

30 March, 2016

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

Cascabel Exploration Update

HIGHLIGHTS:

- **Final assay results from CSD-15-014 ("Hole 14"), which tested eastern extensions of the Alpala Central deposit, returned the following intersections:**
 - **768m @ 0.50 % copper and 0.45 g/t gold, including**
 - **476m @ 0.63 % copper and 0.65 g/t gold, including**
 - **222m @ 0.83 % copper and 1.08 g/t gold.**
- **The intersections achieved in Hole 14 increase the average width of the Alpala Central Deposit to 300m and show the deposit continues to remain open to the east and north-east.**
- **Drill hole CSD-16-015R2 ("Hole 15R2") continues from the Hole 15 drill site, and is at a current depth of 724.9m in mineralized porphyry. Hole 15R2 targets extensions of the Alpala deposit to the north, and at depth, some 100m north of the deeper high-grade zone intersected in CSD-15-009 ("Hole 9"), which returned an intersection of 420m @ 1.00 % copper and 1.34 g/t gold.**
- **Drill hole CSD-16-016 ("Hole 16") was completed on 21 March 2016 at a total depth of 1661.1m, extending the Alpala deposit by at least 120m to the south-east in the direction of significant magnetite/hematite alteration at surface at Hematite Hill. The mineralization intersected in Hole 16 shows that the deposit remains open to the south-east and increases the known strike extent of copper and gold mineralisation along the greater Alpala trend to over 650m.**
- **Hole 16 intersected approximately 700m of intense multidirectional quartz-magnetite-copper sulphide veining from 548m to 1248m. Assay results from 764m are pending, and expected to extend the previously reported open-ended intersection of 216m @ 0.94 % Copper and 1.26g/t Gold from 548m.**
- **Drill hole CSD-16-017 ("Hole 17") will be drilled from the same drill site as Hole 16 and is being positioned to drill towards the south-west on an azimuth of 233° and at a declination of -74°. Hole 17 will test up-dip extensions of strong copper and gold mineralisation intersected in Holes CSD-13-005 and CSD-15-012 ("Hole 5" and "Hole 12"), both of which returned world class intersections of over 1000m grading over 1% copper equivalent.**



- The Alpala Central deposit now extends over 450m in length, 300m in width and 700m vertically, in a broader Alpala trend of 650m in length, 300m in width and 1800m vertically. Both the broad trend and the Alpala Central deposit are open in all lateral directions and at depth.
- Negotiations for an additional drilling contractor are being finalised.

DETAILED INFORMATION:

Cascabel Project

The Cascabel Project is located within the northern portion of the Andean copper belt, renowned as the host of 48% of the World's copper production, and numerous Tier 1 global copper resource assets. Cascabel boasts numerous large porphyry copper-gold targets within a cluster of prospective porphyries in a relatively unexplored section of the northern oxidised and gold rich Andean copper belt (refer **Figure 1** Regional Setting).

SolGold, as an active explorer in Ecuador, enjoys the support of the Ecuadorean Government in developing the nation's exploration and mining industry. Cascabel presents numerous logistic advantages which augment its likely large scale and known high copper-gold grades. The project is located on a sealed multi-lane national highway at a low elevation with abundant water, labour, hydroelectric power, and a short 80km distance to a Pacific deep water port site at San Lorenzo and 150kms to an established deep water port at Esmeraldas (refer **Figure 2** Location Map).

A total of 15 drill holes have been completed over the Alpala trend to date for a total of 21,100m. The geometry of the Alpala Deposit remains open in virtually all directions (refer **Figure 3** Alpala Drilling Program). Hole 16 has been completed at a depth of 1,661.5m, and Hole 15RD2 is continuing at a depth of 724.9m.

Drilling at the Alpala Deposit is focussed on extending the known body of copper and gold mineralisation at 100m centres, towards definition of a maiden resource. A number of preliminary copper interpolants have been created, and are constrained by the geological model at Alpala (refer **Figure 4** Copper Interpolants).

