2 December, 2014

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

Cascabel Exploration Update

Highest Grade Copper-Gold Intersection to Date at Alpala From Hole 9 – Separate Zone Parallel to Previous High Grade Hole 5 Results

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:

- **First batch of assays received for drill hole CSD-14-009 ("Hole 9");**
- **Drill hole 9 returns 160 m @ 1.56 g/t gold and 0.84% copper (for 1.78% copper equivalent) from 650m depth;**
- **High grade section down hole from 730m depth, of 80m @ 2.72 g/t gold and 1.32% copper for 2.95% copper-equivalent (including 50m @ 3.90 g/t gold and 1.67% copper);**
- **The high grade zone is identified as an additional high grade zone to that intersected in Hole 5 which was located 120m south of Hole 9;**
- **The highest gold grade interval associated with highest magnetite content in drill core;**
- **Hole 9 currently at a depth of 1246.28m from a planned minimum depth of 1800m, with visible copper sulphide mineralisation over a 793.83m downhole interval from 452.45m to the current hole depth of 1246.28m, with visible mineralisation continuing down hole;**
- **Strong association of high grade with structures increases ability to target high grade mineralisation zones above the Alpala porphyry complex;**
- **Mapping and vein orientation studies in core identify multi directional mineralised structures;**
- **Consistent copper gold ratios and correlation with visible sulphides, and geophysical signatures, substantiates large size of broader Alpala porphyry system;**
- **Definition of high grade targets along the Alpala Structural Zone ("ASZ") and parallel and cross-cutting faults a priority at Cascabel;**
- **Mineralisation now defined over an area of ~50,000m^2 and down to 1300m depth, but only 15% of the broader Alpala T1 target tested to date;**
- **Alpala geophysical target updates to be released as soon as possible.**

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

The Directors of SolGold have great pleasure in advising that initial assay results for Hole 9 at the Company's Cascabel copper-gold project in northern Ecuador have identified further high-grade copper and gold mineralisation, 120 metres north of Hole 5 (Figure 1).

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

"**SolGold is delighted with these initial Hole 9 assay results. Not only are the results high grade, but the high gold content of the high grade copper intersections gives us confidence that the multiple high grade intersections along the ASZ and parallel structures – such as those intersected in Holes 5, 7, 8 and 9 – are high-level parts of a broader gold-rich porphyry system at depth. Central Alpala is increasingly looking like a large and predictable system, with very encouraging and reliable vectors being established from drilling, mapping, geochemistry and geophysical surveys at Alpala."**

