



18 July 2013

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

## **Solomon Islands Exploration Update**

The Board of SolGold is pleased to announce the following exploration update for the 100% owned tenements in the Solomon Islands which are prospective for porphyry copper-gold and epithermal gold deposits.

### **Highlights:**

- **Successful renewal of Kuma prospecting licence in the Solomon Islands with a 12 month exploration program in preparation by the SolGold technical team.**
- **Significant silica-clay lithocap main focus at Kuma.**
- **Fauro Island update.**
- **Formal termination of Guadalcanal Joint Venture.**
- **Acquisition of Guadalcanal Exploration (GEx) containing the Big Frog porphyry Cu-Au prospect.**

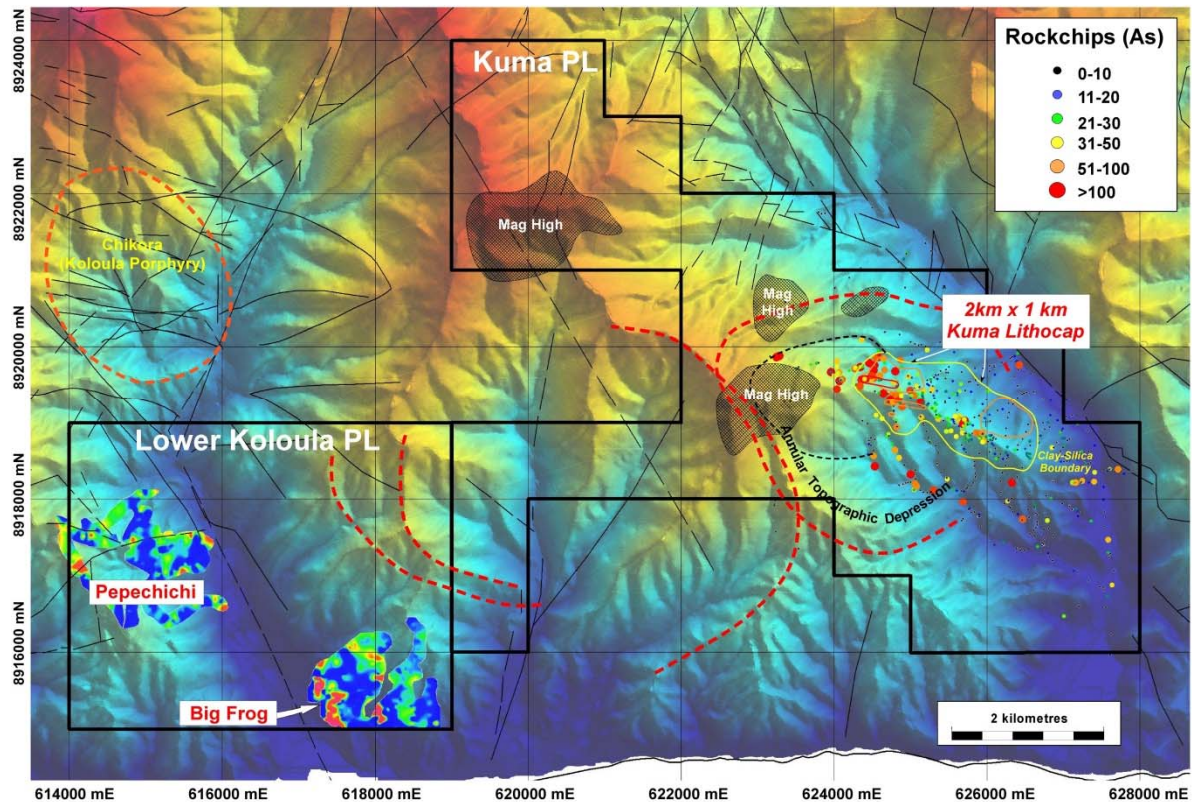
### **Kuma Prospecting Licence Successfully Renewed**

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 Kuma property is located near the central part of the 'weather coast' on the south side of Guadalcanal Island in the Solomon Islands. The property lies over the Late Oligocene to Pliocene basaltic and andesitic Suta Volcanics which are intruded by diorite, tonalite and granodiorite intrusions that form part of the regional Koloula Igneous Complex. SolGold's primary target on the Kuma property is an extensive lithocap (area of silica and clay alteration) typical of the alteration that forms over porphyry copper-gold deposits. The Kuma lithocap has been mapped over 2.1 square kilometres and is located over a series of deep magnetic anomalies that the Company considers are of considerable exploration interest.