SolGold's understanding of the deposit grows with each drill hole, and a robust three dimensional geological model has been developed using Leapfrog™ modelling software. This model is consistently updated with new drill data. Recent work on intrusive phases and geological markers at Alpala Central provide insight into the geometry of copper and gold mineralisation and the potential source intrusions (refer **Figure 5** Alpala Geological Model).

Hole 14

Hole 14 at Alpala tested north-eastern extensions of the Alpala Central deposit. The drill intersections achieved in Hole 14 increase the width of the Alpala deposit to an average of 300m.

Hole 14 intersected intense porphyry style stock work copper and gold mineralisation from within Diorite and Quartz Diorite intrusions from 669.0m to 1176.0m (refer **Figure 6** Cross-Section).



Final assay results from CSD-15-014 ("Hole 14") returned the following intersections:

- 768m @ 0.5 % copper and 0.45 g/t gold from 628m, including:
- 476m @ 0.63 % copper and 0.65 g/t gold from 808m, including
- 222m @ 0.83 % copper and 1.08 g/t gold from 958m.

Hole 15R2

Drill hole CSD-16-015R2 ("Hole 15R2") continues from the Hole 15 drill site, and is at a current depth of 724.9m. Hole 15R2 targets extensions of the Alpala deposit to the north, the north-east and at depth, some 100m north of the lower high-grade zone intersected in CSD-15-009 ("Hole 9"), which returned a world class intercept of 420m @ 1.00 % copper and 1.34 g/t gold.

Hole 16

Drill hole CSD-16-016 ("Hole 16") was completed on 21 March 2016 at a total depth of 1661.1m, successfully extending the Alpala deposit by 120m to the south-east in the direction of significant magnetite/hematite alteration at surface at Hematite Hill. The intersections achieved in Hole 16 show the deposit remains open to the south-east increasing the known strike extent of copper and gold mineralisation along the greater Alpala trend to over 650m.

Hole 16 intersected approximately 700m of intense multidirectional quartz-magnetite-copper sulphide veining from 548m to 1248m. Assay results from 764m remain pending, and are expected to extend the previously reported open-ended intersection of 216m @ 0.94 % copper and 1.26g/t gold from 548m.

These assay results are expected in the coming month.

Hole 17

Drill hole CSD-16-017 ("Hole 17") will be drilled from the same drill site as Hole 16 and is being positioned to drill towards an azimuth of 233 degrees at a declination of -74 degrees to a planned depth of 1300m. Hole 17 will test upper extensions of strong copper and gold mineralisation intersected in Holes CSD-13-005 and CSD-15-012 ("Hole 5" and "Hole 12"), both of which returned world class intersections of over 1000m grading above 1% copper equivalent.

This upper target zone is expected to link the deeper mineralisation intersected in Holes 5 and 12 with that intersected in CSD-13-001 ("Hole 1"), which returned 100m @ 0.65 % Copper and 1.00g/t Gold from 222m. The intense porphyry style stock work copper and gold mineralisation intersected in Hole 1 lies close to surface where rock-saw channel sampling in Alpala Creek demonstrated broad zones of copper and gold mineralisation in trenches TR05, and TR56A, which returned 33.3m @ 0.65 % copper and 1.02g/t gold, and 53.9m @ 0.32 % copper and 1.38 g/t gold respectively.

Current Alpala Dimensions

The Alpala Central deposit now extends over 450m in length, 300m in width and 700m vertically, in a broader Alpala trend of 650m in length, 300m in width and 1800m vertically. Both the broad trend and the Alpala Central deposit are open in all lateral directions and at depth.

Drilling Contractor

The major commercial terms of a contract with an additional, and highly experienced, drilling contractor have been agreed, and the parties are now moving to the legal documentation phase. A further update will be provided in due course.

