

27 February, 2017

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

Cascabel Exploration Update

Hole 21 Extends Alpala Strike by 200m to the Southeast

The Board of SolGold (AIM code: SOLG) is pleased to provide an update on Hole 21, from Hematite Hill, southeast of the known Alpala deposit, and Hole 22 at the Company's Cascabel copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- **Hole 21 at Hematite Hill, intersecting visual copper mineralisation from 685m including intense chalcopyrite and significant bornite mineralisation from 844m to current downhole depth of 1187.2m.**
- **Hole 21 extends Alpala deposit a further 200m southeast of previous Hole 16 (856m grading 0.80% copper and 1.04g/t gold), and will test up to 2300m depth targeting the longest encountered vertical extent of copper mineralisation at Alpala to date.**
- **Hole 22 at Alpala, intersecting visible copper sulphide mineralisation from 253m to its current downhole depth of 1128.2m, including very strong bornite mineralisation at approximately 960m depth.**
- **Hole 22 extends the Alpala deposit 130m above previous Hole 19 intersection (802m grading 0.63 % copper, and 0.43g/t gold).**
- **Multi-directional and sub-horizontal veins substantiate potential to increase the width of Alpala.**
- **A third man-portable rig arrives at site this week, and a fourth within 4 weeks.**
- **Two additional track mounted rigs to be mobilised to site over the coming 8 weeks.**

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, (**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.

Fourteen individual targets have been defined at Cascabel and only one of these, the Alpala Deposit, has been drilled to date (**Figure 3**). The deposit at Alpala continues to grow with each new drill hole. Drilling continues to focus on defining the geometry of the growing Alpala deposit, which is open in virtually all directions. Over 29,600m of drilling has been completed to date, as an aggressive drilling program ramps up towards seven drilling rigs by year end. (**Figure 4**).



Commenting on the intersections, CEO Mr Nick Mather said **"Hole 21 is a major step out for SolGold. It extends the exciting Alpala deposit by at least 200m to the southeast, underneath the strongly altered advanced argillic cap over Alpala Southeast. The diagnostic mineralogy and presence of bornite in surface mapping is strongly endorsing the southeast target area and we are anxious to test this all the way from surface to 2000m depth and over the entire 750m strike length of Alpala Southeast. We believe this zone has potential to double the size of the Alpala deposit and increase the grade too. Depth extensions below this will add more. SolGold is targeting the zone in Hole 21 to over 2000m depth, whilst Hole 22 will extend the deposit above Hole 19."**

Hole 21 (*Rig#2*) is being drilled towards azimuth 240 degrees at -82 degrees inclination, testing a position approximately 200m along strike to the southeast of Hole 16 (856m @ 0.80% Cu, 1.04g/t Au). Thus far, Hole 21 has intersected moderate to intense visible copper sulphide mineralisation from around 685m depth to current depth of 1187.2m. Multi-directional quartz -chalcopyrite ±magnetite veining occupies up to a maximum of 45% of the total rock volume in Hole 21 to date. Strong bornite mineralisation was encountered at 1175m depth.

Hole 22 (*Rig#1*) is being drilled to towards azimuth 211 degrees at -73 degrees inclination, testing approximately 130m above Hole 19 from the same drill site. Hole 22 has intersected visible copper sulphide mineralisation from 253m depth to its current depth of 1128.2m including very strong bornite mineralisation around 960m depth. Multi-directional quartz -chalcopyrite ±bornite veining occupies up to a maximum of 23% of the total rock volume in Hole 22 to date.

Select examples of mineralisation highlighting multi vein directions, intensity, bornite and chalcopyrite mineralisation encountered in Holes 21 and 22 to date are provided in **Figures 5 and 6**. Sub-horizontal veining in both holes suggests potential for significant width extensions of the deposit. Geological similarities with the Hugo Dummet deposit at Oyu Tolgoi in Mongolia encourage the investigation of the Alpala Southeast target zone.

Hole 20R (*Rig#3*) is currently suspended at 1342.4m depth following reassessment of the deep drilling strategy and selection of directional drilling techniques. The discovery of strongly mineralised porphyry clasts within hydrothermal breccia encountered in Hole 20R, further substantiates the potential for lateral extensions of the mineralised zone. SolGold will also implement a program of long holes from lower declinations across the deposit from lateral drill pad locations to test deep extension as indicated in Figure 4.

SolGold is expediting additional drill rigs into the Alpala area with a view to defining the system limits prior to a maiden resource statement.

SolGold's Chief Technical Advisor Dr. Steve Garwin commented on the intersections, stating; **"We have yet to define the extents of the Alpala porphyry system. The deposit remains open in most directions and continues to grow with each new drill hole. The geology team has planned a strong drill program, utilizing at least six core-rigs, to delineate the deposit and vector towards the high-grade Cu-Au core of the system."**



CEO Mr Nick Mather advised that; **“Drilling is intensifying with the arrival of two additional man-portable drill rigs and a further two track-mounted drill rigs over the next two months. The third man portable rig arrives at site this week.”**

The upgrade and expansion of site facilities is well underway at Cascabel as the project continues ramping up towards drill testing with 7 drill rigs by year end.

SURFACE MAPPING AND GEOPHYSICS

SolGold is currently progressing a ground magnetic survey, to be followed by a detailed Orion-Spartan 3D IP survey, and a Lidar topographic control survey across the majority of the licence (**Figure 7**). 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. Following analysis of these datasets, SolGold expects to drill test Aguinaga, and Tandayama-America prospects, as well as the exciting Moran and Trivinio targets on the northern edge of the Alpala 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 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 Newmont trained porphyry 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 February 2017, approximately USD40 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.

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, 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 a mining destination, the management team at SolGold, the dimension, size and scale of Alpala, the general prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, and logistics are all important competitive advantages offered by the project.

To date SolGold has expended approximately USD39m, completing geological mapping and soil sampling over 25km², along with an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets. SolGold has to date completed approximately 29,000m of drilling and expended over USD 39M on the program, corporate costs and investments into Cornerstone. This has been completed 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 21 holes drilled (including re-drilled holes) and assayed to date are outlined in the appended Table. Intensive diamond drilling is planned for the next 12 months with multiple drill rigs.

