



20 October, 2015

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

Cascabel Exploration Update

Hole 12 analysis returns longest and highest grade intercepts to date at SolGold's flagship Cascabel Project, northern Ecuador.

1312m @ 0.67 % Cu, and 0.63 g/t Au, for 1.05 % CuEq

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:

- **CSD-15-012 ("Hole 12") final assay results from high grade porphyry copper gold mineralisation returns world class intersection of:**
 - **1312m @ 0.67 % Cu, 0.63 g/t Au, for 1.05 % CuEq, including:**
 - **1002m @ 0.76 % Cu, 0.77 g/t Au, for 1.22 % CuEq, and**
 - **576m @ 1.03 % Cu, 1.19 g/t Au, for 1.75 % CuEq.**
- **Aguinaga maturing as a drill target with similar geophysical signature as the giant Alumbra copper mine in Argentina.**

Commenting on today's update, SolGold CEO and Managing Director, Nick Mather said:

"Another intersection of more than a kilometre of copper and gold mineralization in Hole 12 confirms that SolGold's Cascabel Project has the potential to be one of the most significant copper-gold discoveries of recent times. The stunning chalcopyrite-bornite-magnetite mineralisation includes very high grade zones intersected on the Main Limb, and still leaves the Alpala Central system open to the north, south east, east and at depth. Importantly, this intersection in Hole 12 significantly advances our plans for the definition of a large high grade resource at Alpala Central. This is very pleasing and we also believe it bodes well for the discovery of further deposits along the Alpala Structural Zone and on the cluster of porphyry targets identified within the broader Cascabel Exploration Licence.

With each drill hole we are improving our understanding of the geometry and controls on mineralization. Now that we are drilling with two rigs we will use one to add tonnage to the high grade mineralization at Alpala Central, and with the second rig drill test the many other compelling targets at Cascabel, starting with Aguinaga. Pleasingly, we are finding a lot more mineralization at shallow depths, testimony to the large bulk character of this fertile porphyry system and therefore deviated holes we planned from a single pilot hole are not so necessary.

We are also rapidly advancing the Aguinaga target, and it is very convincing. We believe that it has a very similar signature to BHP's giant copper cash cow Alumbra in Argentina."

A location plan of the Cascabel project on the main belt of Andean copper gold porphyry mineralization in Northern Ecuador is shown in **Figure 1** and the location of the project in Northern Ecuador is shown in **Figure 2**.

FURTHER INFORMATION:

Hole 12 was completed on 30th September 2015 at a depth of 1683.0 metres. Copper-gold mineralisation was intersected in two distinct zones that SolGold geologists expect will coalesce into a broader zone of high grade mineralisation at depth.

- The upper portion of the “Eastern Limb” zone from 128 to 366 metres depth, hosted within the San Juan de Lacas Volcanics, returned 238m @ 0.47 % Cu and 0.15 g/t Au.
- The “Main Limb” zone (1002m) from 438 to 1440 metres depth, hosted within early diorite and quartz-diorite porphyry, returned 1002m @ 0.76 % Cu and 0.77 g/t Au.

The mineralised zones encountered in Hole 12 are shown along a southwest-northeast cross-section in **Figure 3**.

The 238 metre intersection over the upper portion of the “Eastern Limb” zone is associated with chalcopyrite and bornite mineralisation. The occurrence of this strong mineralisation within the volcanic cover bodes well for stronger intrusive hosted mineralisation at depth.

Chalcopyrite is typically 30% copper and the bulk of the copper bearing mineral in a copper porphyry system. Bornite is significantly richer in copper at approximately 47% copper and is a sought after copper mineral species, for its contribution to high grade copper metal sulphide concentrate normally sold from a mine.

The 1002 metre intersection through the “Main Limb” zone, reflects a broad zone of intense stock work quartz - magnetite - chalcopyrite and bornite mineralisation hosted within early stage diorite and quartz diorite intrusives. These characteristics are common in many major porphyry copper-gold deposits around the globe.

The Hole 12 results now define a strike length of mineralisation (confirmed by drill hole intersections) along the Alpala Structural Zone from Hole 13 at T1 in the northwest to Hole 12 in the south east, including 50 metres of strike length inferred each side of these holes of approximately 800m length. The mineralisation is up to 300m true width and exhibits a vertical column of up to 1800 metres.

A drill hole location plan is provided in **Figure 4**.

Examples of mineralisation encountered in Hole 12 are shown in **Figure 5**.

The results obtained from Hole 12 are summarised below in **Table 1**.



Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%	Comments
CSD-15-012	128	1440	1312	0.67	0.63	1.05	bulk
CSD-15-012	128	366	238	0.47	0.15	0.56	Eastern Limb
CSD-15-012	128	186	58	0.47	0.15	0.56	Eastern Limb
CSD-15-012	224	366	142	0.55	0.29	0.72	Eastern Limb
CSD-15-012	276	338	62	0.73	0.50	1.03	Eastern Limb
CSD-15-012	438	1440	1002	0.76	0.77	1.22	Main Limb
CSD-15-012	844	1420	576	1.03	1.19	1.75	Main Limb
CSD-15-012	876	1344	468	1.14	1.40	1.98	Main Limb
CSD-15-012	1002	1286	284	1.33	1.82	2.43	Main Limb
<p>* Data Aggregation Method</p> <p>- Intercepts reported with up to 10m internal dilution. (Excluding bridging to a single sample)</p> <p>- Intercepts selected using Cu equivalent cutoff grades of 0.10, 0.20, 0.30, 0.50, 0.70, 1.0 and 1.50 indicated using a gold conversion factor of 0.6.</p> <p>* Au and Cu grades are reported, with examples of Cu equivalent grades indicated using a gold conversion factor of 0.6.</p> <p>* Gold Conversion Factor calculated from Cu price US\$3/lb and Au price US\$40/g</p>							

Table 1: Assay intersections from Hole 12. *Note: Cu-Equivalent values are calculated using a copper price of US\$3/pound and a gold price of US\$40/gram. Cu-Equivalent ("Cu Eq.") grade is calculated by the following equation: Cu Eq. = Cu% + (Au g/t x 0.6).*

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
Company Secretary



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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. 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 October 2015, the Company had completed approximately 25km² of soil sampling and 14km² of electrical surveys, 21,000m of drilling and expended approximately US\$30m. Diamond drilling continues with two drilling rigs completing approximately 8000 metres per rig each per annum.

Cascabel is characterised by multiple targets, world class intersections rich in high grades of copper and gold, logistic advantages in location, elevation, water supply, proximity to road, port and power services and a progressive legislative approach to resource development.

SolGold is planning a resource statement at Alpala the most advanced target at Cascabel by mid-2016, in addition to drill testing the other key targets at Aguinaga, Tandayama America and Chinambicito in the Cascabel concession. By the end of 2016 the company is planning further metallurgical testing,



and completion of early stage mine and plant design and a scoping study for an economic development at Cascabel. Solgold is investigating both high tonnage / low grade open cut and 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 760,453,071 fully paid ordinary shares, 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. At the minimum conversion price of 1.75p and an AUD/GBP exchange rate of 2.171 SolGold would issue a further 64,666,156 shares for an undiluted total of 825,119,227 shares.

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.

