



2 May 2017

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

Cascabel Exploration Update

Hole 23R Intersects Intense Copper Sulphide Mineralisation

Drilling Continues Along the Alpala Corridor as Rig 4 Arrives at Site.

The Board of SolGold (AIM code: SOLG) is pleased to provide an update on the visual drill results for the significantly mineralised portions of Holes 23R, 24, and 25 at the Company's Cascabel copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- **Rig 1 (Hole 23R) at Alpala Central, continues to intersect increasingly intense copper sulphide mineralisation from 563.7m to its current depth of 1136.9m.**
- **Hole 23R visual logging estimates, over open-ended 573.2m interval (563.7m to 1136.9m) thus far shows an average of >1.4 volume-percent chalcopyrite. Visual logging estimates, over the lower, richer portion of the hole to date from 979.2m to 1136.9m thus far shows an average of >2.9 volume-percent chalcopyrite. Chalcopyrite is a copper sulphide mineral that contains 34.6% copper.**
- **Rig 2 (Hole 25) at Hematite Hill, continues drilling at 1481.0m depth, having successfully intersected visible copper sulphide mineralisation from 772.22m depth.**
- **Hole 25 visual logging estimates, over 454.2m interval (772.2m to 1226.4m) shows an average of >1.5 volume-percent chalcopyrite. The abundance of bornite in this interval is visually estimated to range from zero to 4.0 volume-percent locally.**
- **Rig 3 (Hole 24) at Alpala Southeast, continues drilling at 1377.7m depth, having successfully intersected strong copper sulphide mineralisation from 738.9m depth.**
- **Hole 24 visual logging estimates, over 248.0m interval (738.9m to 986.9m) shows an average of >1.1 volume-percent chalcopyrite. The abundance of bornite in this interval is visually estimated to range from zero to 0.3 volume-percent locally. Bornite is a copper sulphide mineral that contains 63.3% copper.**
- **SolGold geologists expect to grow the size main body of mineralisation at Hematite Hill and Alpala Southeast substantially by future drilling.**
- **Hole 24 extends the Alpala Deposit to a total length of 1300m, nearly doubling the known size of the Alpala Deposit.**
- **Rig 4 mobilisation to site in progress, with plans to test northeast extensions of the growing Alpala Deposit.**



- Rigs 5 and 6 being fitted out at HP Drilling workshops in Cuenca, southern Ecuador.
- Drill testing to expand to other high priority targets at, Alpala East, Alpala West, Carmen, Trivinio and Aguinaga by mid-year.
- 3D IP Spartan-Orion Hybrid Survey commencing in May 2017.

FURTHER INFORMATION:

The Cascabel Project is located on the gold-rich northern section of the prolific Andean Copper belt renowned as the production base for nearly half of the world's copper supply, (**Figure 1**). The project area hosts mineralisation of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at Rocafuerte, in northern Ecuador, approximately three hours drive north of Quito, close to water, power supply and Pacific ports (**Figure 2**). SolGold holds an 85% interest in ENSA (Exploraciones Novomining S.A.) which holds 100% of the Cascabel tenement.

Fifteen individual targets have been defined at Cascabel. SolGold has successfully drill tested four of the fifteen targets, being Alpala Central, Alpala Northwest, Hematite Hill (Hole 25), and Alpala Southeast (Hole 24) (**Figure 3**). The deposit at Alpala continues to grow with each new drill hole. Current drilling focusses on defining the geometry of the growing Alpala deposit, which is open in virtually all directions. Over 36,000m of drilling has been completed to date, and the arrival of Rigs 4, 5, 6 and 7 over the coming two quarters will see drill testing expanding to Alpala East, Alpala West, Trivinio and Aguinaga by mid-year. The drilling program is planned to expand to eight drilling rigs by year end, which will also see drill testing of the Tandayama-America prospect (**Figure 4**). SolGold now believes that several targets clustered within the Alpala area may coalesce.

Hole 23R (Rig 1) at Alpala Central, continues to intersect increasingly intense copper sulphide mineralisation from 563.7m to its current depth of 1136.9m.

Hole 23R visual logging estimates, over open-ended 573.2m interval (563.7m to 1136.9m) thus far shows an average of >1.4 volume-percent chalcopyrite. Visual logging estimates, over the lower, richer portion of the hole to date from 979.2m to 1136.9m thus far shows an average of >2.9 volume-percent chalcopyrite. Chalcopyrite is a copper sulphide mineral that contains 34.6% copper.

Hole 23R is being drilled sub-vertical to intersect deep untested pockets of mineralisation upto 1800m below surface and has a planned hole depth of approximately 2000m. The position of Hole 23R is shown in cross-section A-A' in **Figure 5**. Mineralisation continues increasing with depth in Hole 23R. Selected examples of mineralisation encountered in Hole 23R are shown in **Figure 6**.

Hole 24 (Rig 3) at Alpala Southeast, continues drilling at 1377.7m depth, having successfully intersected strong copper sulphide mineralisation 738.9m depth.

Hole 24 visual logging estimates, over 248.0m interval (738.9m to 986.9m) shows an average of >1.1 volume-percent chalcopyrite. The abundance of bornite in this interval is visually estimated to range from zero to 0.3 volume-percent locally. Bornite is a copper sulphide mineral that contains 63.3% copper.



Hole 24 confirms the extension of the known mineralised corridor at Alpala to approximately 1300 from Hole 13 in the northwest. Hole 24 nearly doubles the strike length of mineralisation confirmed by drilling along the Alpala trend. SolGold geologists expect to grow the size of the main body of mineralisation at Hematite Hill and Alpala Southeast substantially through subsequent drilling.

Hole 24 lies approximately 100m north of Malte Creek, where visible chalcopyrite and bornite mineralisation was noted in surface geological mapping. The Alpala Southeast prospect area is characterised by coincident molybdenum and copper/zinc soil geochemical highs, as well as intense and advanced argillic alteration identified from soil auger chip spectral analysis. High dickite and pyrophyllite clay content, mark high temperatures of formation typical of that surrounding a porphyry core. Surface indications are being confirmed by drilling. Hole 24 has a planned depth of 2000m. Selected examples of mineralisation encountered in Hole 24 are shown in **Figure 7**.

Hole 25 (Rig 2) at Hematite Hill, continues drilling at 1481.0m depth, having successfully intersected visible copper sulphide mineralisation from 772.22m depth.