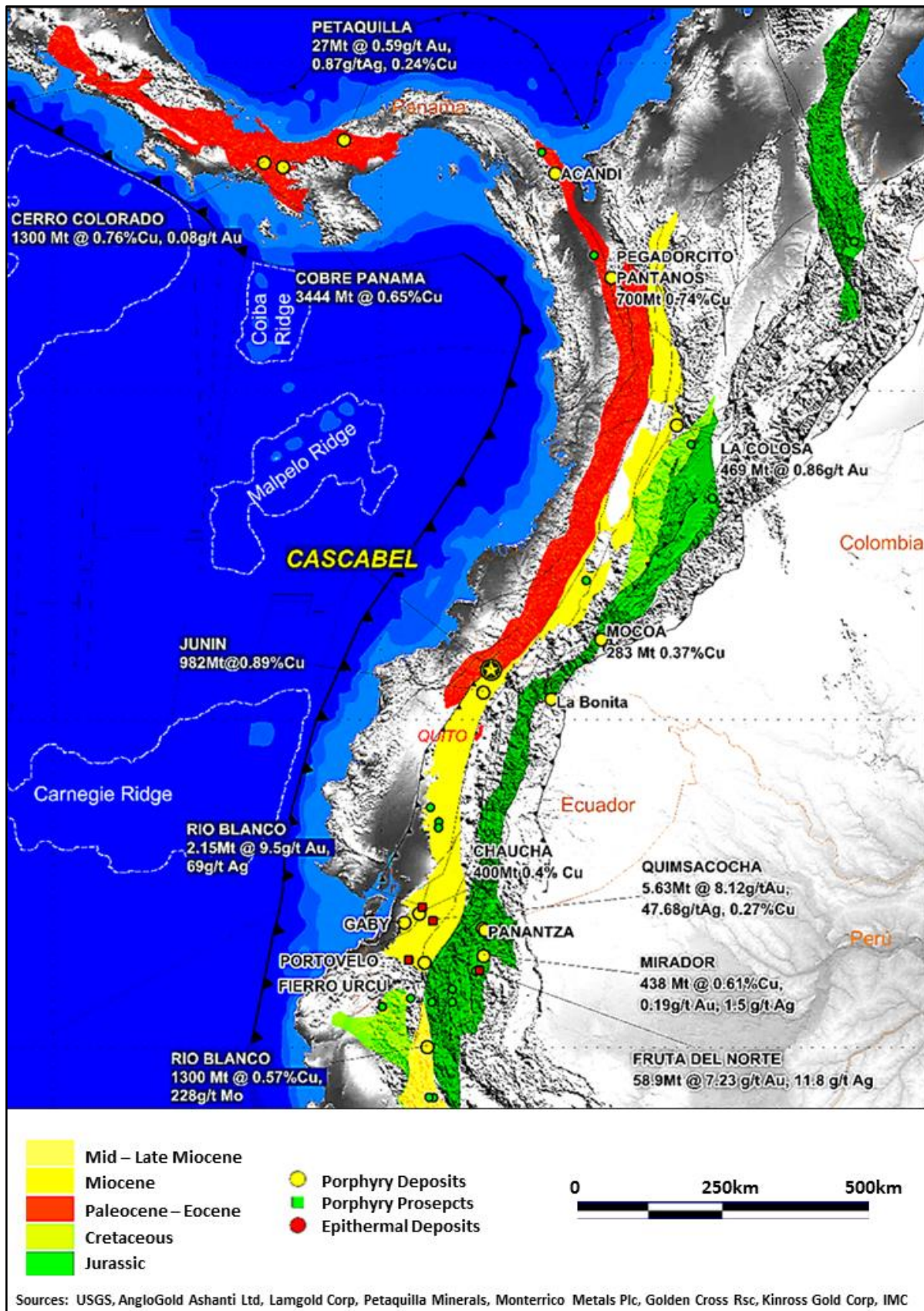


Figure 1: Regional Setting of the Cascabel Project, in the northern Andean Copper Belt.

