

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

**Cascabel Yields a Further World Class Intersection in Hole 17.
Extensions to the Alpala Deposit Upwards and to the South West.**

The Directors of SolGold herewith provide the drill hole CSD-16-017 ("Hole 17") assay results from the Cascabel Copper Gold Porphyry Project (SolGold 85%) in Northern Ecuador. Drill hole 17 adds another world class intersection to the Cascabel inventory, which holds several positions within the group of world class porphyry copper gold drilling results in the public domain, as indicated in **Figure 1**. 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 (refer **Figure 2**, Location, and **Figure 3**, Regional Setting).

HIGHLIGHTS:

- **Drill hole 17 final assay results return 948m @ 0.54% copper and 0.53 g/t gold (for 1.01% copper equivalent) from 330m at Alpala (at 0.2% copper equivalent cut-off grade).**
- **High grade sections within this envelope include:**
 - **562m @ 0.70% copper and 0.75 g/t gold (for 1.36% copper equivalent) from 702m (at 0.4% copper equivalent cut-off grade);**
 - **248m @ 0.94% copper and 1.36 g/t gold (for 2.16% copper equivalent) from 784m (at 0.7% copper equivalent cut-off grade);**
 - **136m @ 1.28% copper and 2.20 g/t gold (for 3.24% copper equivalent) from 846m (at 1.5% copper equivalent cut-off grade).**
- **Intersection commences at 330m, approximately 350m below surface, and remains untested at higher elevation.**
- **Alpala Deposit extensions upwards and south west confirmed.**
- **Alpala mineralisation now drill confirmed over 450m width, 700m in length and 1800m vertically.**
- **Next drill campaign at Alpala includes testing the south west area over a 500m strike length.**
- **Further outcrop targets identified at Tobar Creek 700m west of the Tandayama-America target.**
- **Mapping and rock saw channel sampling continues along significant outcrops to mature drill targets at Aguinaga, Moran, Parambas, Tandayama-America and Carmen.**

FURTHER INFORMATION:

Assay results have been received and compiled for drill hole 17, indicating a significant upper level high grade zone to the porphyry copper-gold system and confirming a 150m lateral extension to the south west at Alpala. Results are presented in **Table 1**.

Hole ID	DepthFrom	DepthTo	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%
CSD-16-017	330	1278	948	0.54	0.53	1.01
CSD-16-017	702	1264	562	0.70	0.75	1.36
CSD-16-017	784	1032	248	0.94	1.36	2.16
CSD-16-017	846	982	136	1.28	2.20	3.24

* Data Aggregation Method - intercepts reported using copper equivalent cutoff grades, with up to 10m internal dilution, excluding bridging to a single sample. Gold Conversion Factor of 0.89 calculated from copper price US\$2.2/lb and gold price US\$1350/oz.

Table 1: Drilling results from Hole 17 (CSD-16-017) at Alpala.

The hole was drilled from the same location as Holes 4, 14 and 16, in a south westerly direction (233 azimuth) at a declination of 74 degrees. The hole was designed to test and confirmed the upper extensions of rich mineralisation encountered in Holes 5 and 12. Molybdenum anomalies in soil samples in the area tested by Hole 17 are considered to indicate the surface expression of the zone encountered (refer **Figure 4**, Drill Hole Location Plan).

Intense visual, porphyry style, copper sulphide mineralisation in Hole 17, including 183m of very intense visible bornite-chalcopyrite copper sulphide mineralisation from 816m to 999m was reported and announced on 16 May 2016 (bornite and chalcopyrite are important copper ore minerals containing around 63% and 35% copper, respectively). The very highest grade mineralisation in this zone has assayed 136m @ 1.28% Cu and 2.20 g/t Au for 3.24% copper equivalent from 846m, at a cut-off grade of 1.5% copper equivalent.

Commenting on the Hole 17 intersection, CEO, Mr Nick Mather remarked “...this is a most pleasing result. Not only does it extend the Alpala deposit but it confers strong copper and gold grades high up closer to surface. We’ll be putting in some new pads to test this zone over a 500 metre strike length and I think it will add significantly to the size of this deposit. Our field crews and management are to be congratulated on a tremendous achievement on this project to date

The gold content of this system suggests that it may be more appropriately referred to as a gold deposit. There simply aren’t very many gold systems like this in the world that are big rich and predictable. Cascabel is certainly unique.”

The Hole 17 mineralised zone represents the continuation of strong copper and gold mineralisation intersected in Holes 5 and 12 (refer **Figure 5**, Cross-section through Alpala Deposit) which returned intersections including:

- Hole 5: 532m @ 1.05% Cu and 1.08 g/t Au from 778m.
- Hole 12: 576m @ 1.03% Cu and 1.19 g/t Au from 844m.

