



8 October 2013

SolGold Plc
("SolGold" or the "Company")

Cascabel Project Update
Second Drill Hole Intersects Copper Mineralisation
Third Hole Underway

The Board of SolGold (AIM code: SOLG) is pleased to report on exploration progress at its Cascabel Project, the Company's copper-gold project in northern Ecuador. It should be noted that assays from mineralised core have not yet been received.

Highlights:

- **Drill hole CSD-13-002 intersects several broad zones of visually identified porphyry copper mineralisation at Alpala Prospect.**
- **Magnetite and finely disseminated chalcopyrite and bornite in relic clasts suggest the copper sulphide mineralisation is part of a larger porphyry system, which is the main target at Alpala.**
- **Porphyry copper-gold targets associated with magnetic apophyses beneath the two surface lobes of the lithocap remain to be drill tested.**
- **CSD-13-003 (Hole 3) at Alpala commenced 6 October.**
- **Corporate - Probationary period completed, CEO promoted to MD.**

Commenting on today's update, SolGold Managing Director, Alan Martin stated, "Drill holes CSD-13-001 and CSD-13-002 fully support our interpretation that the broader Alpala region has potential to host a world-class porphyry copper-gold deposit. We believe we are high and on the margins of the mineralising system. On-going drilling will progressively target other areas of the magnetic complex as we systematically build up the picture of zonation within the target environment".

SolGold holds a 50% interest, and can earn up to 85% interest, in Exploraciones Novomining S.A. ("ENSA"), an Ecuadorean registered company, which holds 100% of the Cascabel concession in northern Ecuador. Cornerstone Capital Resources Inc. ("Cornerstone") currently holds the other 50% of ENSA.

The Cascabel project is located in north-western 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 60 km to the southwest of Cascabel, the 3.3 billion tonne 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.



Regional Target Area

The Alpala prospect comprises porphyry copper-gold mineralisation outcropping in erosional gullies along the Alpala drainage system, where surface trenching has identified mineralised sheeted and stockwork quartz veins bearing the copper sulphide minerals chalcocite, covellite, bornite and chalcopyrite.

In the broader context, the area of out-cropping porphyry copper-gold mineralisation at Alpala lies beneath a 2.5 km by 1 km zone of intense acid alteration at higher elevations on the northwest and southeast margins of the Alpala drainage system. This zone of acid alteration defines a 'lithocap' (*a capping zone of acid clay and silica hydrothermal alteration that typically forms at shallow levels overlying porphyry copper-gold deposits*; Figures 1a and 1b).

The lithocap is centred over a 2.5-km-long by 1-km-wide magnetic high anomaly (Figure 1a), which defines the broader extent of the Alpala target, and is associated with widespread geochemical anomalism (copper, gold, molybdenum) in soil samples. Within this broader zone of magnetic rocks, there is a modelled magnetic core, which forms an interpreted 'apophysis' (*a tapering offshoot from a larger igneous intrusive mass*) located under the southeast lobe of the lithocap (Figure 1b). Deeper and more subtle magnetic apophyses lie under the northwest lobe of the lithocap. These apophyses are yet to be drill tested in the broader Alpala region.

Drill Hole CSD-13-002 Intersects Visually Identified Porphyry Copper Mineralisation

Completed drill holes at Alpala, CSD-13-001 and CSD-13-002, were drilled in the area of outcropping sheeted and stockwork veins. The visual results from drill hole CSD-13-001 were reported on the 11th September and assay results are expected in mid-October.