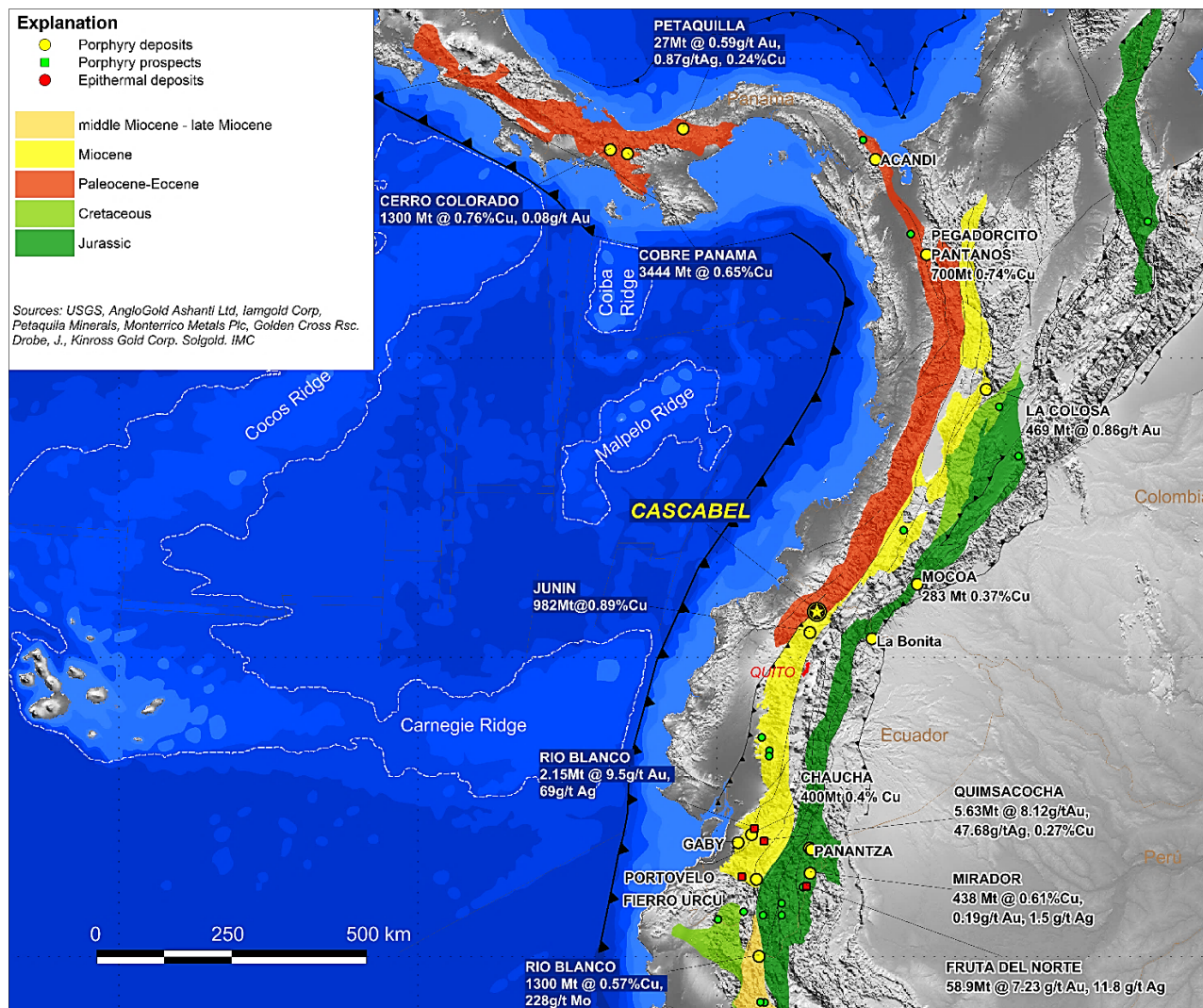


Figure 1: Location plan of the Cascabel Project in Northern Ecuador, showing mineral belts of the northern portion of the Andean Copper Belt.

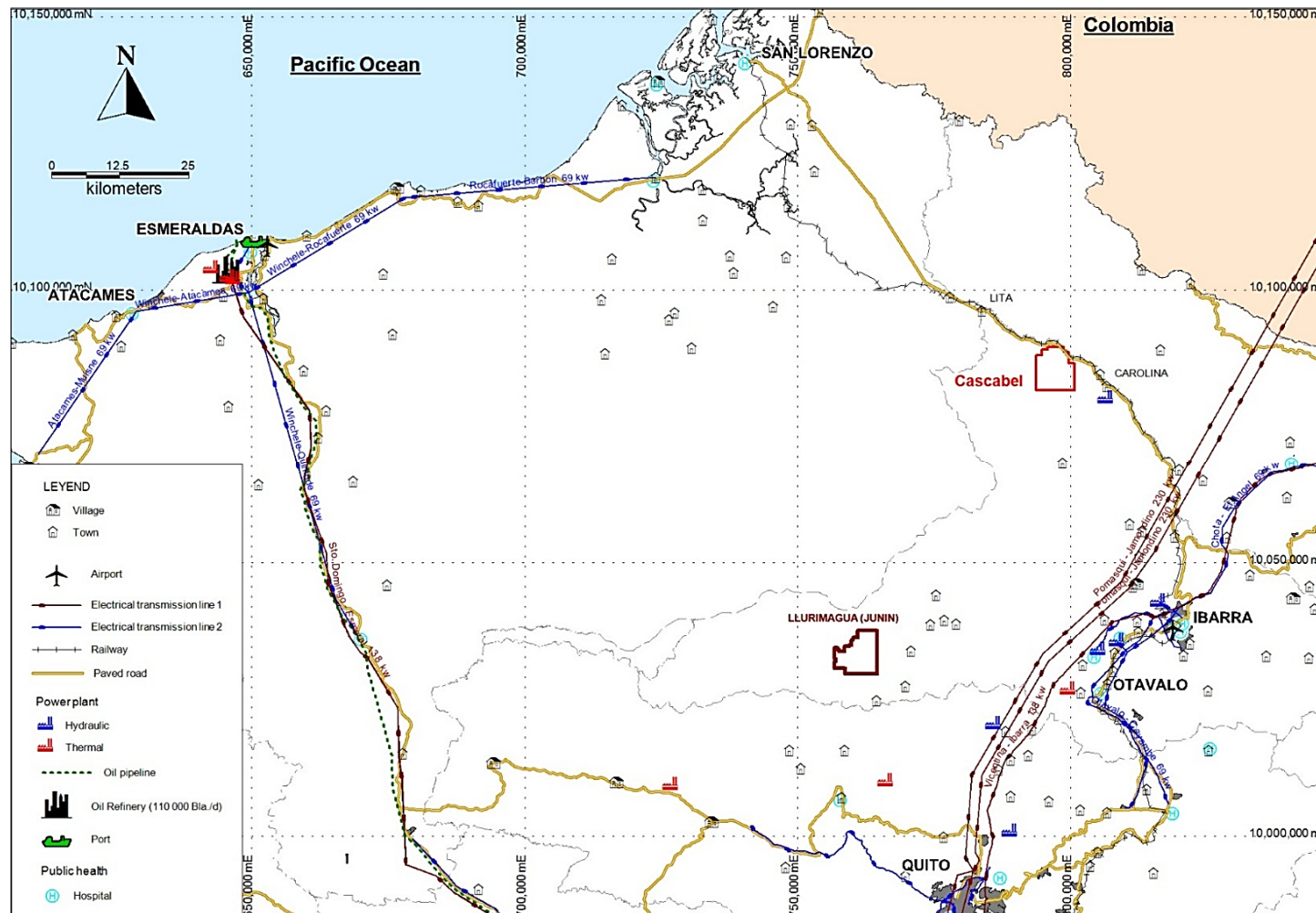


Figure 2: Location plans of the Cascabel Project in Northern Ecuador.

