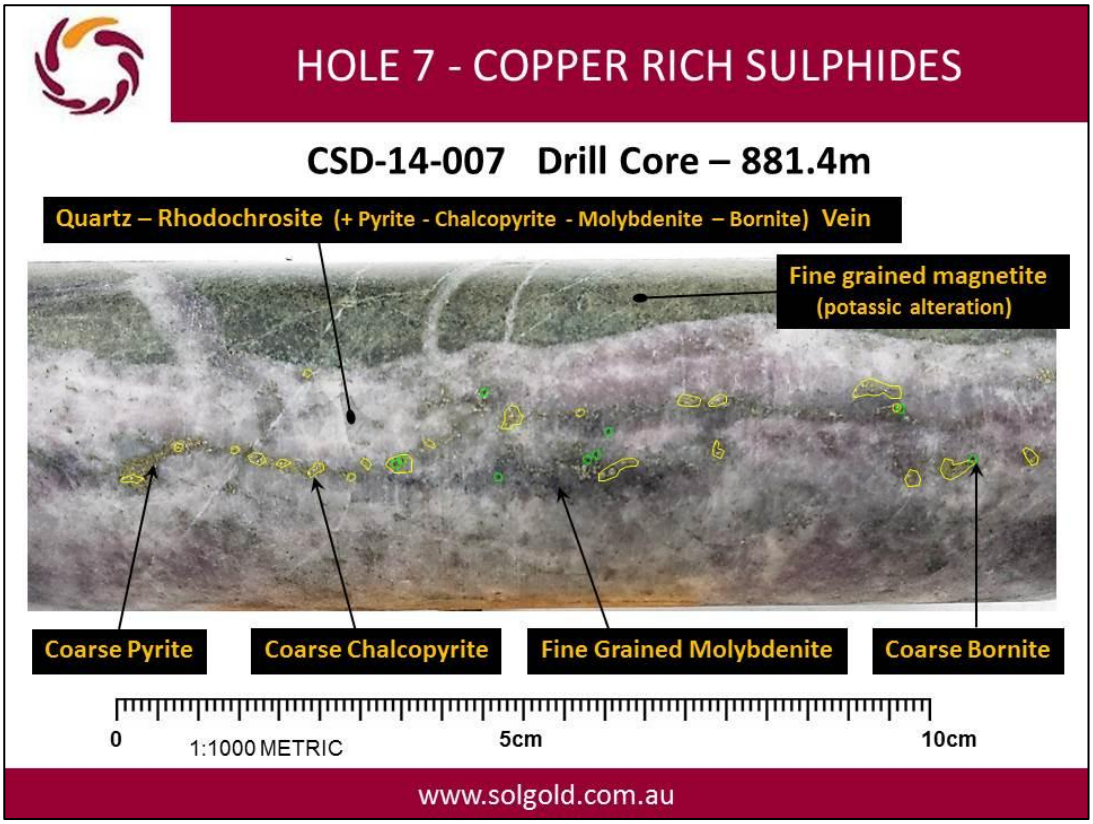
HOLE 7 - COPPER RICH SULPHIDES
CSD-14-007 Drill Core – 881.4m
Quartz – Rhodochrosite (+ Pyrite - Chalcopyrite - Molybdenite – Bornite) Vein
Fine grained magnetite
(potassic alteration)
Coarse Pyrite
Coarse Chalcopyrite
Fine Grained Molybdenite
Coarse Bornite
0
1:1000 METRIC
5cm
10cm
