



12 January, 2015

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

**Best Intersection to Date at Cascabel Project  
Copper-Gold Open at Depth as  
Drilling Continues in Hole 9  
1050.8m @ 0.68% Cu & 0.92 g/t Au, including  
772m @ 0.80% Cu & 1.19 g/t Au**

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:**

- **Best drill intersection to date received for Cascabel Project. Comparable to globally significant drill intersections at existing large porphyry copper-gold deposits.**
- **Hole CSD-14-009 ("Hole 9") total downhole interval extends over 1 kilometre and remains open at depth. Hole 9 has been assayed to 1700.8m. Drilling recommenced last week, and is at a current depth of 1,750.7m.**
- **Bulk intersection of 1270.8m grading 0.59% copper and 0.77 g/t gold for 1.05% copper equivalent from 430m to 1700.8m.**

**Includes 1050.8m grading 0.68% Cu and 0.92 g/t Au for 1.23% Cu equivalent from 650m to 1700.8m (current hole depth), and 772m grading 0.80% Cu and 1.19 g/t Au for 1.51% Cu equivalent from 710m to 1482m.**
- **Two distinct high grade porphyry stockwork zones intersected:**

**Upper High Grade Zone of 110m @ 1.13% Cu and 2.32g/t Au for 2.53% Cu equivalent from 710m; and**

**Lower High Grade Zone of 420m grading 1.00% Cu and 1.34 g/t Au for 1.81% Cu equivalent from 1062m; including 298m @ 1.24% Cu & 1.72g/t Au for 2.28% Cu equivalent from 1184m.**
- **Hole 9 intersection gives three dimensions to high grade mineralisation.**

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

"The intersection of more than a kilometre of copper and gold mineralisation, including multiple high grade zones, in Hole 9 is very pleasing. The mineralisation intersected in Hole 9 extends the high grade copper and gold interval which was intersected in Hole 5 laterally to the north. Importantly this intersection in Hole 9 extends the high grade copper and gold zone into a third dimension at Central Alpala. The discovery of multiple high grade zones at Central Alpala, which are open in all dimensions, bodes well for the definition of high grade resources at Alpala within the broader large tonnage porphyry system."

**FURTHER INFORMATION**

Drilling of Hole 9 commenced on 28 October 2014. On 17 December 2014 the hole was at a depth of 1700.8 metres ("m") and located within the MVI modelled magnetic high. Drilling was ceased at that time for the Christmas break. Drilling recommenced from 1700.8m on 8 January 2015, and is currently drilling ahead to a planned depth of 1800m, subject to ground conditions.

Hole 9 is located 120m north of the Hole 5 drill pad and is being drilled with an 85 degree inclination towards 210 degrees UTM (Universal Transverse Mercator) (**Appendix 1**).

Hole 9 was sited to test for the northwest and north extension of the high-grade copper and gold mineralisation in Hole CSD-13-005 ('Hole 5') and to test for vertical extension of this mineralisation beneath that intersected in Hole 5.

The Hole 9 results demonstrate the substantial breadth of the porphyry system at Cascabel.

Table 1 summarises the intersections to date from Hole 9.

Intersections from Hole CSD-14-009 (to current depth of 1700.8m)							
Hole ID	Depth From	Depth To	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%	Comment
<b>Bulk Intersection</b>							
CSD-14-009	430	1700.8	1270.8	0.59	0.77	1.05	open at depth
incls	650	1700.8	1050.8	0.68	0.92	1.23	open at depth
incls	710	1482	772	0.80	1.19	1.51	
<b>Upper Zone</b>							
	650	912	262	0.69	1.31	1.48	
incls	710	820	110	1.13	2.32	2.53	upper high grade zone
incls	730	820	90	1.28	2.70	2.90	
incls	760	820	60	1.55	3.68	3.75	
<b>Lower Zone</b>							
	1062	1482	420	1.00	1.34	1.81	
incls	1184	1482	298	1.24	1.72	2.28	lower high grade zone
incls	1198	1410	212	1.46	2.18	2.76	
incls	1208	1386	178	1.60	2.47	3.08	

**Table 1:** Assay intersections from Hole 9 to the current assayed depth of 1700.8m. The hole was at 1750.70m depth on 11 January.