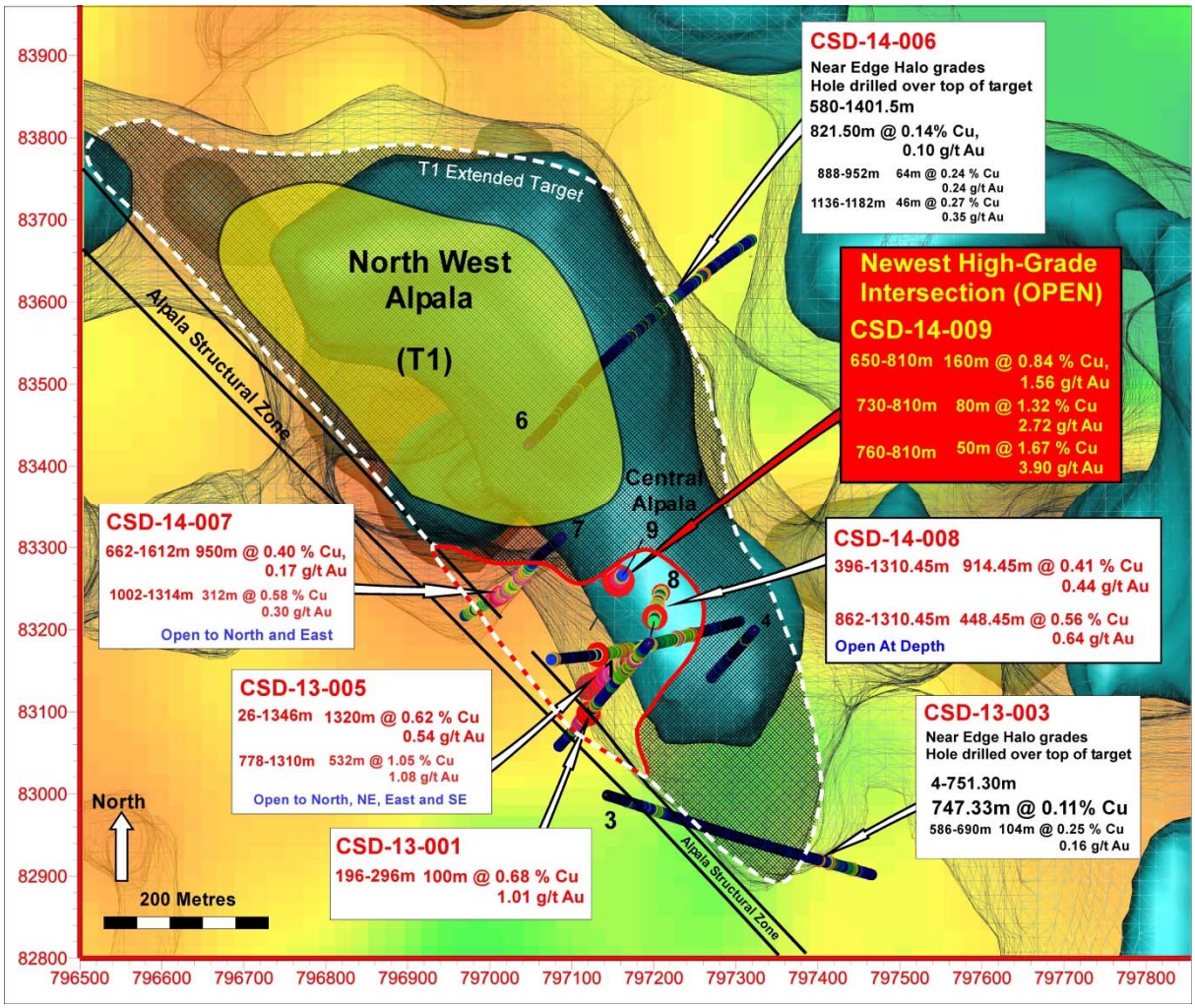

Figure 1: Location of drill holes at Central Alpala. The red outline shows the area tested by Holes 5, 7, 8 and 9. The dashed white outline shows the full lateral extent of the T1 target area. Presently only 15% of the lateral target area at Central and Northwest Alpala has been tested by drilling. Hole 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 Alpala targets. The first batch of samples assayed from Hole 9 has yielded the highest grade copper and gold mineralisation to date from the Central Alpala area.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

FURTHER INFORMATION

Hole 9 High Grade Copper-Gold Intersection

Hole 9 at Central Alpala is presently at a depth of 1,246.28m (as at 1 December) and is planned to drill to a minimum depth of 1,800m.

Hole 9 has intersected visible copper sulphide mineralisation over a 793.83m downhole interval from 452.45m to current hole depth of 1,246.28m with visible mineralisation continuing down hole. The extensive intersection of visible copper sulphide mineralisation in Hole 9 further broadens the zone of porphyry copper mineralisation at Central Alpala and substantiates the broad porphyry mineralisation potential at Alpala.

An initial batch of samples from the interval 650m to 810m were submitted for assay, where visible mineralisation was seen to increase steadily downhole towards the Magnetic Vector Inversion ("MVI") anomaly. This zone has delivered a high grade copper and gold intersection of:

650m to 810m – 160m @ 0.84% Cu and 1.56 g/t Au (1.78% Cu-equivalent) (0.35% Cu-Eq cut-off)

Within this interval there are zones of very high grade, including:

730m to 810m – 80m @ 1.32% Cu and 2.72 g/t Au (2.95% Cu-equivalent) (1% Cu-Eq cut-off)

760m to 810m – 50m @ 1.67% Cu and 3.90 g/t Au (4.00% Cu-equivalent) (2% Cu-Eq cut-off)

Table 1 summarises the intersections to date from Hole 9. Appendix 1 lists intersections from Holes 1-9 at Alpala.