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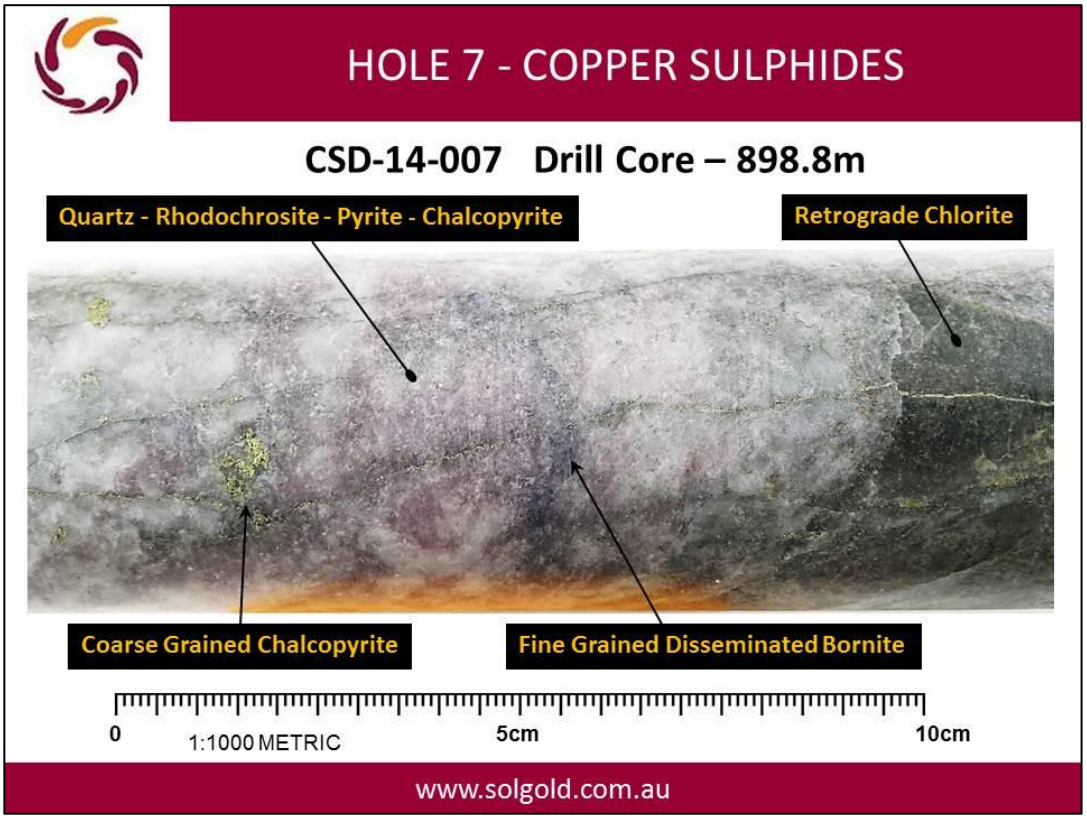
HOLE 7 - COPPER SULPHIDES
CSD-14-007 Drill Core – 898.8m
Quartz - Rhodochrosite - Pyrite - Chalcopyrite
Retrograde Chlorite
Coarse Grained Chalcopyrite
Fine Grained Disseminated Bornite
0
1:1000 METRIC
5cm
10cm
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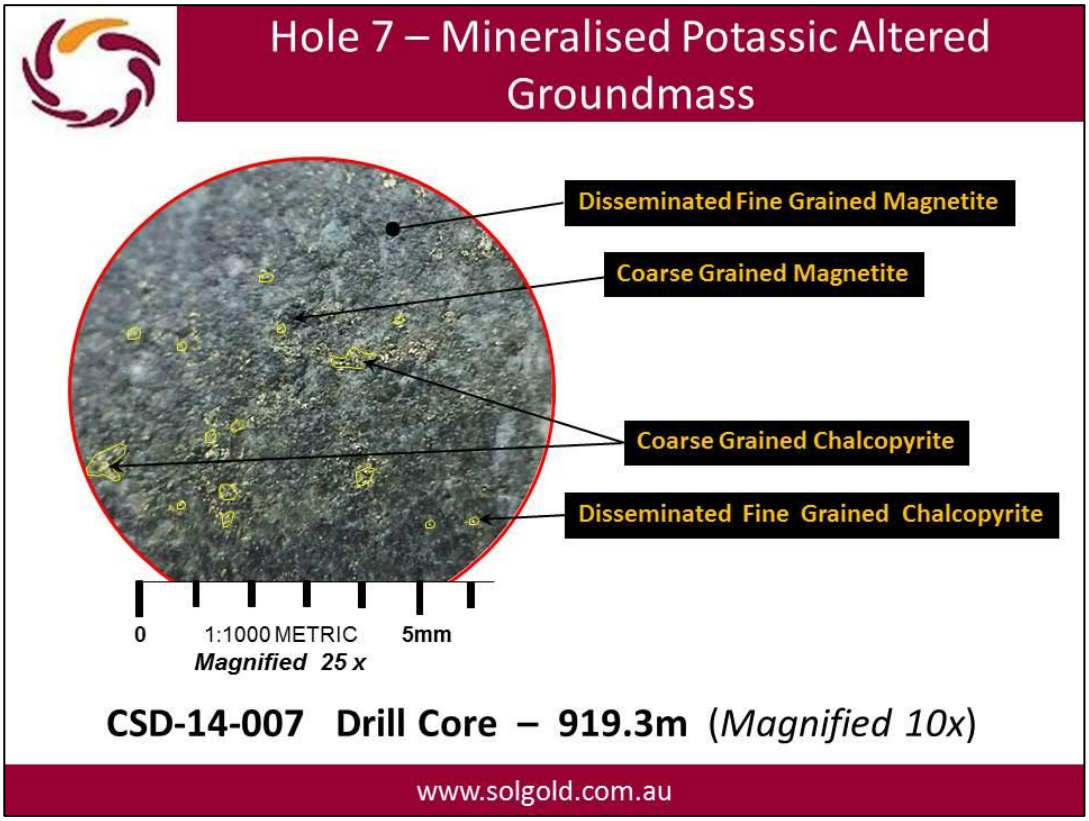