*Note: Cu-Equivalent values are calculated using a copper price of US\$6614/tonne and a gold price of US\$40/gram (US\$1,244/ounce). Cu-Equivalent ("Cu Eq.") grade is calculated by the following equation: Cu Eq. = Cu% + (Au g/t x 0.6)]. Cu-Equivalent values do not take into account the recoverability of copper and gold.*



**Appendix 2** shows a southwest-northeast cross-section through Hole 9 at Alpala. **Appendix 3** tabulates intersections from Holes 1-9 at Alpala.

Intersections from Hole 9 (and Hole 5) rank among some of the best copper-porphyry exploration intersections worldwide as shown in Table 2 below.

Company	Property	Location	Hole ID	Interval (m)	Cu_%	Au_g/t	CuEq_%
Newcrest / Harmony Gold (MMJV)	Wafi-Golpu	PNG	WR-377	883	2.15	2.23	3.49
			WR-347	799	1.90	1.43	2.76
Imperial Metals	Red Chris	Canada	RC09-335	1024	1.01	1.26	1.77
			RC09-353	1135	0.50	0.59	0.85
			RC07-338	716.3	0.79	0.74	1.23
Intrepid Mines	Tujuh Bukit	Indonesia	GTD08-40	590	0.57	0.65	0.96
Barison Gold	Tenkereng	Indonesia	RC09-353	596	0.56	0.55	0.89
			RC07-338	412	0.70	0.65	1.09
Solgold	Cascabel	Ecuador	CSD-14-005	888	0.77	0.72	1.20
			CSD-14-005	552	1.03	1.05	1.66
			CSD-14-009	1050.8	0.68	0.92	1.23
			CSD-14-009	772	0.80	1.19	1.51

**Table 2:** Cascabel exploration drilling highlights in comparison with significant global porphyry copper-gold deposits.

*Note: source; MMJV, Imperial Metals, Intrepid Mines, Barison Gold and SolGold. Copper-Equivalent percentages calculated by SolGold using same method as used in Table 1).*

High grade intervals coincide with abundant chalcopyrite mineralisation and persistent biotite and magnetite that define the potassic alteration assemblage.

The intersection of these high grade zones along structures within the broader large tonnage porphyry system (which extends north-west, south-east and at depth) substantiate the confidence SolGold has in the presence of a strongly mineralised porphyry system at Alpala.

Plates 1-3, provided in **Appendix 4**, show examples of the chalcopyrite mineralisation within porphyry type 'B' and 'C' veins' from Hole 9 at downhole depths; 1466.2m, 1518.7m and 1695.8m.

The upper and lower high grade intervals intersected in Hole 9 occur within a dioritic intrusive phase that ranges from quartz diorite, to diorite and micro-diorite. These host rocks are interpreted to represent the same intrusive phase that hosts the high grade intersection in Hole 5.

Mineralisation continues to be accompanied by magnetite-biotite alteration and is dominated by coarse chalcopyrite within B-veins and overprinting C-Veins. There is also fine grained disseminated chalcopyrite in fractures in the intrusive host rocks.

The lower interval in Hole 9 demonstrates that strong copper and gold mineralisation continues below the base of and 120m laterally north of the Hole 5 intersection. The Hole 5 intersection from 458m to 1346m, comprised 888m grading 0.77% Cu and 0.72 g/t Au (for 1.21% Cu-Equivalent) as reported on 10 November 2014.



Strong association of high grade copper and gold mineralisation with magnetite and porphyry intrusions along known structures enhances ability to target high grade zones within the larger Alpala porphyry complex.

**Appendices 5 and 6** show simplified sections indicating target locations along the Alpala Structural Corridor. These images illustrate that IP chargeability data defines a chargeable halo flanking the MVI magnetic anomaly within and overlying a deep seated conductive zone. This kind of combined geophysical response is typical of several globally significant copper-gold porphyry systems such as Batu Hijau in Indonesia and Resolution in Arizona.

Four exciting targets zones are currently recognised at Alpala; Northwest Alpala, Central Alpala, Southeast Alpala and Alpala Deeps.

Along the Hole 9 path, late stage intra-mineral dykes truncate a portion of the high grade mineralisation. Multiple phase mineralized intrusive events with late stage intra-mineral low grade dykes such as this are a common feature in large porphyry systems (Batu Hijau) as illustrated in Appendix 7.

### **About Cascabel**

SolGold owns 85% of Exploraciones Novomining S.A. ("ENSA") and 21.1m shares (approximately 11%) in TSX-V-listed Cornerstone Capital Resources (Cornerstone). 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.

#### **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 27 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



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## 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'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.