Intersections from Hole CSD-14-009 (First Assay Batch)								
Hole ID	**DepthFrom**	**DepthTo**	**Interval (m)**	**Cu_%**	**Au_g/t**	**Cu.Eq_%**	**Cu-Eq. Cut-Off**	**Comment**
CSD-14-009	650	810	**160**	0.84	1.56	**1.78**	0.35	Open at depth
Incls	730	810	**80**	1.32	2.72	**2.95**	1	Open at depth
Incls	760	810	**50**	1.67	3.90	**4.00**	2	Open at depth

Table 1: Assay intersections from initial assay batch from Hole 9

Note: Cu-Equivalent values do not take into account the percent recoverability of Au relative Cu.
Cu-equivalent values were calculated 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)].

The interval of highest gold grade (50m @1.67% Cu and 3.90 g/t Au) is associated with high logged magnetite contents (7-8%) compared with surrounding intervals where the logged magnetite content is mostly in the range of 1-3%. Magnetite content continues to be a useful indicator of grade at Central Alpala.

Figure 3 shows a northeast cross-section through Hole 9, the high-grade intersection, the current depth of Hole 9 and the geology projected from an adjacent section through Holes 1, 2, 5 and 8.

Hole 9 is planned to a minimum depth of 1,800 metres to test the lateral extension of the high-grade mineralisation encountered in Hole 5 and its depth extension below the Hole 5 intersection.

The Company is waiting for assays from a section from 430m to 650m and from 810m to 850m that both showed significant visual mineralisation and quartz veining.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