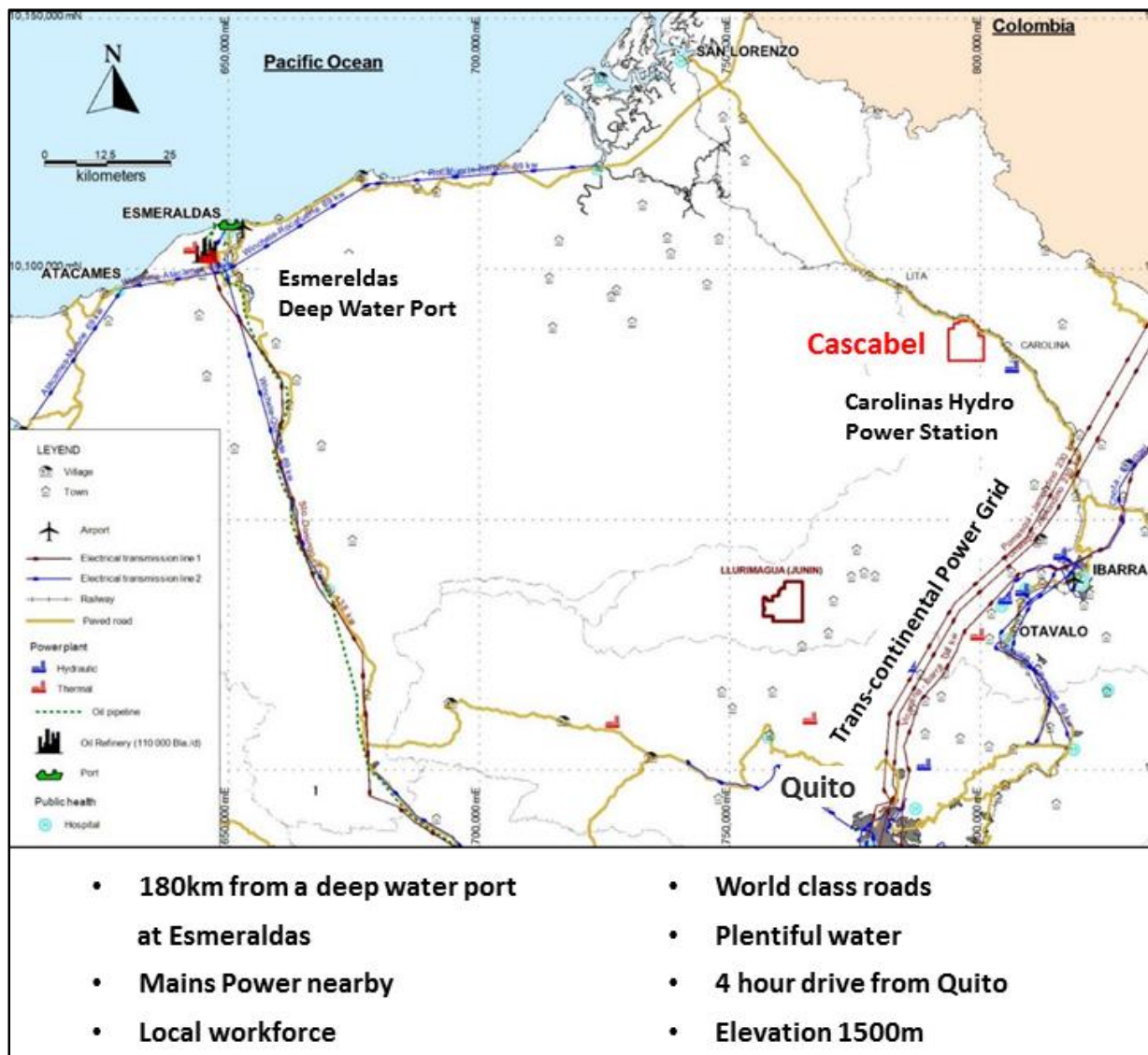


Figure 2: Location of Cascabel project in northern Ecuador.

