

10 February, 2014

Cascabel Project Update

Copper Mineralisation Extended to 1106.80m 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:

- **Porphyry copper sulphide mineralisation continues to current hole depth of 1106.80m, and drilling ahead.**
- **Strong correlation between magnetite and chalcopyrite mineralisation on the western margin of the 4km² Alpala Magnetic Complex indicates potential for a large scale copper-gold porphyry system.**
- **Drill rig has capability to reach a depth of 1500 metres. Large porphyry copper systems are known to extend from surface to 1-2 kilometres below the surface.**
- **Intention to drill Hole 5 to 1500m to test depth extent of this strong copper-gold porphyry system.**

SolGold CEO and Managing Director, Mr Alan Martin said:

"The continuation of the potassic zone with copper sulphide mineralisation from 870 metres to the current depth of 1106.80 metres continues to expand the vertical extent of porphyry mineralisation at Alpala. There are no signs yet that we have reached the bottom of the system, and drilling will continue whilst we remain in mineralisation".

Drill Hole CSD-13-005

CSD-13-005 was sited to test beneath holes 1 and 2, which intersected long runs of copper and gold mineralisation associated with porphyry copper-gold quartz stock-work and sheeted veins at the Alpala prospect. Copper and gold assay results have been received to a depth of 869.68 metres as reported on the 14th January.

Hole CSD-13-005 resumed drilling from 869.68m depth on the 28th January. As of the 10th February the hole has reached a current depth of 1106.80m.

The extension to Hole CSD-13-005 continues to encounter coarse grained and highly visible chalcopyrite mineralisation from 869.68m to the current depth of 1106.80m. This mineralisation is dominated by chalcopyrite with some bornite and chalcocite. The copper sulphides that are being encountered occur in association with significant magnetite and some anhydrite (both magnetite and anhydrite are common in the deep potassic altered zone of porphyry copper-gold systems).

SolGold considers that the particularly coarse grained nature of the chalcopyrite that is being intersected in the lower part of Hole 5 is likely to have encouraging implications for metallurgy of the mineralisation (see Plates 1-6).

The hole at current depth also continues to intersect intense zones of multidirectional quartz stockwork veining, indicating a strong and extensive porphyry system. Rich copper sulphide mineral, bornite has been observed at surface 320m northwest of Hole 5 (near proposed location of Hole 6) and 1.5 km north at Quebrada Moran. Both of these areas lie within the 4km² Alpala Magnetic Complex.

Hole CSD-13-005 is expected to take around 3 weeks to complete if it continues to a total depth of 1500 metres. SolGold intends that the drilling will continue as long as significant mineralisation is being encountered. Drilling will also be dependent on other factors such as ground conditions in the drill hole. Assays for intervals below 869.68m are expected to be delivered during the second half of February.