The intersection in Hole 17 has the effect of extending the mineralised envelopes of the company’s 3D models to the south west by 150 metres. This result significantly enhances the shallow high-grade resource potential at Alpala.

Examples of mineralised drill core encountered in Hole 17 are illustrated in **Figures 6 and 7**.



Commenting on the Hole 17 results, Technical Services Manager, Mr Benn Whistler said “...its very encouraging to see such strong copper and gold mineralization at the upper south western extent of the deposit, especially considering that the high-grade disseminated core of the causative intrusion driving the copper and gold mineralisation at Alpala has only been intersected in drill hole 8, which terminated at a depth of just over 1300m, in grades of 0.95% copper and 0.97 g/t gold. We are very confident that further testing of this high-grade source intrusion offers considerable potential to extend both size and grade of the deposit at depth.”

Alpala Central is the only one of fourteen (14) targets outlined in the complex porphyry cluster on the Cascabel Exploration Licence that has been drilled thus far. The anomalies have been identified on the basis of strong coincident copper/zinc and molybdenum highs supported by 3D Magnetic Vector Imaging (MVI). The MVI models are reconciled to actual magnetic susceptibility data from drilling at Alpala, and SolGold is increasingly confident that the combination of the MVI modelling and surface mapping sampling and geochemistry is a highly predictive strategy for drill targeting.

Current field activities involve auger bedrock sampling, infill soil grids, and reconnaissance mapping and sampling and geophysical modelling, focussing on Aguinaga, Tandayama-America, Moran, Trivinio, Parambas and Carmen.

By order of the Board
Karl Schlobohm
Company Secretary

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 30 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.

CONTACTS

Mr Nicholas Mather
SolGold Plc (Executive Director)
nmather@solgold.com.au

Tel: +61 (0) 7 3303 0665
+61 (0) 417 880 448

Mr Karl Schlobohm
SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Tel: +61 (0) 7 3303 0661

Mr Ewan Leggat
SP Angel Corporate Finance LLP (NOMAD and Broker)
ewan.leggat@spangel.co.uk

Tel: +44 (0) 20 3470 0470

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Company	Property	Location	Interval (m)	Copper (%)	Gold (g/t)	Cu.Eq (%)	m% (Cu.Eq)
Codelco	Chiquicamata***	Northern Chile	?	?	?	?	
Codelco	El Teniente***	Central Chile	?	?	?	?	
Kennecott	Bingham Canyon	Utah, USA	?	?	?	?	
Newcrest / Harmony Gold	Wafi-Golpu	PNG	883	2.15	2.23	4.13	3868
Newcrest / Harmony Gold	Wafi-Golpu	PNG	799	1.9	1.43	3.17	2661
Anglo American	La Poloma	Central Chile	730	3.58	-	3.58	2613
Anglo American	Los Sulphatos	Central Chile	717	3.60	-	3.60	2581
Reservior Minerals / Freeport McMoran	Chukaru-Peki	Eastern Serbia	291	5.13	3.40	8.16	2485
Imperial Metals	Red Chris	BC, Canada	1024	1.01	1.26	2.13	2324
Freeport McMoran	Grasberg	Irian Jaya	591	1.7	1.8	3.30	2069
Anglo Gold Ashanti	Nuevo Chaquiri	Colombia	810	1.65	0.78	2.34	1968
Solgold - Hole 12	Cascabel	Northern Ecuador	1312	0.67	0.63	1.23	1706
Solgold - Hole 9	Cascabel	Northern Ecuador	1088	0.66	0.89	1.45	1686
Newcrest	Cadia Ridgeway	NSW, Australia	341	0.93	3.86	4.37	1633
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	326	3.77	1.23	4.86	1630
Solgold - Hole 16	Cascabel	Northern Ecuador	1146	0.63	0.78	1.32	1616
Solgold - Hole 5	Cascabel	Northern Ecuador	1306	0.62	0.54	1.10	1515
Exeter Resources	Caspiche	Northern Chile	1214	0.90	0.33	1.19	1493
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	476	2.16	0.67	2.76	1347
Anglo American	Los Sulphatos	Central Chile	990	1.26	-	1.26	1247
Imperial Metals	Red Chris	Canada	1135	0.50	0.59	1.03	1237
Ivanhoe Mines	Hugo Dummet	Southern Mongolia	302	3.11	0.98	3.98	1235
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	258	3.68	0.98	4.55	1202
Solgold - Hole 15R2	Cascabel	Northern Ecuador	1338	0.49	0.36	0.81	1137
Ivanhoe Mines	Oyu Tolgoi**	Southern Mongolia	422	2.48	0.21	2.67	1135
Exeter Resources	Caspiche	Northern Chile	1058	0.70	0.35	1.01	1111
Imperial Metals	Red Chris	BC, Canada	716	0.79	0.74	1.45	1096
Exeter Resources	Caspiche	Northern Chile	793	0.96	0.40	1.32	1078

NOTES: 1. Copper equivalent conversion factor of 0.89 calculated from copper price US\$2.2-/pound and gold price US\$1350/ounce.
 2. The Chilean, Chiquicamata and El Teniente, state owned drilling results remain unpublished. 3. Bingham Canyon drilling results remain unpublished.
 Sources: various company releases & broker reports, intierra.com, infomine.com.

