

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

## **CASCABEL PORPHYRY GOLD-COPPER PROJECT UPDATE**

The Board of SolGold plc (AIM code: SOLG) is pleased to provide an update on exploration activities from the Cascabel gold-copper porphyry\* project in Ecuador. The Cascabel Project is a joint venture between SolGold and TSXV listed Cornerstone Capital Resources Inc ("Cornerstone"; TSXV-CGP, F-GWN, B-GWN, OTC-CTNXF). SolGold is directing the exploration program and Cornerstone is implementing the program with its strong in-country team.

Recent stream sediment, rockchip, and channel sampling, together with geological mapping, has identified three areas of outcropping porphyry gold-copper mineralisation. Two main areas have been identified at Quebrada Moran ("Moran") and Quebrada Alpala ("Alpala"). These areas are 1.5km apart and are interpreted to represent portions of a single large porphyry gold-copper system.

### **Key points:**

- **Interpreted 2 km x 1 km porphyry gold-copper target zone based on interpretation of outcropping mineralisation and alteration.**
- **Significant areas of >1g/t gold and >1.0% copper in rockchip samples.**
- **Outcropping porphyry mineralisation containing mineralised B veins with chalcopyrite and magnetite.**
- **Areas of sheeted B veins with up to 4.9g/t gold and 1.3% copper.**
- **Limited channel sampling shows uniform gold and copper mineralisation over intervals up to 16m.**
- **Cascabel is located in the regional belt of porphyry gold-copper deposits that includes the Junin deposit (8.7 million tonnes of contained copper metal) and the La Colosa gold porphyry (24 million ounces of contained gold).**

### **Current activities:**

- **Ongoing channel sampling in areas of outcropping porphyry mineralisation.**
- **Systematic soil sampling on a 200 x 100m grid over the main target area covering approximately 5 x 4km.**
- **A detailed heli-magnetic and radiometric survey over the entire concession will commence this month.**
- **Detailed geological mapping compiled.**

At Moran, rockchip sampling has returned anomalous gold and copper values (16 samples > 100 ppb gold and 22 samples > 500 ppm copper), including values up to 1.84g/t gold and 1.62% copper in an altered and veined porphyry gold-copper, highly prospective potassic zone, environment. Channel sampling has been completed within a 200m length of creek bank outcrop. The sampling comprises seven channels which range in length from 6.8m to 18m for an aggregate sample length of 80.23m. Individual channel samples vary in length from 1.1 to 3.2m. Anomalous gold and copper assays were received from those channels with mapped vein networks containing chalcopyrite, magnetite and some malachite. The best interval was 16.2m at 0.21g/t gold and 0.18% copper, with grade open at both ends of the channel. Peak individual values over a 2m sample were 0.37g/t gold and 0.33% copper.

\*For more information on porphyry gold-[www.solgold.com.au](http://www.solgold.com.au), Investor Centre, ["What we are looking for"](#)

At Alpala, rockchip sampling has returned values ranging from 1.14 to 4.86 g/t gold and 0.51 to 1.30 % Cu also in a potassic altered and sheeted veined porphyry gold-copper environment. Limited continuous chip sampling has been completed, and additional channel sampling is in progress. The chip sampling that has been completed includes 4m at 3.30g/t gold and 0.99% copper.

In addition to the two main areas of porphyry gold-copper mineralisation, alteration and anomalous gold and copper samples have been returned from several other areas, within an area of 5 x 4km. This broader area includes additional zones of potassic alteration at Quebrada Tandayama and America, zones of adularia-quartz-carbonate-chalcopryrite veins and breccias at Quebrada Adularia, and zones of significant panned gold in areas of epithermal veining. Several altered and/or geochemically anomalous areas have not yet been followed up.

Reconnaissance geological mapping accompanied by stream sediment and rock sampling has been completed on approximately 85% of the property. A total of 133 stream sediment samples have been collected, with 35 (27%) returning anomalous gold (> 50 ppb Au) and 95 (72%) returning anomalous copper (> 100 ppm Cu). The stream sediment survey has defined an extensive gold and copper anomalous area measuring more than 15 km<sup>2</sup> in the central portion of the property.