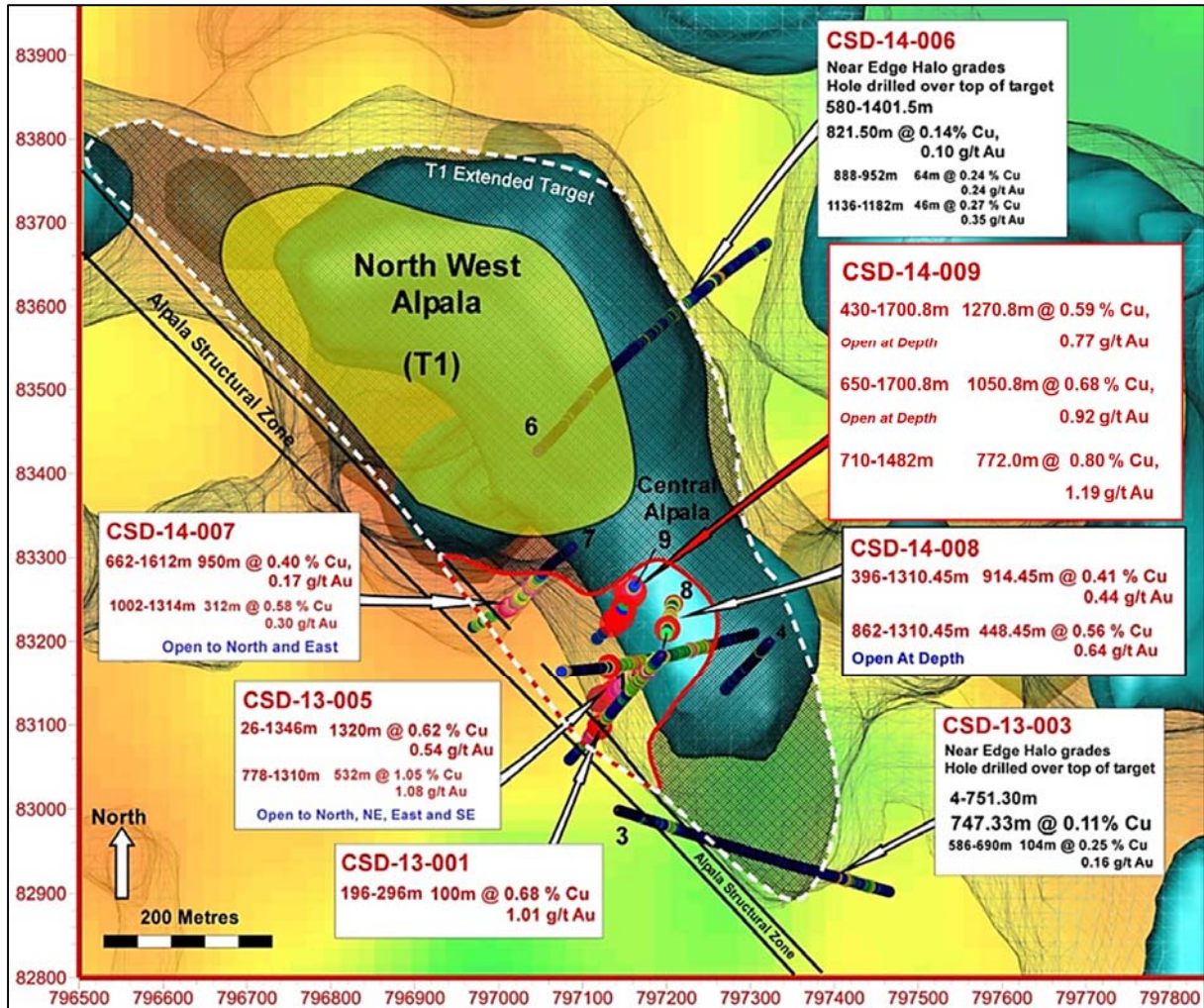
SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's AIM Market in 2006, under the AIM code 'SOLG' and currently has a total of 685,745,030 fully paid ordinary shares, 12,820,000 options exercisable at 50p, 12,730,000 options exercisable at 28p and 9,730,000 options exercisable 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.

APPENDICES

Appendix 1: Drill Hole Location Plan



**Figure 1:** Location of drill holes at Central Alpala. The red outline shows the area tested by Holes 5, 7, 8 and 9, whilst the dashed white outline shows the extent of the Central and Northwest Alpala target (Target T1). Approximately 15% of the target areas at Central and Northwest Alpala have 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 Holes 3 and 6 both drilled over the top of the Alpala target.

