SolGold plc - Cascabel Exploration Update

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Bishopsgate, London - The Board of SolGold (LSE and TSX code: SOLG) is pleased to provide an update on the copper gold assay results for Holes 26-D1, and 28 and the progress of drilling at the Alpala copper gold porphyry deposit, the most advanced of several targets at Cascabel, the Company's 85% owned copper-gold porphyry project in Ecuador.

HIGHLIGHTS:

- Hole 26-D1 (Alpala Northwest) ended in significant mineralisation and is not closed at depth. Assay results returned:

- 748.7m @ 0.85% CuEq (0.58% Cu, 0.43 g/t Au) from 914m (open at depth), incl.

- 650.7m @ 0.94 % CuEq (0.64% Cu, 0.48 g/t Au) from 1012m (open at depth), incl.

- 512.7m @ 1.05% CuEq (0.70% Cu, 0.55 g/t Au) from 1150m (open at depth).

- Hole 28 (Alpala Central) also ended in mineralisation and is not closed at depth. Assay results returned:

  - 938.2m @ 0.82% CuEq (0.59% copper, 0.36 g/t gold) from 630m (open ended),

  - 550.0m, @ 1.06% CuE1 (0.74% copper, 0.52 g/t gold) from 902m.

- Intersections achieved in Hole 26-D1 extend mineralisation approximately 100m northeast of the previous boundary of the deposit.

- Intersections achieved in Hole 28 extend mineralisation approximately 100m south of Hole 16 and the known southeast edge of the Alpala Central deposit.

- Intense stockwork veining and visible copper sulphide mineralisation logged in strategic Holes 29-D1, 29-D2, 32, confirm the presence of strongly mineralised intrusions some 200m to the east of the main deposit, making it 25% to 35% wider.

- Hole 34 testing the promising Alpala West target.

References to figures and tables relate to the version of this release on the Company's website (www.solgold.com.au) or visible in PDF format by clicking the link below:
http://www.rns-pdf.londonstockexchange.com/rns/2166V_-2017-11-1.pdf

Commenting on the results and current drilling, SolGold Technical Services Manager, Benn Whistler said:

"Hole 26-D1 and Hole 28 assay results have made significant additions to the growing Alpala deposit. These holes bring the approximate Exploration Target at Alpala to an upper range of one billion tonnes at approximately 0.9% copper equivalent at a 0.3% copper equivalent cut-off. This is very encouraging ahead of the maiden MRE (Mineral Resource Estimate), especially in the context of recent visible mineralisation logged in Holes 29-D1, 29-D2, and 32 which confirmed the Alpala East target, and an extension of the mineralised envelope at Alpala some 200m to the east of the previous boundary. This equates to a 25% to 35% increase in the known width of the greater Alpala system.

Open ended intersections in Holes 26 and 26-D1 point to the growing likelihood of a robust porphyry centre

at Alpala Northwest, and we envisage major growth in the Alpala system towards northwest in the coming quarter.

The expansion of the drilling fleet at Alpala to seven rigs now, and a further four rigs arriving this month, along with the arrival of the second Devico directional drilling team is already giving SolGold the extensions to the Alpala system which were predicted on the basis of continually evolving geological, geochemical and magnetic models.

We anticipate major growth in the size of the deposit at Alpala over the coming year as we drill approximately 120,000 metres with 12 drill rigs. We anticipate an answer soon on the very promising Alpala West target in Hole 34, currently drilling. Next year we will be drill testing Carmen, Trivinio, Parambas, Moran, and Cristal, as well as the exciting Aguinaga target. Completing the magnetic modelling and the Spartan-Orion electrical surveys first is an important step."

JORC Code / NI 43-101 Cautionary Statement: The potential quality and grades set out in the above Exploration Target are conceptual in nature as there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in the Exploration Target being delineated as a mineral resource.