Cascabel is characterised by fourteen (14) 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 only one of the 14 targets, being Alpala.



The Alpala deposit is open at depth and in the upper extensions, as well as to the north, north-east, south-east and south-west. The mineralised zones at Alpala, and Moran some 700 m to the north, and Aguinaga some 2km north east, are closely modelled by magnetic signatures and currently encompass over 10Bt of magnetic rock, anticipated on the basis of a strong relationship between copper sulphides and magnetite, to be mineralised with copper and gold.

SolGold is focussing on extending the dimensions of Alpala before completing a resource statement and drill testing of the other key targets within the Cascabel concession at Alpala South East, Aguinaga, Trivino, Moran, Alpala Northwest, Hematite Hill, Cristal, Parambas, Carmen, Tandayama-America and Chinambicito. The Company is planning further metallurgical testing and completion of a conceptual early stage mine and plant design and a scoping study for an economic development at Cascabel. SolGold is investigating both high tonnage / low-medium grade open cut and underground block caving operations, and a high grade / low tonnage initial underground development.

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 0.89, determined using copper price of USD2.20/pound and gold price of USD1350/ounce.

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 additional promising porphyry copper gold targets elsewhere in the Country. SolGold is negotiating external funding options which could provide the Company with the ability to have 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. 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, as yet undrilled, Kuma prospect on the island of Kuma exhibits surface geological 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 1,432,066,605 ordinary shares issued, together with 33,975,884 options exercisable at 28p and 11,975,884 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.

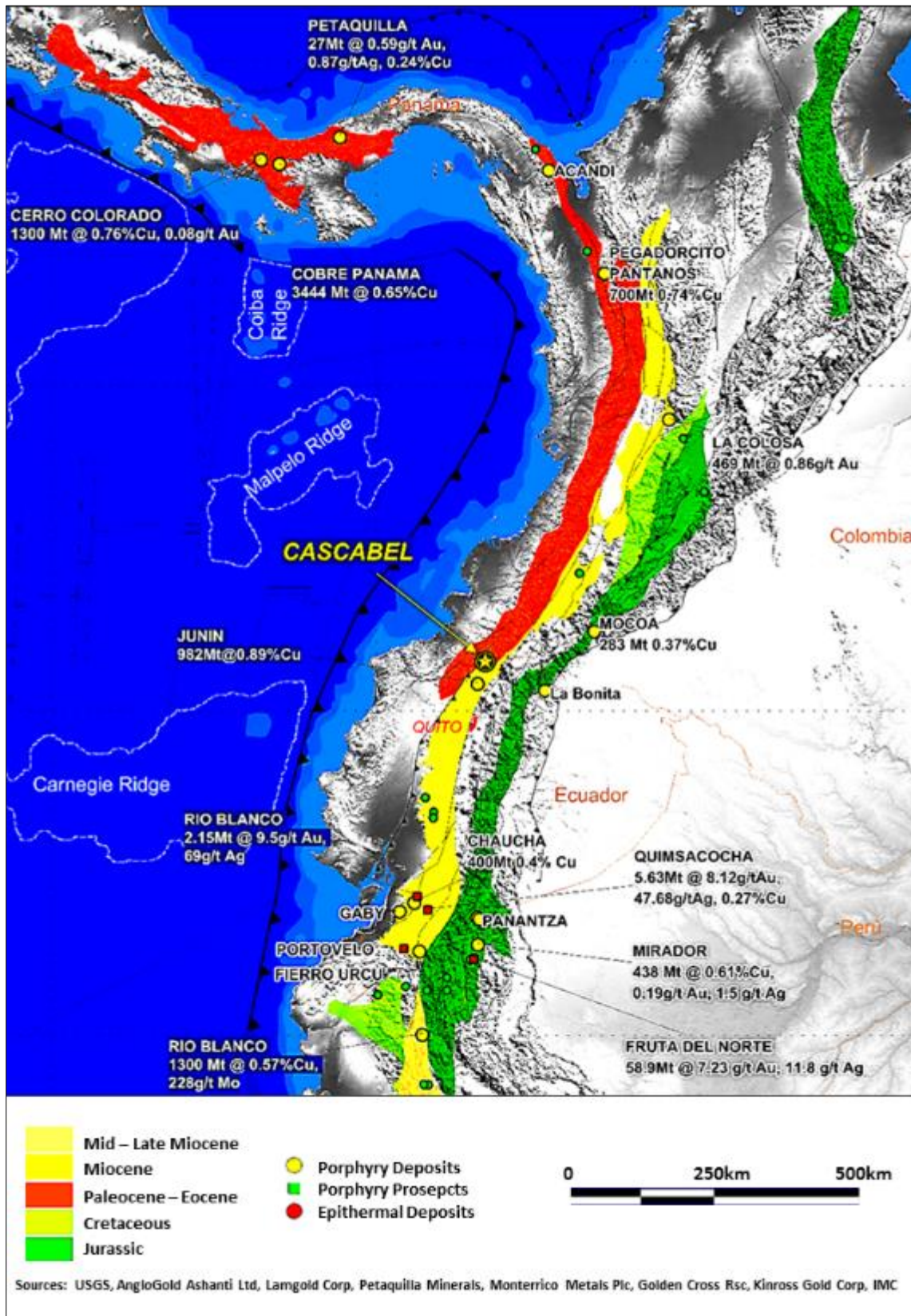


Figure 1: Regional Setting of the Cascabel Project, in the under-explored Ecuadorian portion of the Andean Copper Belt.