Appendix 2: Drill cross-section through Hole 9.

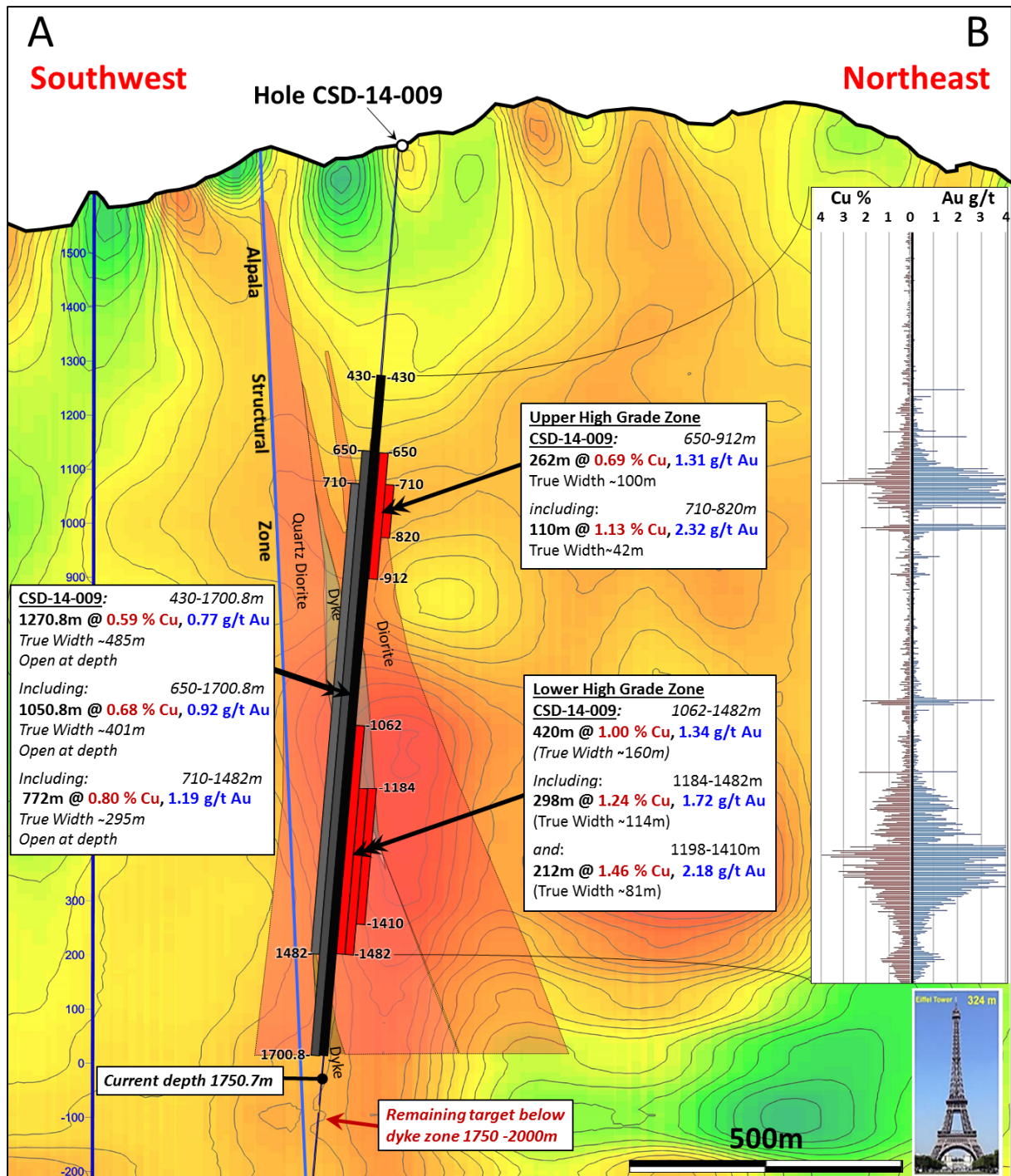


Figure 2 – Southwest-northeast cross-section through Hole 9 and the magnetic MVI model. Down hole intersections are displayed by bars with high grade intersections displayed by red bars.