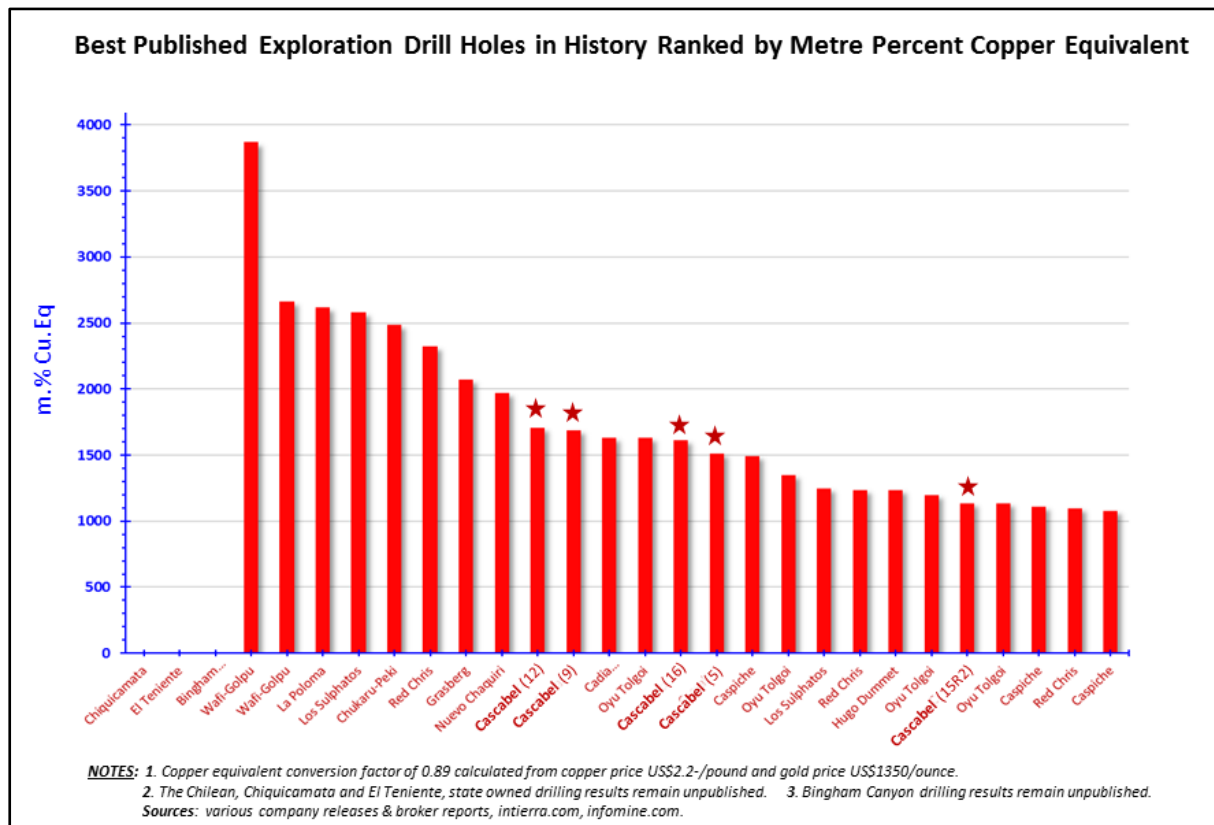


Figure 1: A summary of world class porphyry copper gold drilling results in the public domain.