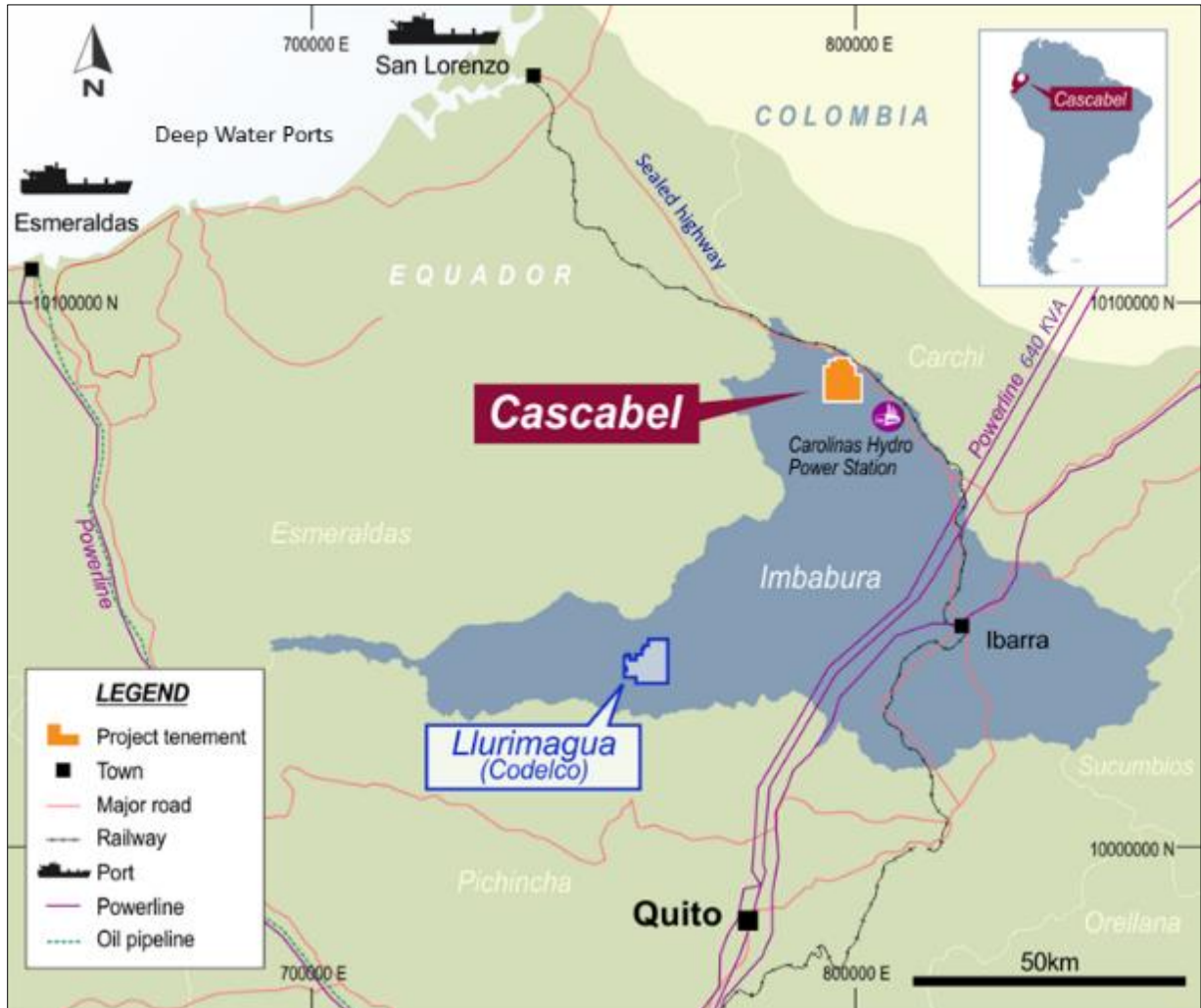


Figure 2: Location of Cascabel project in northern Ecuador, highlighting the significant capital advantages held by the project, with proximity to ports, road infrastructure, hydro-electric power stations and the trans-continental power grid.