Hole 25 visual logging estimates, over 454.2m interval (772.2m to 1226.4m) shows an average of >1.0 volume-percent chalcopyrite. The abundance of bornite in this interval is visually estimated to range from zero to 4.0 volume-percent locally.

Hole 25 has a planned depth of 2000m. Selected examples of mineralisation encountered in Hole 25 are shown in **Figure 8**.

GEOPHYSICS

SolGold has completed the ground magnetic survey over Cascabel, and crews for the detailed Orion-Spartan 3D IP survey across most of the licence area are being mobilised (**Figure 9**). Processing of this improved magnetic data is underway and this work will not only augment the existing geophysical targets at Alpala and Aguinaga, but further investigate the promising Tandayama-America anomaly and other satellite targets on the property. SolGold is refining exploration and drill targets along the Alpala cluster, as well as those at Moran, Trivino, Aguinaga, and Tandayama-America. A 'LIDAR'© topographic control survey is being planned for commencement mid-year.

OUTLOOK

Upgrade and expansion of site facilities are well underway at Cascabel as the project continues to expand towards 7 rigs by October and 10 rigs next year. The geology team has yet to define the extents of the Alpala porphyry system, and the deposit remains open in most directions, continuing to grow with each new drill hole. An aggressive drill program, producing approximately 90,000m of diamond drill core per annum from early 2018 is planned to delineate the system limits along the greater Alpala trend prior to a maiden resource statement, and to test the other multiple targets within the concession.

An increasing understanding of the deposit is now leading to much larger step-outs in drilling as SolGold directs its program towards the copper and gold at a predicted large and rich heart of the Alpala system. The presence of magnetite with chalcopyrite and bornite with potassic alteration endorses the predictive nature of the 3D Magnetic model at Cascabel. The magnetic bodies at Alpala, Moran and Aguinaga envelope approximately 15 billion tonnes of untested magnetic rock.



SolGold is excited by the strong correlation between magnetic signatures and copper mineralisation in this system.

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 future development company with assets in Ecuador, Solomon Islands and Australia. SolGold's primary objective is to discover and define world-class copper-gold deposits. The Board and Management Team have substantial vested interests in the success of the Company as shareholders as well as strong track records in the areas of exploration, mine appraisal and development, investment, finance and law. SolGold's experience is augmented by state of the art geophysical and modelling techniques and the guidance of porphyry copper and gold expert Dr Steve Garwin.

SolGold was shortlisted as a nominee for the Mining Journal Explorer Achievement Award for 2016. The Company announced USD54m in capital raisings in September 2016 involving Maxit Capital LP, Newcrest International Ltd and DGR Global Ltd, all undertaken at substantial premiums to previous raisings and SolGold has (at March 2017) circa USD35 million in available cash to continue the exploration and development of its flagship Cascabel Project.



Coincident with those capital raisings, Mr Scott Caldwell (CEO of TSX-listed Guyana Goldfields Inc) joined the SolGold Board on 9 September 2016. Mr Caldwell is a mining engineer with over 30 years of experience building and operating gold and base metal mines worldwide, including USA, Canada, Russia, Zimbabwe, Chile and Indonesia and was in 2016 recognised as CEO of the year for South-American resource companies.

Mr Craig Jones also joined the SolGold Board on 3 March 2017, nominated to the Board of SolGold by Newcrest Mining, a 10% shareholder in SolGold. Mr Jones is a Mechanical Engineer and is currently the Executive General Manager Wafi-Golpu (Newcrest-Harmony MMJV). He has held various senior management and executive roles within the Newcrest Group, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects, and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr Jones worked for Rio Tinto.

Cascabel, SolGold's 85% owned world class flagship copper-gold porphyry project, is located in northern 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 ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession.

The investment by Newcrest into 10% of SolGold, and investment into SolGold by Guyana Goldfields, Maxit Capital and its clients, endorses Ecuador as an exploration and mining destination, the management team at SolGold, the dimension, size and scale of the growing Alpala, and the prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, logistics are important competitive advantages offered by the project.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km², along with an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets.

SolGold has completed over 36,000m of drilling and expended over USD43M on the program, corporate costs and investments into Cornerstone. This has been accomplished without lost time injury or environmental incident, employing a workforce of up to 176 Ecuadoreans workers and geoscientists and 6 expatriate Australian geoscientists. The results of 26 holes drilled (including re-drilled holes) and assayed to date have produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history including Hole 12 (CSD-16-012) returning 1002m grading 0.76 % copper and 0.77 g/t gold. The average grade of all metres drilled to date on the project boasts 0.32 % copper and 0.27 g/t gold. Intensive diamond drilling is planned for the next 12 months with 10 drill rigs expected to be operational early 2018, targeting over 90,000m of drilling per annum.

Cascabel is characterised by fifteen (15) identified targets, world class drilling intersections over 1km in length at potentially economic grades, and high copper and gold grades in richer sections, as well as logistic advantages in location, elevation, water supply, proximity to roads, port and power services; and a progressive legislative approach to resource development in Ecuador. To date, SolGold has drill tested 3 of the 15 targets, being Alpala Central, Alpala Northwest, and Hematite Hill. Currently drill testing of the Alpala Southeast target is underway.



The Alpala deposit is open in multiple directions and the mineralised corridor marked for drill testing of the greater Alpala cluster occurs over a 2.2km strike length from Trivinio in the northwest to Cristal in the southeast. The mineralised corridor is known to be prospective over approximately 700m width. High priority targets within the Alpala cluster, at Moran approximately 700m to the north, and at Aguinaga approximately 2.3km north east, are closely modelled by 3D MVI magnetic signatures that currently encompass over 15Bt of magnetic rock. Based on a strong spatial and genetic relationship between copper sulphides and magnetite, this body of magnetic rock is considered to be highly prospective for significant copper and gold mineralisation, and requires drill testing.

SolGold is focussing on extending the dimensions of the Alpala deposit including Hematite Hill, Alpala South East, Cristal, Alpala Northwest and Trivinio before completing a resource statement and drill testing of the other key targets within the Cascabel concession at Alpala West, Carmen, Alpala East, Moran, Aguinaga, Tandayama-America, Parambas, and Chinambicito.