FURTHER INFORMATION:

Drilling Results

SolGold's (85% owned) Alpala deposit continues to grow with each new drill hole as drilling focuses on high grade porphyry centres at Alpala Northwest, Alpala Central, Alpala East and Alpala Southeast. Over 53,500m of drilling has been completed to date along the greater Alpala trend (Figure 1), with the use of the directional drilling techniques for deviated path holes from existing parent holes (Devico^{tm}), delivering significant time and cost advantages as the Company focusses on delivering drill bit time in mineralisation. Assay services are undertaken by ALS Laboratories in Lima, Peru.

Hole 26-D1 (Rig 4 Alpala Northwest) was a "daughter" hole drilled to the southwest off "parent" Hole 26 from 788.4m. Hole 26-D1 was stopped prematurely at a depth of 1662.7m within strongly mineralised diorite porphyry due to operational complications experienced by the drilling contractor.

The open-ended intersections achieved in Hole 26-D1 indicate the extension of high-grade mineralisation open to the northeast approximately 100m northeast of Hole 15R2, which previously returned 830.0m @ 0.93% CuEq (0.63% Cu, 0.46 g/t Au).

Hole 28 (Rig 3 Alpala Southeast) was drilled to the west from the same drill site as previous Holes 21, 25, and 27, and was completed at a depth of 1568.2m.

The intersections achieved in Hole 28 extended mineralisation approximately 100m south of Hole 16, which previously returned 936m @ 1.35% CuEq (0.75% Cu, 0.95 g/t Au).

Intersections achieved in Hole 26-D1 and Hole 28 at selected cut-off grades are detailed in Table 1.

NOTE: Data Aggregation Method: Intercepts reported using copper equivalent cutoff grades with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 50m. Gold Conversion Factor of 0.63 calculated from a copper price of US$3.00/lb and a gold price US$1300/oz. True widths of downhole interval lengths are estimated to be approximately 25% to 50% for individual holes. No hole has entirely crossed the mineralised zone and it is therefore not possible to calculate the true width of the deposit from a single drill hole. Cut-off grades are selected with reference to comparisons for block cave mines globally.

Table 1: Selected intervals from Hole 26-D1 and Hole 28.

Current Drill Holes

Hole 26-D2 (Rig 4 Alpala Northwest) was a "daughter" hole drilled to the southwest off "parent" Hole 26 from 778.2m depth. Hole 26-D1 intersected strongly mineralised diorite and lesser quartz-diorite porphyry over an (approximate) 470m interval from 1180m to 1650m. Hole 26-D2 infilled mineralisation between Holes 15R2, 7 and 13.

Hole 26-D2 was stopped at a depth of 1333.6m within strongly mineralised diorite porphyry due to operational complications experienced by the drilling contractor. Assay results are pending.

Hole 26-D3 (Rig 4 Alpala Northwest) is now underway, at a current depth of 1243m. Hole 26-D3 is the third "daughter" hole drilled off "parent" Hole 26 from 778.4m depth, and is testing for depth extensions to mineralisation encountered in Holes 13, 7 and 26.

Hole 29 (Rig 5 Alpala East) is at a current depth of 901.0m, Hole 29 is currently suspended whilst the third "daughter" Hole 29-D2 is drilled to completion, before the deepening of Hole 29 continues. Hole 29 is planned to test deeper high-grade extensions along the eastern flank of the Alpala Central deposit.

Hole 29-D1 (Rig 5 Alpala East) was a "daughter" hole drilled from "parent" Hole 29 from 450.2m depth, and was completed at 1168.4m. Hole 29-D1 intersected strongly mineralised diorite porphyry and minor late stage hydrothermal breccia over an (approximate) 202m interval from 966m to 1168.4m (Figure 2). Assay results are pending.

Hole 29-D2 (Rig 5 Alpala East) is underway, at a current depth of 1512m, as the second "daughter" hole drilled from "parent" Hole 29 from 901.0m depth. Hole 29-D2 intersected strongly mineralised volcaniclastics rocks and diorite porphyry from approximately 1140m depth, and continues drilling (Figure 3). Hole 29-D2 is planned to extend mineralisation some 250m beneath that intersected in Hole 29-D1, and is planned to continue to at least 1500m depth, to test for extensions below Holes 23R-D1 and 16.

