

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

Cascabel Exploration Update Holes 13 to 16

The Board of SolGold (AIM code: SOLG) is pleased to provide the following exploration update on the Company's Cascabel copper-gold porphyry project in Ecuador.

DRILLING HIGHLIGHTS:

- **Final assay results from CSD-15-013 ("Hole 13") return 480m @ 0.46 % copper and 0.22 g/t gold, including 206m @ 0.61 % copper and 0.30 g/t gold. Hole 13 tested the northwest extremity of the Alpala trend, intersecting inner propylitic margins of the copper-gold porphyry at Alpala Northwest, which points to higher grades within the as yet untested potassic altered core.**
- **Alpala trend extended by 200m to the north west and now drill defined over 600m length.**
- **CSD-15-014 ("Hole 14") completed on 17th January 2016 at 1857.0m testing the eastern flank of the Alpala Central deposit, and intersected mineralised porphyry intrusions from 669.0m to 1176.0m. Assay results expected in February 2016.**
- **CSD-15-015 ("Hole 15") currently at 1048.4m, delayed due to technical issues, being addressed by the contractor. Hole 15 targets extensions of the Alpala Central deposit to the north east and at depth. Drilling intersected mineralised porphyry from 870.3m to its current depth of 1048.4m.**
- **CSD-16-016 ("Hole 16") commenced on 25th January 2016 from the same drill site as Hole 14. Hole 16 has to date intersected volcanics containing fine-grained copper sulphide mineralisation and weak veining, from surface to its current depth of 179.2m. Hole 16 is planned to extend the Alpala Central deposit by 100m to the southeast of the world class Hole 12 intersection of 1312m @ 0.67 % copper and 0.63 g/t gold.**

MAPPING AND SAMPLING PROGRAM HIGHLIGHTS:

- **Infill soil sampling at 50m x 50m spacing completed over approximately 360,000 square metres of the Trivinio prospect area.**
- **Trivinio outcrops mapped and sampled in detail. Outcropping mineralisation mapped over an area of approximately 300m x 400m. Assay results are expected mid-February. Trivinio prospect is characterized by copper rich networks of quartz-chalcopyrite-magnetite-bornite veining, diagnostic of a strong porphyry system exposed at surface.**

- **Magnetic data from completed drill holes was used to constrain the existing 3D MVI magnetic model, and suggests the greater Alpala mineralised trend could be very large. The zone of strong magnetic response covers up to 2.5kms in length, and up to 500m in width, over a vertical column approaching 1.5km. This target zone has only been drill tested to date over 600m of the 2500m strike length and not closed off at depth.**
- **At Aguinaga, a ridge and spur program of auguring and pitting has commenced and will be completed by the end of February, in order to gain in situ rock samples under the extensive soil cover. This work is to augment the lack of significant rock outcrop in the Aguinaga area.**

DETAILED INFORMATION:

The Cascabel project is located in northern Ecuador, within the Eocene aged Andean Copper belt, the same metallogenic belt as some of the world’s largest porphyry copper and gold deposits (**Figure 1**).

The 50 square kilometre project area holds a cluster of porphyry copper-gold targets which have been identified by SolGold’s geologists based on Magnetic and conductivity anomalies combined with molybdenum and high copper zinc ratios in soil samples and in some cases also by outcropping porphyry style mineralization. Drilling to date has focussed on defining the extent of the Alpala Central deposit, whilst field mapping and sampling activities have focussed on upgrading advanced prospects at Aguinaga and Trivinio, and identifying other targets at Alpala Southeast and Cristal (**Figure 2**).

CSD-15-013 (“Hole 13”) was terminated at a depth of 1666.9m and final assay results have now been received. These returned an intersection of 480m @ 0.46 % copper and 0.22 g/t gold, including 206m @ 0.61 % copper and 0.30 g/t gold (**Table 1**).

Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%
CSD-15-013	882	1362	480	0.46	0.22	0.60
incls	920	1126	206	0.61	0.30	0.79
incls	932	1094	162	0.66	0.31	0.84

* Data Aggregation Method

- Intercepts reported with up to 10m internal dilution. (Excluding bridging to a single sample)

* Gold Conversion Factor calculated from Cu price US\$3/lb and Au price US\$40/g

Table 1: Final assay results from drill hole CSD-15-013.

Hole 13 Intersected the mineralised early phase “D10” diorite porphyry from 933.9m to 1198.0m. Copper and gold intersections in the hole have increased the known strike extent of copper and gold mineralisation along the north-west striking Alpala trend by 200m, to over 600m in total. Significant portions of the Alpala porphyry system remain untested and Hole 13 marks the most northerly extent of drill testing to date (**Figure 3**).