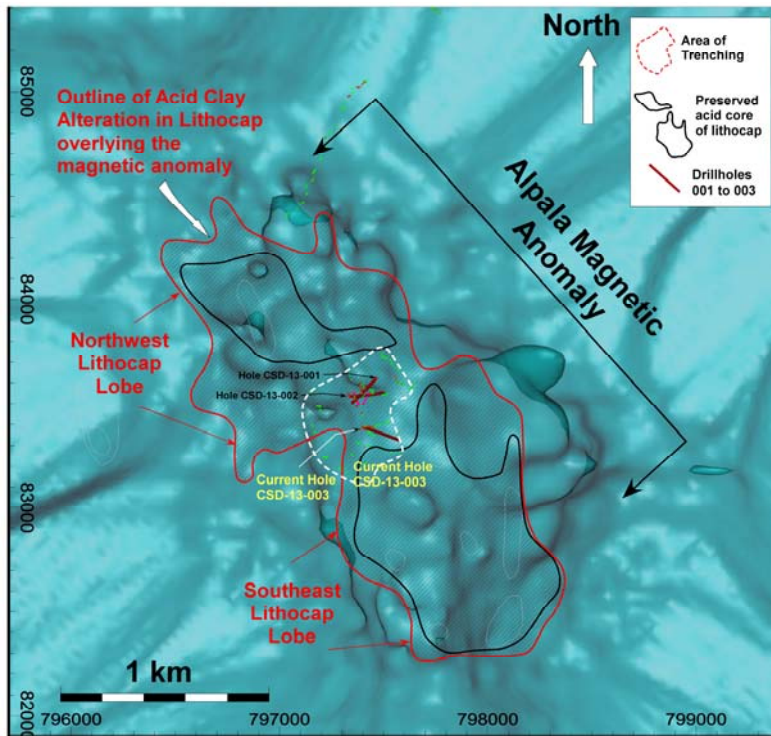
Drill hole CSD-13-002 commenced drilling on 15 September and was terminated at 547.42 metres depth on 3 October. The hole was drilled with an azimuth of 090 degrees and a dip of 60 degrees. The drill hole was centred in the area of mineralised trenches at Alpala and drilled to test the extension of porphyry stockwork mineralisation at depth to the east of hole CSD-13-001 (Figure 2).

This second drill hole at Alpala encountered an extensive zone of phyllic alteration (*quartz-sericite-pyrite*) in the upper part of the hole before transecting alternating zones of argillic, propylitic and phyllic alteration in the lower part of the hole (Figure 2). The drill hole intersected a number of zones of visible copper-sulphide minerals within diorite intrusives and volcanic country-rock, extending from near surface to near the bottom of the hole (Figure 2). Visible fine-grained and coarse-grained bornite and/or chalcopyrite were observed in these intervals. Core samples from some of the better-mineralised examples are shown in the five photographic plates below whilst the down-hole locations are plotted on Figure 2. The presence of bornite and chalcopyrite through substantial sections of the latest drill hole, in conjunction with the interpreted position of the hole at high levels on the margin of the mineralising system at Alpala, suggest that the hole was drilled within an extensive halo to the main deposit. The next three holes of the Stage 1 drill program will progressively step further afield and test a number of magnetic targets that collectively make up the regional magnetic anomaly.

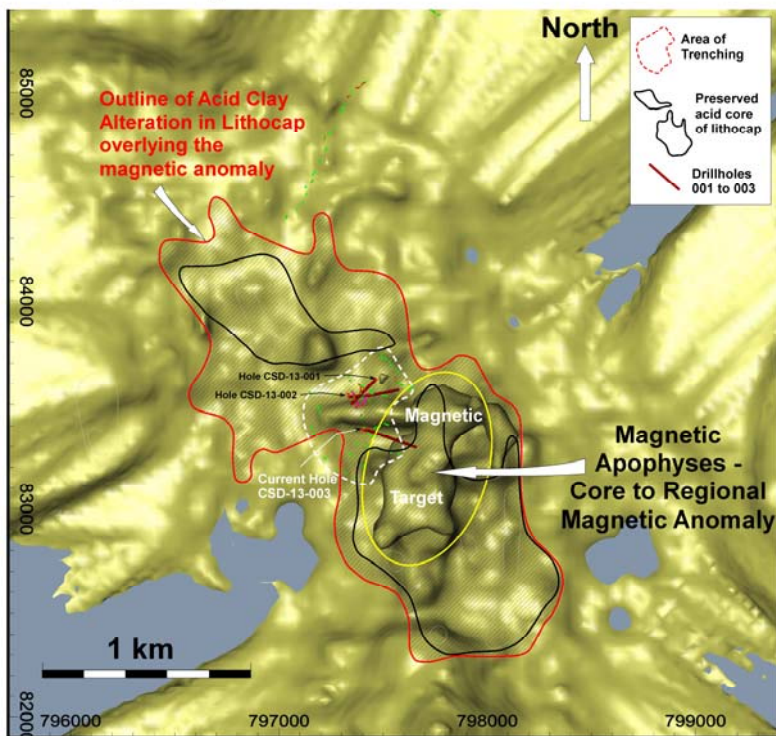


At this early stage, several particularly encouraging features of hole CSD-13-002 are:

- Clasts of potassic-altered diorite (i.e. containing potassium feldspar and magnetite) were observed around 205m depth and build confidence that the potassic core to porphyry mineralisation is associated with parts of the extensive magnetic anomaly to the southeast or northwest as plotted (Figure 1a).
- Long runs of mineralisation in hole CSD-13-002 (whose grade is yet to be determined by assay) suggest that the hole lies within a broad regional halo of copper mineralisation. The Company believes this may surround a central body of porphyry copper-gold mineralisation that is the principal target for ongoing drilling.
- The lateral area tested by holes CSD-13-001 and CSD-13-002 comprises a small portion of the extensive target area defined by surface geochemistry (stream sediment, soil and rockchip samples), magnetics and alteration mapping at Alpala.



Alpala Magnetic Model at 0.0209 modelled SI Units



Alpala Magnetic Model at 0.0263 modelled SI Units

Figure 1a (upper panel) - The location of completed drill holes CSD-13-001 and 002 and new hole CSD-13-003 relative to the broader magnetic anomaly (2.5 km x 1 km target area) at Alpala. **Figure 1b (lower panel)** - The same drill holes shown relative to the stronger magnetic core of the anomaly located beneath the southeast lobe of the lithocap.

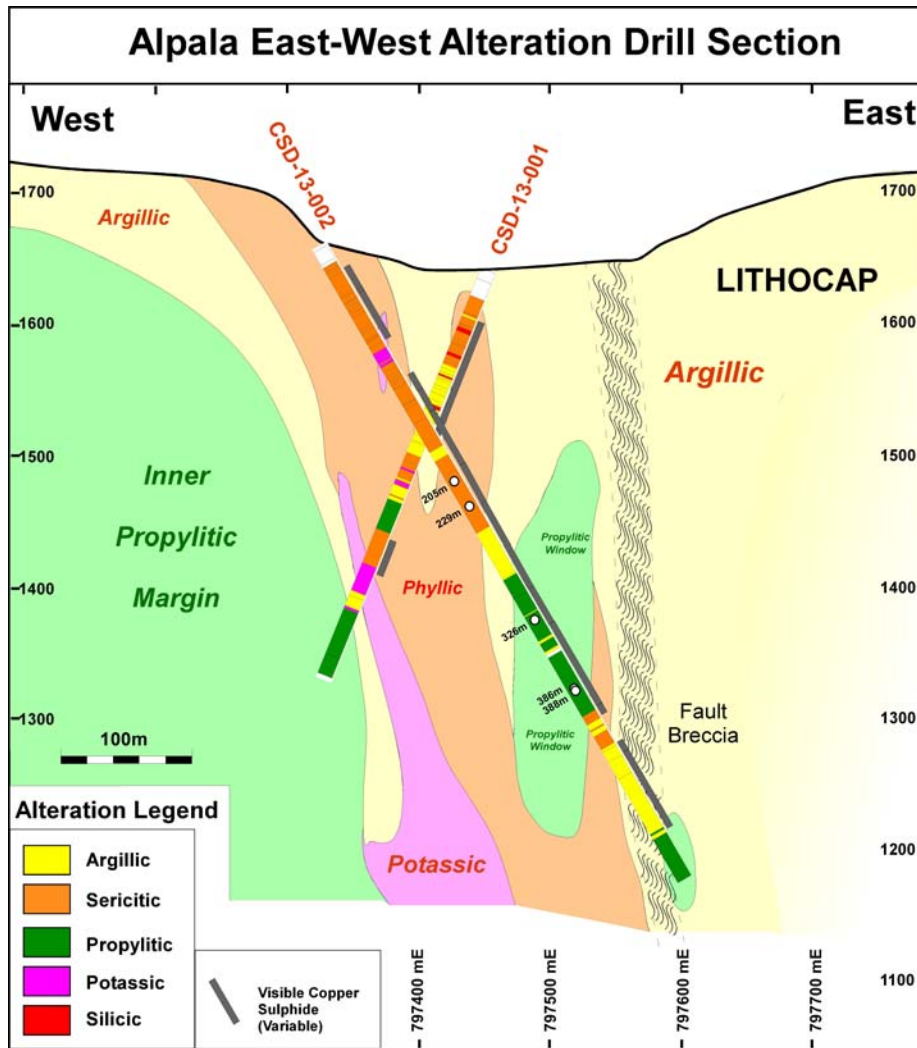


Figure 2 – Drill holes CSD-13-001 and CSD-13-002 projected onto a west-east cross-section at Alpala. Intervals containing visible copper-sulphide minerals are shown by the grey bars on the side of the drill traces. The vertically elongate zone of potassic and phyllic alteration assemblages on cross-section suggests that structures (or faults) control their distribution at this shallow and peripheral level of the system.

Refer to SolGold’s website (www.solgold.com.au) for the cross-section schematic of drill holes CSD-13-001 and CSD-13-002 and photographic plates from the Phase 1 drilling program at the Alpala Prospect.