Intense stockwork veining and visible copper sulphide mineralisation logged in Holes 29-D1 and 29-D2, confirm the presence of strongly mineralised intrusions some 200m to the east of the main deposit.

Hole 30 (Rig 1 Alpala Central) is underway at a current depth of 1134m. Hole 30 is currently intersecting visibly mineralised volcaniclastic rocks and diorite porphyry from approximately 592m depth (Figure 4).

Hole 30 is designed to infill between Holes 22 and 27 and extend mineralisation approximately 100m above the intersection achieved in Hole 28.

Hole 30-D1 (Rig 1 Alpala Central) was a "daughter" hole drilled from "parent" Hole 30 from 527.8m depth, and was completed at a depth of 1109.8m, ahead of the deepening of the parent hole. Hole 30-D1 intersected volcanic host rocks and minor mineralised diorite porphyry. Hole 30-D1 was planned to extend mineralisation between Holes 19, 28 and 27, extending mineralisation approximately 150m southeast of Hole 22. Assay results are pending.

Hole 31 (Rig 3 Alpala East) is underway at a current depth of 956m. Hole 31 is currently intersecting volcaniclastic rocks and hydrothermal breccias, and is planned to infill mineralisation between Holes 24-D1 and 27.

Hole 31-D1 (Rig 3 Alpala East) was a "daughter" hole drilled from "parent" Hole 31 from 605.9m, and was completed at 1530.0m depth, ahead of the deepening of the parent hole. Hole 31-D1 intersected weakly mineralised volcaniclastic rocks and diorite porphyry from approximately 1248m to 1371m. Hole 31-D1 was planned to infill mineralisation between Holes 24-D1 and 27. Assay results are pending.

Hole 32 (Rig 2 Alpala East) is underway, at a current depth of 1236m, intersecting volcaniclastic rocks and

local stockwork veins and mineralised diorite porphyry, towards a planned depth of 1800m. Hole 32 is planned to extend mineralisation at depth approximately 100m east of Hole 25.

Hole 33 (Rig 6 Alpala Central) is underway, at a current depth of 709m, intersecting volcaniclastic rocks and hydrothermal breccia, towards a planned depth of 1600m. Hole 32 is planned to extend rich mineralisation northwest of Hole 17, and above Hole 9.

Hole 34 (Rig 7 Alpala West) is underway, at a current depth of 337m, intersecting volcaniclastic rocks, towards a planned depth of 2000m, testing the Alpala West porphyry copper-gold target, defined by surface mapping, 3D geochemical modelling and 3D MVI magnetic modelling.

Mineral Resource Estimate

The recent site visit by SRK Exploration consultants saw major developments in the accuracy and predictive nature of the geological modelling at Alpala. The geological auditing process forming the basis of the Mineral Resource Estimate, has now advanced the detailed hand contoured geological interpretations in level plan and cross section, into accurate representation within the Leapfrog™ 3D modelling environment.

This collaborative approach is resulting in a high-confidence geological model that will accurately estimate the resource potential, through incorporation of the Alpala genetic model, deposit geometry, intensity of mineralisation and grade distribution.

ABBREVIATIONS USED

CuEq - copper equivalent

Cu - copper

Au - gold

m - metres

incl. - including

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 JORC Code and NI 43-101. Mr Mather supervised the preparation of this release and consents to the inclusion of the information in the form and context in which it appears.

Figure 1: Drill hole location plan, showing copper-percent equivalent results and the traces of existing and planned drill holes.

Figure 2: Selected examples of drill core intersected in Holes 29-D1 at Alpala East.

Figure 3: Selected examples of drill core intersected in Hole 29-D2 at Alpala East.

Figure 4: Selected examples of drill core intersected in Hole 30 at Alpala Central.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of the Regulation (EU) No 596/2014 until the release of this announcement.