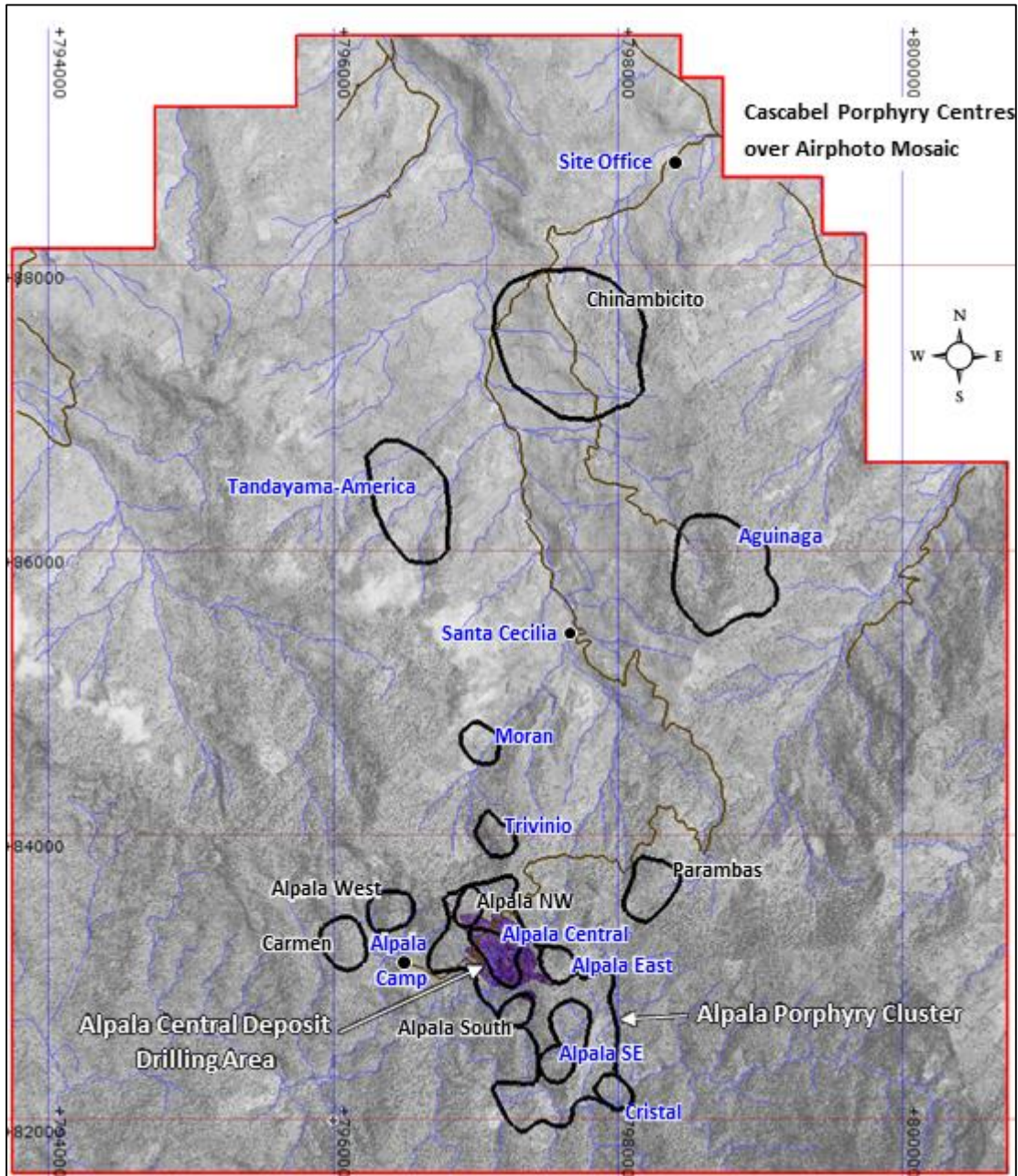


Figure 3: Cascabel tenement area showing 14 porphyry targets recognised to date through compilation of multiple geophysical, geochemical and geological datasets. Eight high priority target areas have been identified at Alpala, Alpala East, Alpala Southeast, Cristal, Trivinio, Moran, Aguinaga, and Tandayama-America.

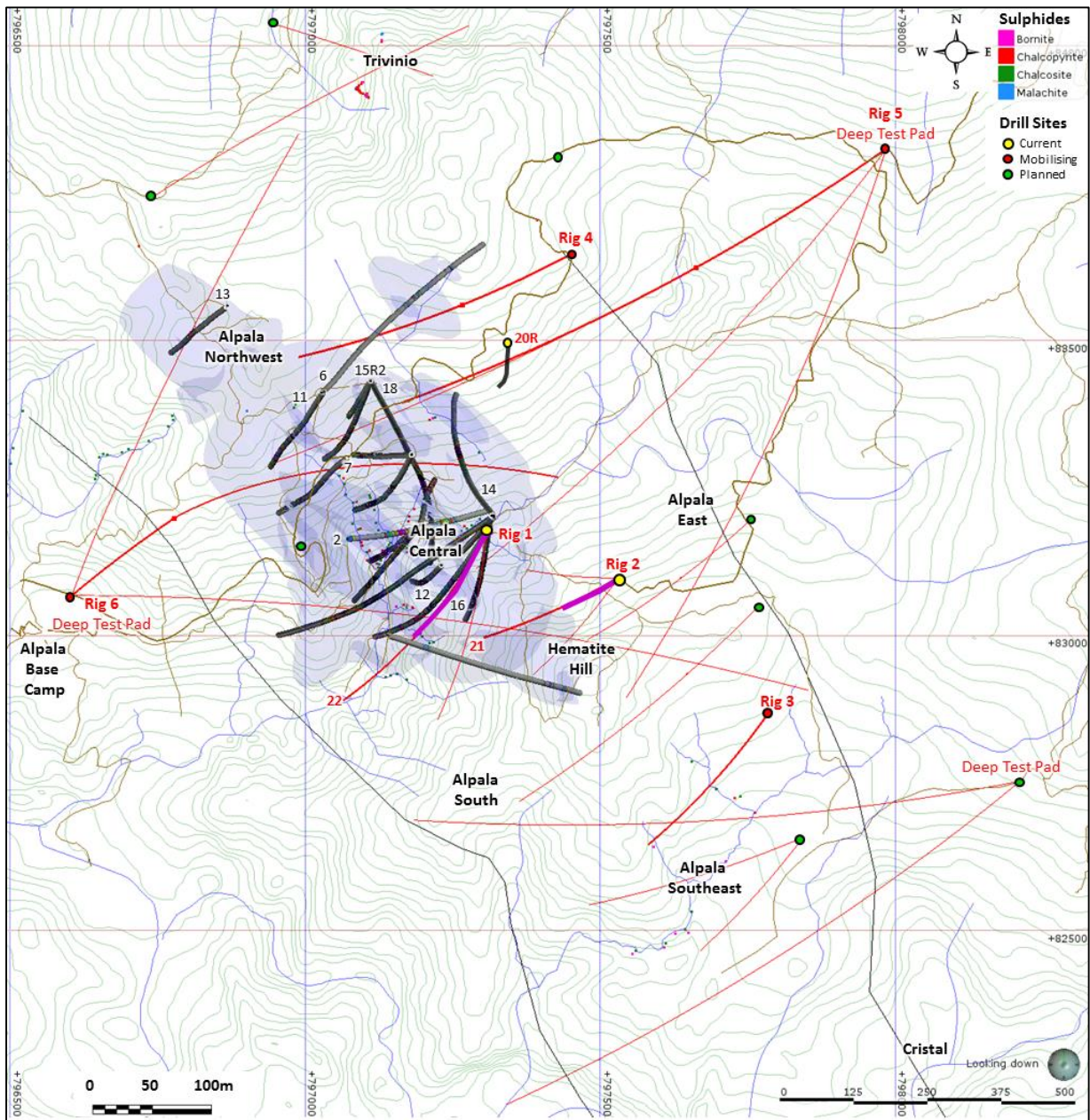


Figure 4: Drill hole location plan, showing existing drill holes, and current holes 21, 22, and 20R with current depths indicated in yellow with magenta drill trace. The current 3D volume of the Alpa Deposit modelled at 0.5% copper equivalent is shown in blue. Proposed drill hole locations, aimed at defining the geometry and extent of the greater Alpa porphyry copper-gold system, are shown in red and green, with proposed drill traces shown in red.