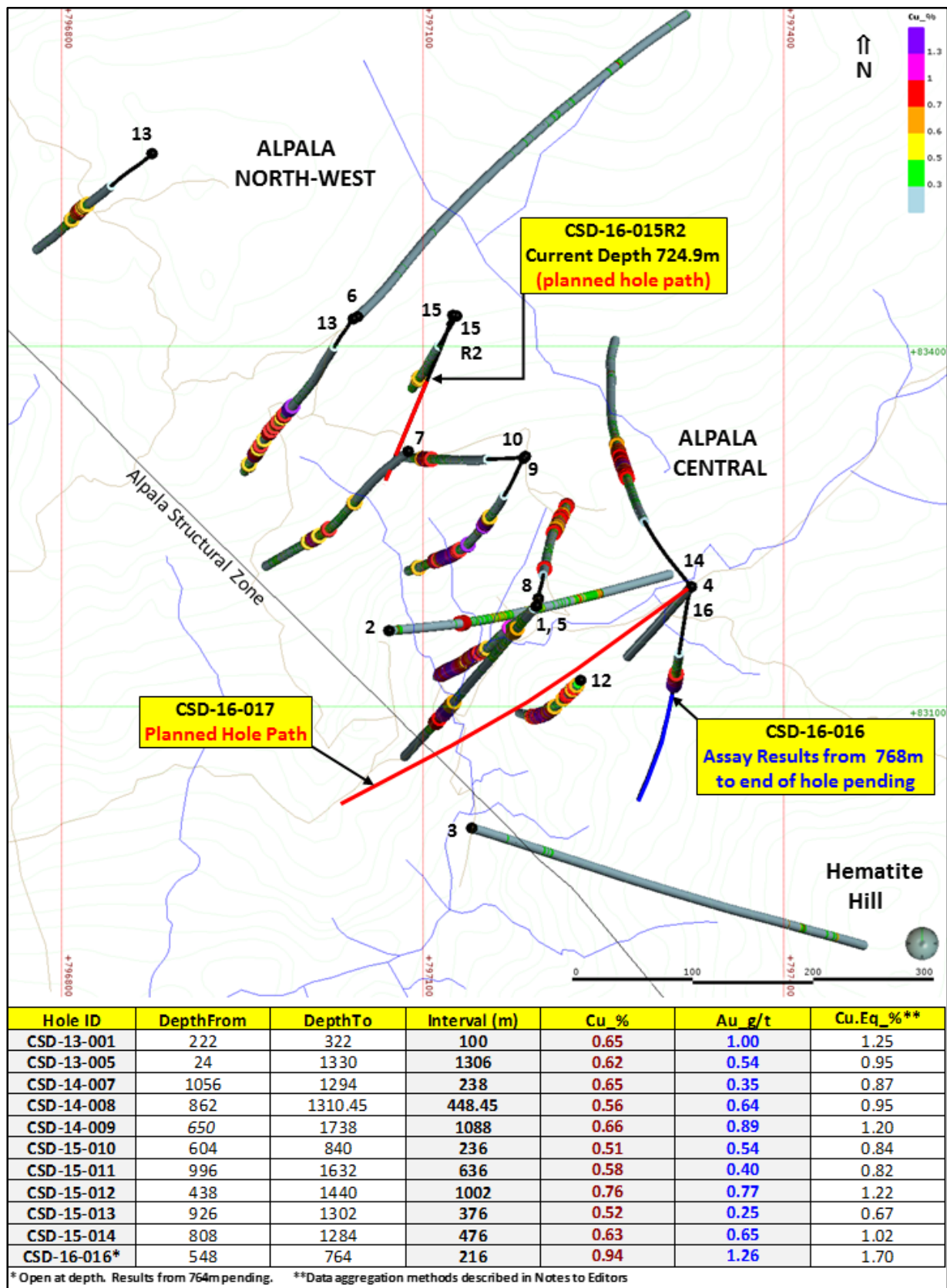


Figure 3: Location of drill holes, showing recent results from Hole 14, the progress of Hole 15R2, planned Hole 17, and highlights of drilling results to date.