By order of the Board

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Company Secretary

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NOTES TO EDITORS

SolGold is a Brisbane, Australia based, dual LSE and TSX €listed (SOLG on both exchanges) 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 the 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 porphyry copper and gold expert Dr Steve Garwin.

In October 2017, at the Mines and Money Americas Conference in Toronto, SolGold's Nicholas Mather won the award for the CEO of the Year - Latin America. SolGold won the Exploration Award for Latin America, and Ecuador won the Country Award for Latin America.

The Company announced USD54m in capital raisings in September 2016 involving Maxit Capital LP,

Newcrest International Ltd and DGR Global Ltd, and a USD41.2m raising in June of 2017 largely from Newcrest International with USD1.2m raised from Ecuadorean investors. All of these raisings were undertaken at substantial premiums to previous raisings, and SolGold currently has circa USD60m in available cash to continue the exploration and development of its flagship Cascabel Project.

Mr Craig Jones joined the SolGold Board on 3 March 2017, nominated to the Board of SolGold by Newcrest Mining, now a 14.54% shareholder in SolGold. Mr Jones is a Mechanical Engineer and is currently the Executive General Manager Wafi-Golpu (Newcrest-Harmony MMJV). He has held various senior management and executive roles within the Newcrest Group, including General Manager Projects, General Manager Cadia Valley Operations, Executive General Manager Projects and Asset Management, Executive General Manager Australian and Indonesian Operations, Executive General Manager Australian Operations and Projects, and Executive General Manager Cadia and Morobe Mining Joint Venture. Prior to joining Newcrest, Mr Jones worked for Rio Tinto.

Cascabel, SolGold's 85% owned "World Class" (Refer www.solgold.com.au/cautionary-notice/) 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 5% of TSX €V €listed Cornerstone Capital Resources ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorian registered company which holds 100% of the Cascabel concession. Subject to the terms of existing agreements, Cornerstone is debt financed by SolGold for its share of costs to completion of a Feasibility Study ("Financing Option").

In terms of repayment, SolGold shall receive 90% of Cornerstone's share of earnings or dividends from ENSA or the Tenement to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that, but for the Financing Option, would have been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed.

The investments by Newcrest for 14.54% of SolGold endorses Ecuador as an exploration and mining destination, the management team at SolGold, the dimension, size and scale of the growing Alpala deposit, and the prospectivity of Cascabel and its multiple targets. The gold endowment, location, infrastructure, logistics are important competitive advantages offered by the project.

To date SolGold has completed geological mapping, soil sampling, rock saw channel sampling, geochemical and spectral alteration mapping over 25km^2, along with an additional 9km^2 of Induced Polarisation and 14km ^{2} Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets.

SolGold has completed over 53,500m of drilling and expended over USD50M on the program, which includes corporate costs and investments into Cornerstone. This has been accomplished with a workforce of up to 260 Ecuadorean workers and geoscientists, and 6 expatriate Australian geoscientists. The results of 39 holes drilled (including re-drilled holes) and assayed to date have produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as indicated by Hole 12 (CSD-16-012) returning 1560m grading 0.59% copper and 0.54 g/t gold including, 1044m grading 0.74% copper and 0.54 g/t gold.

The average grade of all metres drilled to date on the project currently stands at 0.31% copper and 0.26 g/t gold. Intensive diamond drilling is planned for the next 12 months with 12 drill rigs expected to be operational by early 2018, targeting 126,000m of drilling in 2018.

Cascabel is characterised by fifteen (15) 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 4 of the 15 targets, being Alpala Northwest, Alpala Central, Hematite Hill, and Alpala Southeast. Currently drill testing of Alpala Northwest, Alpala Central and Alpala Southeast targets is underway, with drill testing of the other priority targets to be considered following the publication of the Company's maiden resource estimate for Alpala, and the finalisation of further IP surveying and modelling work currently underway.

The Alpala deposit is open in multiple directions and the mineralised corridor marked for drill testing of the greater Alpala cluster occurs over a 2.2km strike length from Trivinio in the northwest to Cristal in the southeast. The mineralised corridor is known to be prospective over approximately 700m width.