The Company is currently planning further metallurgical testing and completion of an independent Pre-Feasibility Study at Cascabel. SolGold is investigating both high tonnage open cut and underground block caving operations, as well as a high grade / low tonnage initial underground development towards the economic development of the copper gold deposit/s at Cascabel.

Drill hole intercepts are calculated using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion factor of 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. True width of down hole intersections are estimated to be approximately 25-50%.

Following a comprehensive review of the geology and prospectivity of Ecuador, SolGold and its subsidiaries have also applied for additional exploration licences in Ecuador over a number of promising porphyry copper gold targets throughout the Country. SolGold is negotiating external funding options which will provide the Company with the ability to have some of these projects fully funded by a third party while focussing on Cascabel.

In Queensland, Australia the Company is evaluating the future exploration plans for the Mt Perry, Rannes and Normanby projects, with drill testing of the Normanby project planned for the coming quarter. Joint venture agreements are being investigated for a joint venture partner to commit funds and carry out exploration to earn an interest in the tenements.

SolGold retains interests in its original theatre of operations, Solomon Islands in the South West Pacific, where the 100% owned, but as yet undrilled, Kuma prospect on the island of Guadalcanal exhibits surface lithocap characteristics which are traditionally indicative of a large metal rich copper gold intrusive porphyry system. SolGold intends in the future to apply intellectual property and experience developed in Ecuador to target additional world class copper gold porphyries at Kuma and other targets in Ecuador and Argentina.

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 1,431,166,605 ordinary shares issued, together with 33,975,884 options exercisable at 28p and 12,875,884 options exercisable at 14p.



CAUTIONARY NOTICE

This 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.

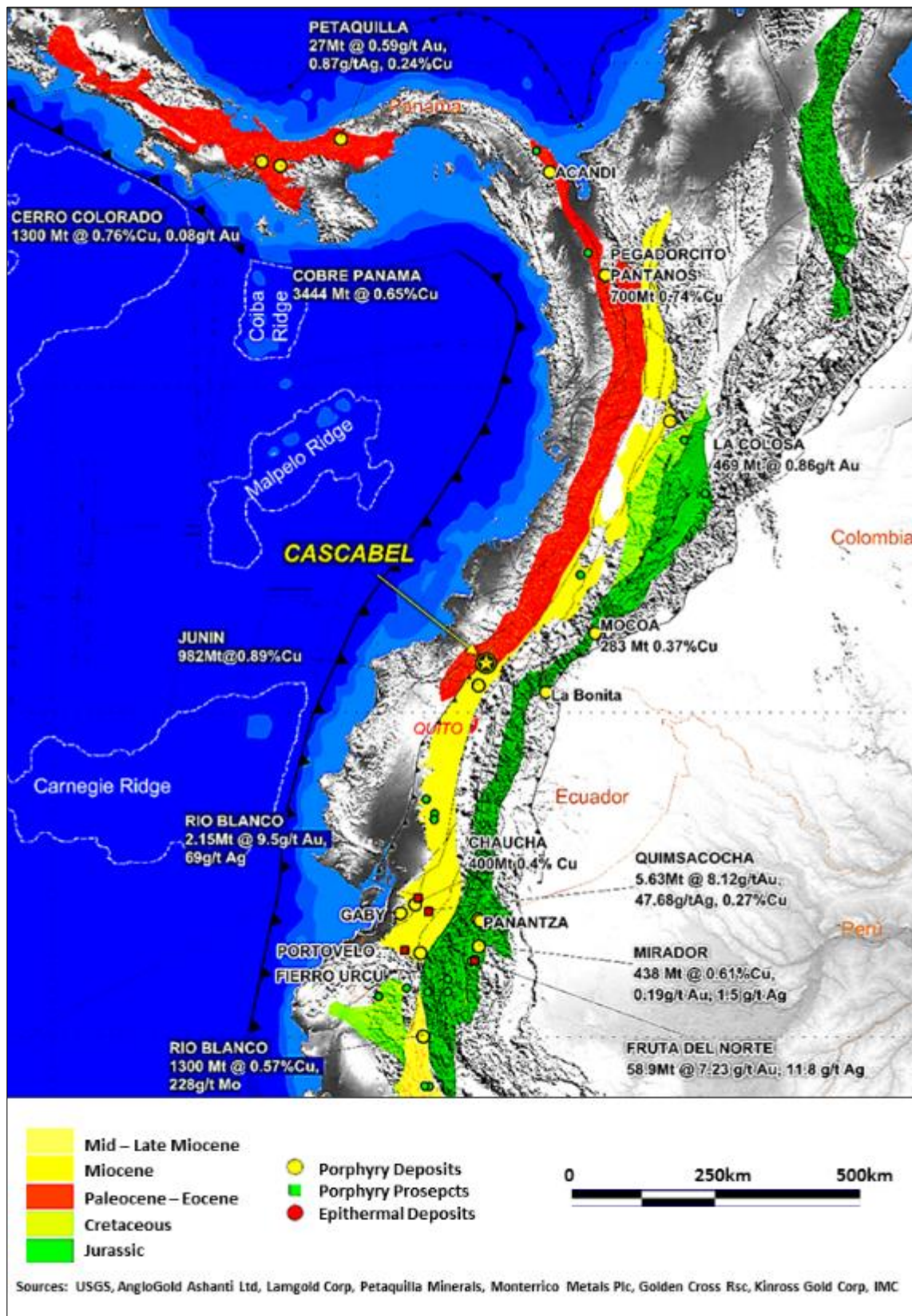


Figure 1: Regional Setting of the Cascabel Project, in the under-explored Ecuadorian portion of the Andean Copper Belt.



Figure 2: Location of Cascabel project in northern Ecuador, highlighting the significant capital advantages held by the project, with proximity to ports, road infrastructure, hydro-electric power stations and the trans-continental power grid.