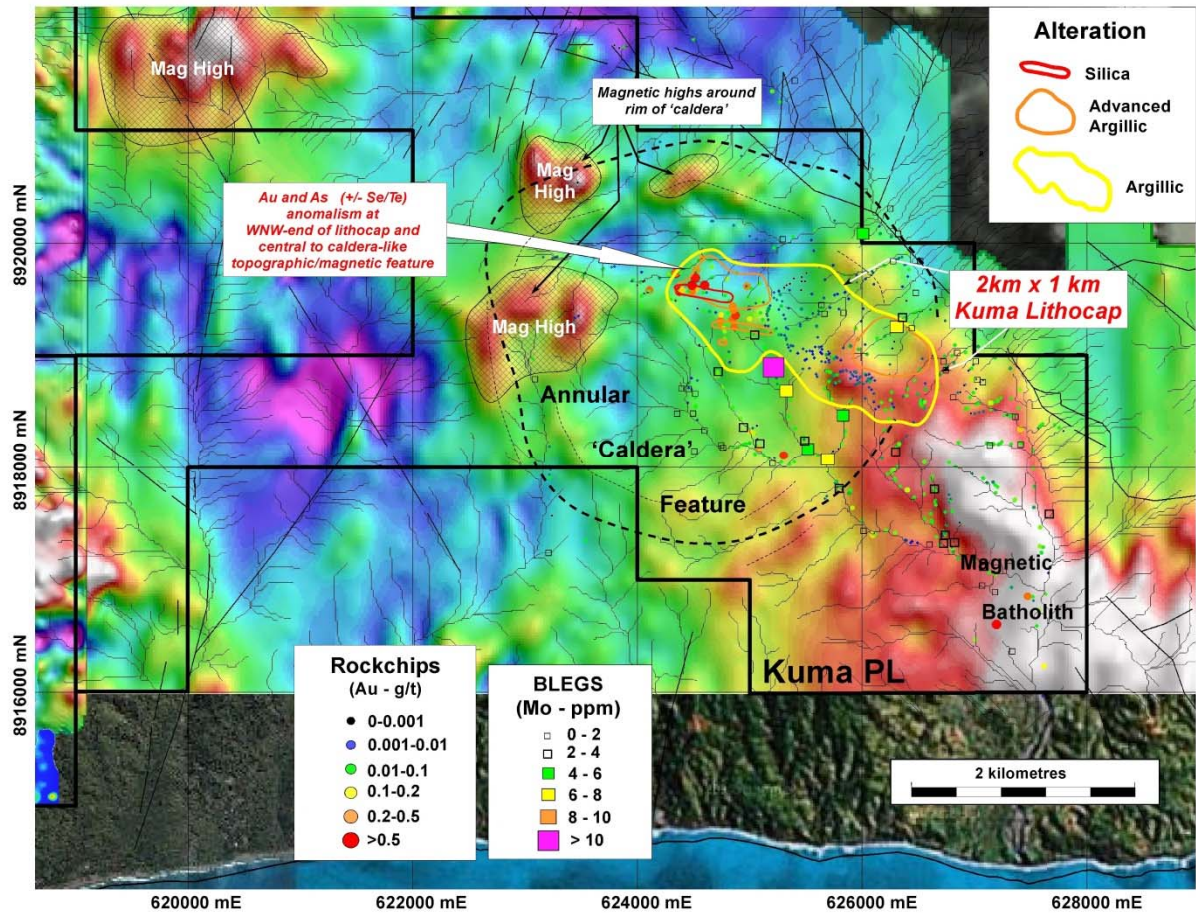
The presence of the Kuma lithocap and the underlying magnetic signatures, in the context of local copper, gold, arsenic, silver and molybdenum anomalism (Figures 1 and 2) and anomalous samples collected previously by SolGold geologists from the drainages in the area, underscores the potential of the Kuma prospect to yield a copper gold porphyry system below the Kuma lithocap. This target was only superficially investigated in the field by the previous SolGold Newmont joint venture with surface rockchip sampling. The target has never been drilled despite geochemical anomalism in parts of the lithocap.