High priority targets within the Alpala cluster, at Moran approximately 700m to the north, and at Aguinaga approximately 2.3km north east, are closely modelled by 3D MVI magnetic signatures that currently encompass over 10Bt of magnetic rock. Based on a strong spatial and genetic relationship between copper sulphides and magnetite, this body of magnetic rock is considered to be highly prospective for significant copper and gold mineralisation, and requires drill testing.

SolGold is focussing on extending the dimensions of the Alpala deposit including Alpala Northwest, Hematite Hill, Alpala South East, Cristal, Trivinio, Alpala West, Alpala East, Carmen, Parambas and Alpala South before completing a Maiden Resource Estimate and then drill testing the other key targets within the Cascabel concession at Aguinaga, Tandayama-America, Moran, and Chinambicito.

The Company is currently planning further metallurgical testing and completion of an independent Pre-Feasibility Study at Cascabel. SolGold is investigating both high tonnage open cut and underground block caving operations, as well as a high grade / low tonnage initial underground development towards the economic development of the copper gold deposit/s at Cascabel.

Drill hole intercepts have been updated to reflect current commodity prices, 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 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. True widths of down hole intersections are estimated to be approximately 25-50%.

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 promising porphyry copper gold targets throughout the Country. To date 59 such concessions have been granted and announced. SolGold is negotiating external funding options which will provide the Company with the ability to have some of 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, with drill testing of the Normanby project planned for the coming quarter. 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, but as yet undrilled, Kuma prospect on the island of Guadalcanal exhibits surface lithocap 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 the Solomon Islands.

SolGold is based in Brisbane, Queensland, Australia. The Company is listed on the LSE and TSX, with both exchanges using the ticker code: SOLG, and currently has on issue a total of 1,516,245,686 fully-paid ordinary shares, 31,795,884 share options exercisable at 28p; 9,795,884 share options exercisable at 14p and 46,762,000 share options exercisable at 60p.

CAUTIONARY NOTICE

News releases, presentations and public commentary made by SolGold plc (the "Company") and its Officers may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors. Such forward-looking and interpretative 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 interpretations and forward-looking

statements. Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of the TSX and LSE or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may reinterpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.

This release may contain "forward €‘looking information" within the meaning of applicable Canadian securities legislation. Forward €‘looking information includes, but is not limited to, statements regarding the Company's plans for developing its properties. Generally, forward €‘looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward €‘looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward €‘looking information, including but not limited to: transaction risks; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward €‘looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The Company and its officers do not endorse, or reject or otherwise comment on the conclusions, interpretations or views expressed in press articles or third-party analysis, and where possible aims to circulate all available material on its website.

The Company recognises that the term "World Class" is subjective and for the purpose of the Company's projects the Company considers the drilling results at the growing Alpala Porphyry Copper Gold Deposit at its Cascabel Project to represent intersections of a "World Class" deposit on the basis of comparisons with other drilling intersections from "World Class" deposits tabulated in Table 1, some of which have become, or are becoming, producing mines and on the basis of available independent opinions which may be referenced to define the term "World Class" (or "Tier 1").

The Company considers that "World Class" deposits are rare, very large, long life, low cost, and are responsible for approximately half of total global metals production. "World Class" deposits are generally accepted as deposits of a size and quality that create multiple expansion opportunities, and have or are likely to demonstrate robust economics that ensure development irrespective of position within the global commodity cycles, or whether or not the deposit has been fully drilled out, or a feasibility study completed.

Standards drawn from industry experts (1Singer and Menzie, 2010; 2Schodde, 2006; 3Schodde and Hronsky, 2006; 4Singer, 1995; 5Laznicka, 2010) have characterised "World Class" deposits at prevailing commodity prices. The relevant criteria for "World Class" deposits, adjusted to current long run commodity prices, are considered to be those holding or likely to hold more than 5 million tonnes of copper and/or more than 6 million ounces of gold with a modelled net present value of greater than USD 1 Billion.