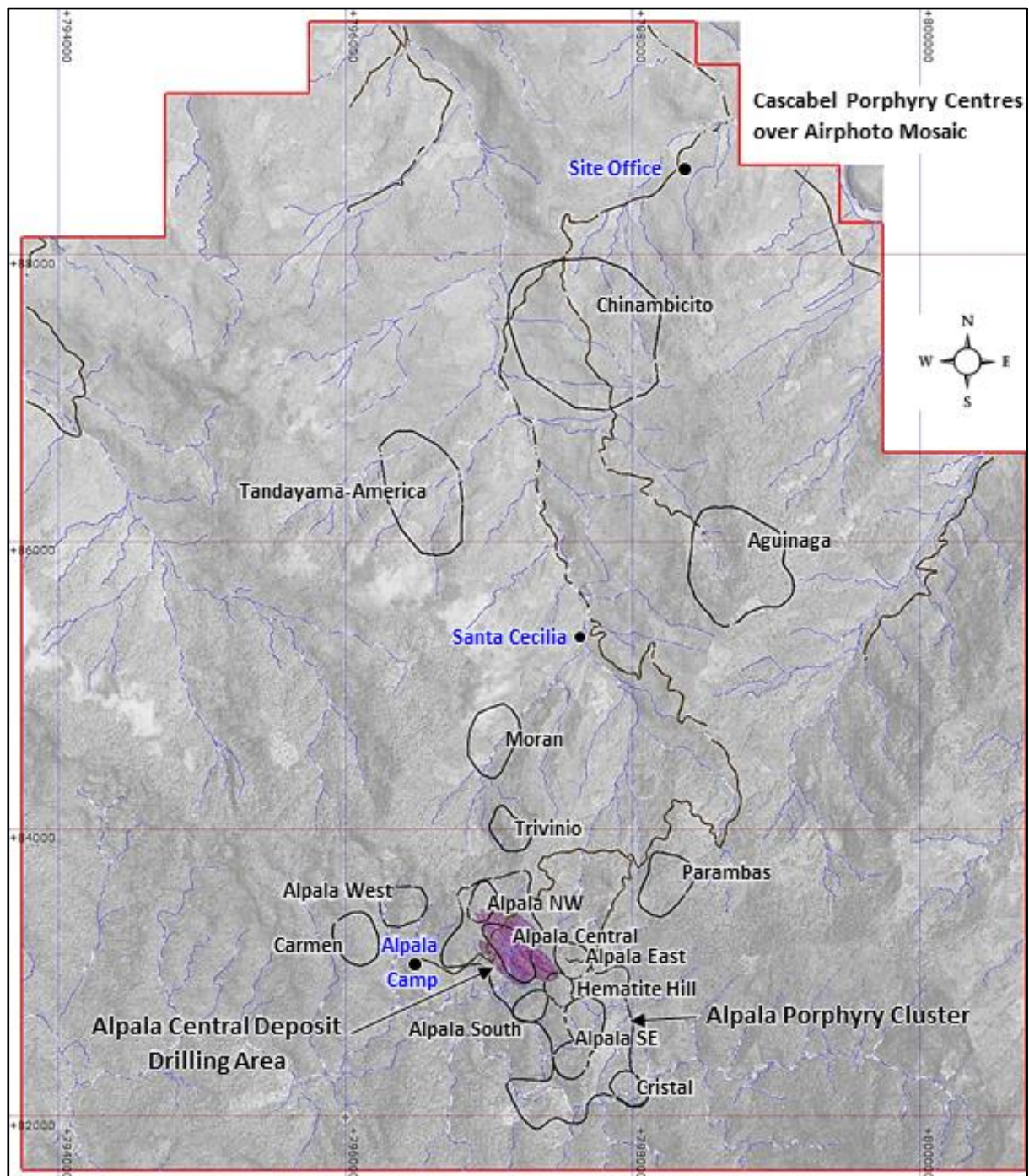


Figure 3: Cascabel tenement area showing 15 porphyry targets recognised to date through compilation of multiple geophysical, geochemical and geological datasets. High priority target areas identified at Hematite Hill, Alpala Southeast, Alpala East, Alpala West, Trivinio, Moran, Aguinaga, and Tandayama-America are marked for drill testing during 2017.