This result is very significant because it is returned from a distal zone in the porphyry system - the inner propylitic zone and points to higher grades being likely in the centre potassic zone. The mineral alteration assemblages across this interval are consistent with the margins of a typical porphyry copper-gold system, and suggests that the potassic altered porphyry centre may hold much higher grades than those achieved thus far at Alpala Northwest. Zones of high copper / zinc values in soil sampling grids indicate higher temperatures of mineralisation and suggest that untested porphyry centres exist within the greater Alpala area, for example, the 200m long zone that lies between Holes 11 and 13 (**Figure 4**).



CSD-15-014 ("Hole 14") was completed on 17th January 2016 at a depth of 1857.0m and assay results are expected in February 2016. Hole 14 tested the eastern flank of the Alpala Central deposit, and intersected visible porphyry network veining, from 669.0m to 1176.0m, hosted within the early phase mineralised "D10" diorite and "QD10" quartz-diorite porphyry intrusions (**Figure 4**).

CSD-15-015 ("Hole 15") is at a current depth of 1048.4m. The hole initially intersected several mineralised diorite dykes cutting through the volcanic host rock. Drilling passed into visible porphyry network veining, hosted within the early phase mineralised "D10" diorite porphyry from 870.3m to its current depth. Hole 15 aims to target the extensions of the Alpala Central deposit both at depth and to the north east (**Figure 5**).

Drilling contractors have experienced difficulties at the current depth which has resulted in delays in the progress of Hole 15. A specialist advisor is on site working on a solution towards continuing the hole.

Photographs of drill core examples from mineralisation intersected in Holes 13, 14, and 15 to date are typical of mineralisation encountered in these holes (**Figure 6**).

CSD-16-016 ("Hole 16") commenced on 25th January 2016 from the same drill site as Hole 14, and is at a current depth of 179.2m. Hole 16 has intersected volcanic with weak disseminated sulphides and veining from surface to its current depth. This hole is being drilled to the south south west (at an azimuth of 198 degrees) and a dip of -83 degrees and is planned to extend the known extent of the Alpala Central deposit 100m to the southeast as well as to the north east of the world class Hole 12 intersection. The mineralisation encountered so far is typical of other holes drilled at Cascabel.

Magnetic data from drill holes was used to constrain the 3D MVI magnetic model, and suggests the greater Alpala mineralised trend could be very large. The zone of strong magnetic response covers up to 2.5kms in length, and up to 500m in width, over a vertical column approaching 1.5km. This zone has only been drill tested to date over 600m of the 2500m strike length.

Field programs continue across a number of prospects.

At **Trivinio**, an infill soil geochemistry sampling grid, at 50m x 50m spacing, has been completed over the prospect area. Outcropping mineralisation at Trivinio has been exposed, mapped and sampled in detail over an area of approximately 300m x 400m and remains unclosed in all directions. The outcrops show stockworks (networks) of strong copper veining (quartz -chalcopyrite -magnetite \pm bornite (a copper rich sulphide mineral) as well as fine disseminated chalcopyrite in the host rock and represent the strongest occurrence of porphyry copper-gold mineralization, veining and alteration discovered at surface to date within volcanic host rocks which overlie the mineralised porphyries at Cascabel. Continuous channel samples were collected using a rock saw from the outcrops at Trivinio. Assay results are expected in the coming weeks. Drilling is planned in the coming quarter in order to test the depth extent of surface mineralisation at Trivino.

The initial field program at **Aguinaga** has now been completed. This work involved outcrop exposure and trenching work with follow up geological mapping, Terra Spec clay sampling to determine alteration styles diagnostic of mineralised zones and rock saw channel sampling of outcrops. Only one outcrop occurrence was located at the Aguinaga prospect and a ridge and spur pitting program is underway to locate more in-situ rock under a pervasive soil profile on Aguinaga Hill. Compilation of field data and interpretation of mapping completed over the Aguinaga prospect is in progress prior to defining drill targets. A drill rig will be mobilised to drill test Aguinaga in the next quarter of 2016.



A detailed further update on the field work at these advanced prospects will be provided when further assay results are received.

Similar field programs over Alpala Southeast and Cristal areas are planned during the quarter and emerging targets at Tandayama America, Chinambicito and Alpala West will also be assessed by geologists in the next quarter.