A total of 338 representative rock chip samples have been collected from outcrops during the reconnaissance program, with 149 samples (44%) returning anomalous gold (>100 ppb Au), including 26 samples grading > 1,000 ppb (1 g/t) Au. A large proportion of samples (262 or 78%) returned anomalous copper (> 100 ppm Cu), including 71 samples grading > 1,000 ppm Cu.

An orientation soil geochemistry survey was carried out to define the soil horizon and size fraction offering the best geochemical response. A total of 72 sites were sampled over 3 northeast oriented lines which cover volcanic host rocks and the altered and mineralized porphyry system.

Current exploration includes systematic soil sampling over a large portion of the exploration concession, a detailed helicopter magnetic and radiometric survey, and ongoing channel sampling and detailed geological mapping.

All exploration activities are focussed on delivering drill targets as soon as possible.

The exploration to date has identified gold and copper mineralisation associated with potassic alteration typical of porphyry gold-copper systems. There is a direct relationship between chalcopryrite mineralisation and magnetite. This is significant and will provide a strong basis for 3-D interpretation of the target zone from the detailed heli-magnetic survey. These results are expected to be available next month.

In addition to the technical exploration program, Cornerstone has completed a stakeholder baseline survey through international consultants Cardno Entrix, and continues to implement community relations programs. The project and exploration programs are strongly supported by the local community.

Malcolm Norris, CEO of SolGold commented: **“We are pleased with results to date from the Cascabel project. A substantial porphyry gold-copper system has been identified and we are now systematically advancing the project to define drill targets. Drilling is subject to permitting and we are progressing the work required for the issuance of those permits.”**