SolGold is finalising the next exploration stage on the Kuma property, which the Company anticipates commencing during the second half of this year. The work program will be based around 3D inversion modelling of magnetic data, detailed alteration mapping using spectral techniques, follow-up stream sediment sampling and selected ridge-and-spur soil sampling.



**Figure 1 - Location of the adjoining Lower Koloula and Kuma prospecting licences and location of the Kuma lithocap target, the Big Frog porphyry copper-gold prospect and the Chikora porphyry system. The Kuma lithocap (area of clay-silica alteration) straddles a 3-km-wide annular topographic depression that is interpreted to represent a collapsed caldera. Anomalous pathfinder geochemistry (arsenic [Figure 1]; and gold [Figure 2]) occurs at the west-northwest end of the mapped lithocap.**





Boulders of silica-clay-pyrite alteration derived from the Kuma lithocap



## **Fauro Island Update**

The Fauro prospecting licence (PL 12/09) has 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.

## **Formal Termination of Guadalcanal Joint Venture**

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 now 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 prospecting licence discussed above.

## **Acquisition of Guadalcanal Exploration (GEx)**

SolGold has entered into an agreement to acquire Guadalcanal Exploration Pty Ltd (GEx), a private company registered in Queensland, Australia.

As outlined in the Company's 2012 Annual Report, SolGold has held a put and call option over the shares of GEx since 18 April 2012. SolGold has, since the licences were initially granted, funded the exploration efforts of Guadalcanal Exploration to the extent of \$1.1m. Of this total, approximately \$1m was spent in the 2012 financial year. SolGold exercised its call option on 30<sup>th</sup> June 2013 over all of the shares of GEx, which amounted to an acquisition cost to the company of \$1. The settlement date for the transaction was 8 July 2013.