Significant portions of the Alpala system remain untested, and an aggressive drilling program is planned for 2016 in order to also test the numerous targets being developed within the broader Cascabel licence area. The presence of these recent discoveries at surface, in conjunction with encouraging geophysical, geochemical and geological signatures of the inferred porphyry centres to date are very encouraging and highlight the fertility and strength of the mineralising systems present within the Cascabel cluster of porphyry targets.

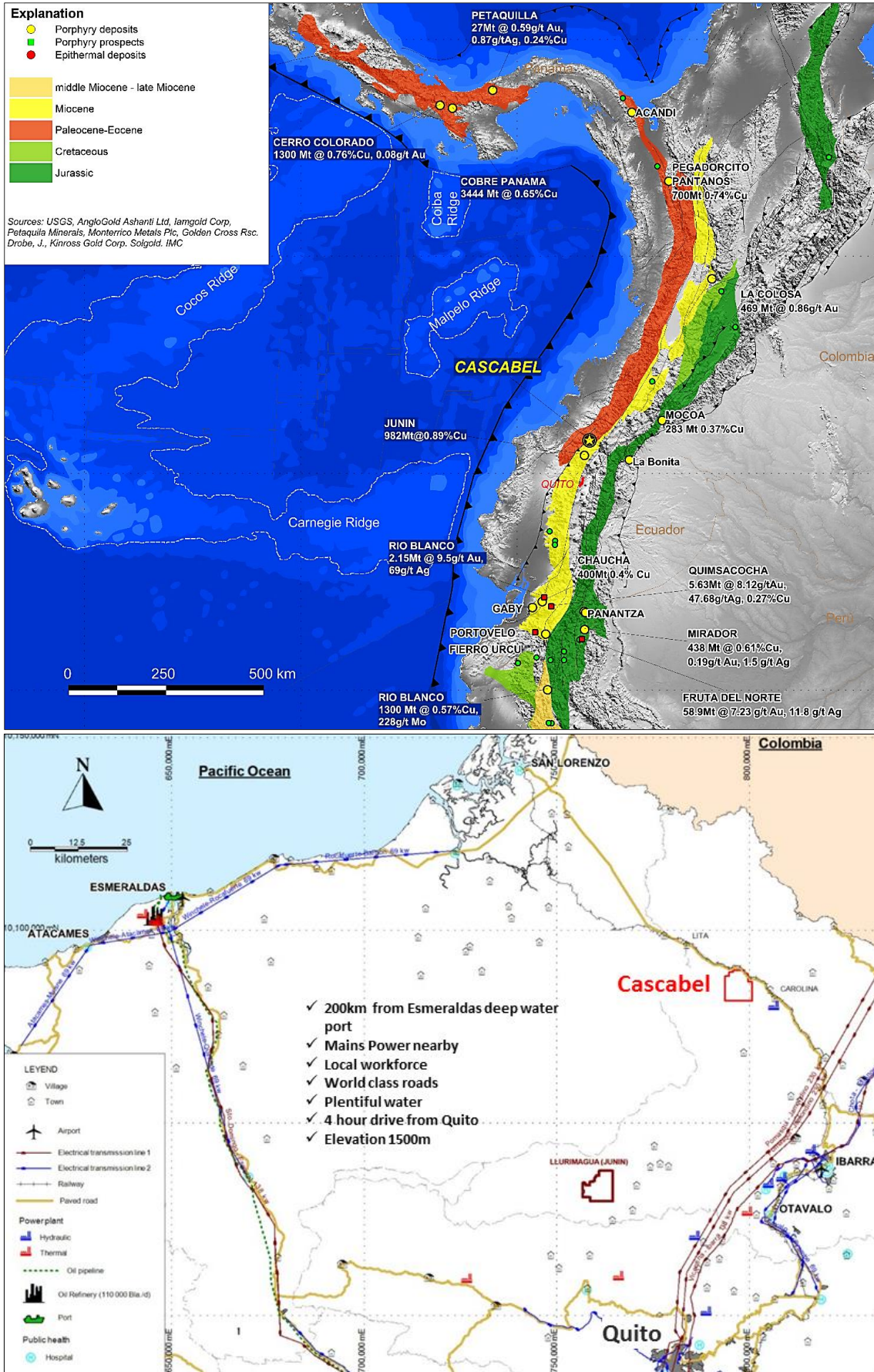


Figure 1: Location of Cascabel project in northern Ecuador.