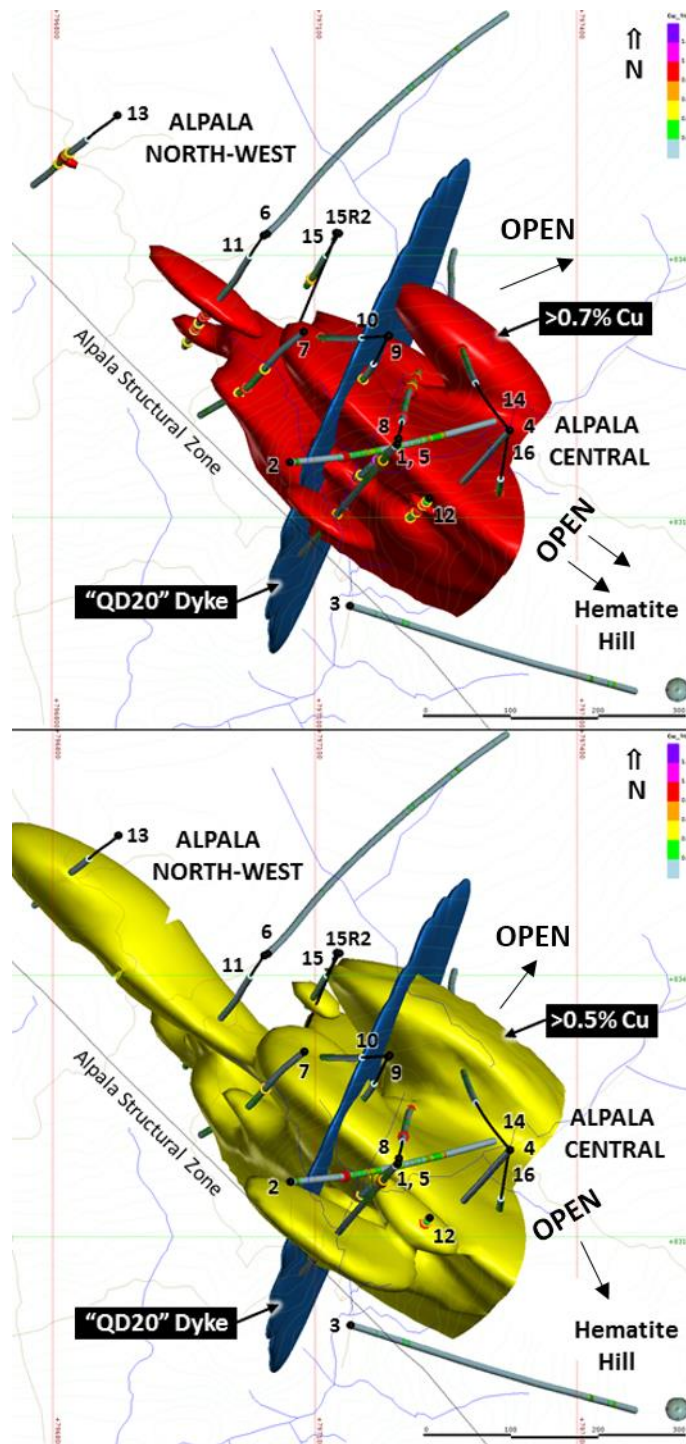


Figure 4: The Alpala Central Deposit defined by geologically constrained copper interpolants defining rock containing greater than 0.5% and greater than 0.7% copper respectively.