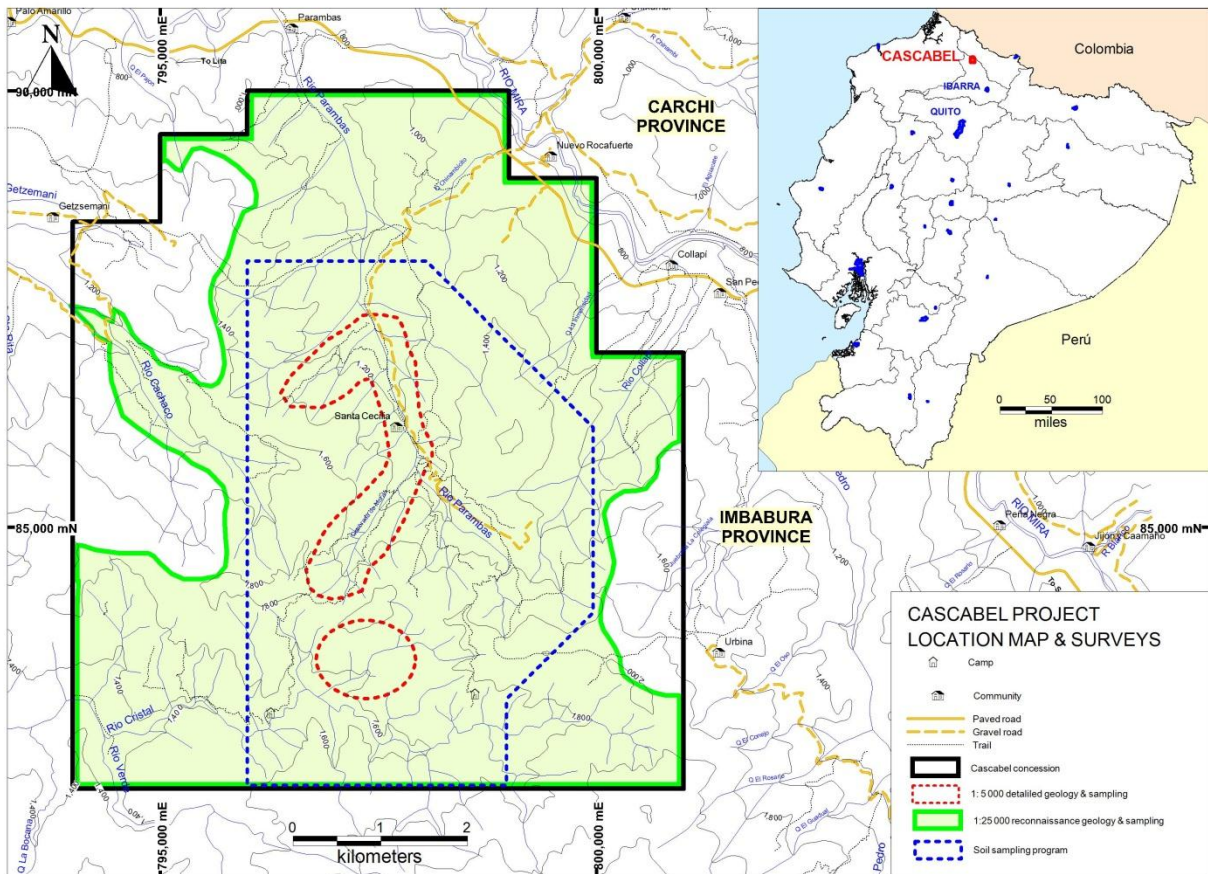
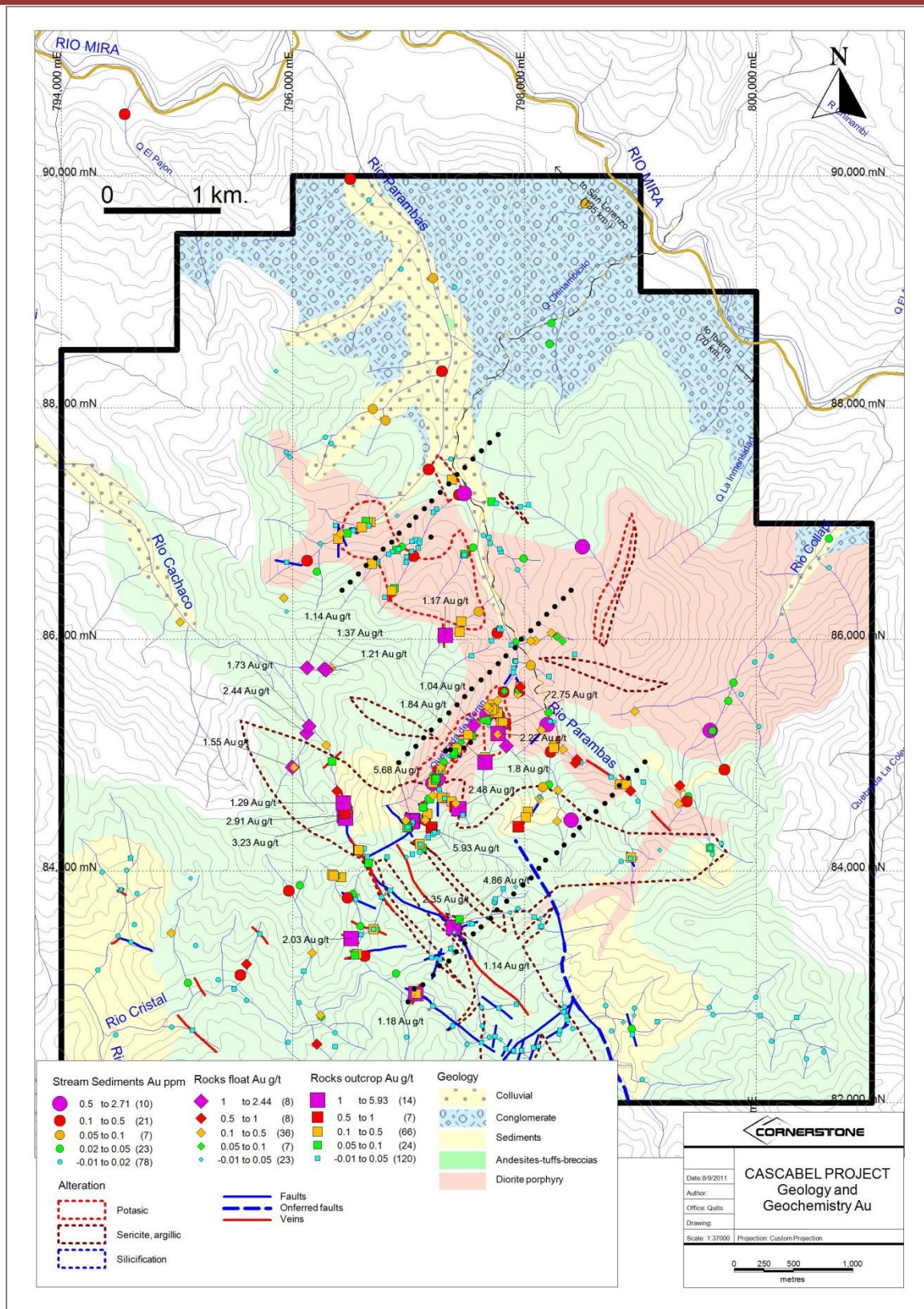