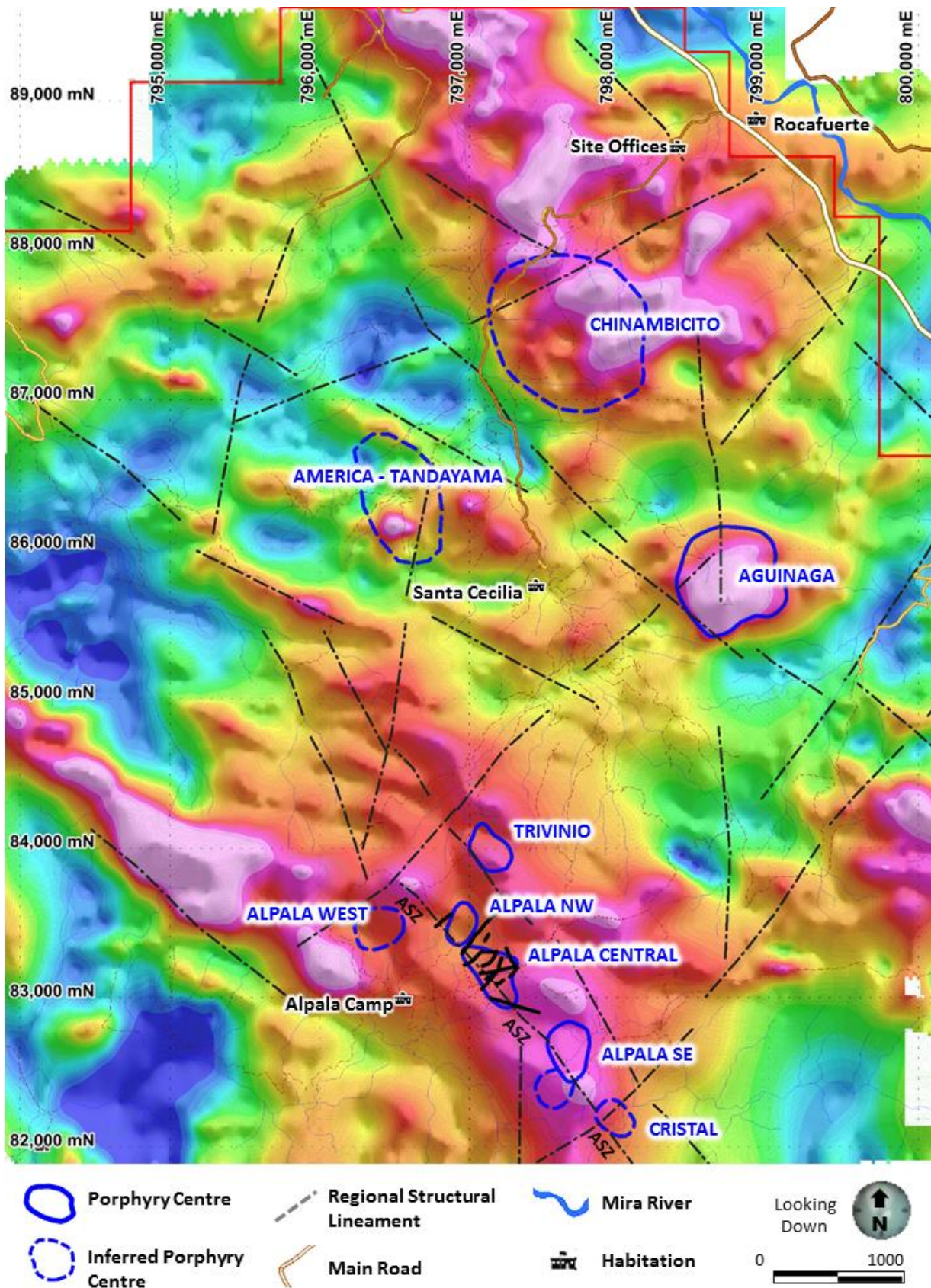


Figure 2: RTP Magnetics imagery showing the ten porphyry centres identified thus far at Cascabel.