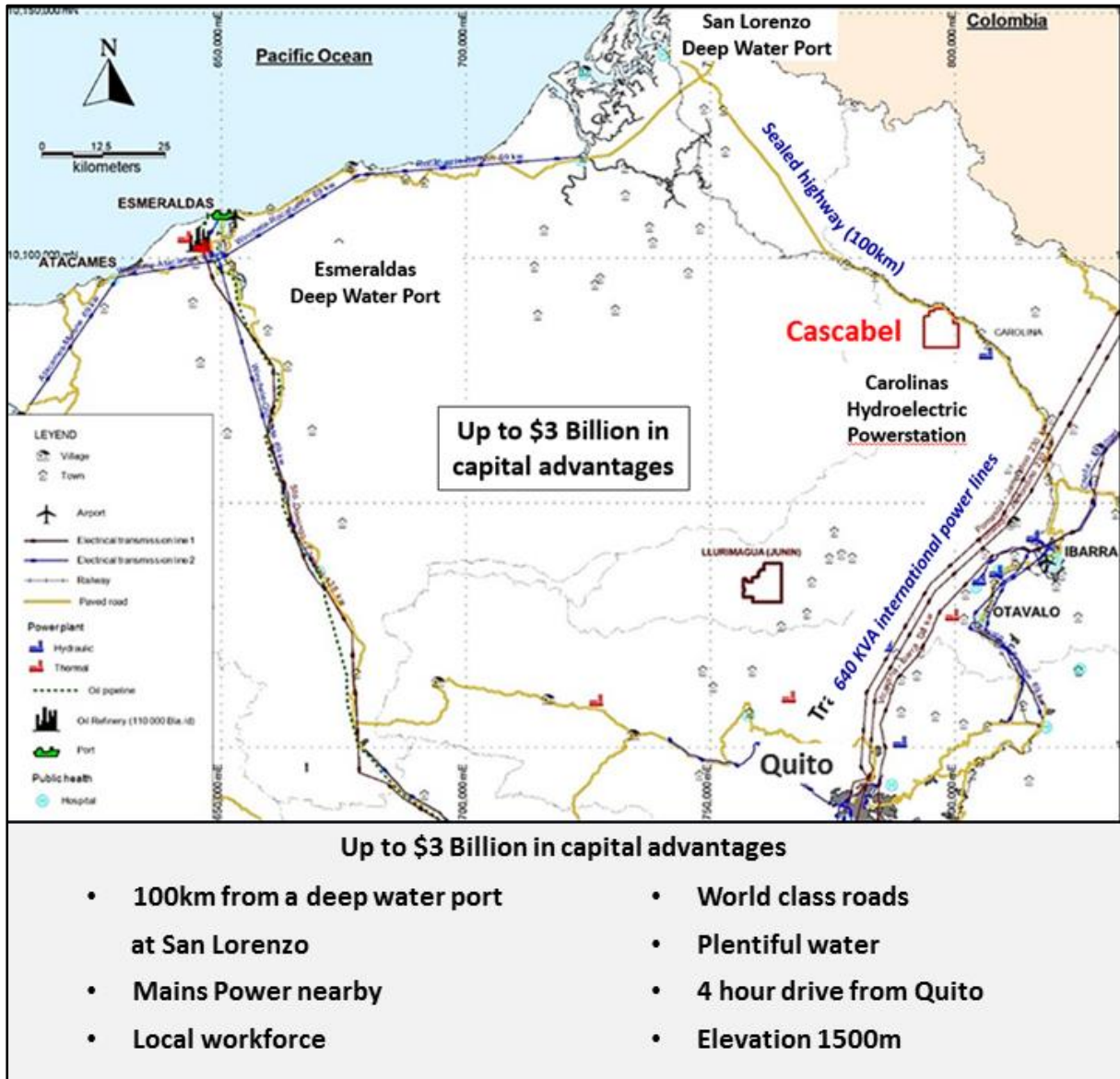


Figure 2: Location of Cascabel project in northern Ecuador.