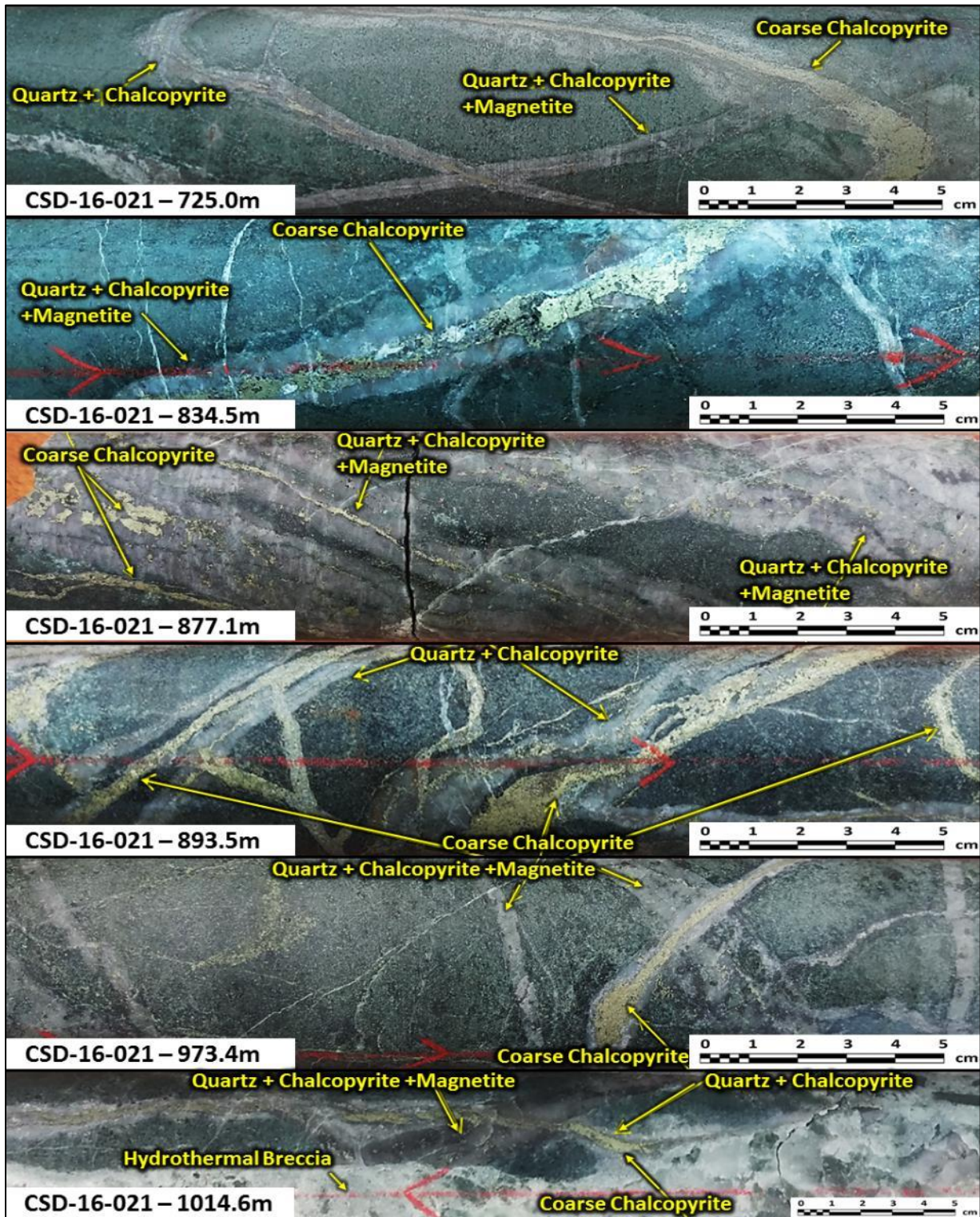


Figure 5: Selected examples of mineralisation encountered in Hole 21 to date.