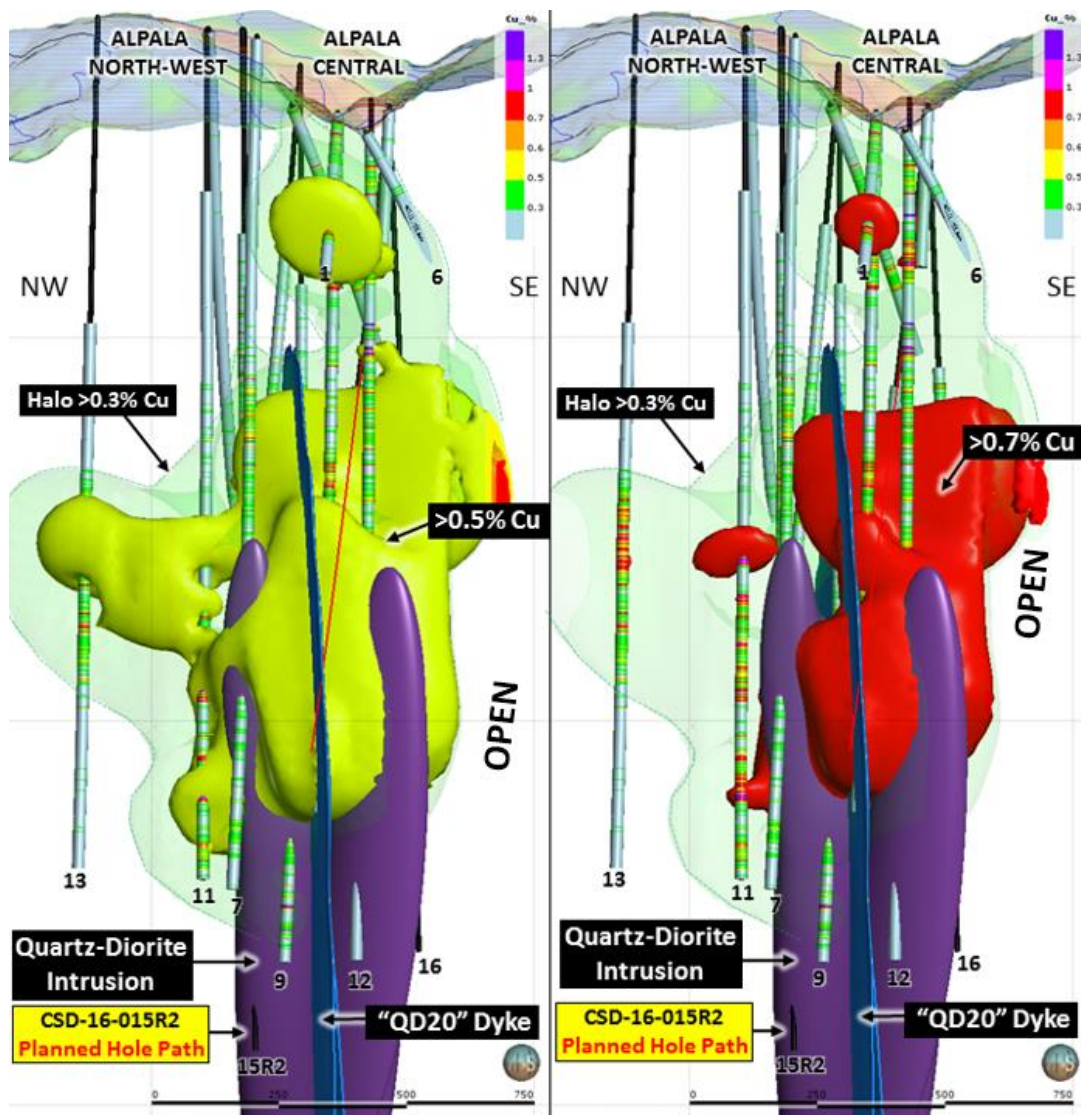


Figure 5: The developing three dimensional Geological Model at Alcala, looking north-east.