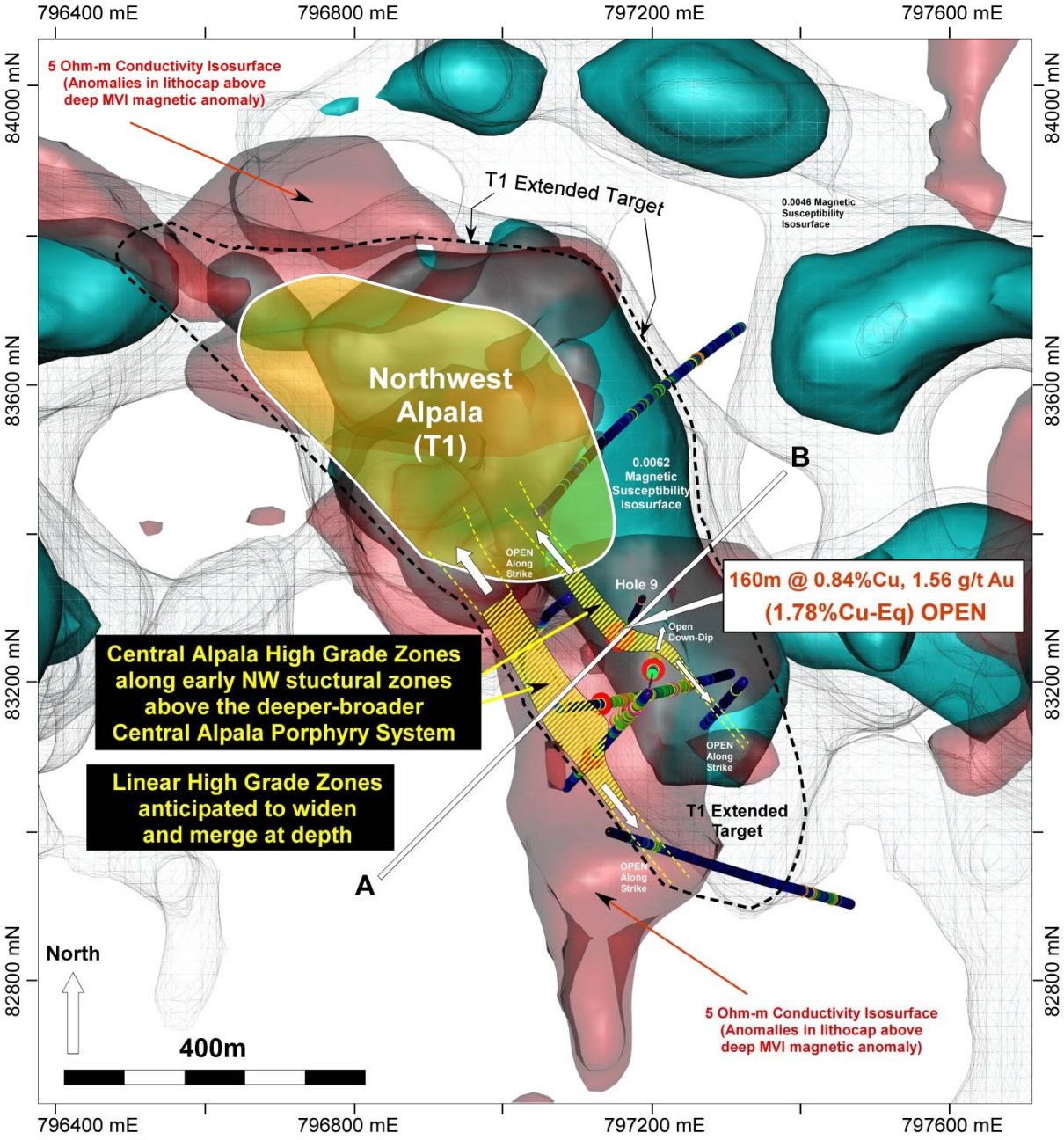

Figure 2 – Interpreted trend of high-grade copper-gold zones at Central Alpala. High-grades occur along pre-existing northwest-trending structural zones, where earlier intrusions and mineralising fluids that have been tapped off the underlying porphyry deposit have migrated upward and formed dense concentrations of porphyry quartz veins and sulphides. These high-grade zones are anticipated to broaden and merge at depth around the upper carapace of an underlying high grade and gold-rich porphyry system. Intersections encountered to date are interpreted to represent the upper high-level expression of a larger underlying mineralised body that is the subject of ongoing drill testing.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