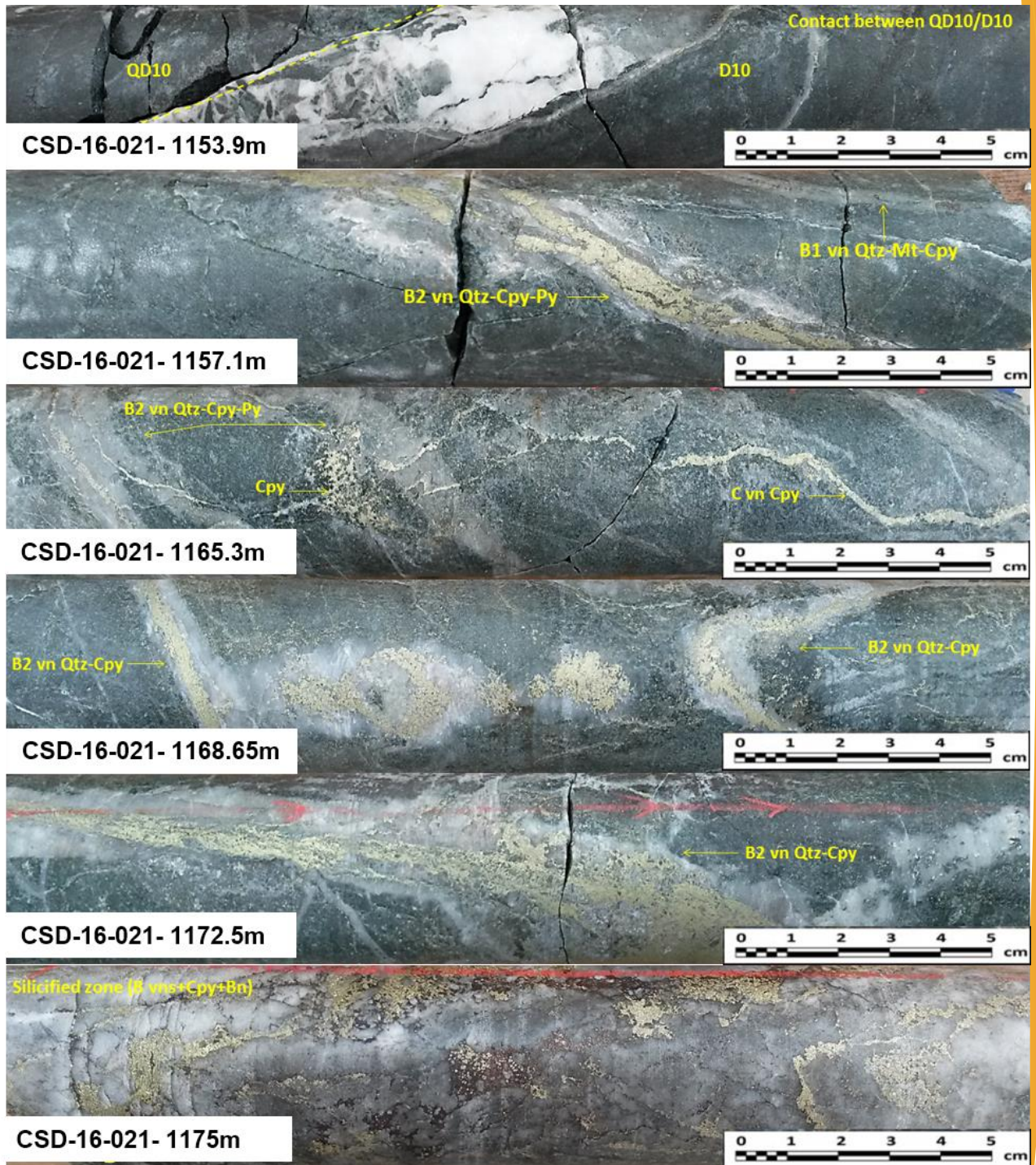


Figure 5 (cont.): Selected examples of mineralisation encountered in Hole 21 to date.

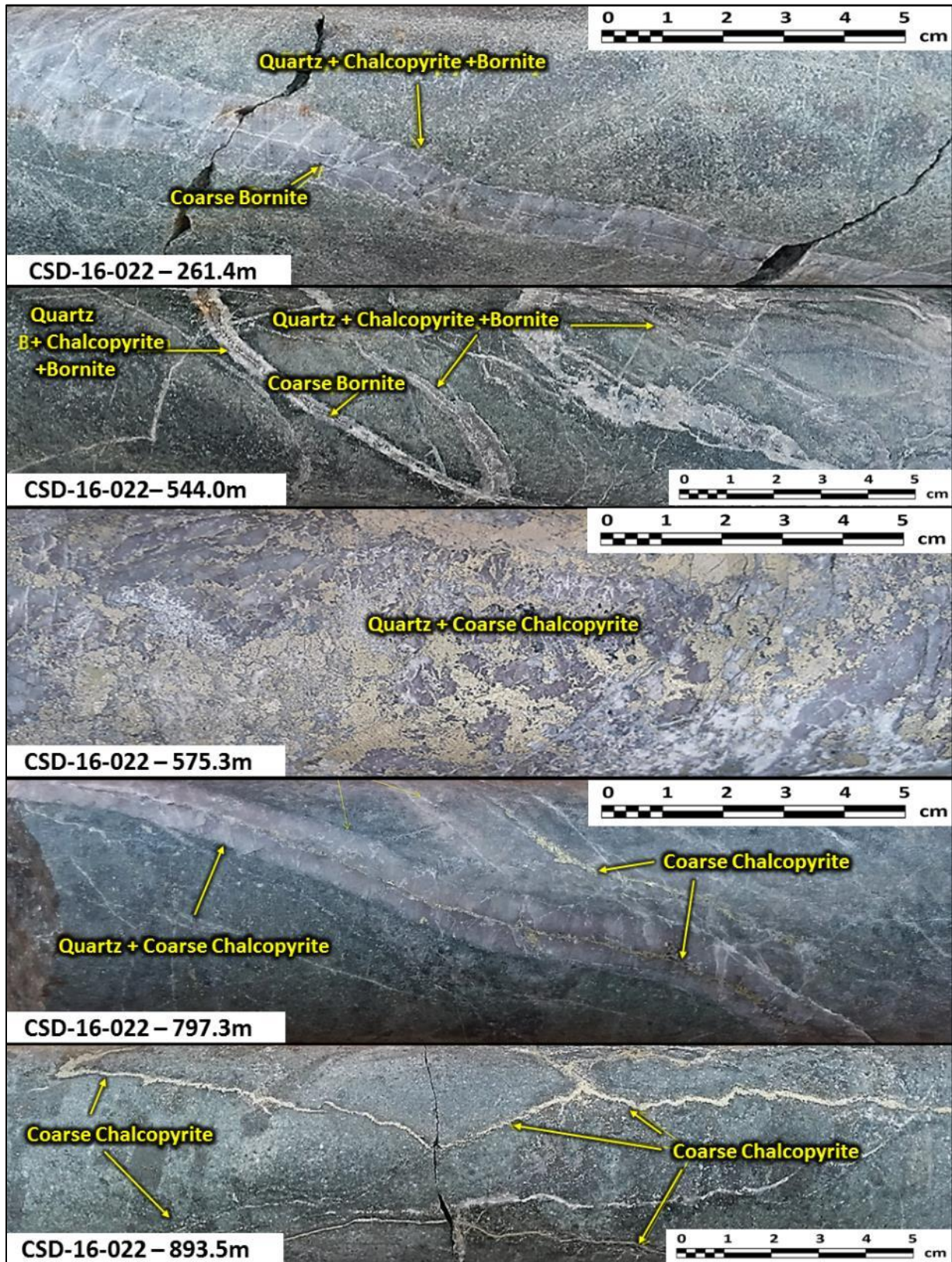


Figure 6: Selected examples of mineralisation encountered in Hole 22 to date.