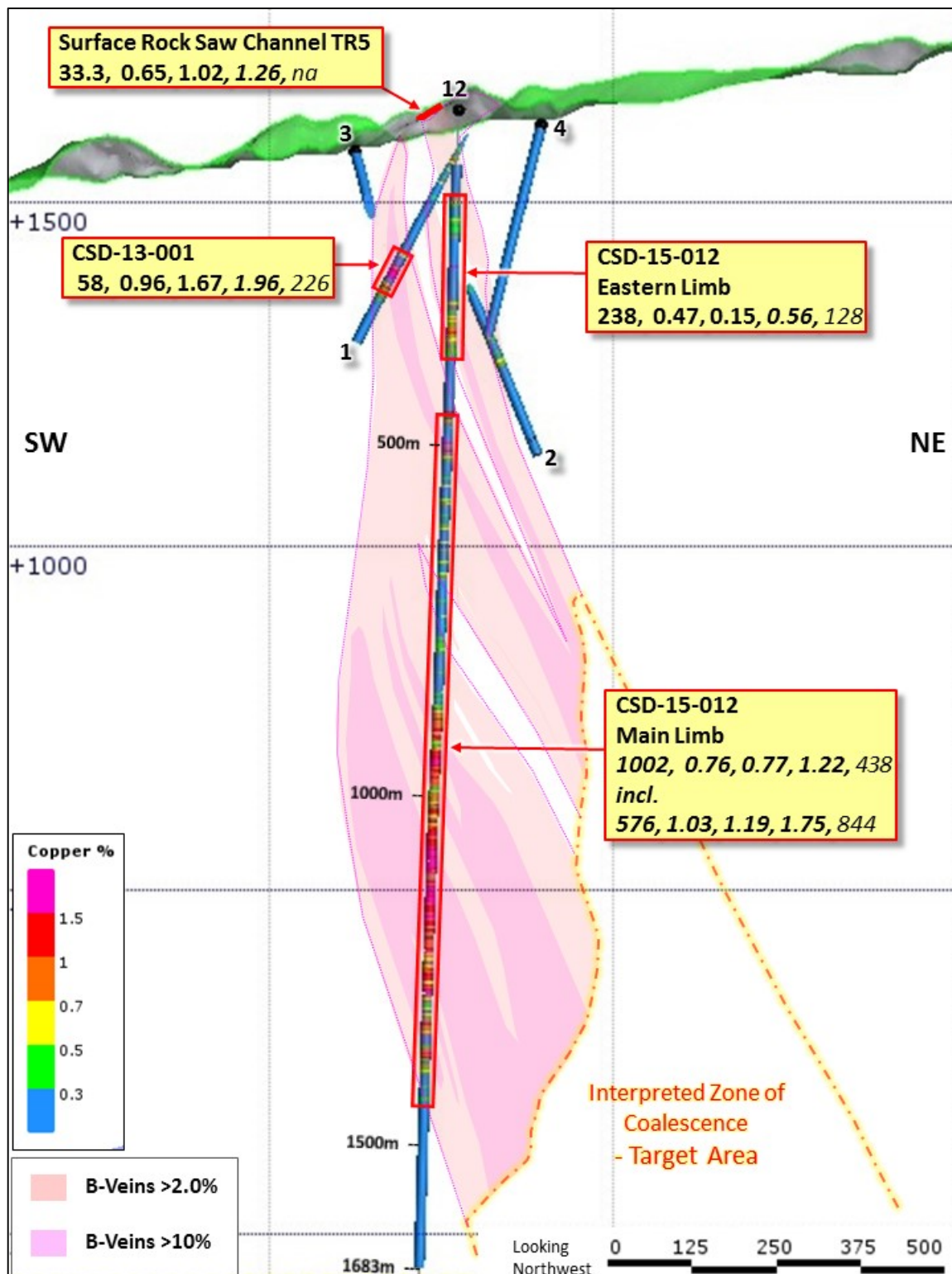


Figure 3: Cross-section (82900N) along Hole 12 path with a window of $\pm 75\text{m}$, showing downhole copper results with the interpretation of “B”-type quartz vein abundance and the outline of interpreted 0.7% copper shell. *Note: All down hole intersections are reported as: “Intersection Length, Copper %, Gold g/t, Copper Equivalent %, From Depth”*