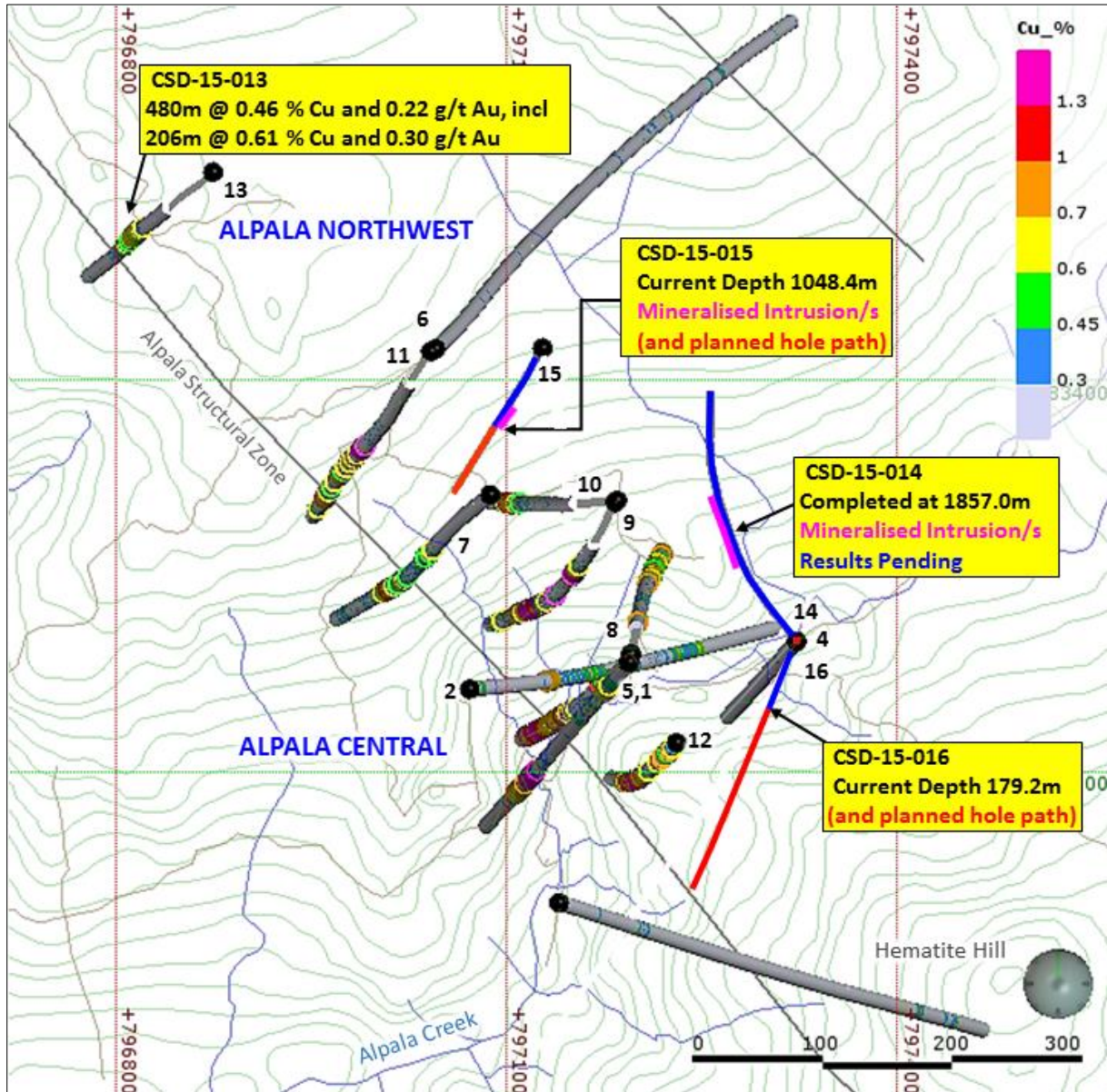


Figure 3: Location of drill holes, showing recent results from CSD-15-013 and the progress of CSD-15-014, CSD-15-015 and CSD-16-016. Drilling completed and awaiting lab results shown in blue. Intersections of prospective “D10” and “QD10” intrusive hosts are shown in magenta.