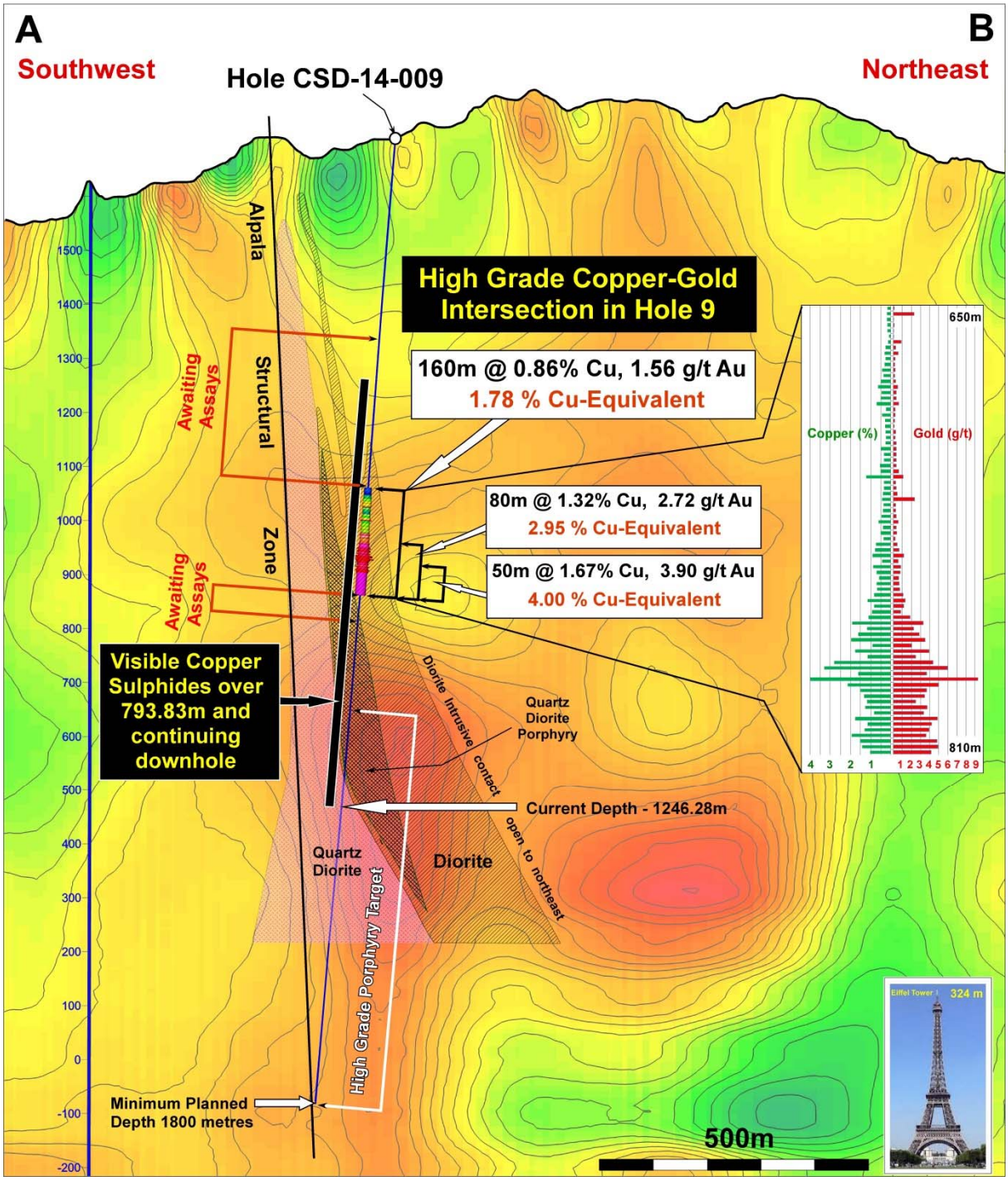

Figure 3: Northeast-Southwest cross-section through Hole 9 and the MVI model. High grade copper and gold mineralisation intersected from 650m to 810m and open at depth. The black bar shows the extent of visible copper sulphides observed over 793.83m, from 452.45m downhole depth and continuing at current hole depth of 1246.28m.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

15% of the Alpala T1 Target Area Tested

Mineralisation at Central Alpala has now been defined over an area of approximately 50,000m^2, and testing only 15% of the broader Alpala T1 target area. Only 200m of the 1100 metre strike length of the Magnetic Vector Inversion ("MVI") anomaly that is bound by the Alpala Structural Zone has been drill tested to date. Figure 1 shows the extent of the T1 target and the area of drill testing.

High Grade Targets

SolGold has now identified two zones of high grade mineralisation along and parallel to the ASZ within the Central Alpala region, as indicated on Figure 2.

The grade of 2.95% Cu-equivalent over 80m (and open at depth) encountered between 730m and 810m is considered by SolGold to represent an additional high grade resource target that augments the high grade target identified by Hole 5 near the Alpala Structural Zone. The true thickness of this second high grade zone is not yet known.

The geometry that is developing at Central Alpala is a series of multiple, steep and northwest-trending high-grade zones that reflect pre-existing fault conduits along which magmatic mineralising fluids have ascended and concentrated porphyry quartz veins and mineralisation along zones that had very high fluid-to-wallrock ratio, i.e. along structures that tap down into the main Central Alpala porphyry system. These steep sub-parallel zones of intense veining (porphyry B-veins and C-veins) are believed to be structurally-controlled, and are key targets for high grade copper and gold mineralisation along northwest and northeast faults that occur above the deeper porphyry core.