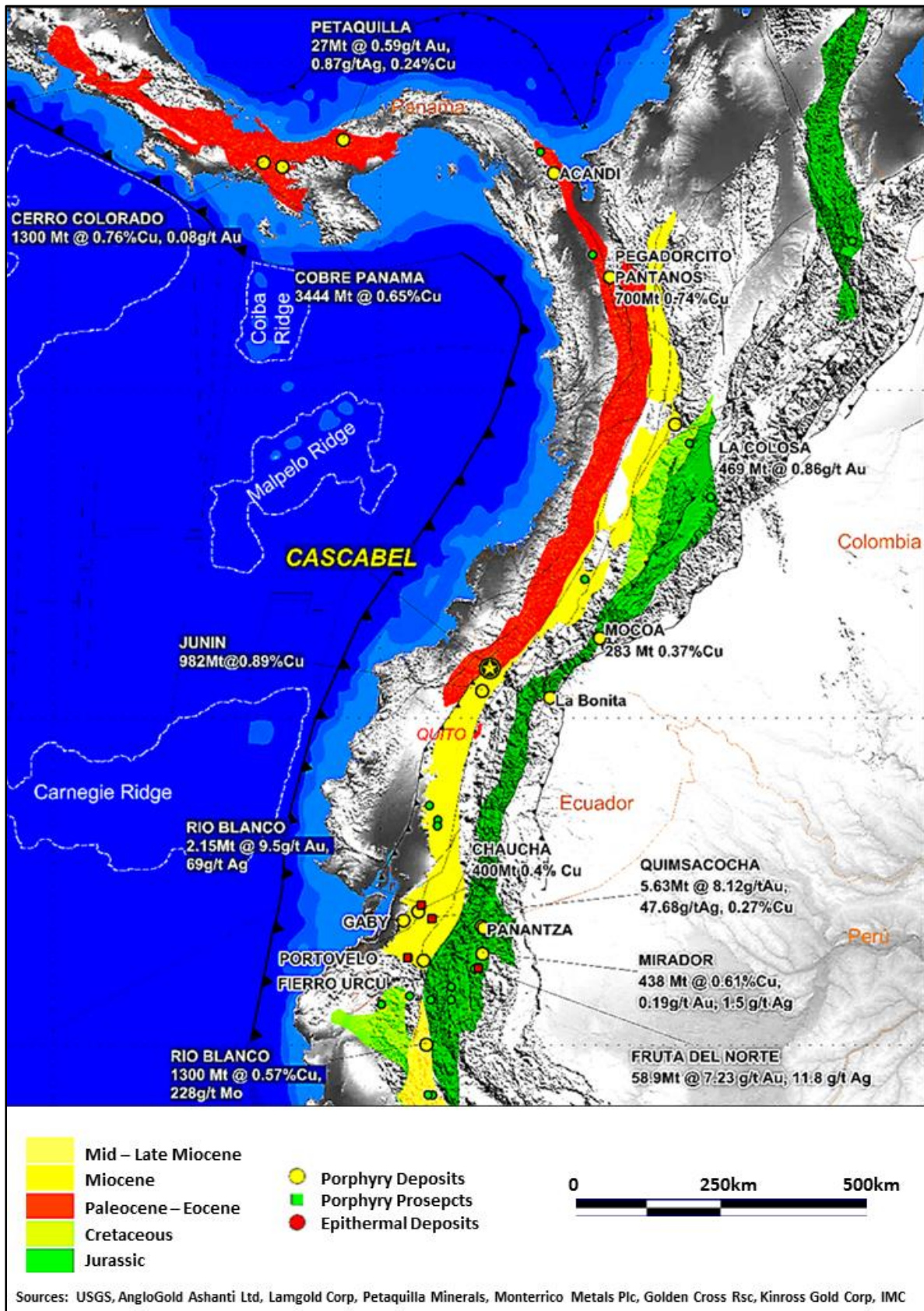
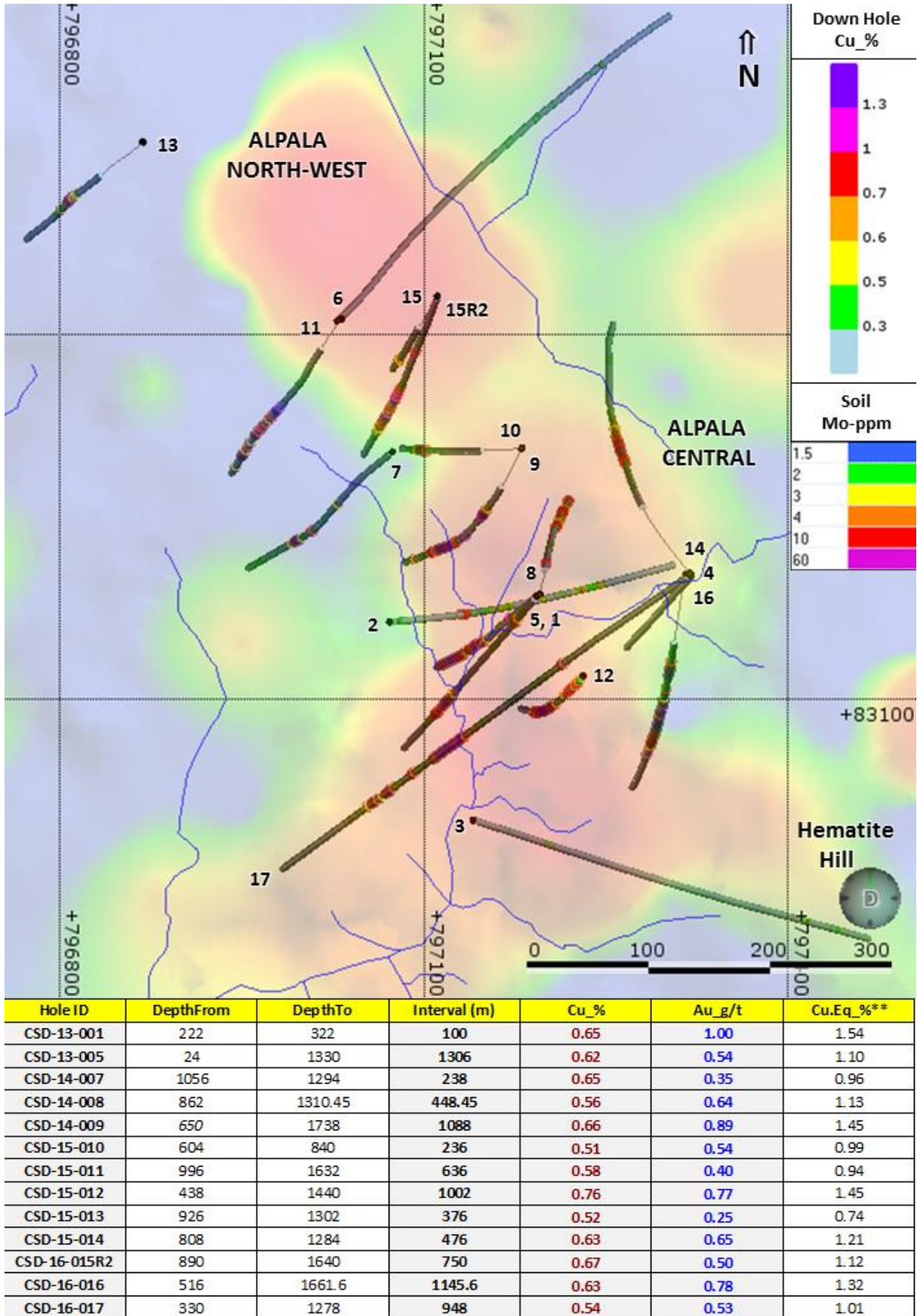


