



**5 September 2013**

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

## **Quarterly Activities Report**

### **Issue 2**

The Board of SolGold (AIM code: SOLG) is pleased to provide the second Quarterly Activities Report for the Company. SolGold has a portfolio of tenements in Ecuador, Queensland Australia and the Solomon Islands.

#### **Highlights during the Quarter included the following:**

- **Environmental Licence signed by Ministry of Environment for Cascabel Project in Ecuador.**
- **Commencement of Drilling of Hole CSD-13-001 at Alpala Prospect, Cascabel.**
- **Equity Interest in ENSA increased from 30% to 50%.**
- **Equity Interest in TSX-listed Cornerstone increased to 11.7%.**
- **Review of Mt Perry Gold Project in Queensland.**
- **Successful Renewal of Kuma and Fauro Prospecting Licences in the Solomon Islands.**

#### **Cascabel Project, Ecuador (SolGold earning 85%)**

##### **Receipt of Environmental Licence**

As reported on 27 August, the Environmental Licence for the Cascabel Project was signed by the Minister of Environment on 23 August in Quito, the capital of Ecuador. The Environmental Licence is granted for a period of 4 years and is an important requirement to transition the Cascabel concession from Early Stage to Advanced Stage exploration. The signing of the Environmental Licence enabled the commencement of drilling on the Cascabel concession and, importantly, allows for up to 100 drill holes to be completed within the area outlined in the Estudio de Impacto Ambiental (EIA) Report.

##### **Commencement of Drilling of Hole CSD-13-001 at Alpala Prospect, Cascabel**

On 24 August, preparation commenced to construct the first pad for drill-hole 1 (CSD-13-001). Immediately following these works, the drill rig and associated equipment were mobilised from the nearby Alpala field camp, some 600 m from the drill site. On 2 September, Cornerstone advised the company that drilling had commenced at the Alpala prospect at 11:30am on 1 September. The first drill-hole, CSD-13-001, is positioned to test the stock-work zone of mineralisation which has been sampled on surface by trenching yielding 45.6m @0.59% Cu and 0.81 g/t Au. This drill-hole is planned to have a depth of 300 metres but will continue if it ends in mineralisation.

##### **Equity Interest in ENSA Increased from 30% to 50%**

On 28 August, SolGold increased its equity Interest in the Ecuadorean registered company, Exploraciones Novomining S.A, ("ENSA") which holds 100% of the Cascabel concession. SolGold now holds a 50% interest in ENSA, and can earn up to 85% interest. Cornerstone Capital Resources Inc. ("Cornerstone") currently holds the other 50% of ENSA. Cornerstone has been in Ecuador for six years and employs Ecuadorian geologists to carry out exploration and related administrative functions for the Cascabel Project.



### Equity Interest in TSX-listed Cornerstone Increased to 11.7%

As provided by the agreement with Cornerstone, the CAD\$500,000 payment by SolGold to acquire an additional 20% of ENSA took the form of a placement in Cornerstone, meaning SolGold now holds a total of 18,653,092 shares or 11.7% of the capital of Cornerstone.

### Review of Mt Perry Gold Project, Queensland Australia (SolGold 100%)

During the quarter, SolGold has also completed a review of its Mt Perry gold project in Queensland, Australia. The project is located 13km northwest of the operating Mt Rawdon gold mine which had a historical production of around a million ounces of gold and a similar remaining resource that is presently being mined by open-cut mining.