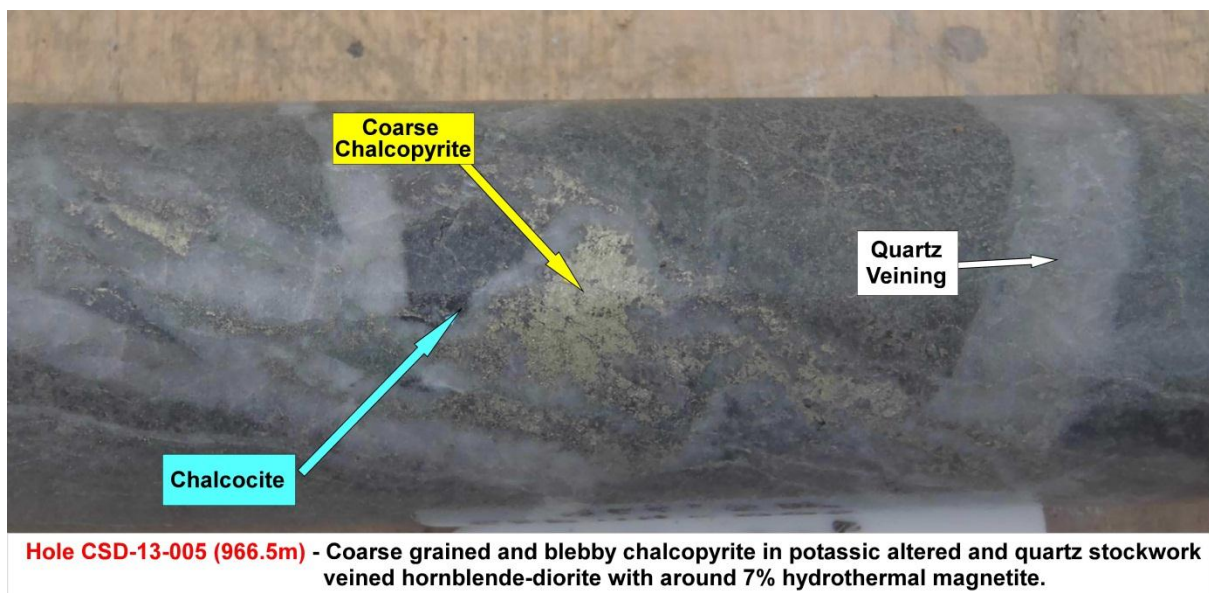


Plate 1

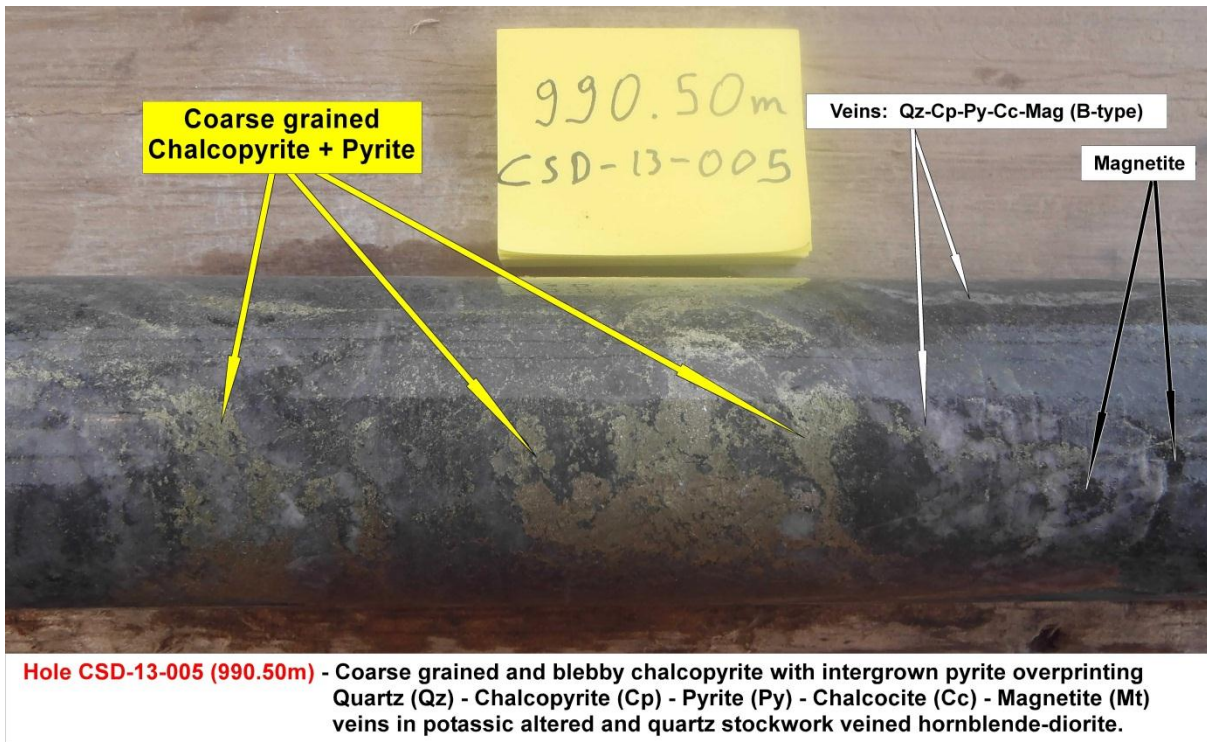


Plate 2