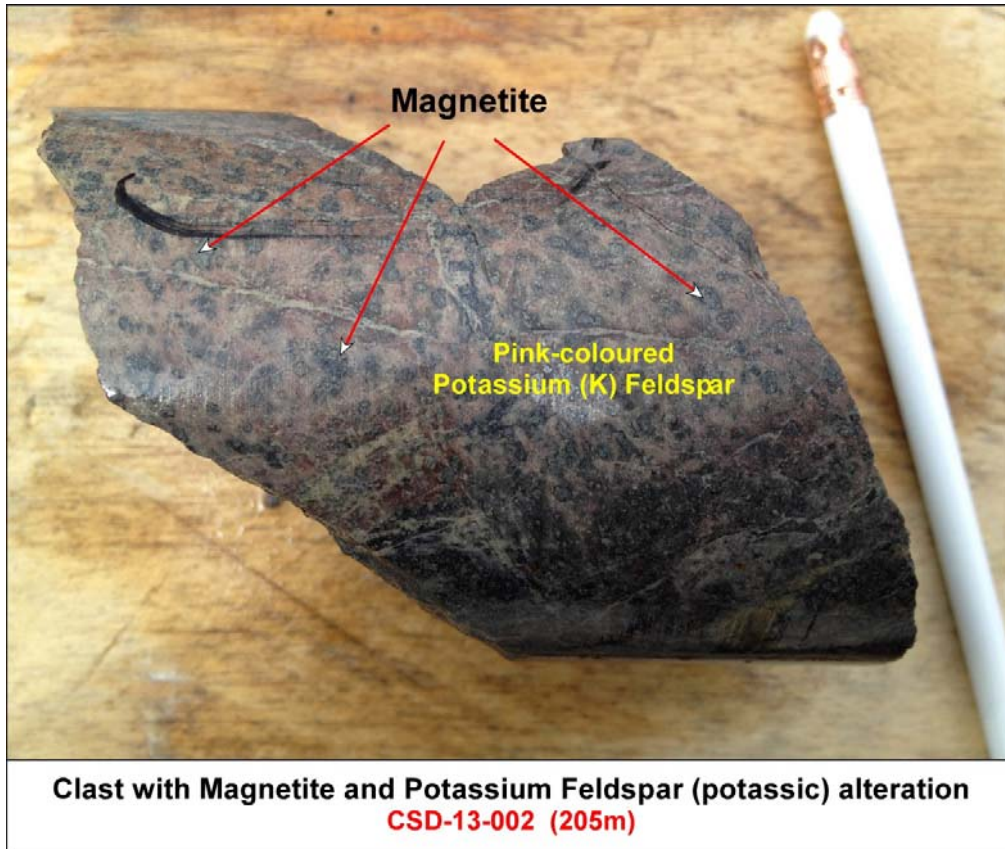


Figure 3

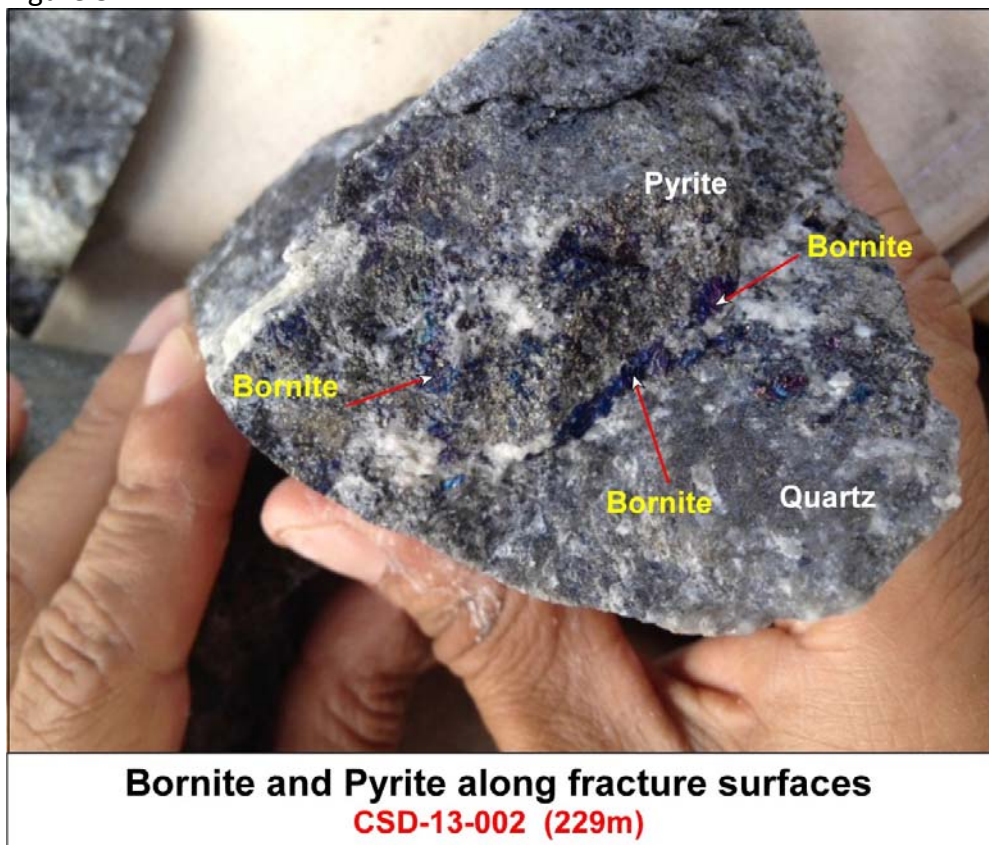


Figure 4:

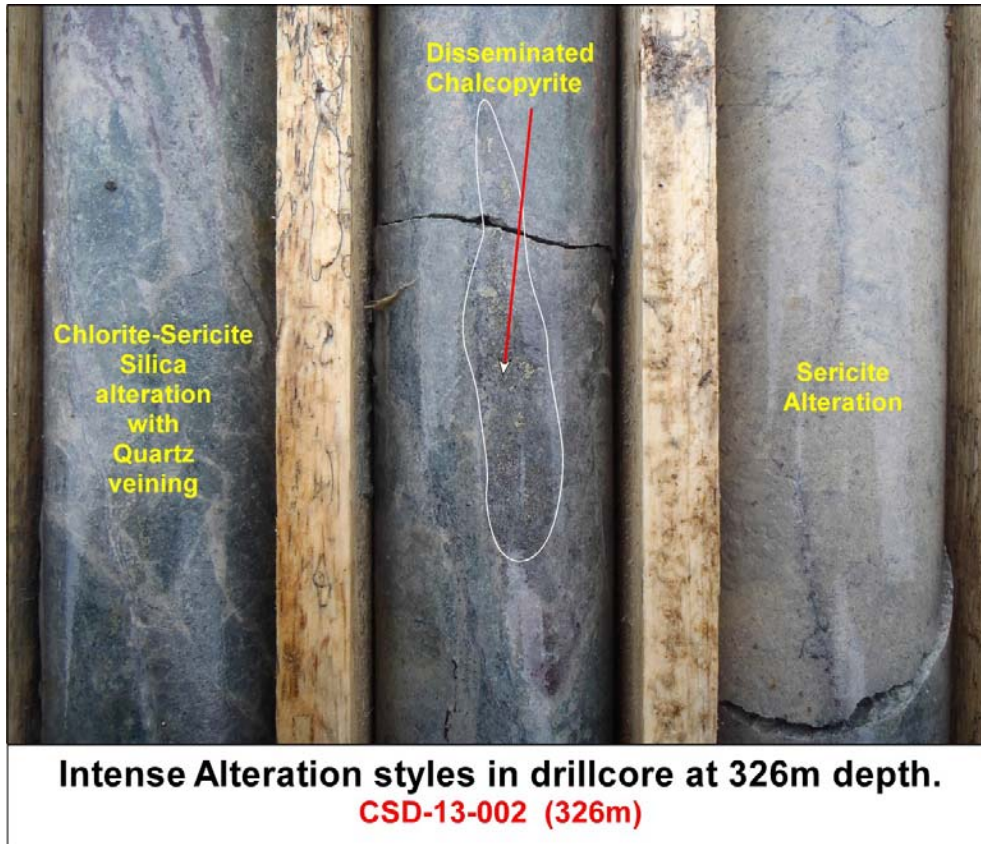


Figure 5:

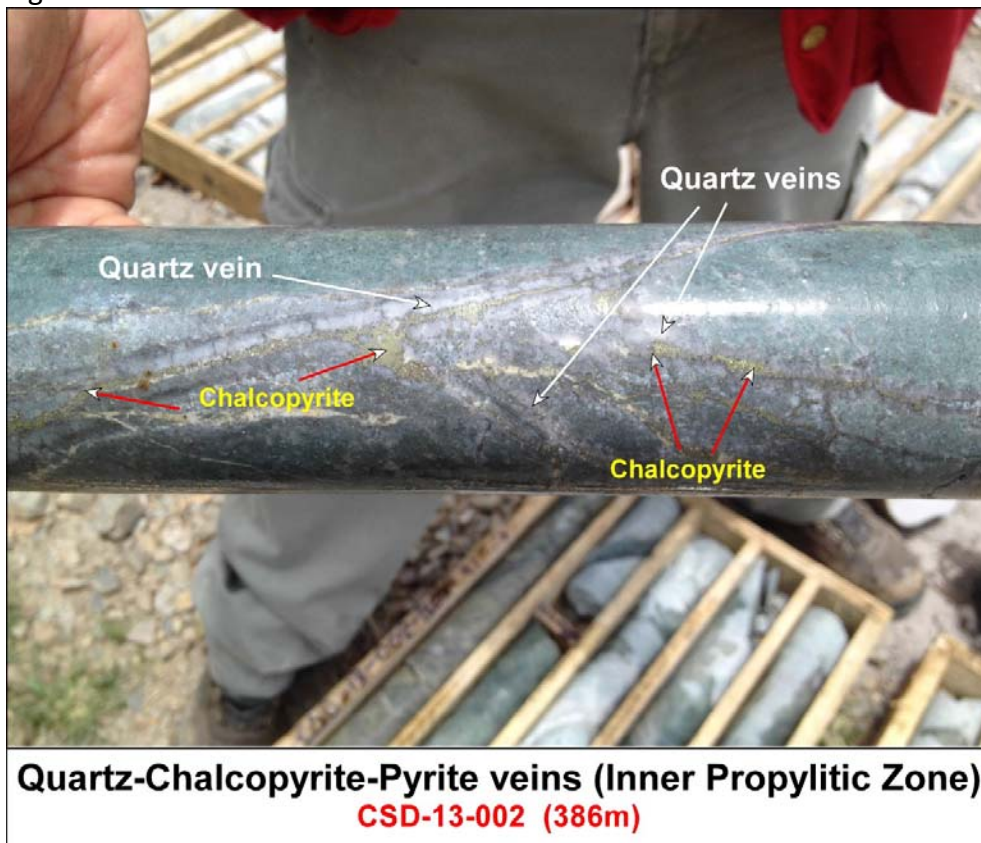


Figure 6:

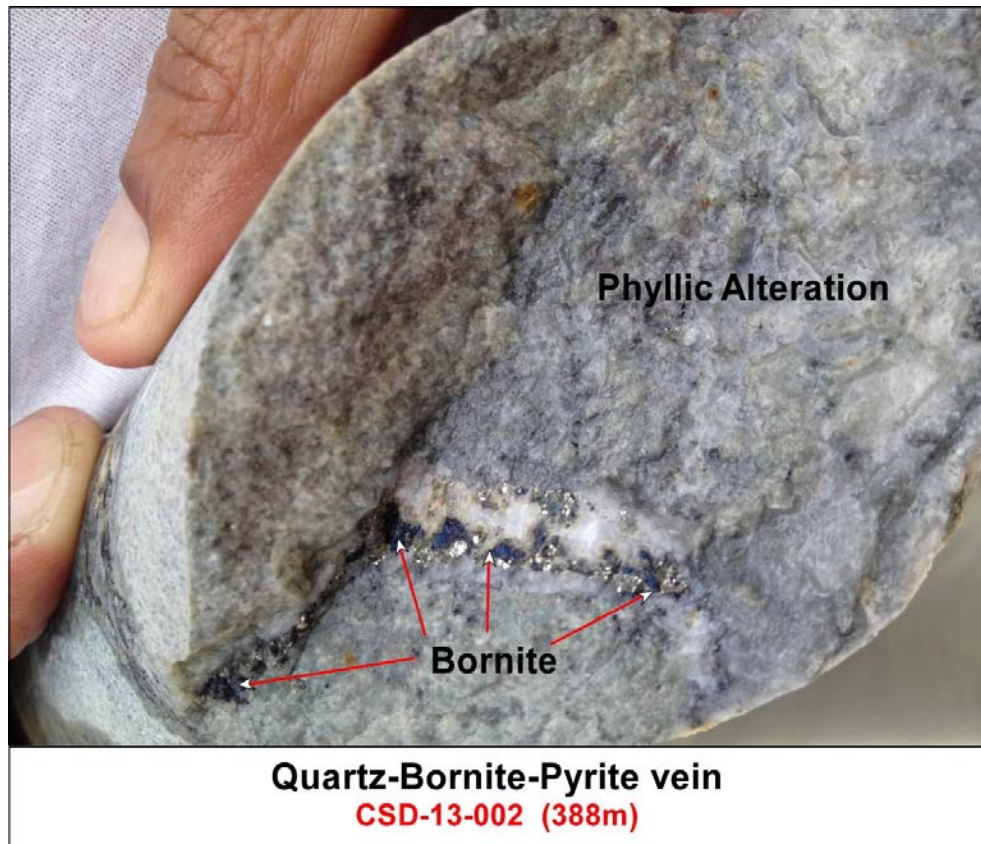


Figure 7:

Hole CSD-13-003 Underway

Drill hole CSD-13-003 commenced on 6 October. This hole is targeted to test the main magnetic body under the southeast lobe and has a planned depth of 750 metres.

Corporate Update

The board of SolGold is pleased to report that Chief Executive Officer Alan Martin has completed his probationary period, and has today been promoted to Managing Director of the Company.

Commenting on the promotion, Chairman of SolGold Brian Moller states:

“The Board of SolGold is very pleased with the performance of Alan since he joined the Company. During this period, Alan has assisted with the refocus of the company’s exploration activities to the Cascabel Project, streamlined reporting functions, reduced operating costs of the company, and overseen the raising of approximately AUD6.4M (£3.8M). The Board welcomes Alan to the position of Managing Director, and looks forward to working with him to continue to generate value for shareholders”.



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 in excess of 25 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 JV 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 and Kuma licenses, both of which are located on Guadalcanal.

The Cascabel copper-gold project is located approximately 180 km by sealed 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 JV partner is being sought for the Fauro project to pursue drilling of gold-copper targets defined in the 2011 exploration program.

SolGold's strategy is to be an integrated gold and copper discoverer, developer and miner.

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 Alternative Investment Market (AIM) in 2006, under the AIM code 'SOLG' and currently has a total of 603,895,309 fully-paid ordinary shares, 19,608,000 options exercisable at 50p, 11,000,000 options exercisable at 28p, 8,000,000 options exercisable at 14p, and 3,000,000 options exercisable at 6p on issue.