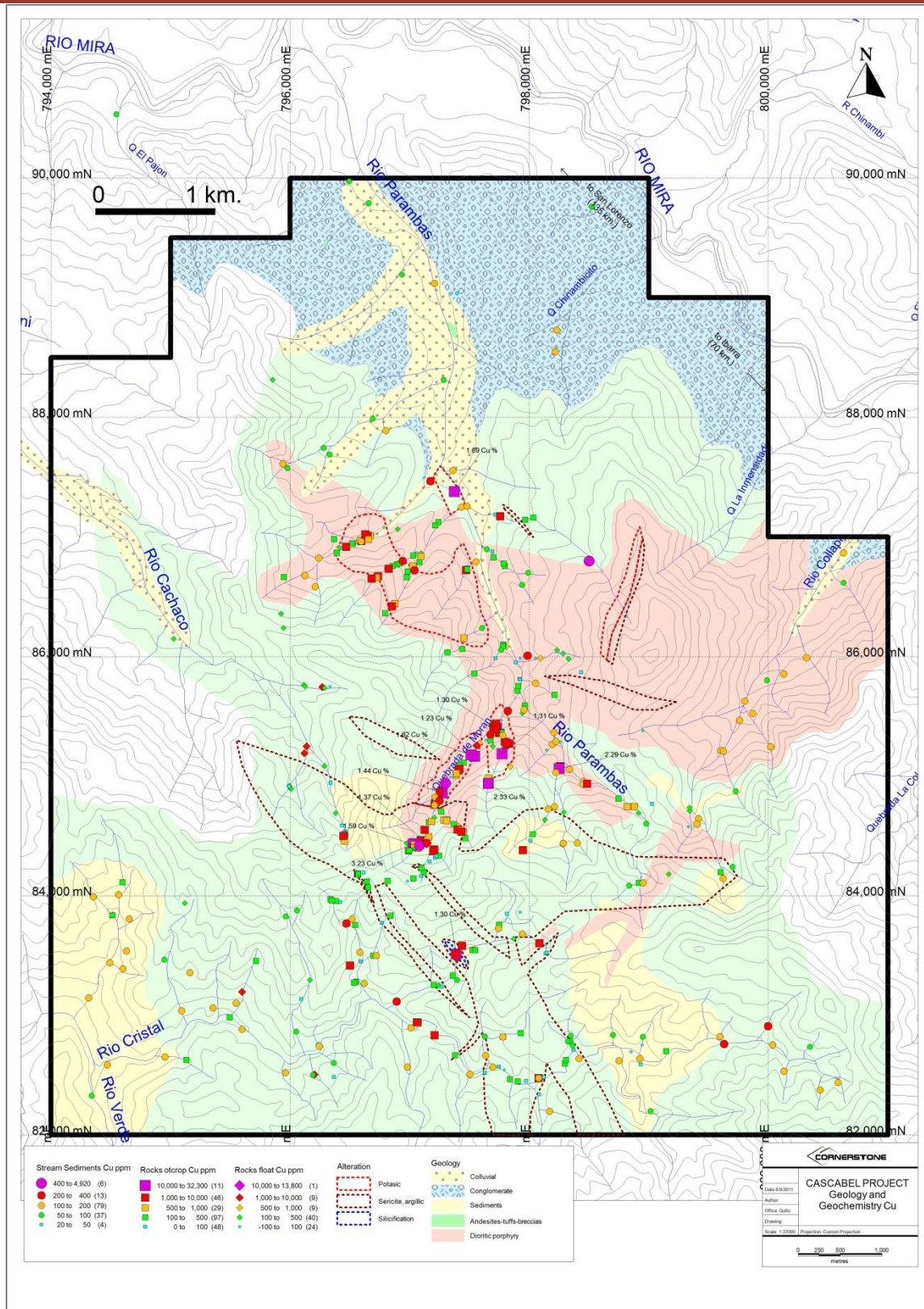