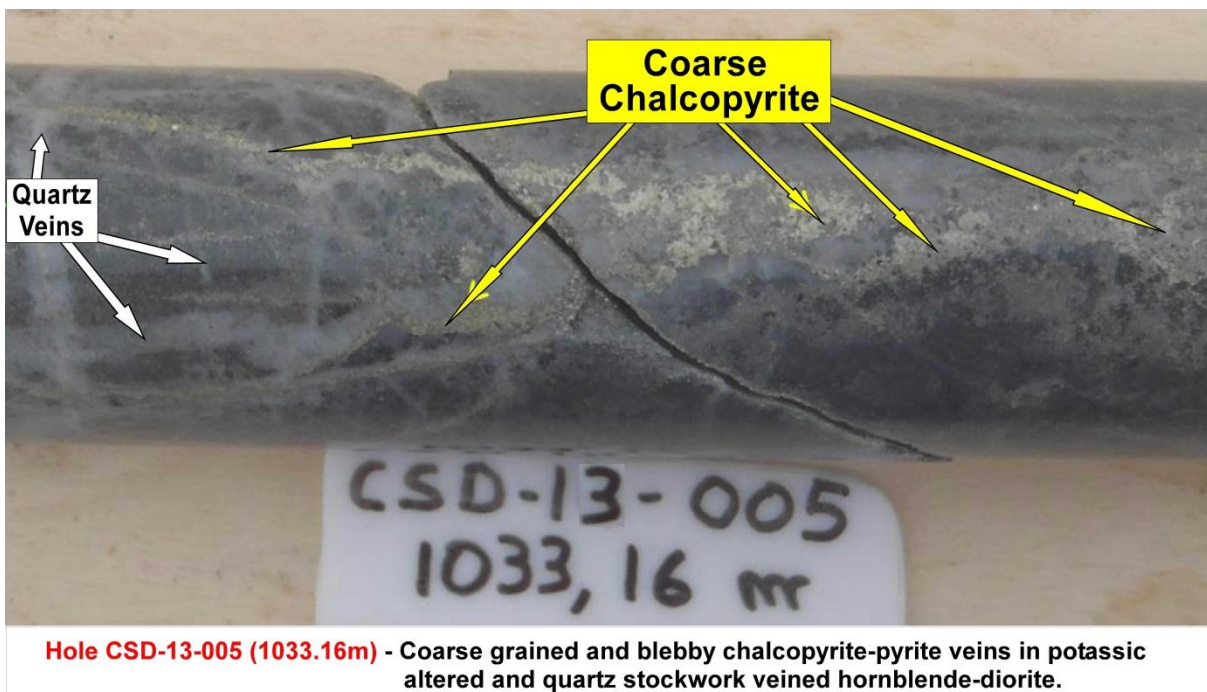
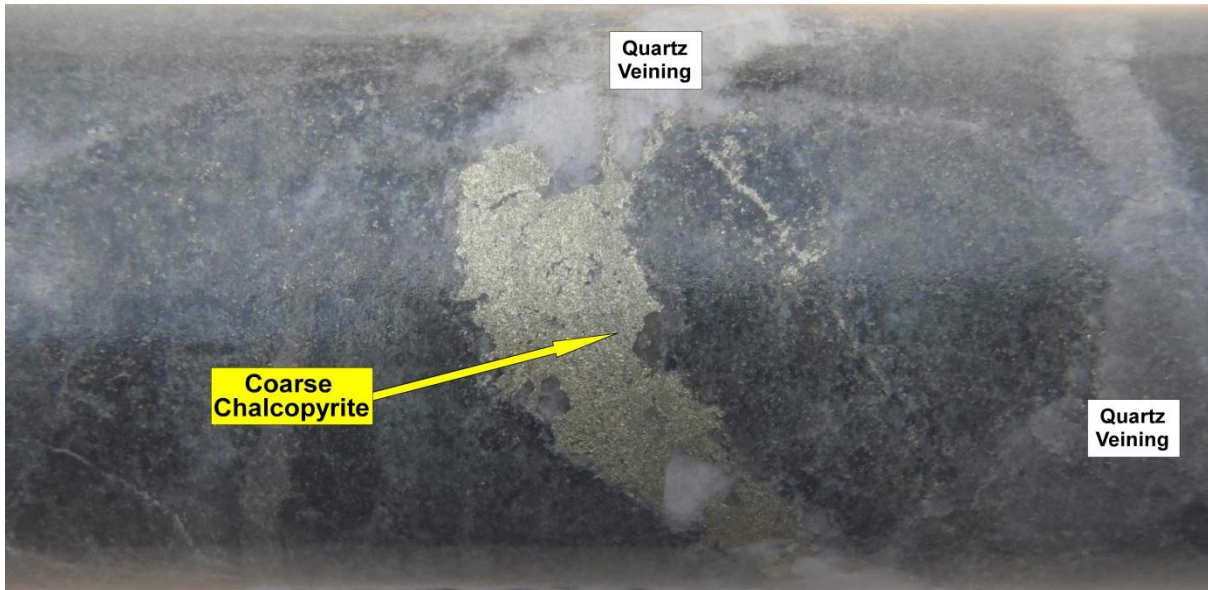
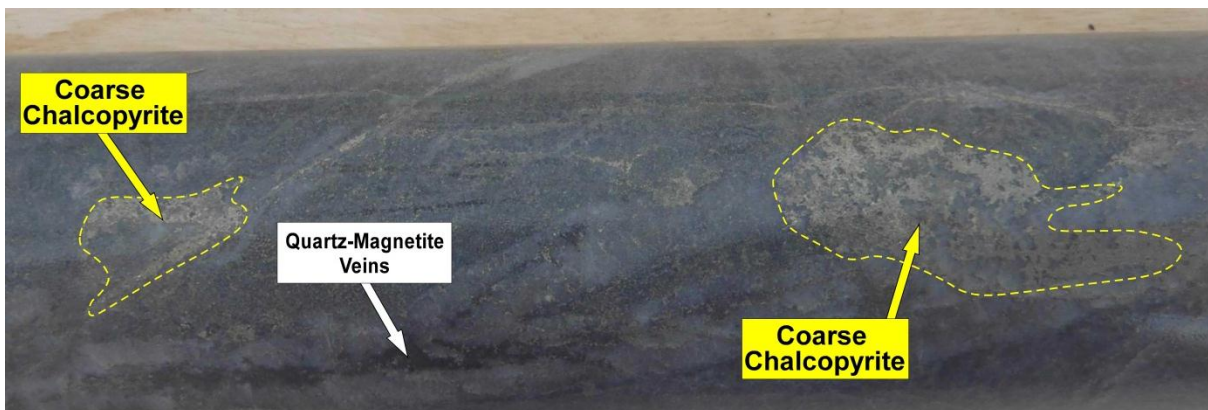