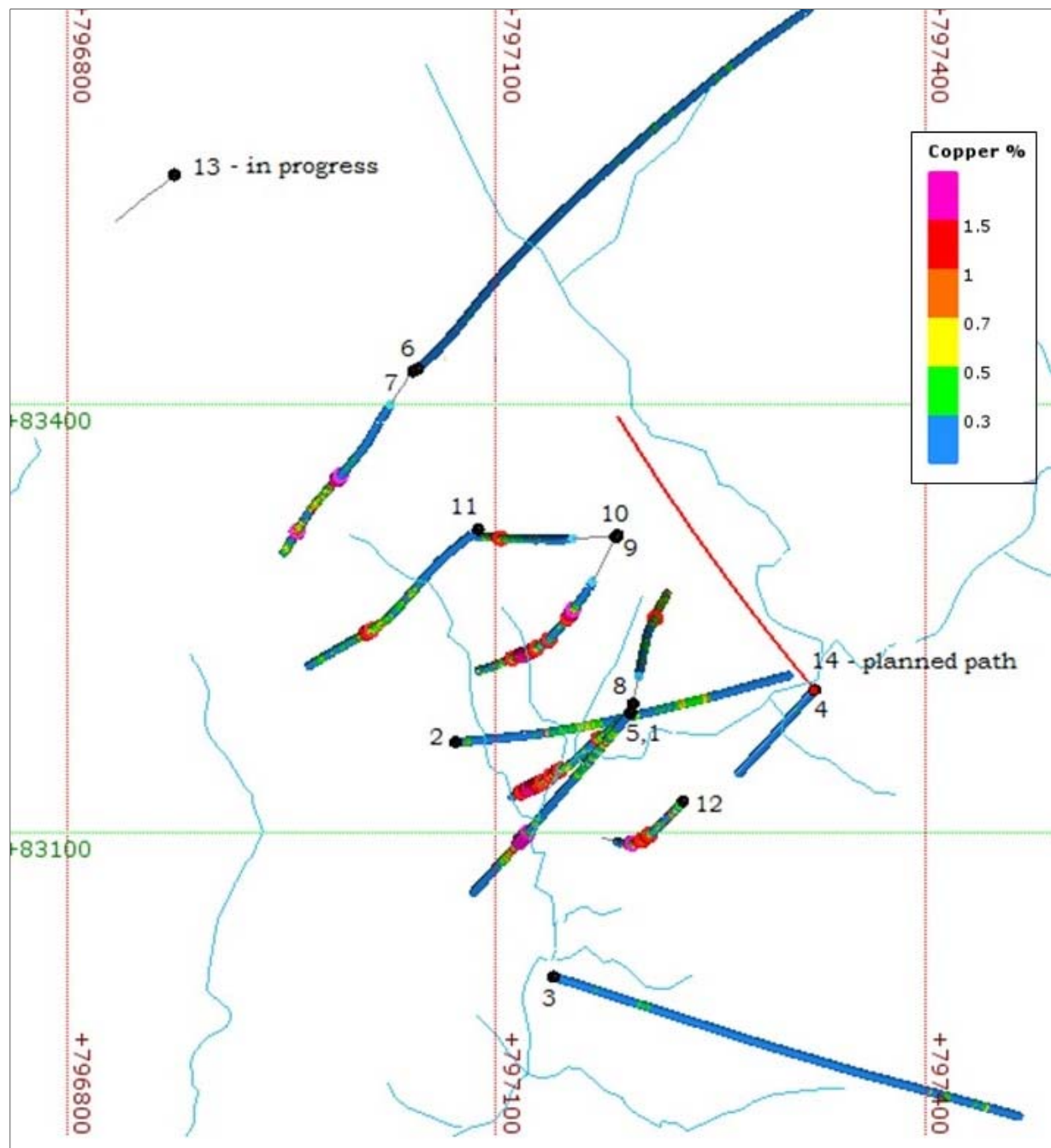


Figure 4: Drill hole location plan at Alpala.