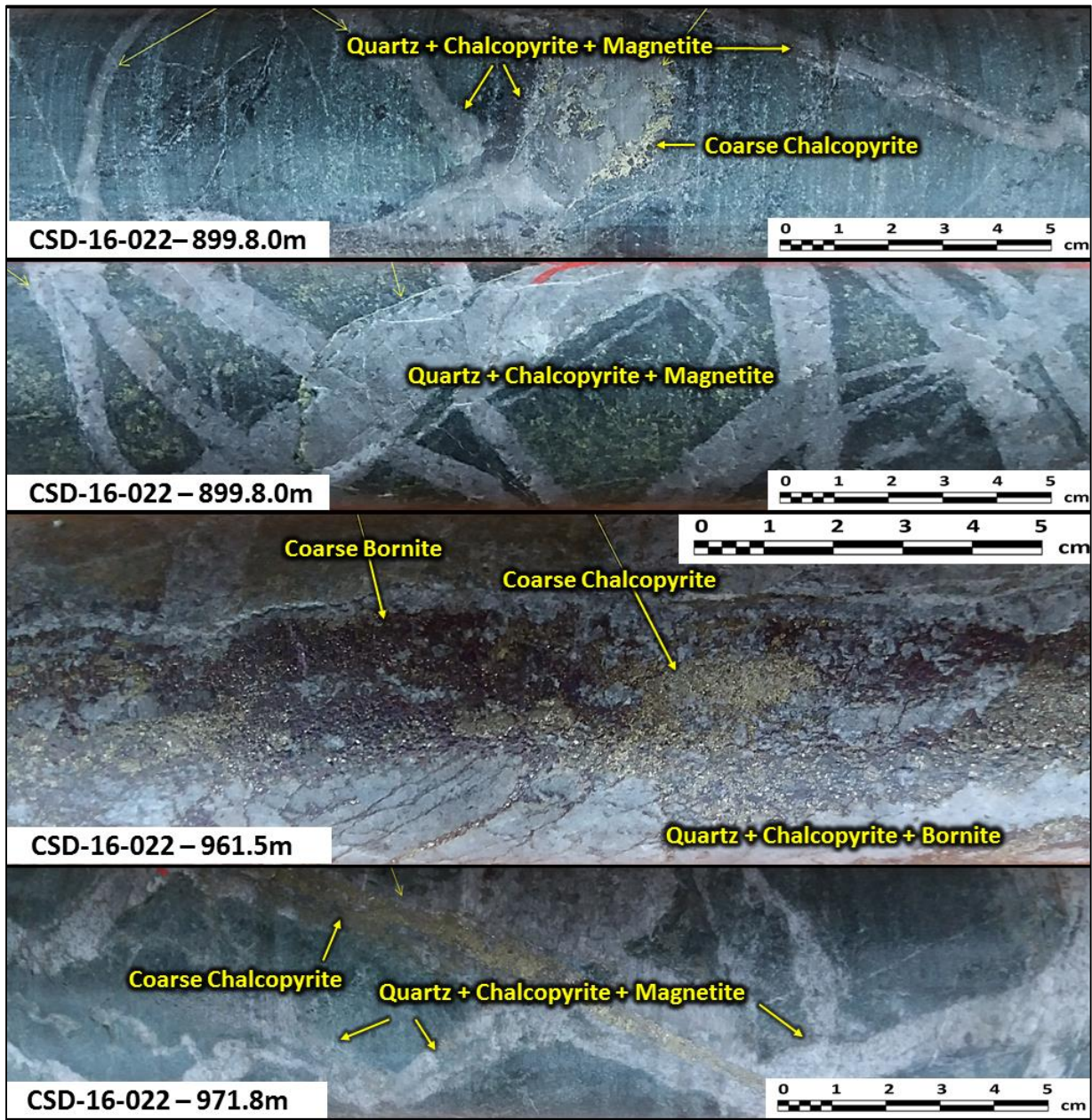


Figure 6 (cont'd): Selected examples of mineralisation encountered in Hole 22 to date.