The model for high grade mineralisation at Central Alpala anticipates that these steep high-level zones of high-grade copper and gold mineralisation may merge and broaden at depth where they tap into the carapace of the principal causative intrusion at depth.

Constant and Predictable Copper Gold Ratios

A relatively constant and predictable copper/gold ratio of approximately 1 g/t gold per 1% copper based on all drill assay data for Holes 1-9 suggests that most of the mineralisation encountered in drilling at Central Alpala is gold-rich and part of the same larger porphyry system due to the relatively good constancy of the observed Cu/Au ratio (Figure 4).

A significant number of samples and intersections have higher Au values (expressed as g/t) than Cu values (expressed as percentages). These are dominated by samples from Hole 9 and from the part of Hole 1 which drilled through a highly mineralised section of the Alpala Structural Zone. This corroborates evidence that the higher gold values are linked to structures at high levels of the porphyry system.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

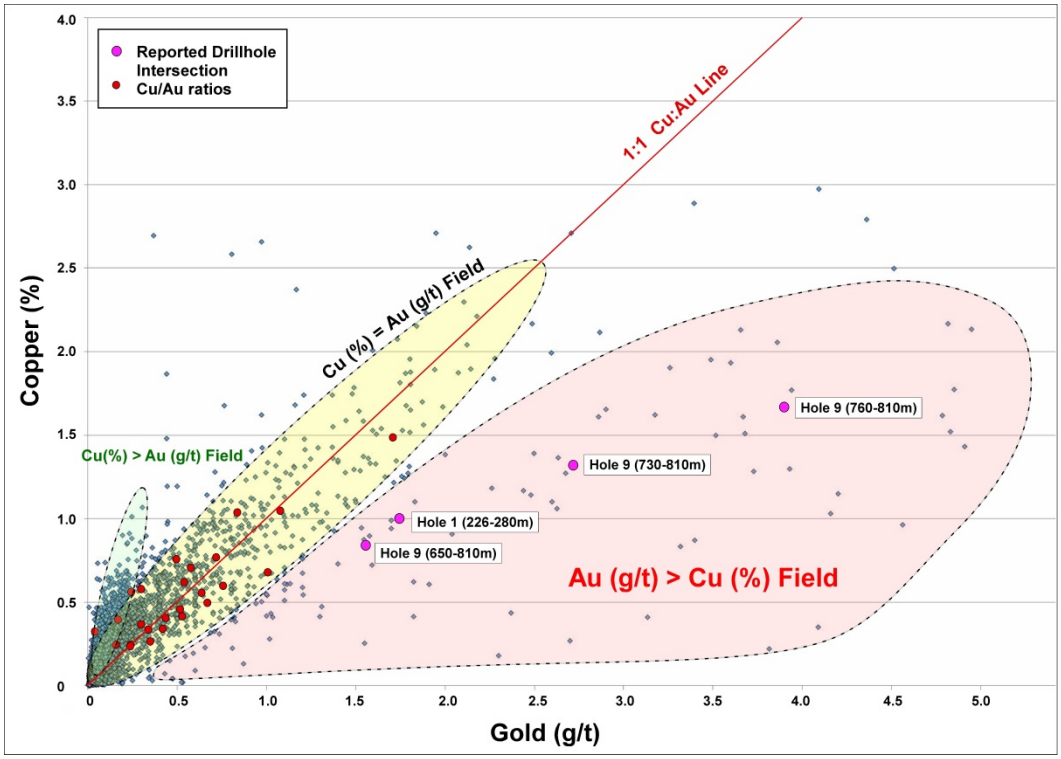

Figure 4 – Correlation between copper and gold for assays from Holes 1-9 at Central Alpala.