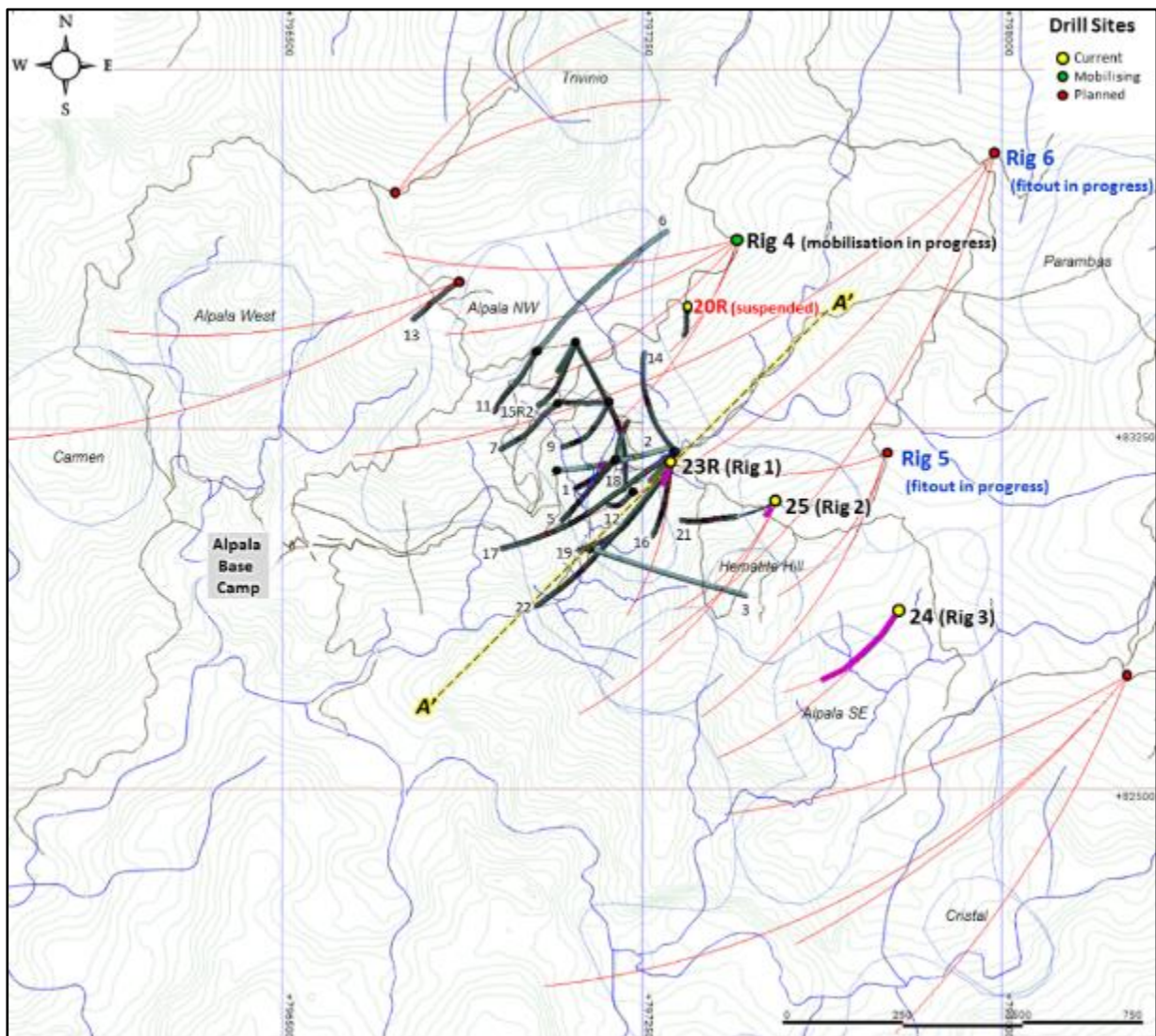


Figure 4: Drill hole location plan, showing existing drill holes, and current holes 23R, 24, and 25 with progress indicated by magenta drill trace. Proposed drill hole locations, aimed at defining the geometry and extent of the greater Alpa porphyry copper-gold system, are shown in red. NE trending sections line A-A' is indicated as dashed lines in yellow glow.

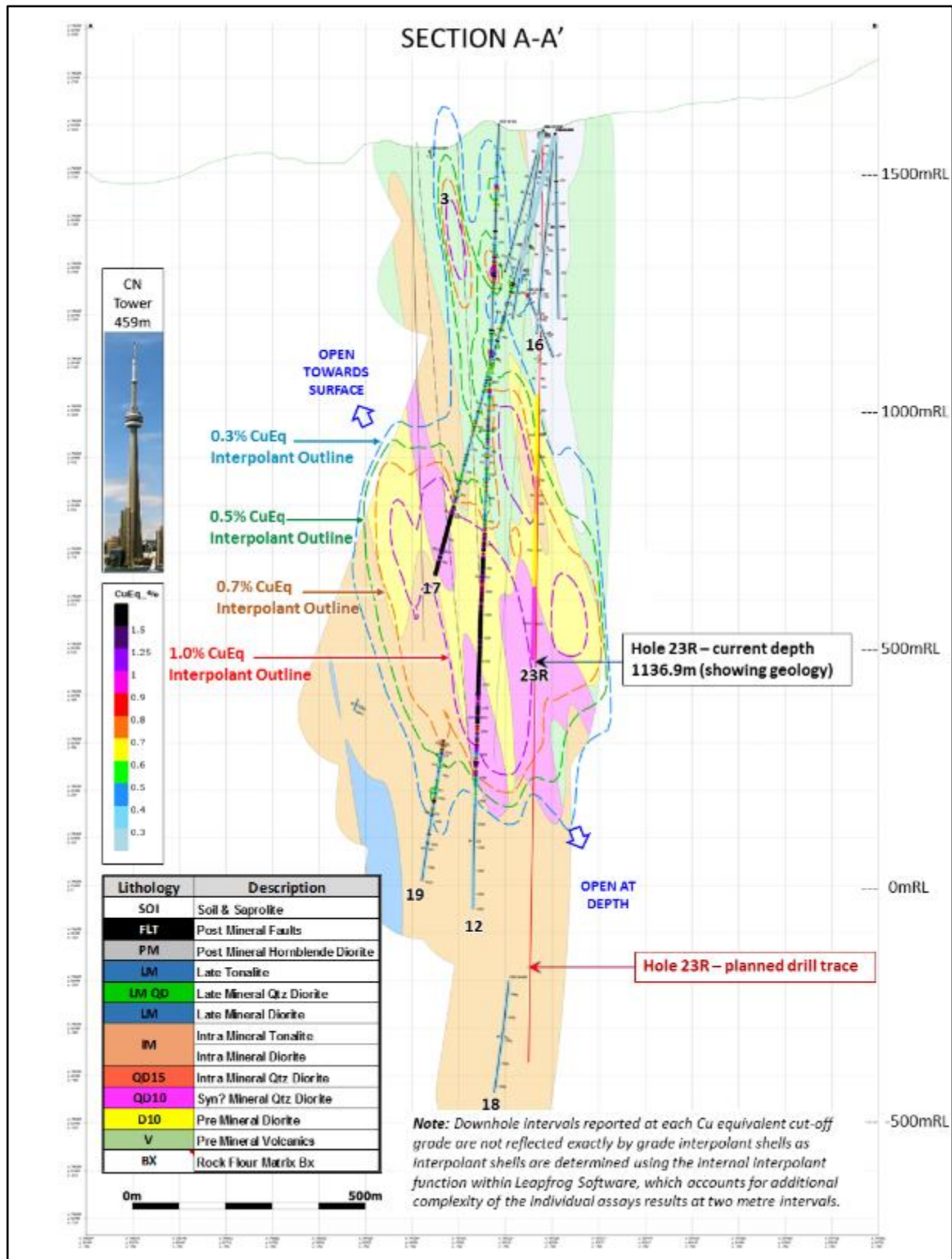


Figure 5: Cross-section A-A' looking northwest, with window $\pm 36\text{m}$, showing Hole 23R path, with geology model, and copper equivalent interpolants at Alpala Central.