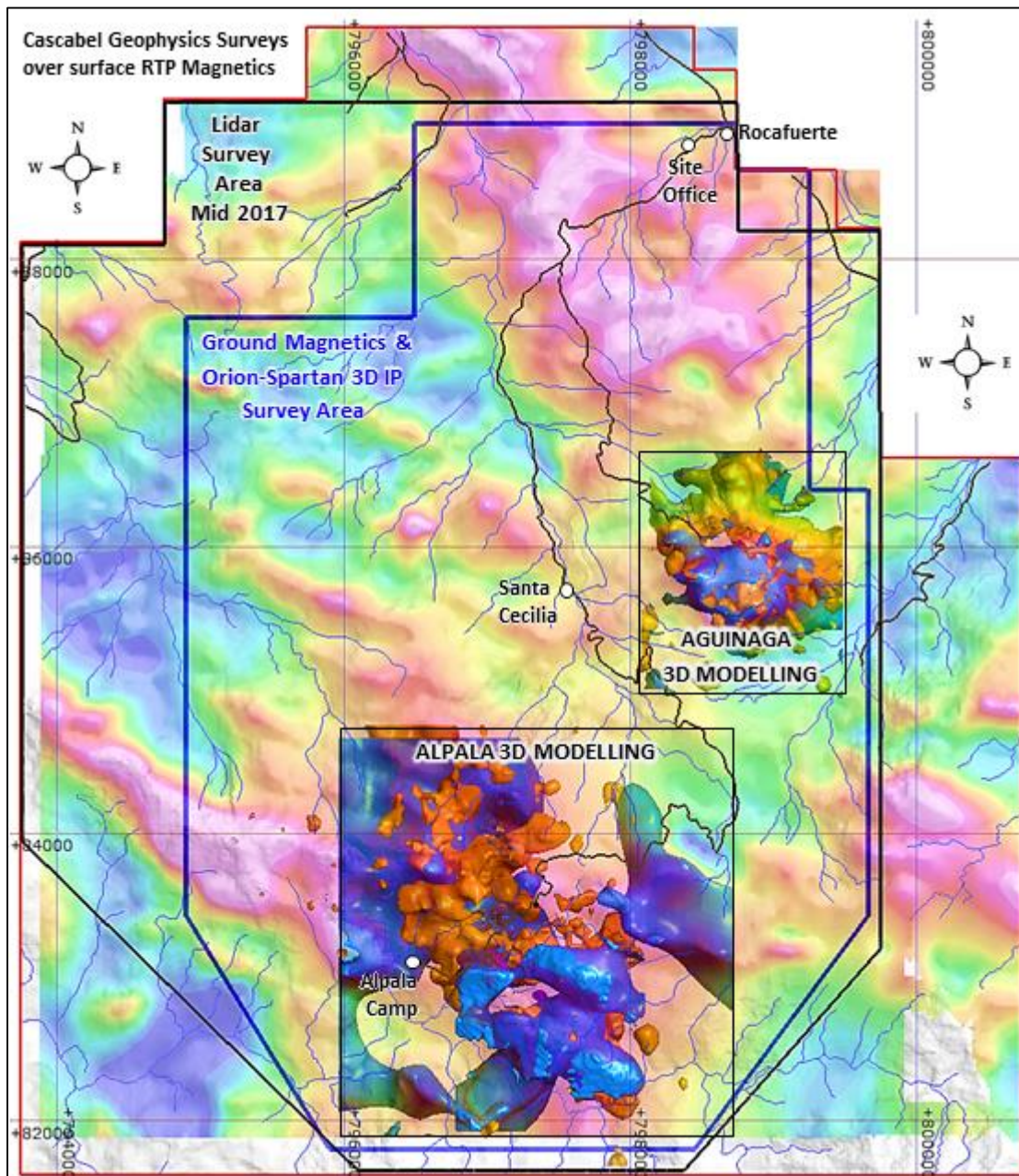


Figure 7: Geophysics Survey areas at the Cascabel project, showing areas being surveyed by current ground magnetics and Orion-Spartan 3D IP programs, the area planned for Lidar topographic control surveying in mid 2017, and the existing Magnetics (blue) and IP Chargeability (orange) 3D Models from surveys completed previously at Alpala and Aguinaga.

Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	CuEq_%	m% CuEq
CSD-13-001	16	318	302	0.39	0.48	0.82	247.64
	222	322	100	0.65	1.00	1.54	154
CSD-13-002	126	418	292	0.37	0.30	0.64	186.88
	184	226	42	0.50	0.68	1.11	46.62
CSD-13-003	4	751.3	747.3	0.11	0.05	0.15	112.095
	584	712	128	0.23	0.14	0.35	44.8
CSD-13-004	160	318.3	158.3	0.11	0.05	0.15	23.745
CSD-13-005	24	1330	1306	0.62	0.54	1.10	1436.6
	778	1310	532	1.05	1.08	2.01	1069.32
	1052	1310	258	1.27	1.40	2.52	650.16
CSD-14-006	702	1038	336	0.18	0.12	0.29	97.44
CSD-14-007	654	1612	958	0.40	0.17	0.55	526.9
	1056	1294	238	0.65	0.35	0.96	228.48
CSD-14-008	396	1310.5	914.45	0.41	0.44	0.80	731.56
	862	1310.5	448.45	0.56	0.64	1.13	506.7485
	1264	1310.5	46.45	0.71	0.58	1.23	57.1335
CSD-14-009	430	1757.4	1327.35	0.57	0.74	1.23	1632.641
	650	1738	1088	0.66	0.89	1.45	1577.6
	1184	1482	298	1.24	1.72	2.77	825.46
CSD-15-010	446	840	394	0.38	0.36	0.70	275.8
	684	840	156	0.63	0.74	1.29	201.24
CSD-15-011	996	1632	636	0.58	0.40	0.94	597.84
	1412	1518	106	0.73	0.50	1.18	125.08
CSD-15-012	128	1440	1312	0.67	0.63	1.23	1613.76
	438	1440	1002	0.76	0.77	1.45	1452.9
	844	1420	576	1.03	1.19	2.09	1203.84
CSD-15-013	926	1302	376	0.52	0.25	0.74	278.24
	920	1126	206	0.61	0.30	0.88	181.28
CSD-15-014	628	1396	768	0.50	0.45	0.90	691.2
	808	1284	476	0.63	0.65	1.21	575.96
CSD-15-015	na	na	na	na	na	na	na
CSD-16-015R	na	na	na	na	na	na	na
CSD-16-015R2	394	1732	1338	0.49	0.36	0.81	1083.78
	666	1694	1028	0.57	0.42	0.94	966.32
	890	1640	750	0.67	0.50	1.12	840
CSD-16-016	516	1661.6	1145.6	0.63	0.78	1.32	1512.192
	548	1404	856	0.80	1.04	1.73	1480.88
	928	1301.6	373.6	1.00	1.34	2.19	818.184
CSD-16-017	330	1278	948	0.60	0.53	1.07	1014.36
	702	1264	562	0.79	0.75	1.46	820.52
	784	1032	248	1.16	1.36	2.37	587.76
CSD-16-018	466	1670	1204	0.46	0.47	0.88	1059.52
	904	1568	664	0.70	0.77	1.39	922.96
	1174	1436	262	0.91	1.15	1.94	508.28
CSD-16-019	268	1400	1132	0.50	0.33	0.80	905.6
	572	1374	802	0.63	0.43	1.02	818.04
	838	1354	516	0.75	0.50	1.20	619.2

Data Aggregation Method: Intercepts reported using copper equivalent cutoff grades of 0.1,0.2,0.3,0.5,0.7,1.0 and 1.5% with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 6m. Gold Conversion Factor of 0.89 calculated from a copper price of US\$2.20/lb and a gold price US\$1350/oz.

Table: Drill hole results to date at Alpala.