Figure 3: Regional Setting of the Cascabel Project, in the northern Andean Copper Belt.



**Data aggregation methods described in Notes to Editors

Figure 4: Drill hole location plan, showing drainage, access and drilling highlights at Alpala, over soil molybdenum background.

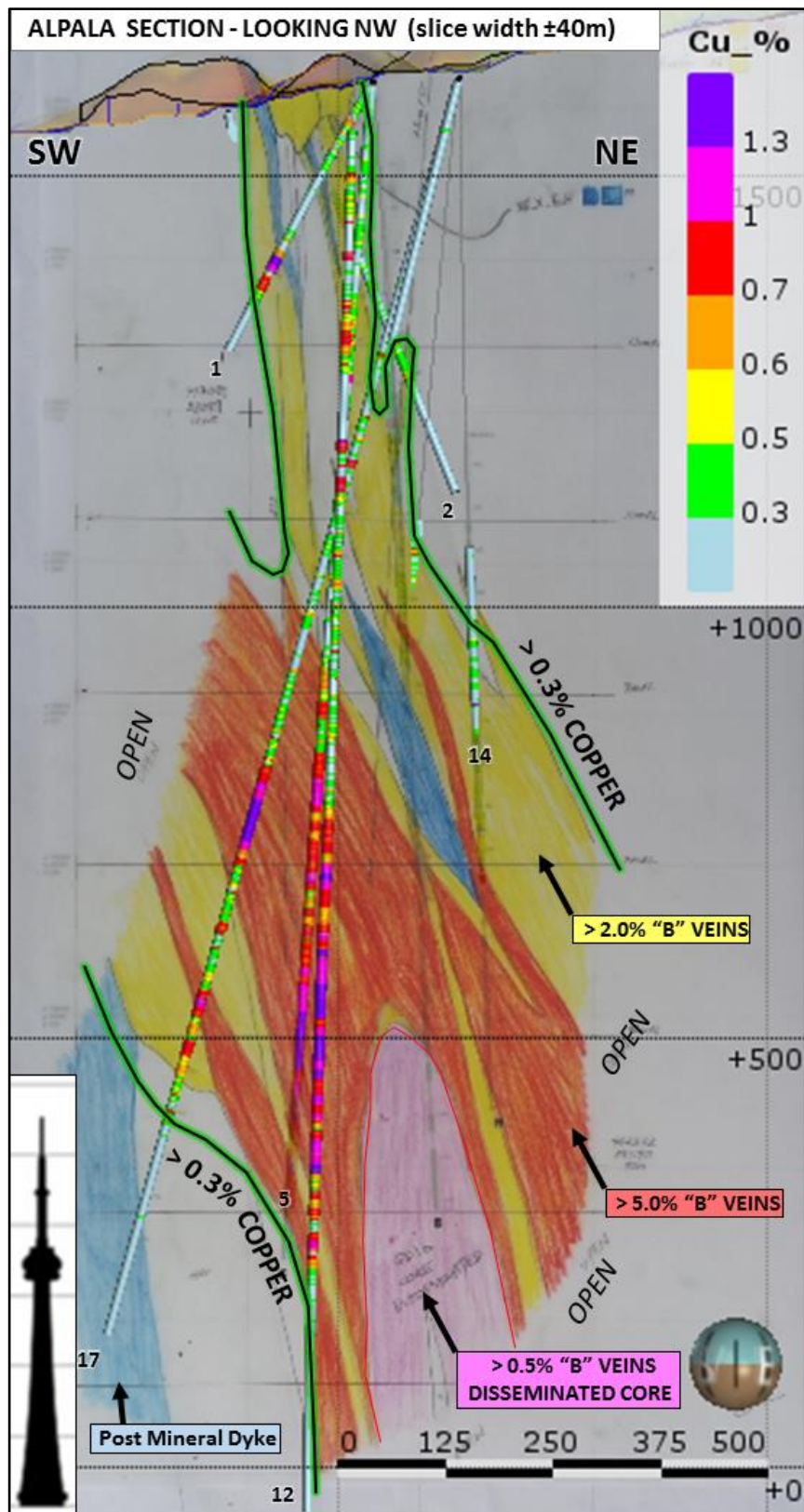