Figure 1: Location of the Cascabel concession in Northern Ecuador. Access is via a 3 hour drive on a paved road from the capital city Quito. The elevation ranges from 750m to 2100m above sea level.



**Figure 2: Gold in rock chip and stream sediment samples. The black dots mark the soil sampling orientation survey which has been completed and forms the basis for an ongoing 200 x 100m systematic soil sampling program.**



**Figure 3: Copper in rock chip and stream sediment sampling.**

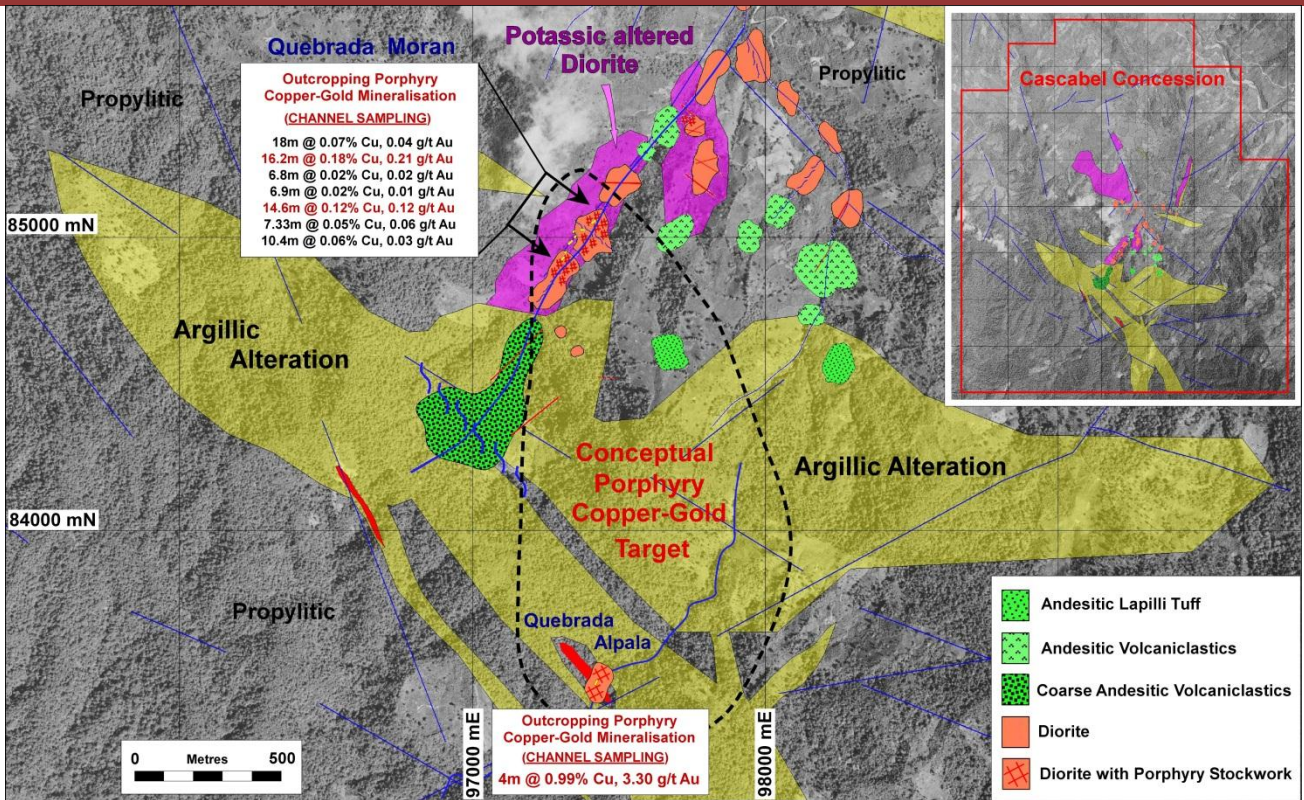


Figure 4: The Quebrada Moran and Quebrada Alpala areas defining the 2 x 1km porphyry gold-copper target. Also shown are the channel sampling assay results completed to date at both areas.

