



24 January 2013

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

CASCABEL PROJECT
46m at 0.81g/t Gold and 0.59% Copper in outcropping porphyry system

The Board of SolGold plc (AIM code: SOLG) is pleased to announce that channel sampling at the Alpala Prospect within the Cascabel Project in Ecuador has returned highly encouraging gold and copper assays and confirmed the presence of a significant gold-copper porphyry system.

Channel sampling was undertaken across an outcropping window of the gold-copper porphyry system which is exposed along Alpala Creek. The mineralised dacite porphyry intrusive exhibits stockwork and sheeted quartz veins containing copper minerals chalcopyrite, bornite and chalcocite (see Figure 2 below). The outcropping zone is covered by scree and vegetation at both ends and so mineralisation is open.

Key features are –

- **45.63m at 0.81g/t gold and 0.59% copper**
- **Last 2m sample at northern end contains 0.15g/t gold and 0.4% copper**
- **Last 2m sample at southern end contains 0.53g/t gold and 0.48% copper**
- **Peak 1m interval returned a gold assay of 6.89g/t, and a copper assay of 1.7%**
- **Average grade of 0.56% copper and 0.66g/t gold with the peak intersection removed – this underscores the potential for a bulk mineralised porphyry system**

A nearby channel also returned 22m at 0.16g/t gold and 0.3% copper, and another 5.48m at 0.75g/t gold (see Figure 1 and Table 1 below for complete results).

Alpala Prospect is located within the T1 target which has been identified on the basis of geological and alteration mapping, a compelling magnetic signature and coincidence with strong surface geochemistry (copper, gold and molybdenum). The T1 target is roughly circular with a diameter of 2km (refer to announcement 20 December 2012).

Stockwork veining has been observed in reconnaissance exploration in the general Alpala area up to 200m away from the current area of channel sampling. Ongoing exploration will focus on mapping and sampling of these other areas where the porphyry system is exposed.

Malcolm Norris, CEO of SolGold commented: **"We are extremely encouraged by these results. A well mineralised gold-copper porphyry has been identified and we now have to determine the scale of the system. The consistency of the gold and copper grades over a 45m interval, and the fact that it is open at both ends is very encouraging. This result adds to our confidence and again builds on all previous datasets that support the presence of a compelling gold-copper porphyry target in this area."**



Other Project Activities

The initial phase of follow-up soil sampling has been completed with total coverage of approximately 20km². Targeted areas have now been sampled on a 100m x 100m grid. Assay results are expected in early February.

The final data for the helicopter supported magnetic and radiometric survey has been received and processed. Further modelling and targeting is underway, and areas for 3-D modelling have been identified.

The permitting process in the lead up to drilling is progressing well. There is good community support and aspects of the water permitting and drilling EIS are tracking as planned. It is still expected that drilling will commence in early Q2.

Alpala channel sampling			
Channel No.	Width	Gold g/t	Copper %
TR 1	24.13	0.04	0.03
TR 2	9.98	0.10	0.04
TR 3	22.39	0.16	0.30
TR 4	13.22	0.06	0.08
TR 5	45.63	0.81	0.59
TR 6	5.48	0.75	0.06

Table 1: Results for 6 channel sampling areas at the Alpala prospect.