Figure 5: Cross-section through the Alcala deposit, showing surface soil molybdenum, porphyry style “B” type quartz vein abundance, post mineral dykes, and the 0.3% copper interpolant outline defining the known extents of the Alcala deposit to date, showing relative size of the CN Tower (457m), in Toronto, ON, Canada.

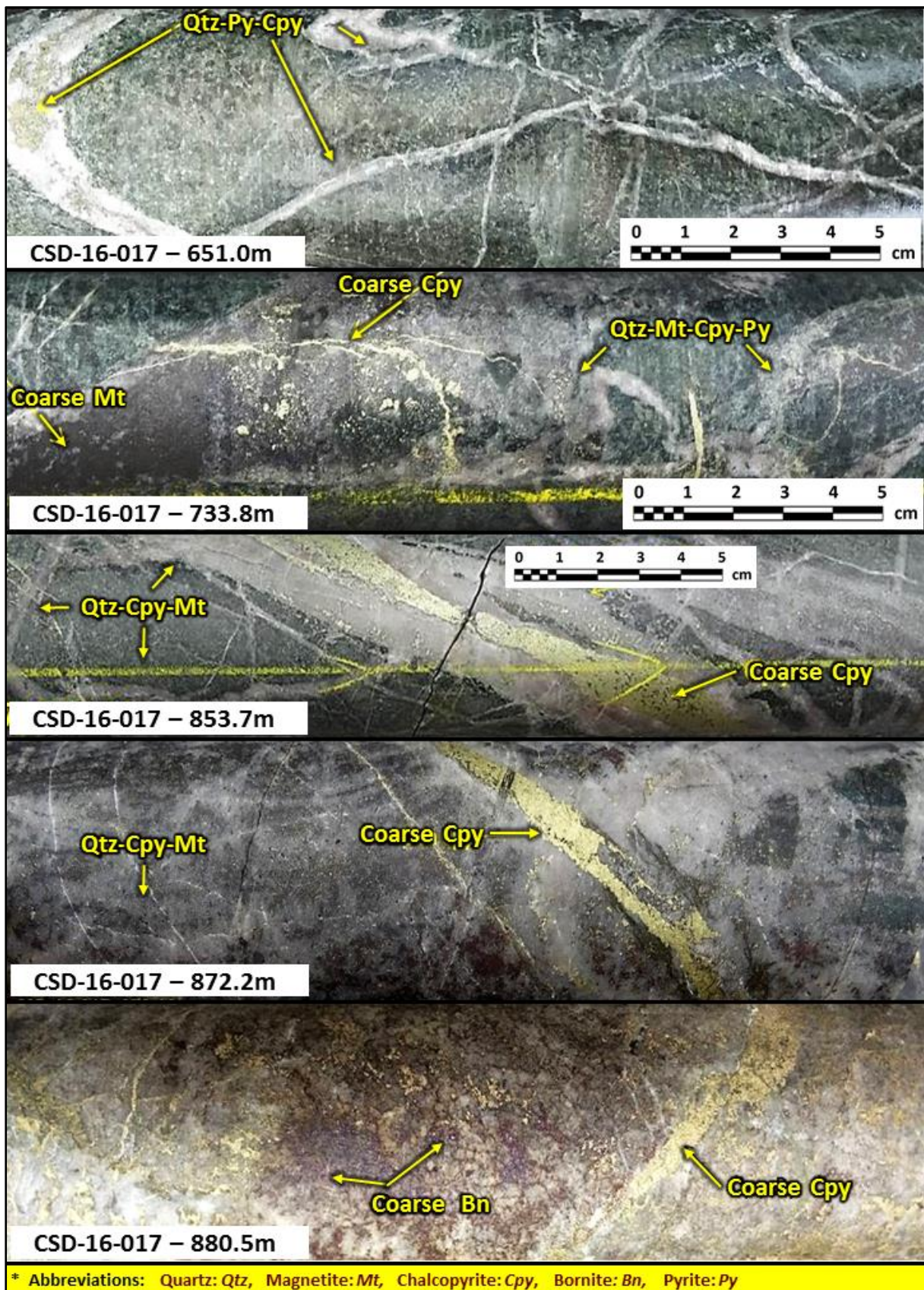


Figure 6: Examples of mineralisation encountered in Hole 17.