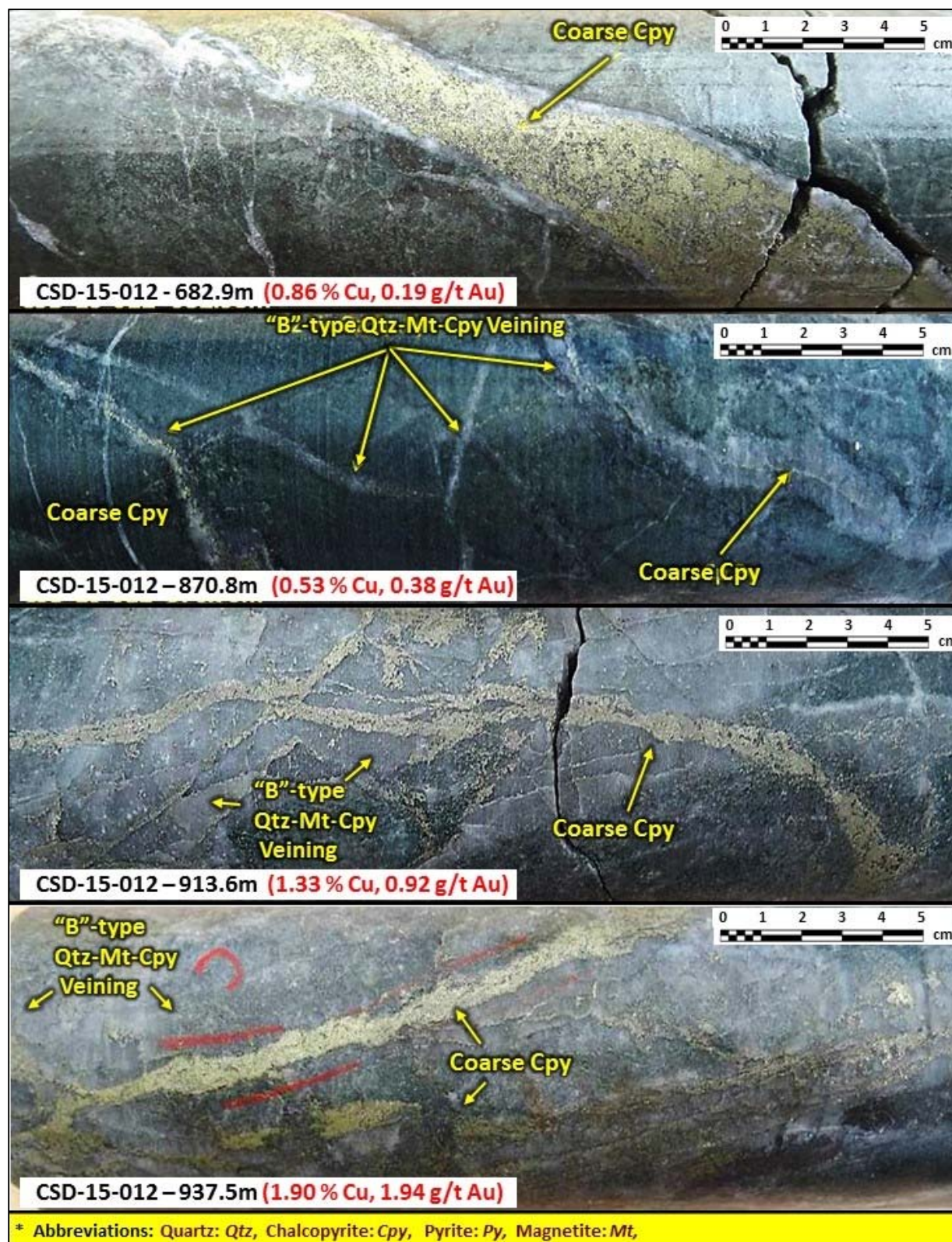


Figure 5: Photos of mineralised core from Hole 12 at Cascabel.