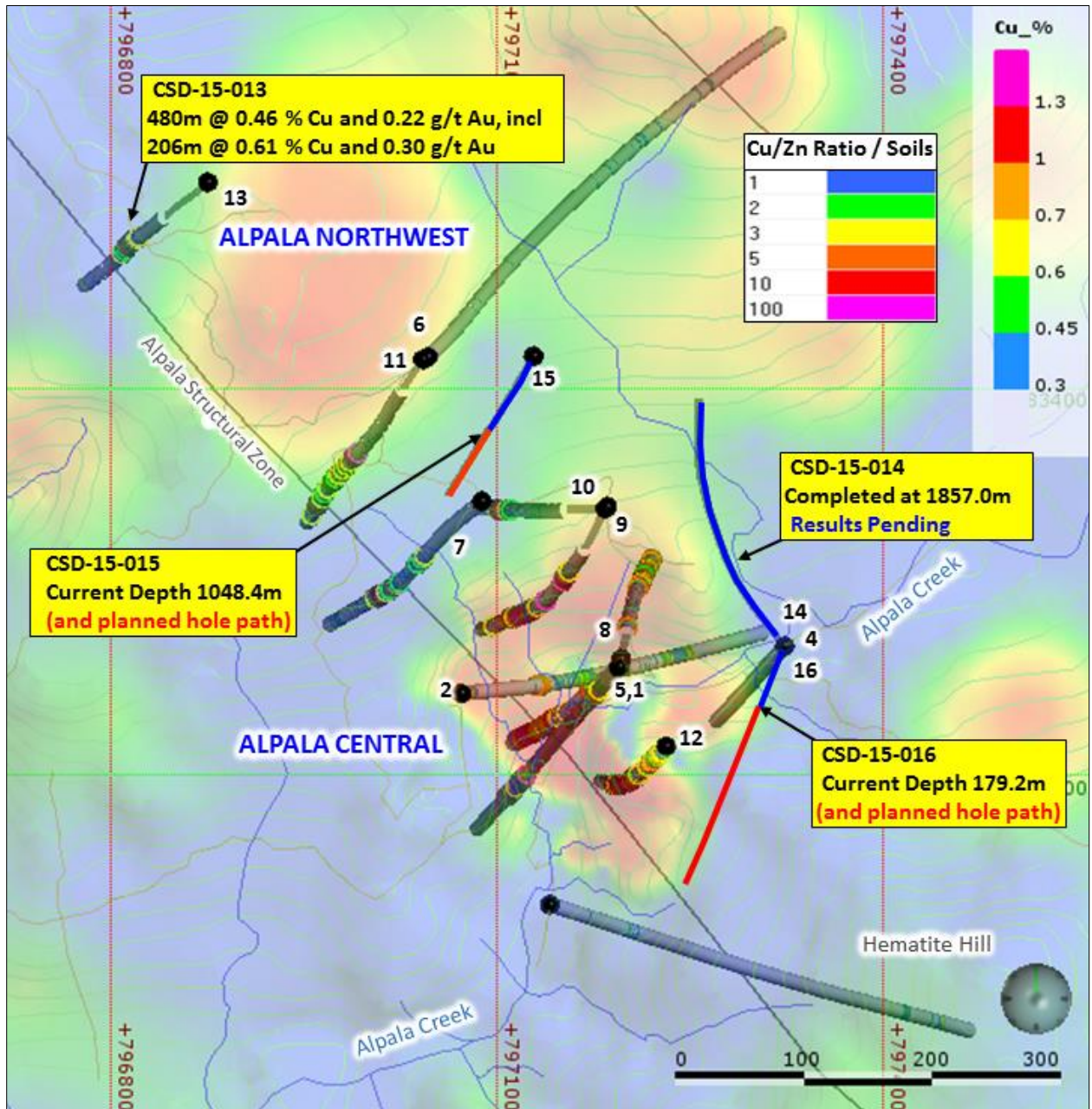


Figure 4: Location of drill holes, showing soil copper/zinc results from soil gridding.