Plate 3



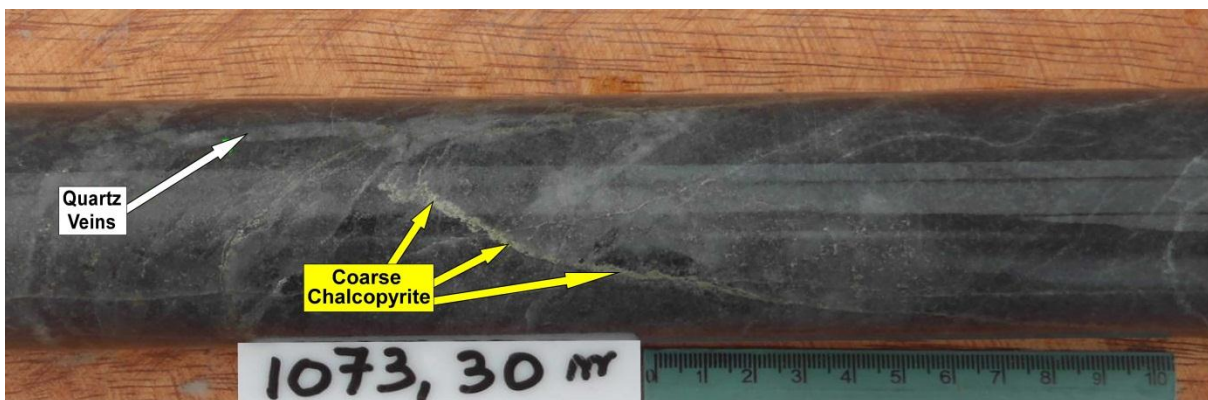
Hole CSD-13-005 (1047.4m) - Coarse grained and blebby chalcopyrite in potassic altered and quartz stockwork veined hornblende-diorite with disseminated hydrothermal magnetite.