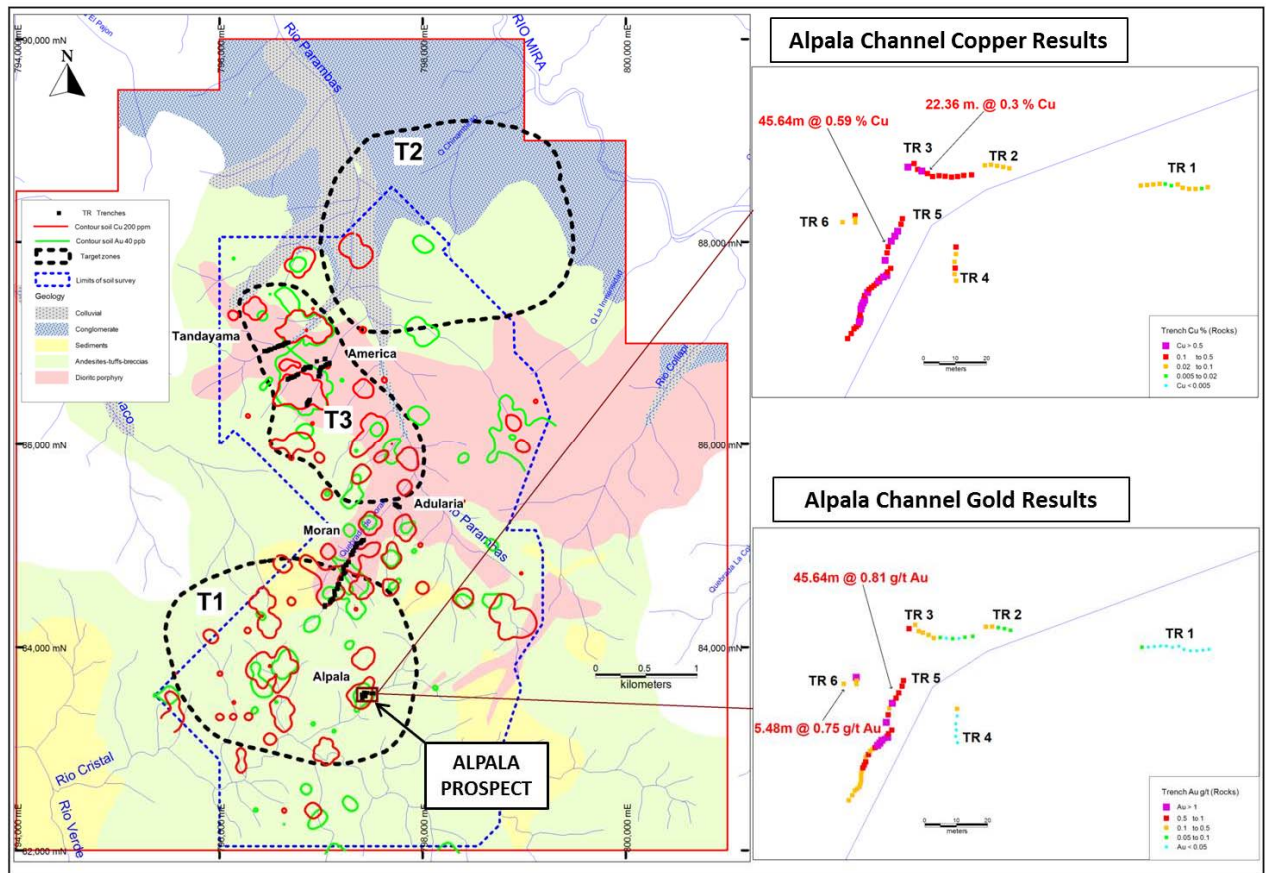


Figure 1: Diagram showing the location of the Alpala prospect. Expanded windows showing the gold and copper grades, and intersections of the 6 trenches in the Alpala area.



Figure 2: Photograph of quartz veins from the Alpala channel sampling area. The quartz veins contain centre lines of magnetite and copper minerals chalcopyrite, and some bornite.



Qualified Persons

Information in this report relating to the exploration results is based on data reviewed by Mr Malcolm Norris (B.Sc. Hons, MSc), the Chief Executive Officer of the Company. Mr Norris 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 Norris consents to the inclusion of the information in the form and context in which it appears.

Assaying, Quality Assurance/Quality Control (QAQC)

Samples were delivered in sealed bags by Cornerstone employees to the ACME preparation laboratory in Cuenca. Rock samples are prepared (ACME code R200-250), and assayed by the ACME-Vancouver laboratory (www.acmelab.com) for gold (ACME code G601, F.A., 30 g) and multi-elements (ACME code 1E, 4 Acid digestion ICP-ES finish). All over limits results for precious and base metals were systematically re-assayed (ACME codes G6Gr and 7TD). Stream sediment samples are prepared (ACME code SS80), and assayed for gold (ACME code G601, F.A., 30 g) and multi-elements (ACME code 1EX, 4 acid digestion, ICP-MS finish).

ACME is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Certified blanks and standards are systematically inserted every 25 samples as part of Cornerstone's QA/QC program.

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 comprise of a JV with Cornerstone Capital Resources on the Cascabel gold-copper project. In Australia, SolGold holds 100% of the Rannes, Mt Perry, Cracow West and Normanby Projects, all in southeast Queensland and in the Solomon Islands they comprise the Fauro Project (located on Fauro Island), and the Guadalcanal Joint Venture with Newmont Mining Corporation.

In July 2012, SolGold and Cornerstone Capital Resources Inc. announced that they had signed a Definitive Option Agreement whereby SolGold may acquire up to 85% of Cornerstone's 100% owned 5,000 hectare Cascabel gold-copper-silver property in northern Ecuador.

The Cascabel project is located approximately 120 km north of Ecuador's capital, Quito, 20 km south of the Colombian border, and 75 km inland from the coastal city of San Lorenzo. The gold-copper porphyry project is located within the Andean western cordillera, host to numerous Tier 1 world class copper-gold deposits through Chile, Peru, Ecuador and Colombia.

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).

Exploration continues at Mt. Perry, Normanby and Cracow West.

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. The Guadalcanal Joint Venture (GJV) with NVL Solomon Islands Limited (a subsidiary of NYSE-listed Newmont Mining Corporation) is to be terminated following finalisation of divestment agreements outlined in this announcement.

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 17.5% of its issued share capital.

SolGold is based in Brisbane, Queensland, Australia. The Company listed on London's Alternative Investment Market in 2006, under the AIM Code 'SOLG' and currently has a total of 424,242,966 fully-paid ordinary shares, 10,700 Convertible Redeemable Preference Shares, 9,472,000 options exercisable at 50p, 1,250,000 options exercisable at 28p and 1,250,000 options exercisable at 14p on issue. Further details concerning the Company's key projects and personnel can be found at www.solgold.com.au.