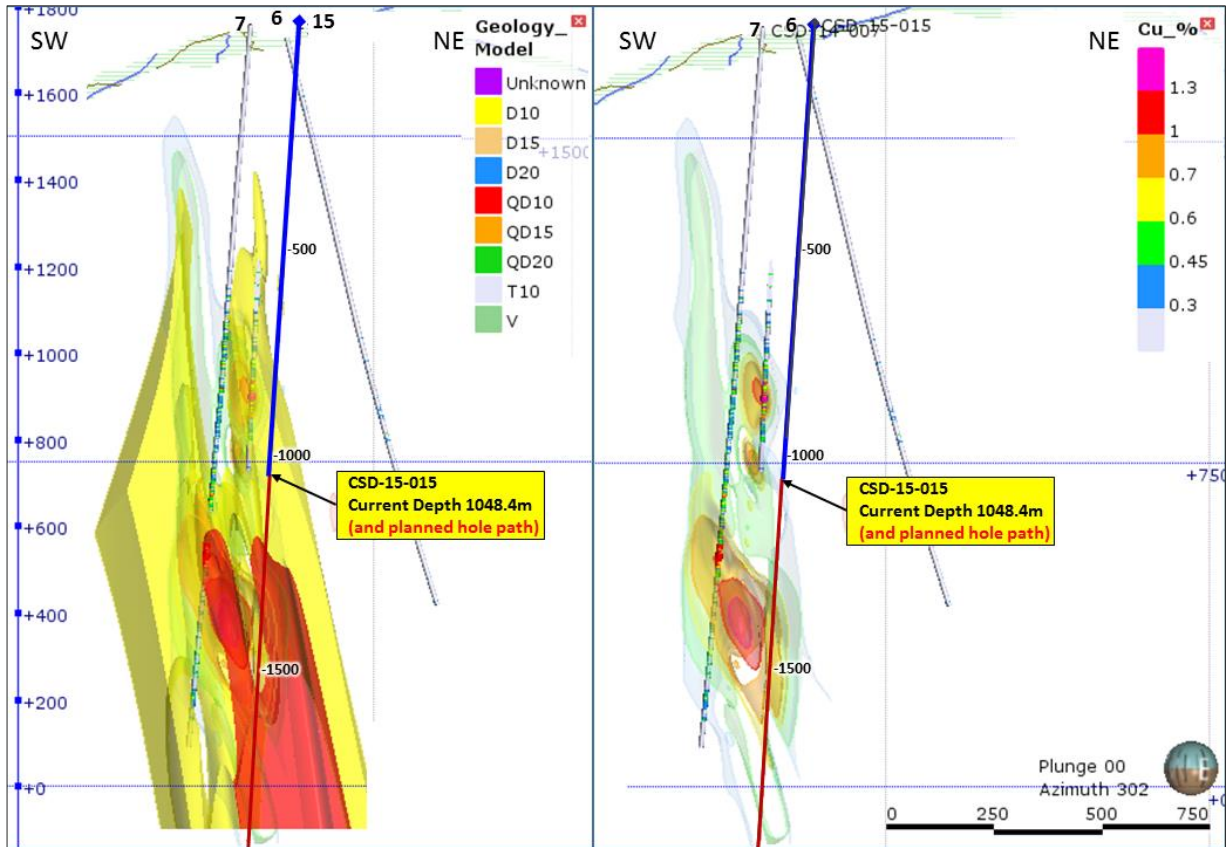


Figure 5: Southwest-northeast trending cross section along the Hole 15 drill path, showing current depth over geology model (left) and copper interpolants (right). Hole 15 is expected to continue in the prospective mineralised “D10” and “QD10” intrusions to the end of hole.