Plate 4



Hole CSD-13-005 (1047.8m) - Coarse grained and blebby chalcopyrite in potassic altered and quartz stockwork veined hornblende-diorite with quartz-magnetite veins.

Plate 5



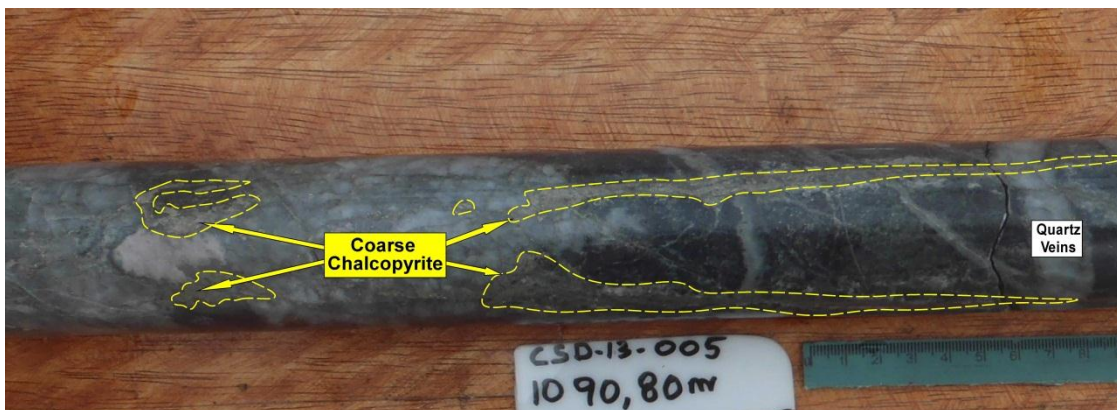
Hole CSD-13-005 (1073.3m) - Chalcopyrite vein cutting potassic altered and quartz stockwork veined hornblende-diorite.

Plate 6



Hole CSD-13-005 (1083.86m to 1088.50m) - Intense quartz stockwork veining (approximately 20 veins per metre) in magnetite-bearing and potassic-altered diorite.

Plate 7



Hole CSD-13-005 (1090.8m) - Chalcopyrite veins cutting potassic altered and quartz stockwork veined hornblende-diorite.

Plate 8



Hole CSD-13-005 (1092.3m) - Intense quartz and quartz-magnetite stockwork veining in chlorite-sericite altered hornblende-diorite and cross-cut by a pyrite-chalcopyrite vein.

Plate 9



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

Contacts:

Mr Alan Martin

SolGold Plc (CEO and Managing Director)
amartin@solgold.com.au

Tel: +61(0)488 223 828

Mr Nicholas Mather

SolGold Plc (Executive Director)
nmather@solgold.com.au

Tel: +61 (0)7 3303 0665

Mr Karl Schlobohm

SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Tel: +61 (0)7 3303 0661

Mr Ewan Leggat / Ms Katy Birkin

SP Angel Corporate Finance LLP (Broker)
Ewan.leggat@spangel.co.uk

Tel: +44 (0)20 3463 2260

Mr Stephen Weir

RFC Ambrian Limited (Nominated Advisor)
stephen.weir@rfcambrian.com

Tel: +61 (0)2 9250 0048

Mr Dominic Barretto / Ms Anna Legge

Yellow Jersey PR Limited (Financial PR)
dominic@yellowjerseypr.com

Tel: +44 (0)20 3664 4087



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.