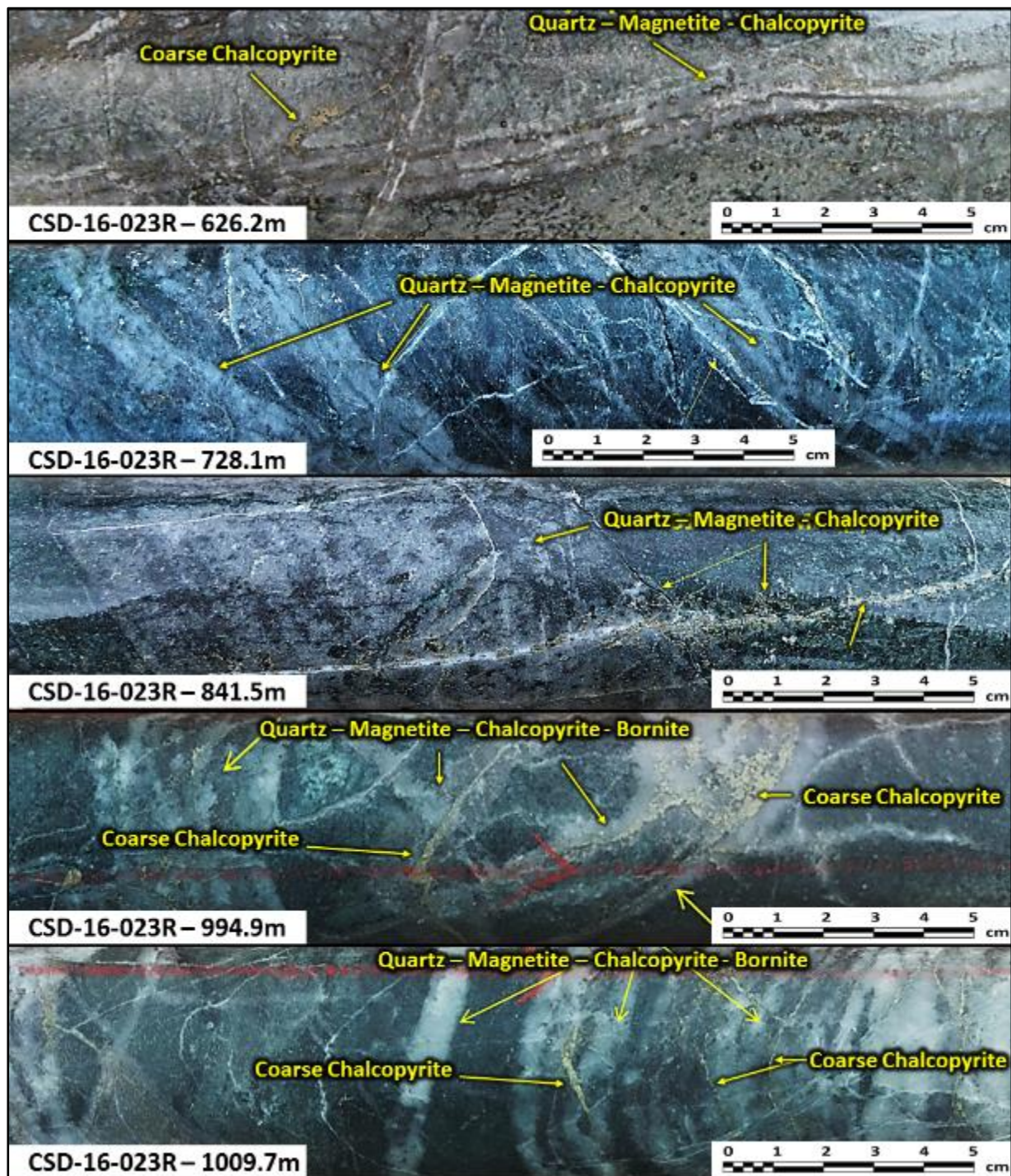


Figure 6: Selected examples of mineralisation encountered in Hole 23R.

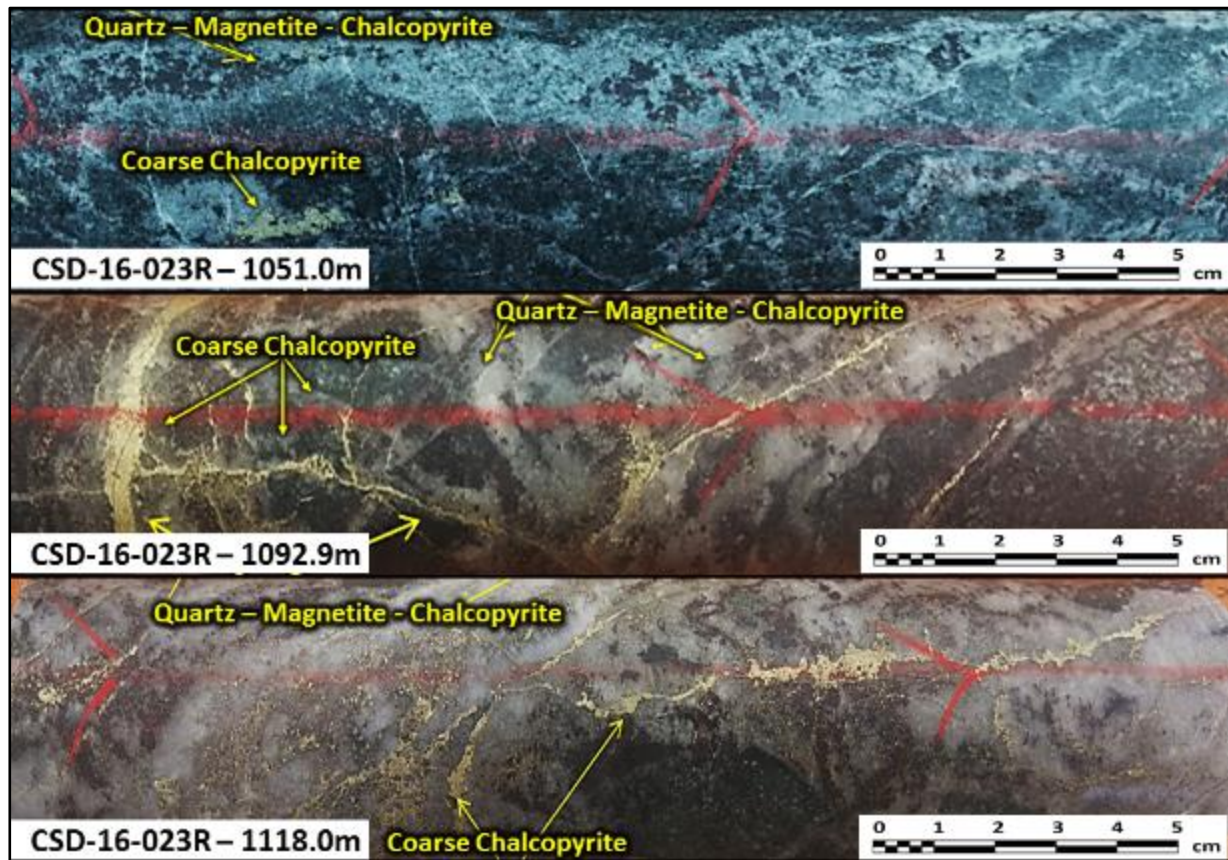


Figure 6 continued: Selected examples of mineralisation encountered in Hole 23R.