Assays Pending

Assays for the intervals 430m to 650m in Hole 9 are currently at the ALS Chemex laboratory in Quito and are pending. Samples for the intervals below 810m depth will be submitted for assay this week.

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.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

APPENDIX 1

Selected Intersections - Alpala Copper-Gold Porphyry							
Hole ID	**DepthFrom**	**DepthTo**	**Interval (m)**	**Cu_%**	**Au_g/t**	**Cu.Eq_%**	**Comment**
CSD-13-001	22	296	**274**	0.42	0.53	**0.73**	
incls	22	144	**122**	0.34	0.34	**0.54**	
incls	196	296	**100**	0.68	1.01	**1.28**	
incls	226	280	**54**	1.00	1.75	**2.05**	
CSD-13-002	130	420	**290**	0.37	0.30	**0.55**	
incls	130	230	**100**	0.46	0.52	**0.77**	
incls	184	224	**40**	0.50	0.67	**0.90**	
CSD-13-003	122	140	**18**	0.33	0.04	**0.35**	
incls	586	690	**104**	0.25	0.16	**0.35**	
CSD-13-004	-	-	**-**	-	-	**-**	
CSD-13-005	26	1346	**1320**	0.62	0.54	**0.94**	
incls	458	1346	**888**	0.77	0.72	**1.21**	
incls	778	1310	**532**	1.05	1.08	**1.70**	
incls	1062	1212	**150**	1.49	1.71	**2.52**	
CSD-14-006	888	952	**64**	0.24	0.24	**0.38**	
and	1136	1182	**46**	0.27	0.35	**0.48**	
CSD-14-007	662	1612	**950**	0.40	0.17	**0.51**	
incls	1002	1314	**312**	0.58	0.30	**0.76**	
incls	1162	1294	**132**	0.76	0.50	**1.06**	
incls	1198	1251.3	**53.3**	1.04	0.84	**1.54**	
CSD-14-008	396	1310.45	**914.45**	0.41	0.44	**0.67**	**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	**448.45**	0.56	0.64	**0.95**	**Open at depth**
Incls	904	1186	**282**	0.60	0.76	**1.06**	
Incls	1264	1310.45	46.45	0.71	0.58	1.05	**Open at depth**
CSD-14-009	650	810	**160**	0.84	1.56	**1.78**	**Open at depth**
Incls	730	810	**80**	1.32	2.72	**2.95**	**Open at depth**
Incls	760	810	**50**	1.67	3.90	**4.00**	**Open at depth**

*** Hole 9 in progress.**

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

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

Contacts:

Mr Alan Martin
SolGold Plc (CEO and Managing Director) **Tel: +61(0) 488 223 828**
amartin@solgold.com.au

Mr Nicholas Mather **Tel: +61 (0) 7 3303 0665**
SolGold Plc (Executive Director) **+61 (0) 417 880 448**
nmather@solgold.com.au

Mr Karl Schlobohm **Tel: +61 (0) 7 3303 0661**
SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Mr Ewan Leggat/Ms Katy Birkin **Tel: +44 (0) 20 3470 0470**
SP Angel Corporate Finance LLP (NOMAD and Broker)
Ewan.leggat@spangel.co.uk

Richard Greenfield/ Alexandra Carse **Tel: +44 (0) 20 7647 2800**
GMP Securities Europe LLP (Joint Broker)
richard.greenfield@gmpeurope.com

Mr Dominic Barretto / Ms Anna Legge **Tel: +44 (0) 7747 788 221**
Yellow Jersey PR Limited (Financial PR)
dominic@yellowjerseypr.com

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 plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000

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.

SolGold plc UK Company No. 5449516 ARBN 117 169 856 Phone: +61 (0) 7 3303 0660 Email: info@solgold.com.au Website: www.solgold.com.au
Street address: Level 27, 111 Eagle Street, Brisbane QLD 4000 Australia Postal address: GPO Box 5261, Brisbane QLD 4001
Registered office: 201 Bishopsgate London EC2M3AB Phone: +44 20 7861 9000