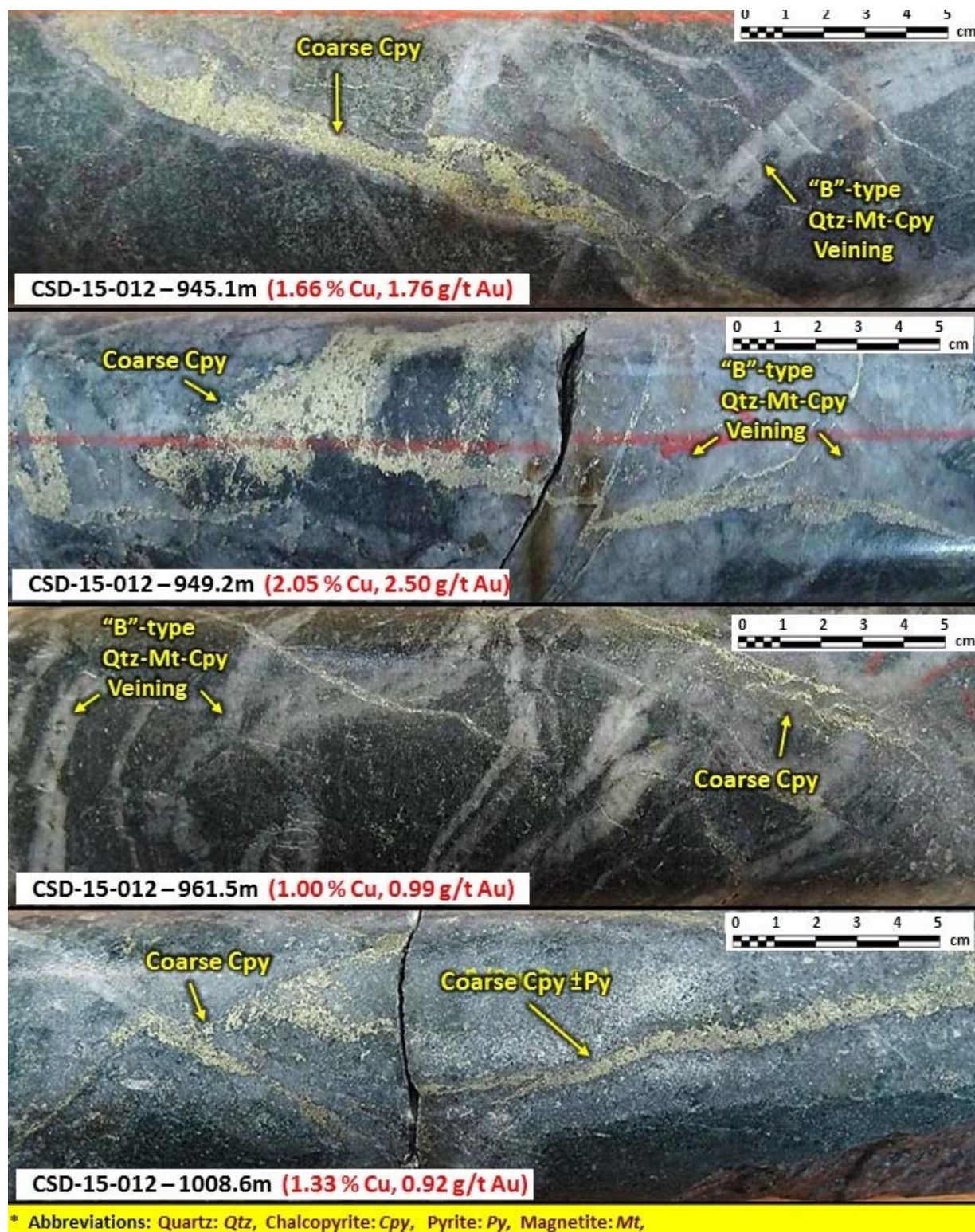


Figure 5 (continued): Photos of mineralised core from Hole 12 at Cascabel.