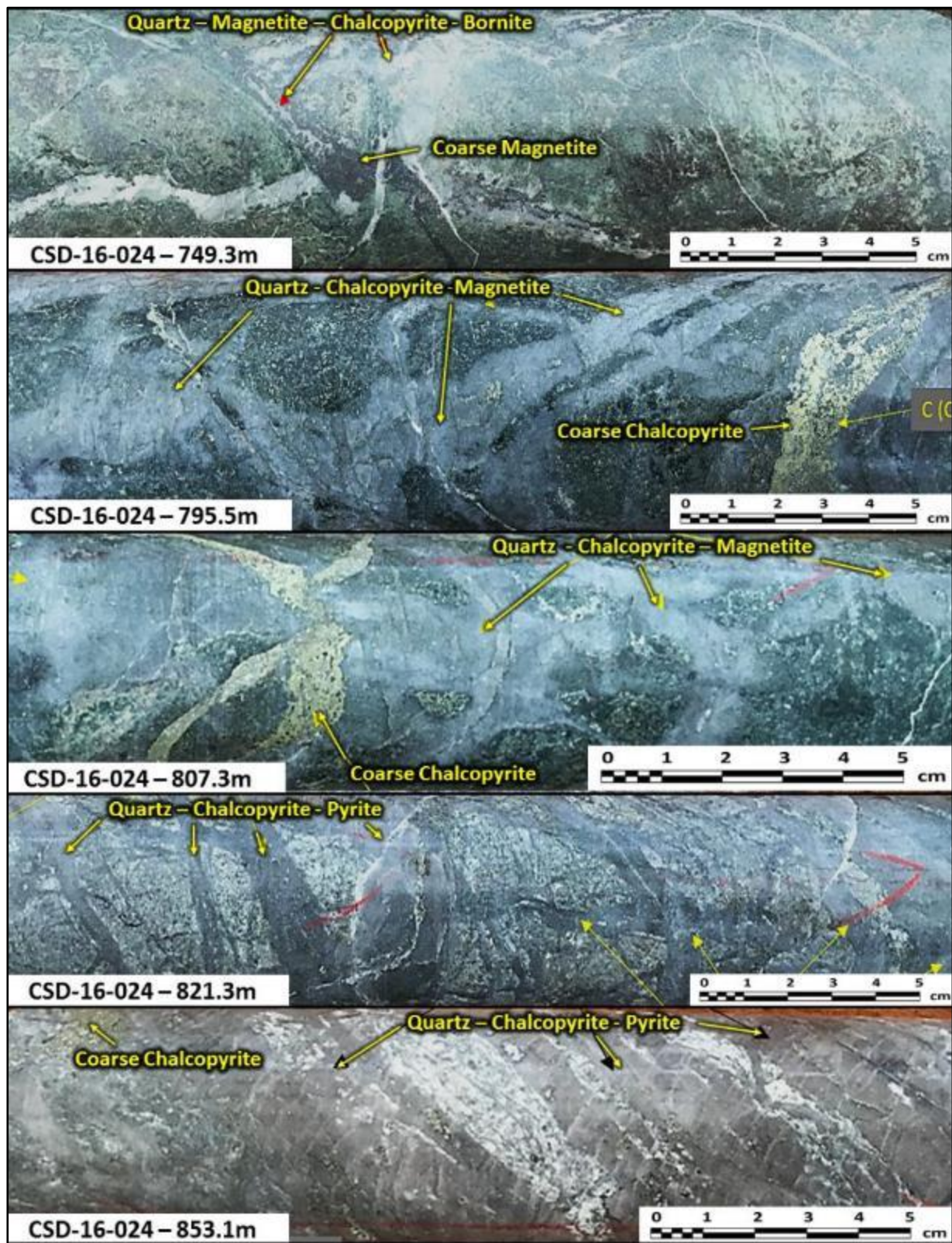


Figure 7: Selected examples of mineralisation encountered in Hole 24.