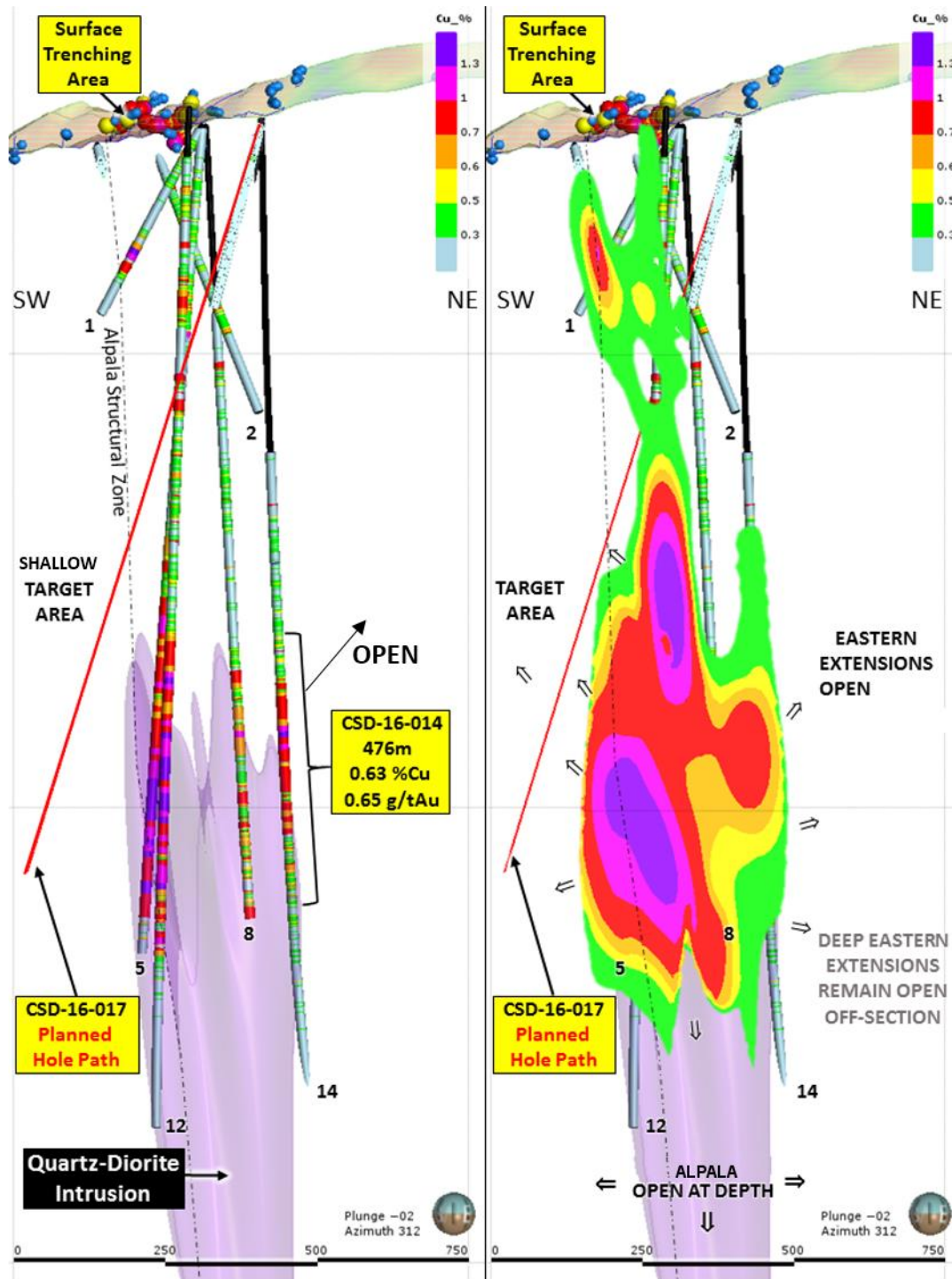


Figure 6: Cross-section, looking north-west showing Hole 14 results, planned Hole 17, and target areas along the 796950N section.

**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 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 December 2015, the Company had completed approximately 25km² of soil sampling, 14km² of electrical surveys, 20,100m of drilling and expended approximately US\$30m. 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, 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 0.6, determined using copper price of US\$3/pound and gold price of US\$40/gram.

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.

CAUTIONARY NOTICE

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