**Appendix 3: Cascabel Project Drill Hole Intersections.**

Cascabel Project - Drill Hole Intersections						
Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_ %	Au_g/t	Cu.Eq_ %
<b>CSD-13-001</b>	<b>16</b>	<b>318</b>	<b>302</b>	<b>0.39</b>	<b>0.48</b>	<b>0.68</b>
incl.	16	120	104	0.37	0.38	0.60
incl.	50	84	34	0.46	0.50	0.76
incl.	100	118	18	0.38	0.73	0.82
incl.	128	160	32	0.17	0.09	0.23
incl.	188	212	24	0.32	0.06	0.36
<b>and</b>	<b>222</b>	<b>322</b>	<b>100</b>	<b>0.65</b>	<b>1.00</b>	<b>1.25</b>
incl.	226	284	58	0.96	1.67	1.96
incl.	232	248	16	1.87	3.25	3.82
<b>CSD-13-002</b>	<b>6</b>	<b>24</b>	<b>18</b>	<b>0.33</b>	<b>0.41</b>	<b>0.57</b>
<b>and</b>	<b>126</b>	<b>418</b>	<b>292</b>	<b>0.37</b>	<b>0.30</b>	<b>0.54</b>
incl.	130	140	10	0.91	0.44	1.18
incl.	184	226	42	0.50	0.68	0.91
<b>CSD-13-003</b>	<b>4</b>	<b>751.3</b>	<b>747.3</b>	<b>0.11</b>	<b>0.05</b>	<b>0.14</b>
incl.	54	156	102	0.16	0.03	0.18
incl.	120	142	22	0.32	0.04	0.34
incl.	584	712	128	0.23	0.14	0.31
incl.	608	632	24	0.34	0.32	0.53
incl.	662	692	30	0.32	0.11	0.38
<b>CSD-13-004</b>	<b>160</b>	<b>318.3</b>	<b>158.3</b>	<b>0.11</b>	<b>0.05</b>	<b>0.14</b>
<b>CSD-13-005</b>	<b>24</b>	<b>1330</b>	<b>1306</b>	<b>0.62</b>	<b>0.54</b>	<b>0.95</b>
incl.	24	420	396	0.32	0.17	0.43
incl.	436	658	222	0.26	0.11	0.32
incl.	658	1330	672	0.93	0.91	1.48
incl.	778	1330	552	1.03	1.05	1.65
incl.	778	1310	532	1.05	1.08	1.70
incl.	1194	1330	136	0.95	0.96	1.53
incl.	1052	1310	258	1.27	1.40	2.12
incl.	1096	1146	50	1.80	2.26	3.16
<b>CSD-14-006</b>	<b>184</b>	<b>226</b>	<b>42</b>	<b>0.11</b>	<b>0.07</b>	<b>0.15</b>
incl.	282	374	92	0.13	0.05	0.16
incl.	580	1401.5	821.5	0.14	0.10	0.20
incl.	702	1038	336	0.18	0.12	0.25
incl.	1080	1401.5	321.5	0.14	0.10	0.20
incl.	808	1006	198	0.20	0.15	0.29
incl.	924	952	28	0.29	0.23	0.43
incl.	940	952	12	0.32	0.27	0.49
incl.	1136	1182	46	0.27	0.35	0.48
incl.	1168	1174	6	0.49	2.10	1.75
<b>CSD-14-007</b>	<b>654</b>	<b>1612</b>	<b>958</b>	<b>0.40</b>	<b>0.17</b>	<b>0.51</b>
incl.	1056	1294	238	0.65	0.35	0.87
incl.	1160	1294	134	0.75	0.50	1.05
incl.	1200	1294	94	0.84	0.62	1.20
<b>CSD-14-008</b>	<b>396</b>	<b>1310.45</b>	<b>914.45</b>	<b>0.41</b>	<b>0.44</b>	<b>0.67</b>
incl.	396	862	466	0.25	0.24	0.39
incl.	396	430	34	0.56	0.25	0.71
incl.	550	674	124	0.34	0.42	0.59
incl.	550	802	252	0.25	0.34	0.46
incl.	862	1310.45	448.45	0.56	0.64	0.95
incl.	904	1186	282	0.60	0.76	1.06