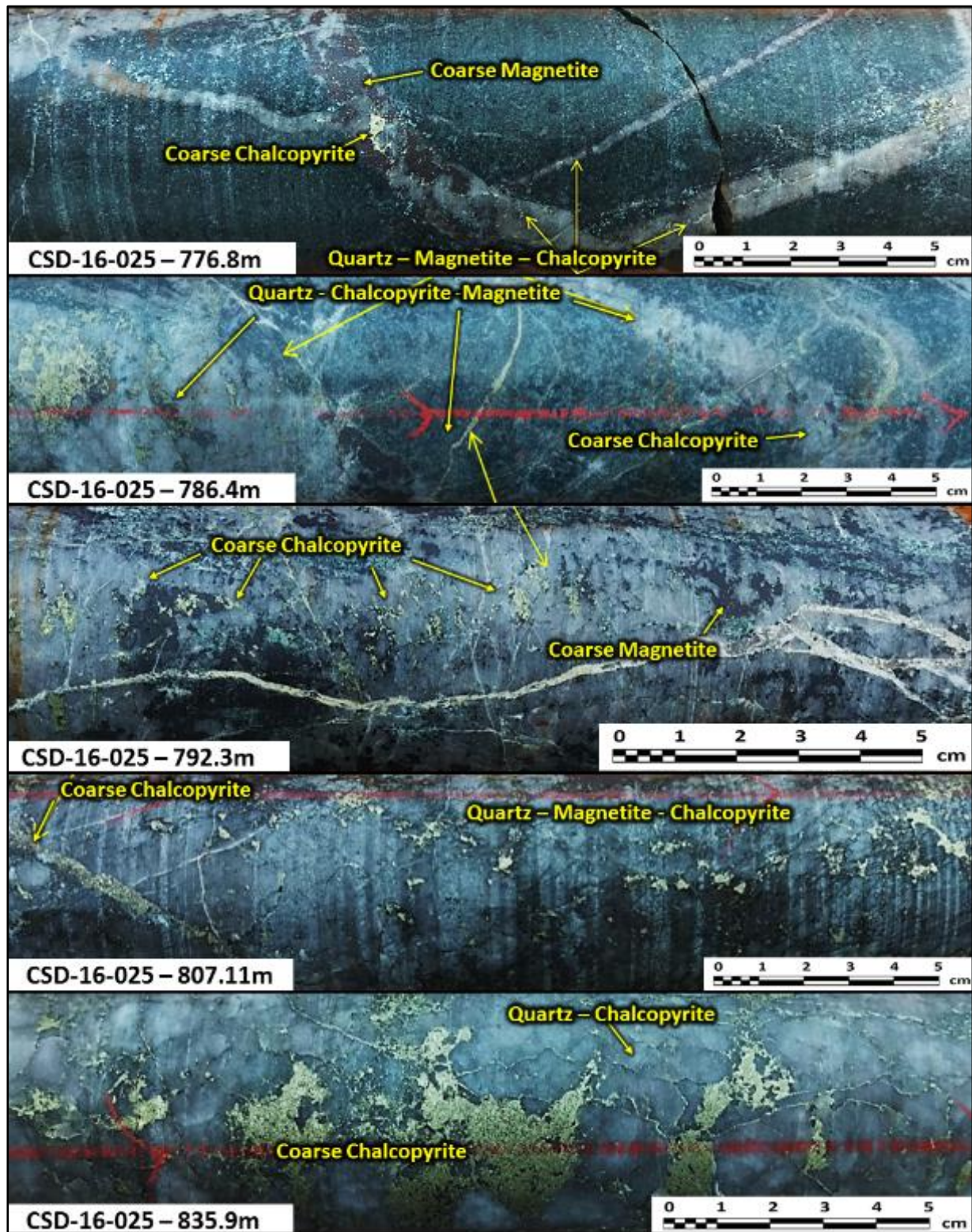


Figure 8: Selected examples of mineralisation encountered in Hole 25.

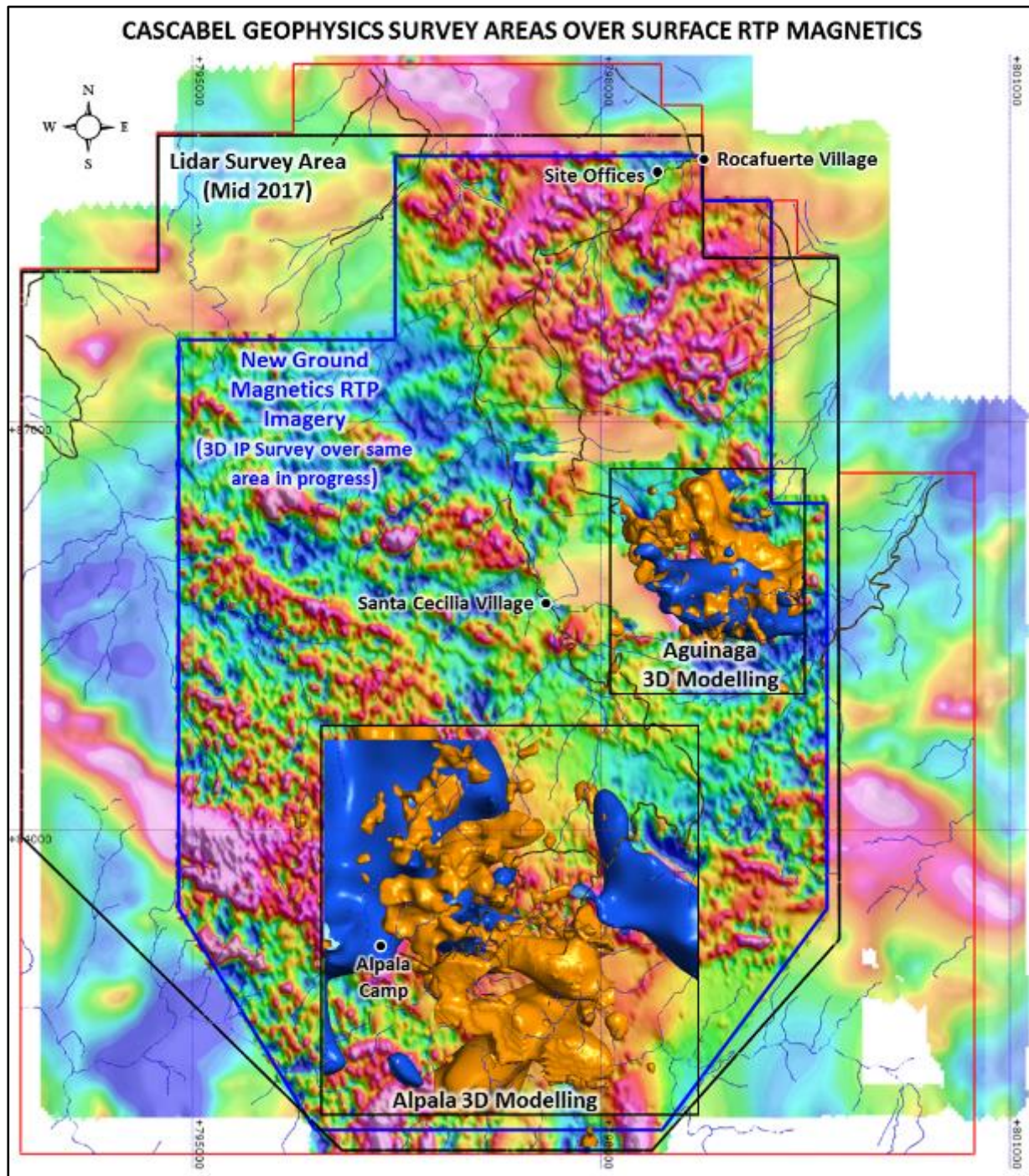


Figure 9: Geophysics Survey areas at the Cascabel project, showing areas by ground magnetism and planned Orion-Spartan 3D IP and Lidar topographic control surveying. Existing Magnetism (blue) and IP Chargeability (orange) 3D Models from surveys completed previously at Alpala and Aguinaga are also shown. Processing of this improved magnetic data is underway and this work will not only augment the existing geophysical targets at Alpala and Aguinaga, but further investigate the promising Tandayama-America anomaly and other satellite targets on the property. SolGold is refining exploration and drill targets along the Alpala cluster, as well as those at Moran, Aguinaga, and Tandayama-America.