Hole 7 – Mineralised Potassic Altered Groundmass
Disseminated Fine Grained Magnetite
Coarse Grained Magnetite
Coarse Grained Chalcopyrite
Disseminated Fine Grained Chalcopyrite
0
1:1000 METRIC
5mm
Magnified 25 x
CSD-14-007 Drill Core – 919.3m (Magnified 10x)
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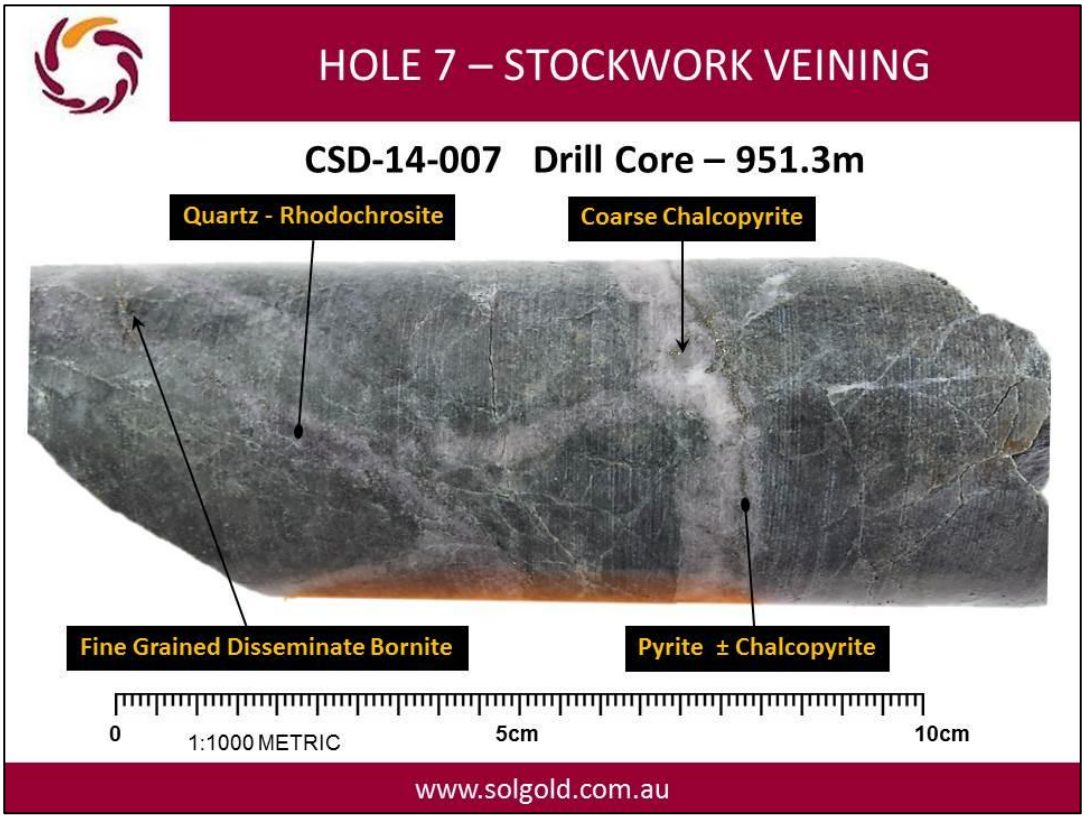