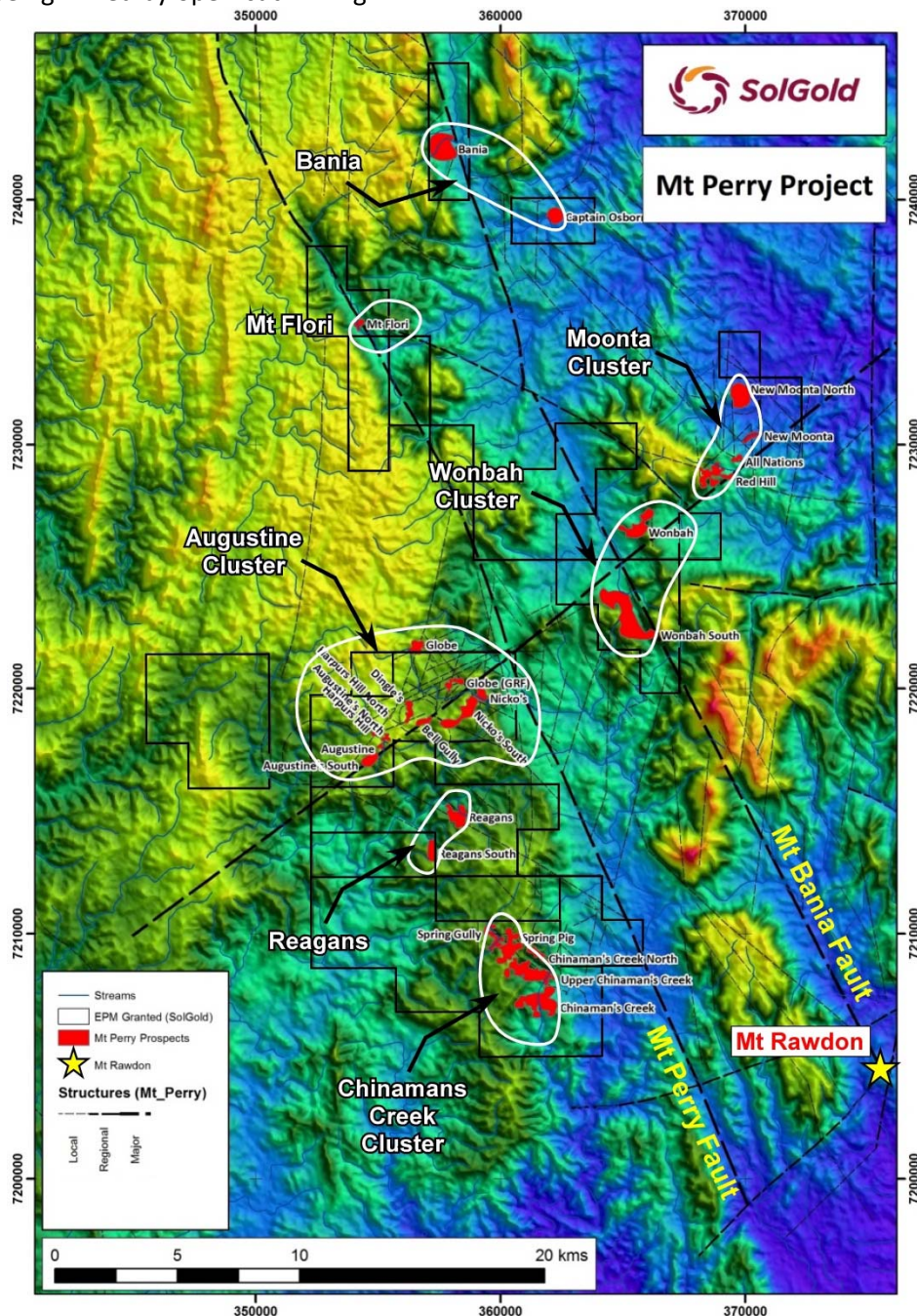


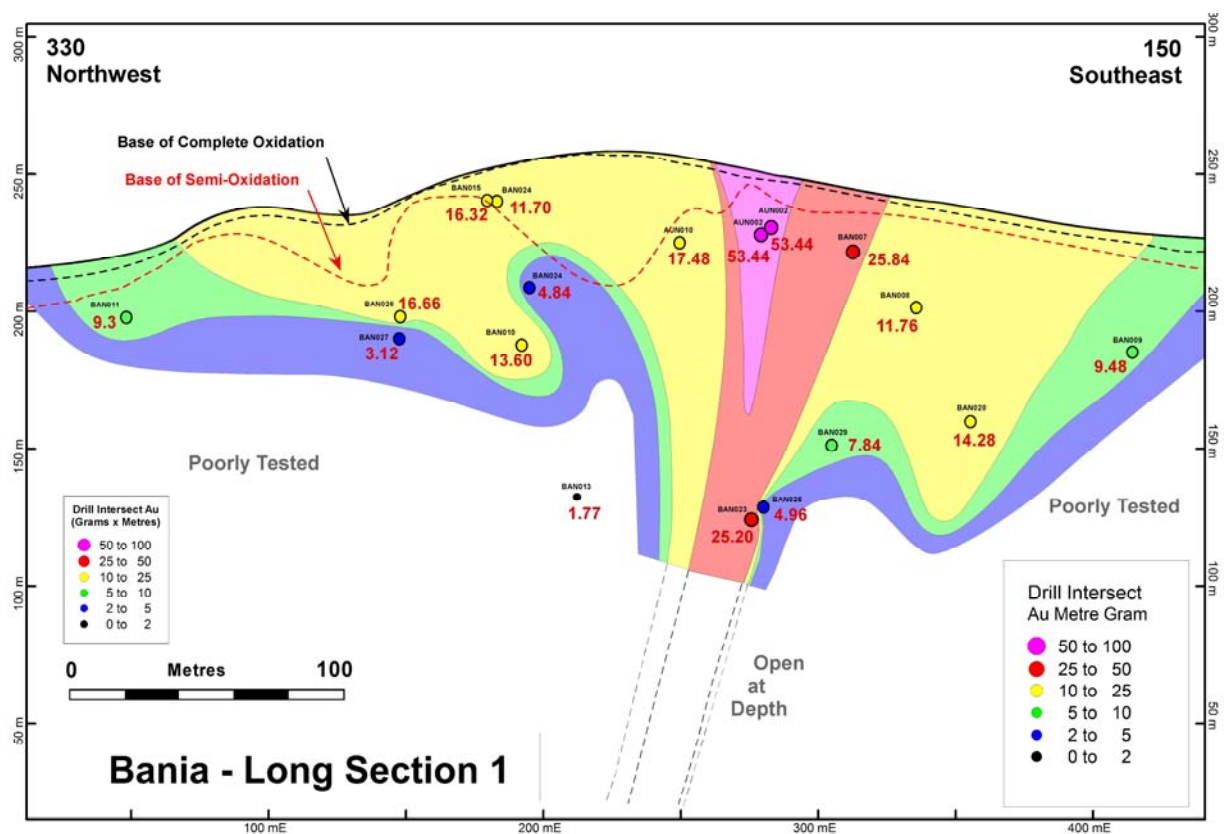
Figure 1: Prospects on the Mt Perry tenements, located northwest of the Mt Rawdon gold mine.



The Mt Perry project covers the adjacent Mt Perry Goldfield, which comprises numerous historic workings. SolGold has identified 27 prospects in the region, of which seven were selected for detailed review having yielded the best drilling results on the project to date.

Mineralisation at Mt Perry comprises predominantly shallow level, intrusive-related gold systems (IRGS) that are breccia-hosted or occur as multiple, parallel high-grade gold lodes. The seven key prospects are Chinaman's Creek North, Upper Chinaman's Creek, Spring Pig, Reagans, Augustine, Augustine North and Bania.

As part of the technical review, estimates were made of the potential discoverable ounces of gold at each of the seven key prospects. These estimates were constrained by previous gold intersections in drilling obtained by SolGold at these prospects, the widths of intersected mineralisation, the inferred strike length of the mineralised structures based on drilling, in combination with surface rock-chip sampling of the lodes and the strike extent of soil gold anomalism. The review indicated that there is exploration potential at the Mt Perry Project for narrow, high-grade lode style mineralisation that may be of interest to junior explorers or nearby miners.



**Figure 2: Long-section through the Bania lode at the north end of the Mt Perry Project. Note the long section is limited at depth due to lack of drilling.**