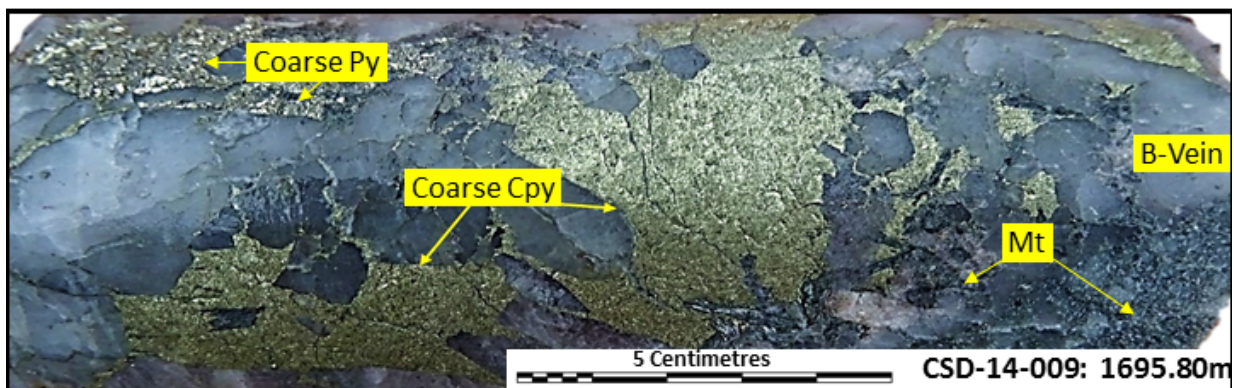
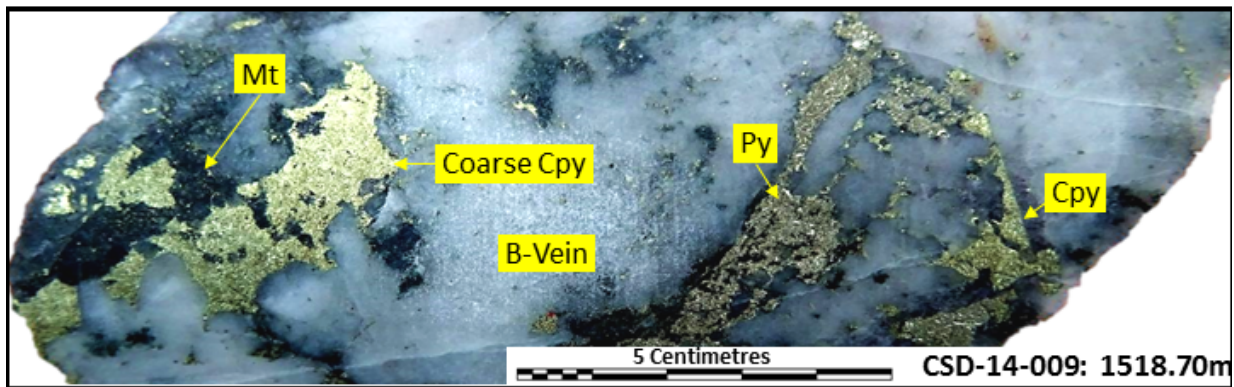
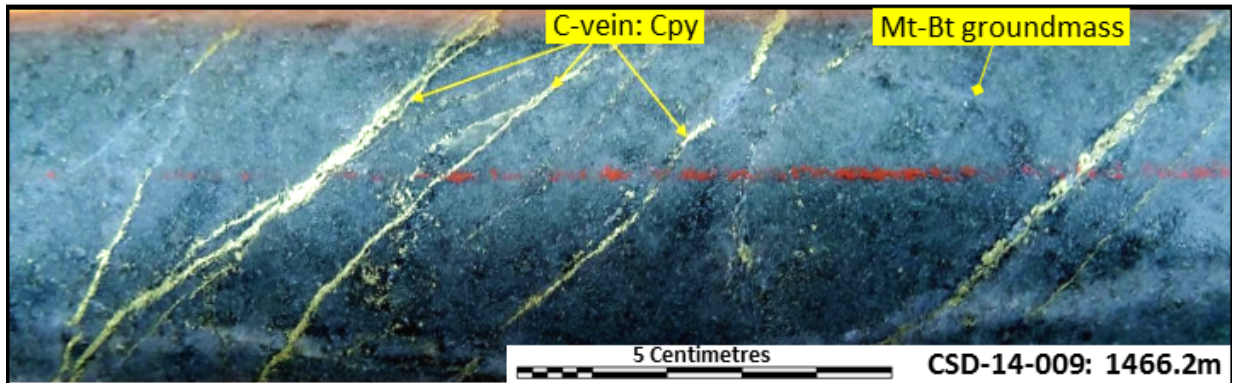
open at depth