The Company cautions that the Cascabel Project remains an early exploration stage project at this time. Despite the relatively high copper and gold grades over long intersections and broad areas, and widespread surface mineralization discovered at the Cascabel Project to date, much of which has still not yet been drill tested, the Company has yet to prepare an initial mineral resource estimate at the Cascabel Project and any development or mining potential for the project remains speculative. There is inherent uncertainty relating to any project at an exploration stage, prior to the determination of a mineral resource estimate, preliminary economic assessment, pre-feasibility study and/or feasibility study. There is no certainty that future results will yield the results seen to date or that the project will continue to be considered to contain a "World Class" deposit. Accordingly, past exploration results may not be predictive of future exploration results.

From the drilling results at the growing Alpala Porphyry Copper Gold Deposit (only) within the Cascabel

Project, the Company considers the deposit to have significant resource potential and the data gathered has provided the basis for the estimation of an exploration target over the area drilled to date. Initial 3D modelling and grade shell interpolants have outlined an approximate exploration target at Alpala that ranges from 729Mt at 1.06% copper equivalent, using a cut-off grade of 0.4% copper equivalent, to 969Mt at 0.92% copper equivalent, using a cut-off grade of 0.3% copper equivalent. These estimates equate to an endowment of between 7.7-8.9Mt of contained copper equivalent (Figure A).

Copper equivalent grades used are calculated using a gold conversion factor of 0.63, determined using a copper price of USD 3.00/pound and a gold price of USD 1300/ounce. 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. True widths of down hole intersections are estimated to be approximately 25-50%.

The Company cautions that the potential quantity and grade ranges (exploration target) disclosed above for the Alpala Porphyry Copper Gold Deposit within the Cascabel Project is conceptual in nature, and there has been insufficient exploration to define a mineral resource, and the Company is uncertain if further exploration will result in the exploration target being delineated within a mineral resource estimate.

On this basis, the reference to the Cascabel Project as "World Class" (or "Tier 1") is considered to be appropriate. Examples of global copper and gold discoveries since 2006 that are generally considered to be "World Class" are summarised in Table 2.

References cited in the text:

1. Singer, D.A. and Menzie, W.D., 2010. *Quantitative Mineral Resource Assessments: An Integrated Approach*. Oxford University Press Inc.

2. Schodde, R., 2006. *What do we mean by a world class deposit? And why are they special*. Presentation. AMEC Conference, Perth.

3. Schodde, R and Hronsky, J.M.A, 2006. *The Role of World-Class Mines in Wealth Creation.* Special Publications of the Society of Economic Geologists Volume 12.

4. Singer, D.A., 1995, *World-class base and precious metal deposits-a quantitative analysis*: Economic Geology, v. 90, no.1, p. 88-104.

5. Laznicka, P., 2010. *Giant Metallic Deposits: Future Sources of Industrial Metal, Second Edition*. Springer-Verlag Heidelberg.

Table 1: Globally significant drilling results for copper and gold deposits. This table has been reviewed by Mr James Gilbertson of SRK Exploration Services Ltd., the Company's independent consultant and "Qualified Person", and does not purport to be exhaustive.

Figure A: Exploration target over the area drilled to date. Initial 3D modelling and grade shell interpolants have outlined an approximate exploration target at Alpala that ranges from 729Mt at 1.06% copper equivalent, using a cut-off grade of 0.4% copper equivalent, to 969Mt at 0.92% copper equivalent, using a cut-off grade of 0.3% copper equivalent. These estimates equate to an endowment of between 7.7-8.9Mt of contained copper equivalent. Low-tonnage, very high-grade Exploration Targets also exist at elevated cut-off grades of 0.7% and 1.0% copper equivalent (Lower Insets).

Table 2: Tier 1 global copper and gold discoveries since 2006. This table does not purport to be exhaustive exclusive or definitive.

Source: SolGold plc (TSX:SOLG, AIM:SOLG, OTC Bulletin Board:SLGGF)

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