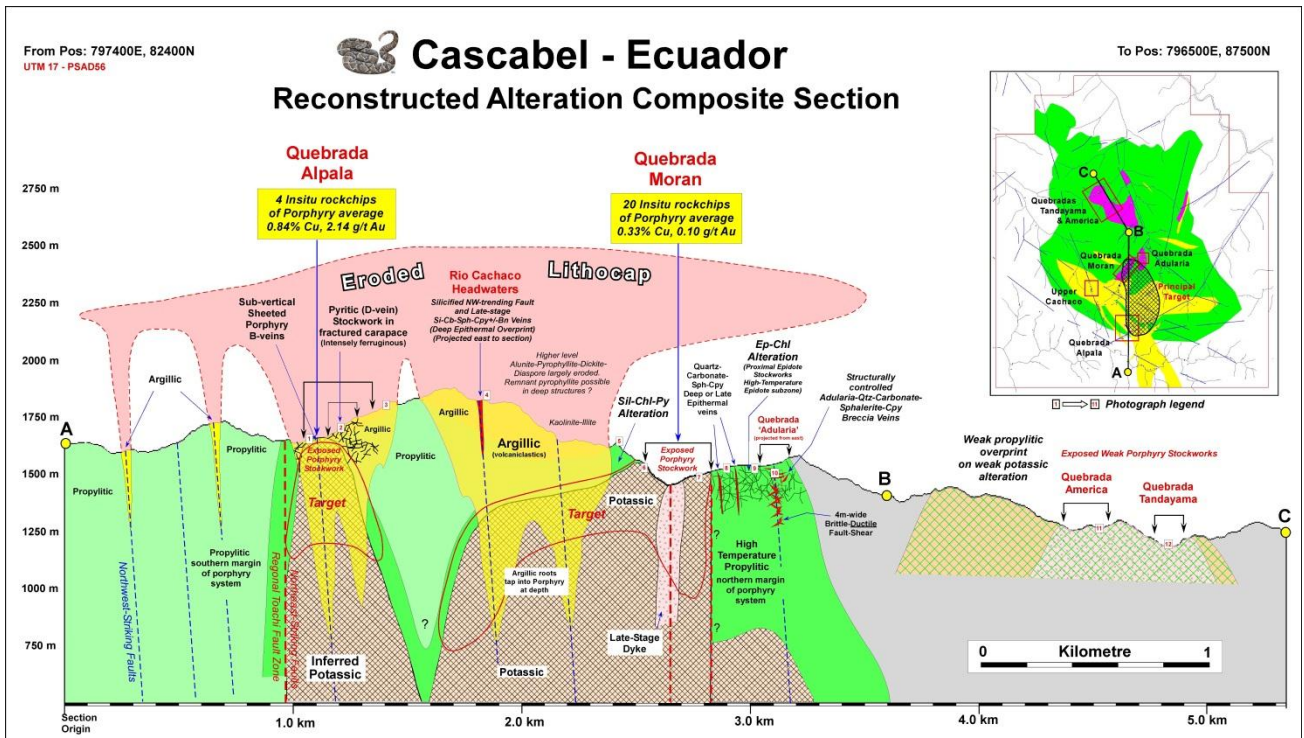


Figure 5: A composite interpretation section through the project area based on geological mapping to date. Ongoing exploration will test this interpretation, which may evolve prior to drill targeting.

**Qualified Persons**

Information in this report relating to the exploration results, gold:silver ratios and cut-off grades 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](http://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 Australia, they comprise 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 Guadalcanal Joint Venture with Newmont Mining Corporation, and in Ecuador a JV with Cornerstone Capital Resources on the Cascabel gold-copper project.

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). The 2012 exploration program, including planned drilling to define new ore positions and grow the resource, is underway.

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

In the Solomon Islands, the 2012 exploration program on the Fauro project has been delayed while a JV partner is sought to pursue drilling of gold-copper targets defined in the 2011 exploration program. The 2012 Guadalcanal Joint Venture with NVL Solomon Islands Limited (a subsidiary of NYSE-listed Newmont Mining Corporation) is now seeking expressions of interest for possible divestment.

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 346,715,267 fully-paid ordinary shares, 1,070 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](http://www.solgold.com.au).