## Solomon Islands Exploration Update

### Successful Renewal of Kuma and Fauro Prospecting Licences

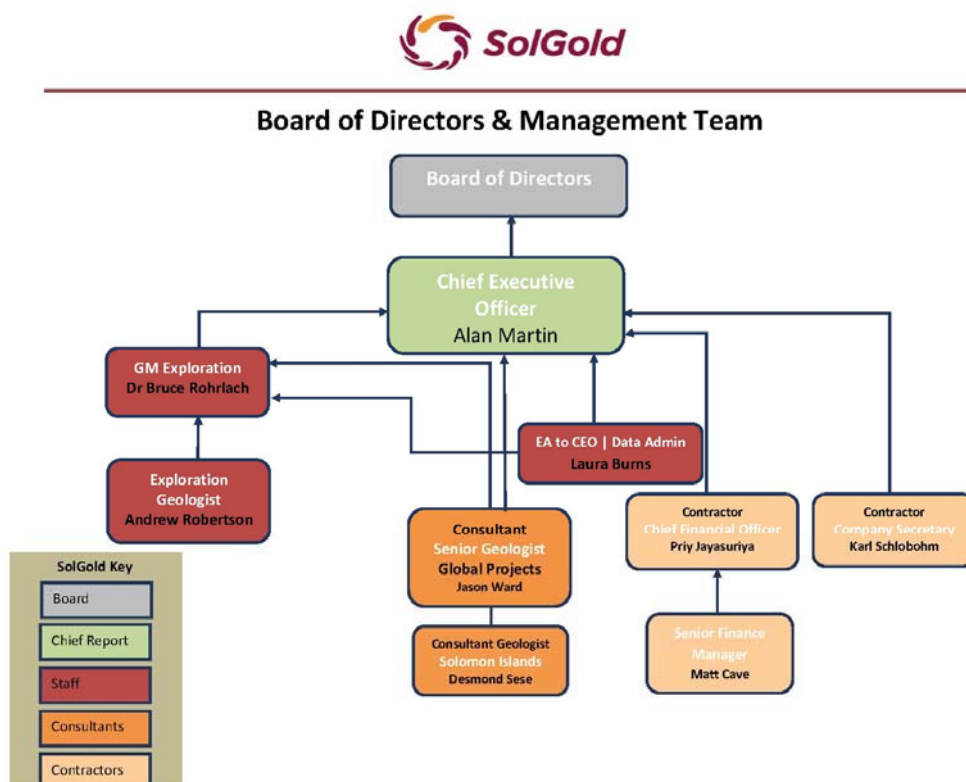
As reported on 18 July, the Kuma prospecting licence (PL 08-06) was renewed for a further term of 2 years commencing from 11 April 2013. The renewal of the licence by the Ministry of Mines, Energy and Rural Electrification followed recent successful renegotiation of a land access agreement between SolGold and the Kuma landowners, as required by the Solomon Islands Mining Act.

The Fauro prospecting licence (PL 12/09) has also been renewed for a further term of 2 years, commencing on 4 February 2013. Fauro is prospective for copper gold porphyry deposits and high-grade epithermal gold veins. SolGold is actively in discussions with third parties interested in a joint venture on the Fauro tenement.

As advised to the market in its various stages of development, the Guadalcanal joint venture between SolGold and Newmont has been terminated by mutual consent. A termination agreement has been executed by both parties, formally bringing the relationship to an end. As part of the overall termination arrangements, SolGold regained a 100% interest in the Kuma PL.

### Cost Rationalisation and Updated Organisational Structure

The challenging environment facing the global exploration and mining industry has necessitated an internal review of the Company's operating costs. The result of this review has led to the termination of the position of Exploration Manager, held by Damien Lulofs, effective from 6 September 2013. The Company wishes to thank Damien for his contribution since he joined the Company and wishes him all the best in the future. As a result of the review, the organisational structure has been updated for the company (refer below).





### **Proactive Investors audio interview**

Chief Executive Officer, Alan Martin, recently spoke to Proactive Investors about the latest developments at the Company's Cascabel Project. The audio interview is available at:

<http://www.proactiveinvestors.co.uk/companies/stocktube/2162/solgold-starts-drilling-at-alpala-2162.html>

By order of the Board  
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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 and 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 Florida prospecting licence was permitted to expire as part of SolGold's strategy to become increasingly focussed on the preceding tenements in the Solomon Islands, Queensland and Ecuador.

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 copper-gold 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). 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 15.1% 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 553,354,342 fully-paid ordinary shares, 1,500 Convertible Redeemable Preference Shares, 10,788,000 options exercisable at 50p, 2,750,000 options exercisable at 28p and 1,750,000 options exercisable at 14p on issue. Further details concerning the Company's key projects and personnel can be found at: [www.solgold.com.au](http://www.solgold.com.au)