Preliminary Metallurgical Testwork Strategy

Preparation for preliminary metallurgical testwork on high-grade copper and gold mineralisation from Hole 5 has advanced significantly. The Metallurgical Division of Inspectorate Exploration and Mining Services Ltd of Richmond, British Colombia, Canada ("Inspectorate") have been selected to conduct the initial testwork.

The proposal and quotation from Inspectorate has been approved and the intervals for metallurgical testwork selected following acquisition of coarse reject sample weights from the sample preparation laboratory that the Company uses in Cuenca, Ecuador.

The next steps in the process are for the selected samples to be riffle split, packaged and exported from Ecuador to Vancouver where the testwork will be conducted.

The objective of this work is to conduct a preliminary metallurgical test program, including hardness tests and flotation tests, to study the recovery of copper and gold in three sample composites that have been selected to represent the high-grade intersection in Hole 5. In summary, the scope of work comprises sample preparation, head assays, test grinds, rougher flotation and cleaner flotation. The selected composites are listed in Table 1.

Table 1 - Metallurgical Composites

Composite	Comment	Interval (metres)	Sub-Samples	Target Cu grade (%)	Target Au grade (g/t)	Target Mo grade (ppm)	Target Weight (Kg)
Composite 2	Intermediate Grade	936-982	24	0.67	0.58	5.89	71.16
Composite 1	High Grade	804-850	24	1.04	0.94	1	72.00
Composite 3	Very High Grade	1098-1144	24	1.84	2.31	3.44	70.91

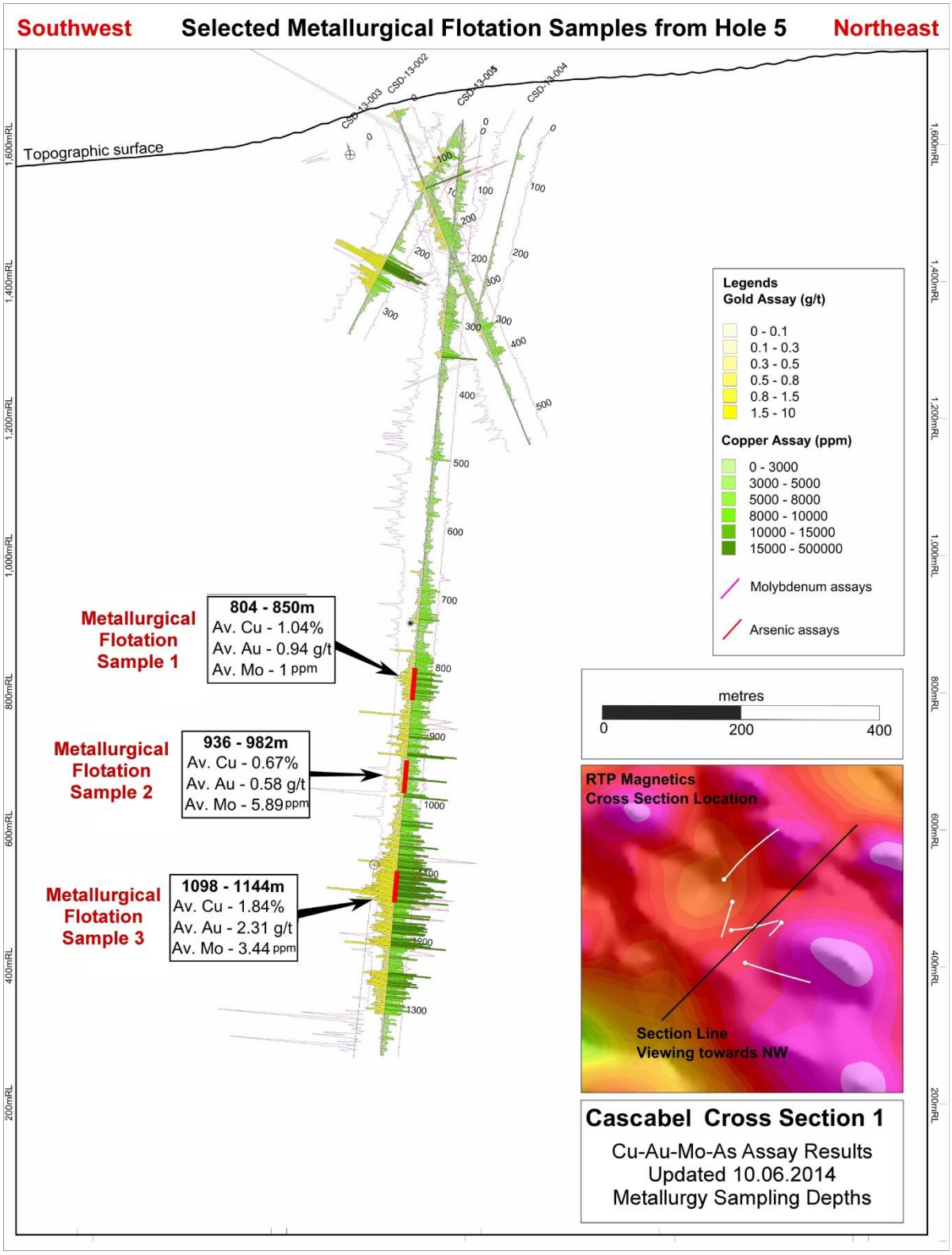

Figure 3 – Location of 3 composite samples selected for preliminary comminution and flotation testing for the recovery of copper sulphide minerals and contained gold and molybdenum.

The results of the preliminary metallurgy testwork on Hole 5 are anticipated during 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

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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, 10,550,000 options exercisable at 28p, 7,550,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.