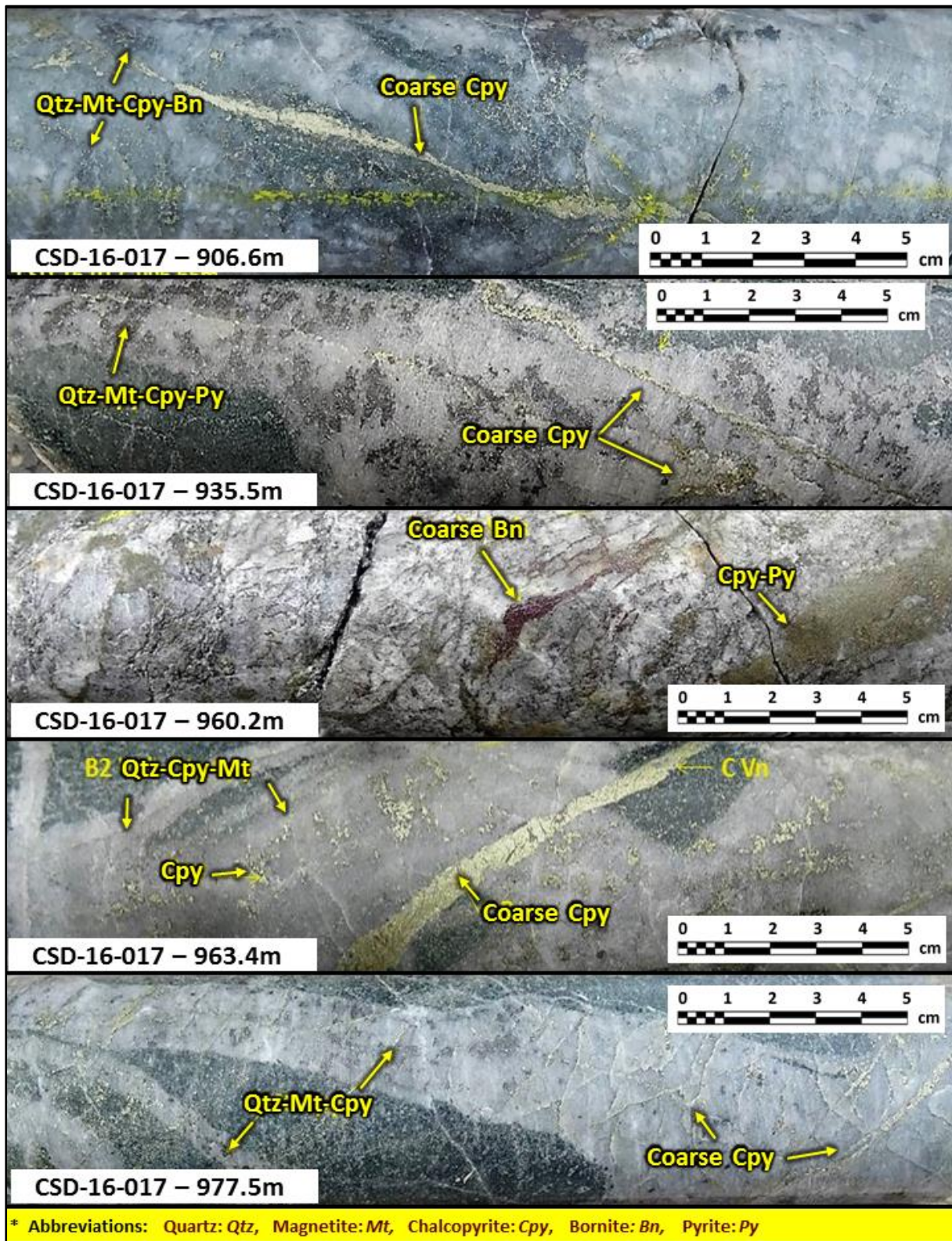


Figure 7: Examples of mineralisation encountered in Hole 17.



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 June 2016, the Company had completed approximately 25km² of soil sampling, 14km² of electrical surveys, 23,700m of drilling and expended a total of approximately US\$32m on the program, corporate costs and investments. 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.

SolGold is planning a resource statement at Alpala the most advanced target at Cascabel during 2016, in addition to drill testing the other key targets in the Cascabel concession at Aguinaga, Trivinio, Moran, Alpala Northwest, Hematite Hill, Alpala Southeast, Cristal, Tandayama-America and Chinambicito. 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.

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 US\$2.20/pound and gold price of US\$1350/ounce.

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 953,897,601 ordinary shares issued, 4,820,000 options exercisable at 50p, 7,280,000 options exercisable at 28p and 9,280,000 options exercisable at 14p.



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