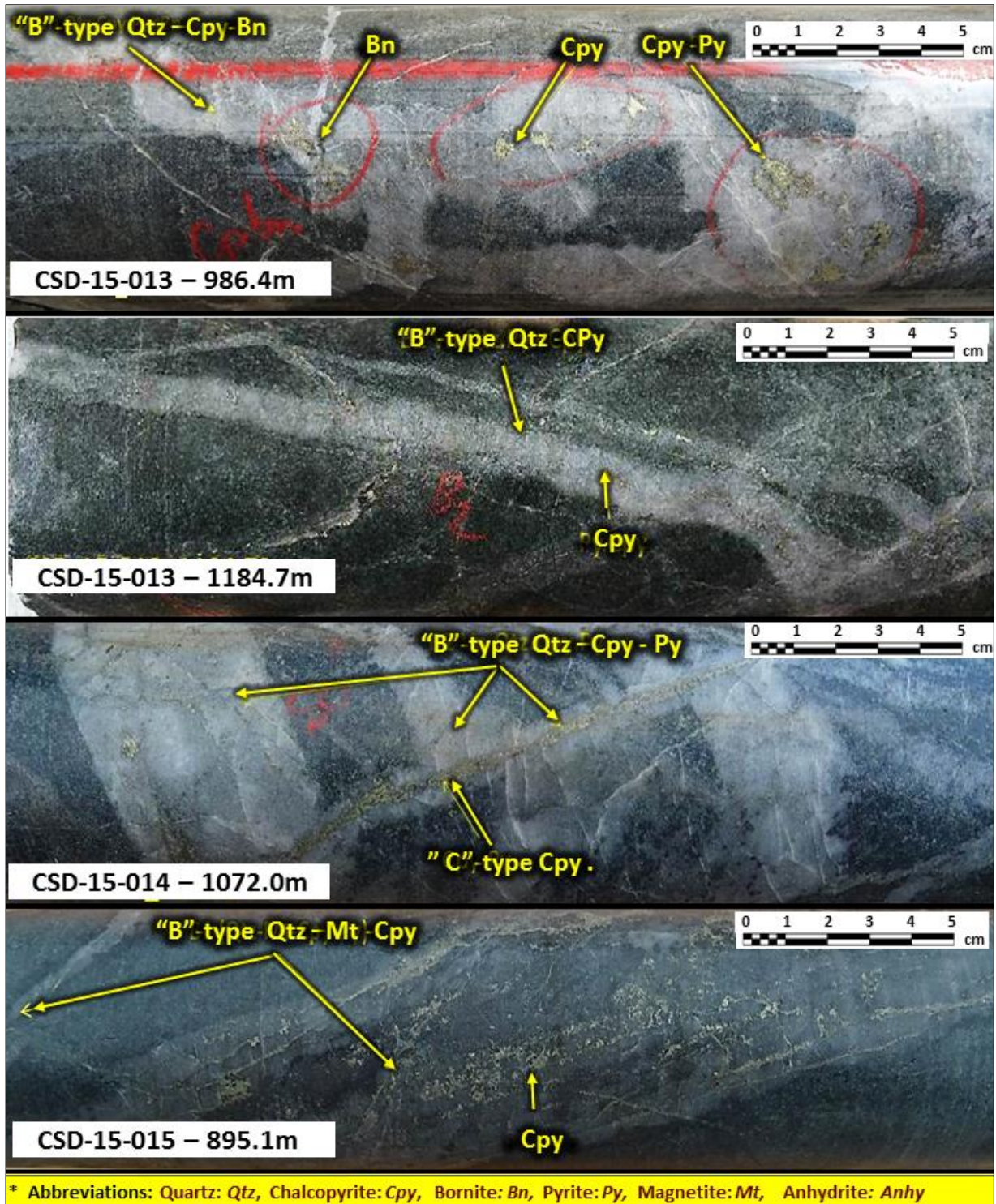


Figure 6: Photos of mineralised core from Holes 13, 14 and 15 at Cascabel.

Qualified Person:

Information in this report relating to the exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hons Geol.), the Chief Executive Officer of the Company. Mr Mather is a Fellow of the Australasian Institute of Mining and Metallurgy who has in excess of 25 years' experience in mineral exploration and is a Qualified Person under the AIM Rules. Mr Mather consents to the inclusion of the information in the form and context in which it appears.

By order of the Board
Karl Schlobohm
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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, AIM-listed (SOLG) copper gold exploration and development company with assets in Ecuador, the Solomon Islands and Australia. The Company's objective is to create substantial shareholder value by discovering and defining world-class copper-gold deposits. SolGold's Board and Management Team have high vested interests in the success of Company, holding approximately 14% of its issued share capital, as well as strong track records in the areas of exploration mine development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical techniques and the guidance of Newmont trained porphyry expert Dr Steve Garwin.

Cascabel, the Company's world class flagship copper-gold porphyry project, is located in North West Ecuador on the under-explored northern section of the richly endowed Andean Copper Belt. This geological province hosts several world-class copper and gold deposits. SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and approximately 11% of TSX-V-listed Cornerstone Capital Resources, which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

To date the Company has completed geological mapping, soil sampling, 14km² and 9km² Induced Polarisation and Magnetotelluric "Orion" surveys at the Alpala and Aguinaga targets respectively. By December 2015, the Company had completed approximately 25km² of soil sampling, 14km² of electrical surveys, 18,400m of drilling and expended approximately US\$30m. Diamond drilling currently continues with two drilling rigs.



Cascabel is characterised by multiple targets, world class drilling intersections over 1km in length, and high copper and gold grades, as well as logistic advantages in location, elevation, water supply, proximity to road, port and power services and a progressive legislative approach to resource development.

In 2016, SolGold is planning a resource statement over a portion of the Alpala Central deposit, the most advanced target at Cascabel. Additional drill testing the other key targets within the Cascabel concession. The company plans to complete further metallurgical testing, and completion of early stage mine and plant design in line with a scoping study for economic development options at Cascabel. SolGold is investigating both high tonnage / low grade open cut potential as well as high grade / low tonnage underground developments as a block caving operation.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects. Joint venture agreements are still being investigated with the strategy for the joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

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 822,716,605 ordinary shares allotted, 4,820,000 options exercisable at 50p, 7,280,000 options exercisable at 28p and 9,280,000 options exercisable at 14p. On 2 October 2015, SolGold issued two 12 month Convertible Notes for A\$1.25m and £500,000 each respectively, convertible at the greater of 1.75 p or 80% of volume weighted average price over the 5 days preceding the date of notification of conversion.

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