open at depth

**Appendix 3: continued**

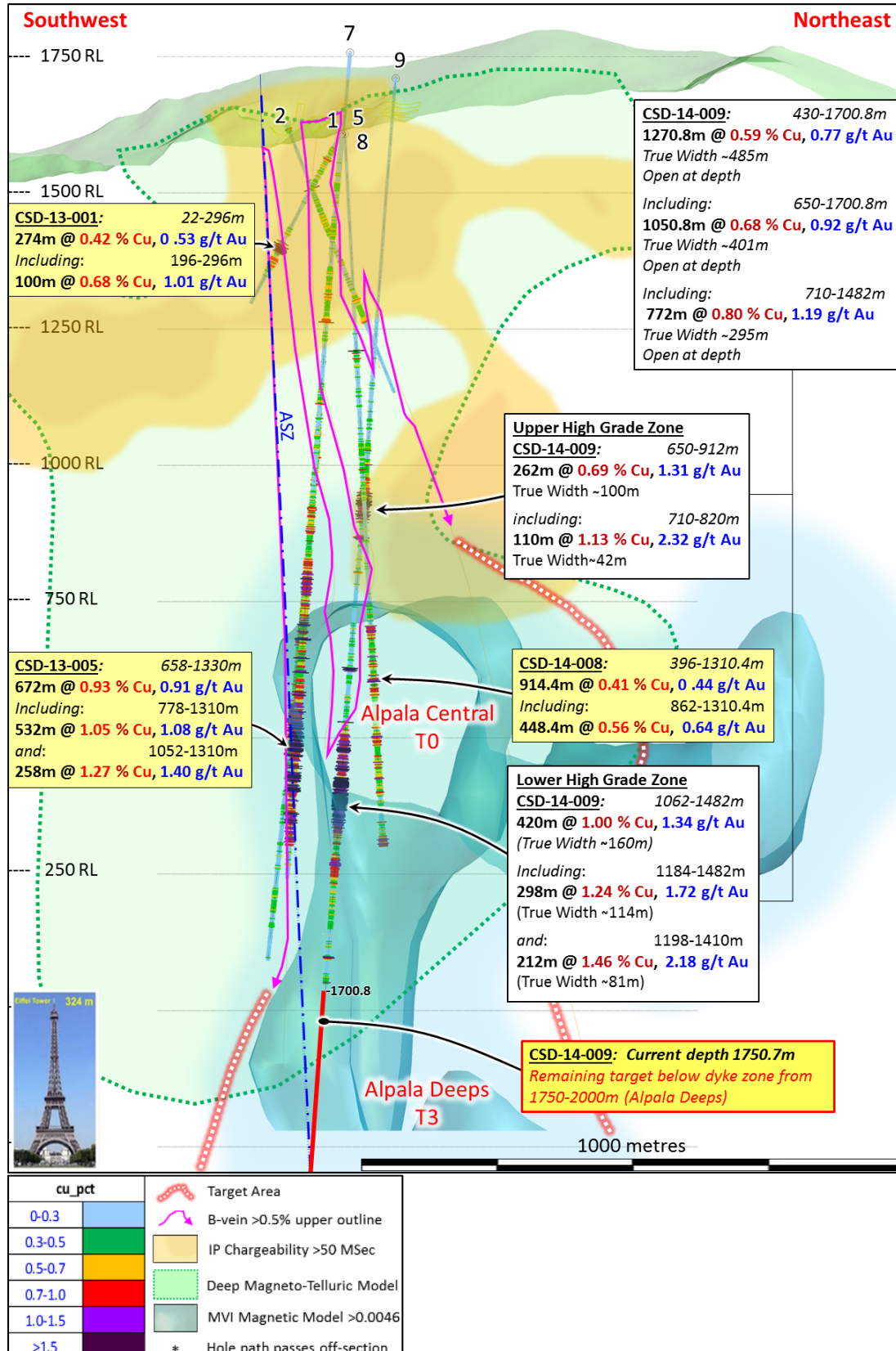
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incls	1198	1410	212	1.46	2.18	2.76	
incls	1208	1386	178	1.60	2.47	3.08	