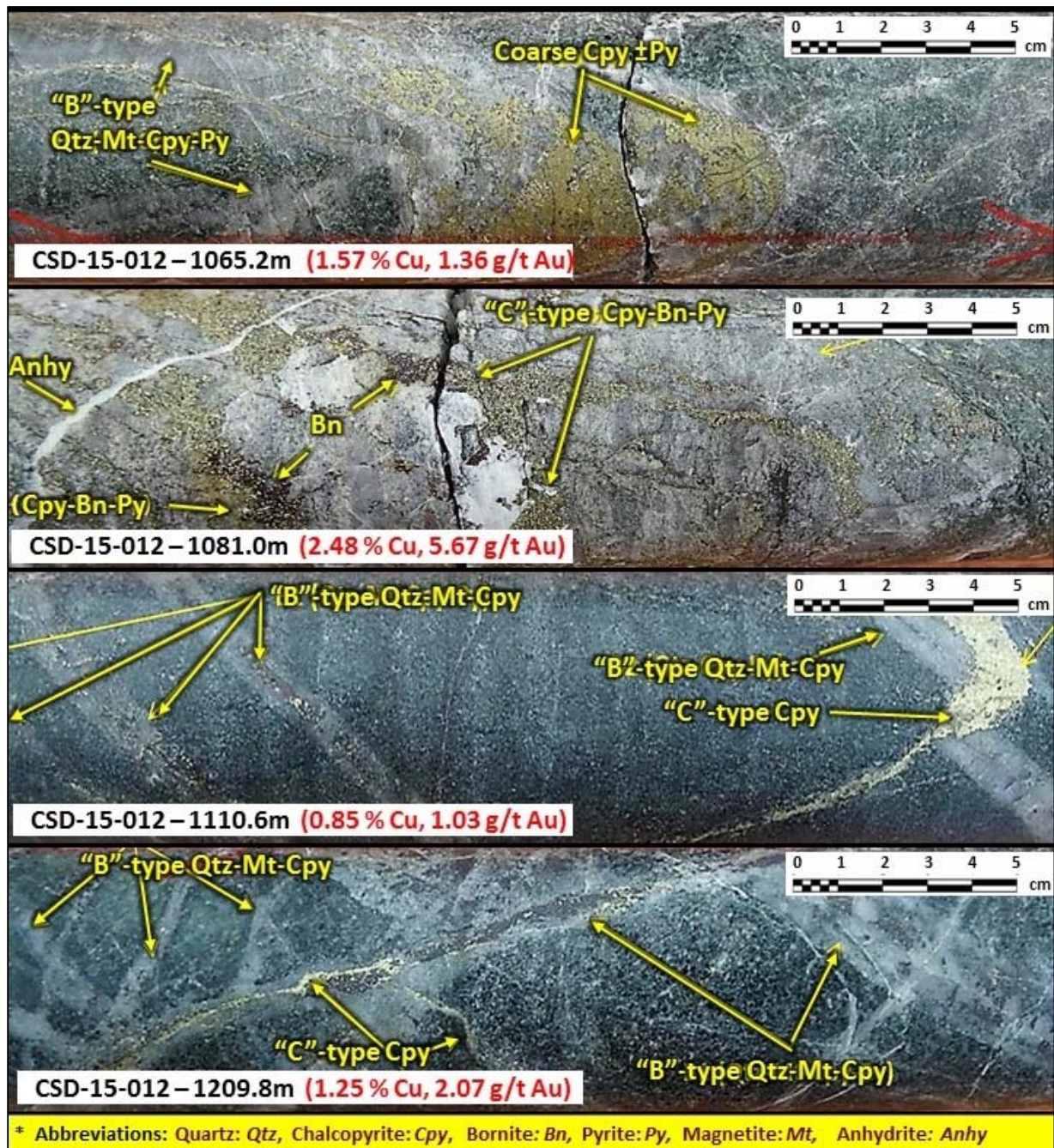


Figure 5 (continued): Photos of mineralised core from Hole 12 at Cascabel.

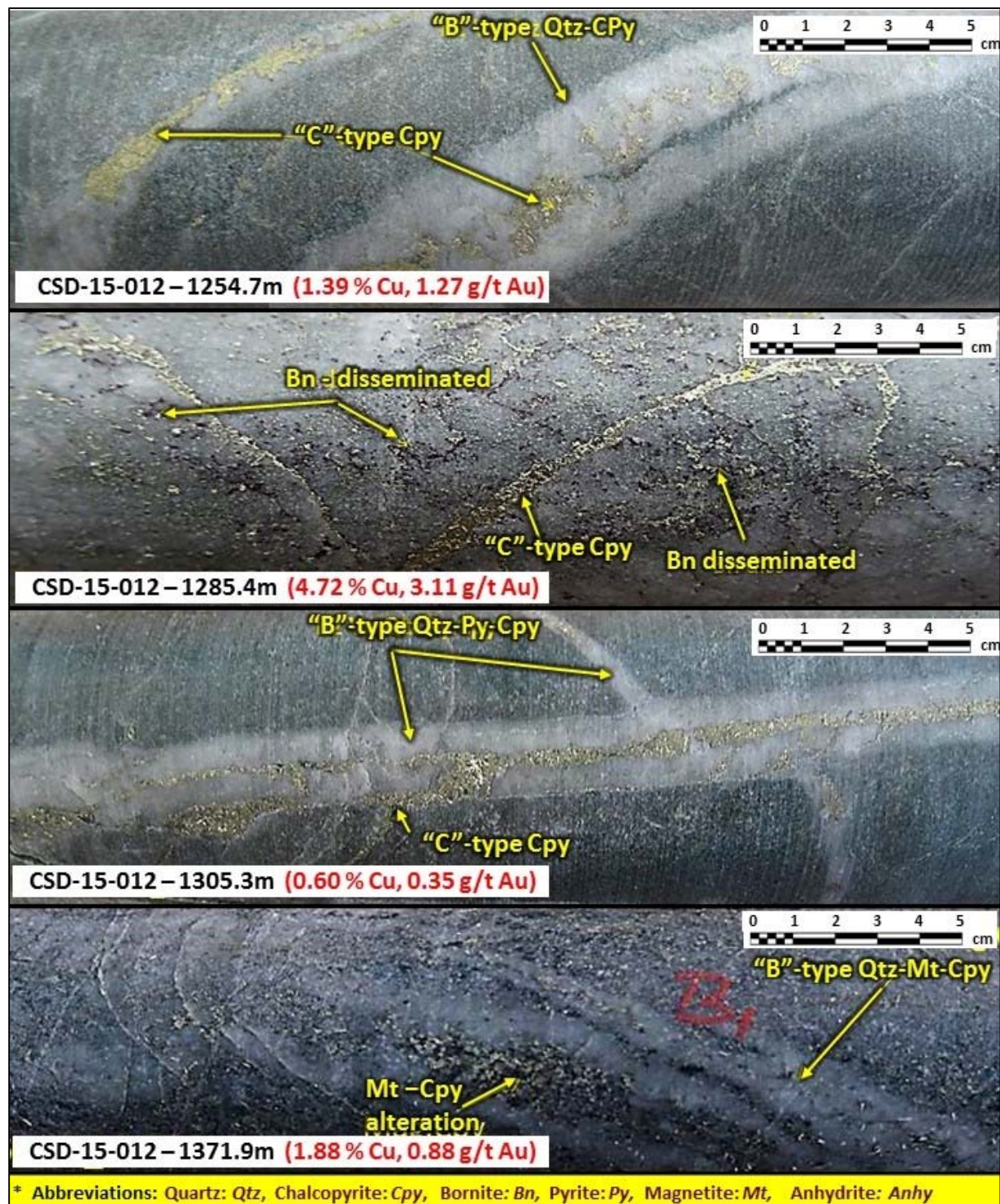


Figure 5 (continued): Photos of mineralised core from Hole 12 at Cascabel.