**Appendix 4: CSD-14-009 Drill Core Images.**

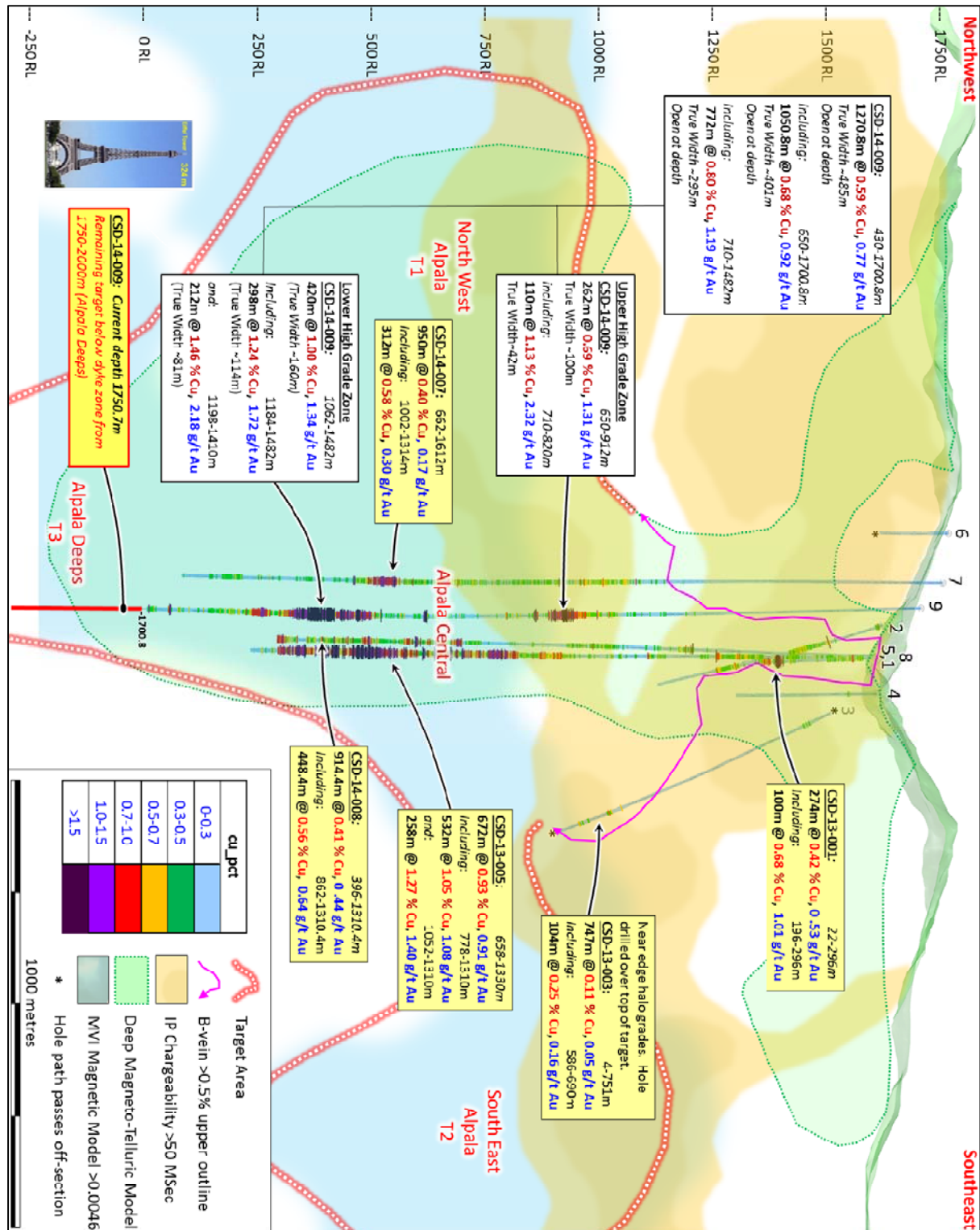


**Plates 1-3:** Images of drill core samples from Hole 9 over the interval from 1466.2m to 1695.80m. Images of drill core up to 1452m were shown in the Cascabel Exploration Update released on 9 December 2014. Mineral legend: Cpy (chalcopyrite), Py (pyrite), Mt (magnetite), Bt (biotite).

**Appendix 5:** Cross-section through CSD-14-009 oriented SW-NE, looking NW with a window width of  $\pm 70m$ , showing down-hole copper results to date and outlines of geophysical models.



**Appendix 6:** Long-section through CSD-14-009 oriented NW-SE, looking NE with a window width of  $\pm 100\text{m}$ , showing Target areas with down-hole copper results to date and traces of geophysical models.



**Appendix 7:** Simplified Geology in pit cross-section (looking north) through the Batu Hijau porphyry deposit in Sumbawa, Indonesia. The images show copper and gold contents respectively and the truncation of ore in the centre of the deposit by “Young Tonalite” which occur as intra-mineral dykes.