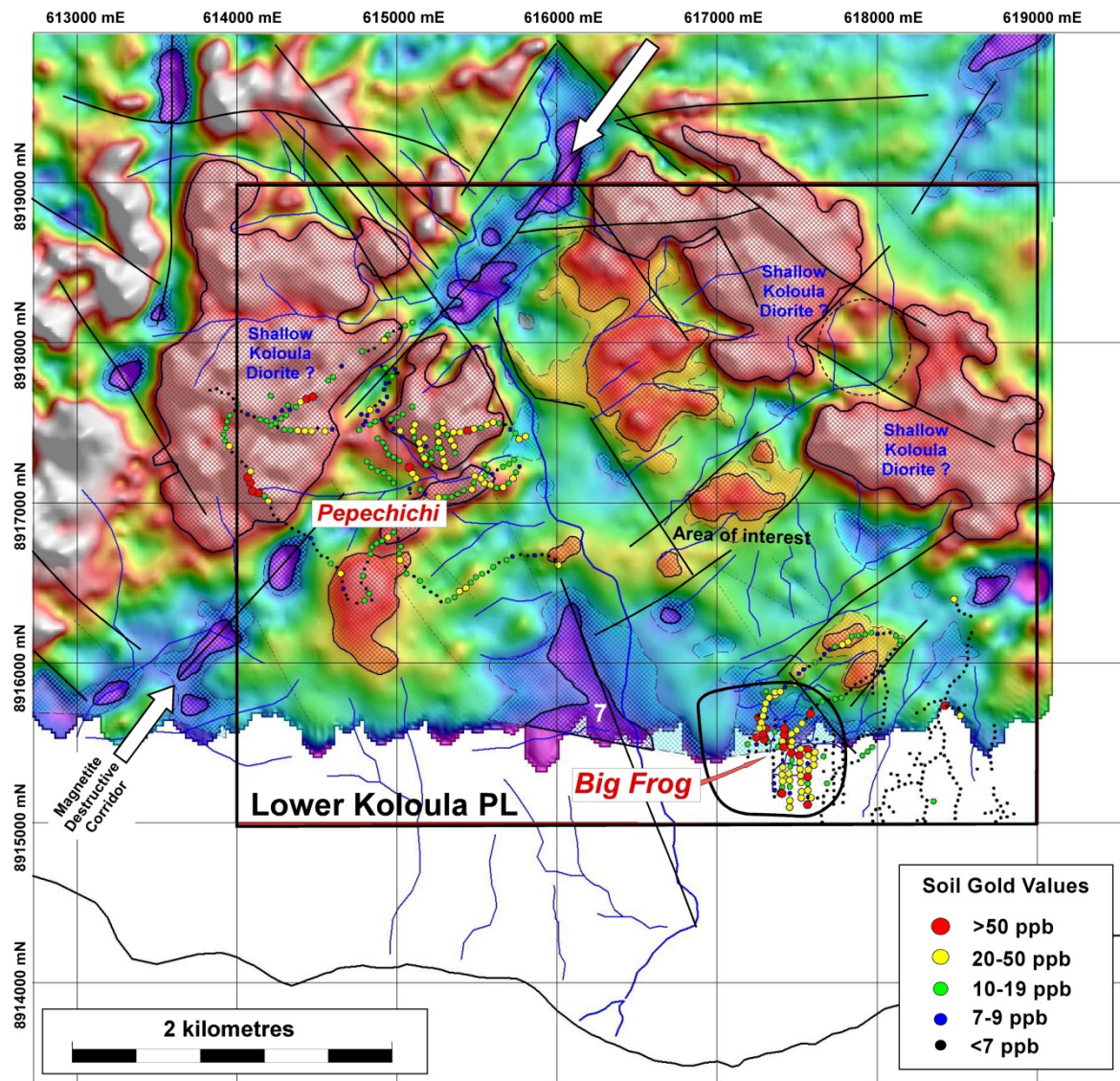
GEx holds 2 prospecting licences on the island of Guadalcanal in the Solomon Islands, covering a total area of 56km<sup>2</sup>. The licence of most interest is Lower Koloula (PL 01/10) which is located along the southern 'weather coast' of Guadalcanal island and adjoins the western side of the Kuma property. The Lower Koloula property covers an area of 5 km by 4 km. Exploration conducted by GEx geologists has defined two prospect areas, Big Frog and Pepechichi.

The most significant prospect is Big Frog, which is defined by an area of multiple intrusive rock types that include tonalite, diorite and quartz diorite. This intrusive complex coincides with copper, gold and molybdenum soil anomalies that collectively span an area approaching a square kilometre. These soil anomalies are open to the west and southwest beneath alluvial deposits of the Koloula River. Geological mapping of the Big Frog prospect has identified distal-to-proximal zonation in the abundance and species of sulphide minerals with increasing copper-sulphide abundances observed at surface from northeast to southwest.

Porphyry stockwork veins are observed at surface at the Big Frog prospect, confirming the presence of a porphyry system at Big Frog and also corroborating the copper-gold-molybdenum association in soil samples over the area. Northwest-trending zones of argillic alteration are observed in the region but their full extent has not yet been defined by mapping. These zones of argillic alteration may reflect partial preservation of an over-printing phase of epithermal mineralisation.



SolGold geologists are presently reviewing the GEx data and are in the process of designing a follow-up exploration program for the area.



**Figure 3 – Lower Koloula prospecting licence outline on RTP (reduced-to-pole) magnetic imagery, showing the location of the Big Frog porphyry prospect and the Pepechichi prospect. Grid and ridge-and-spur soil samples and soil gold anomalies are shown at Big Frog and Pepechichi.**

Big Frog represents another porphyry system that SolGold will evaluate in addition to the Kuma lithocap target on the adjacent licence area and the Alpala porphyry system on its flagship Cascabel property in Ecuador.

By order of the Board  
Karl Schlobohm  
Company Secretary



#### **Qualified Persons**

Information in this report relating to the exploration results is based on data reviewed by Mr Nicholas Mather (B.Sc. Hon), the Executive Director 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.

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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), the Florida licence, and the Kuma license on Guadalcanal.

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 subsidiary which owns 100% of the 5,000 hectare Cascabel copper-gold 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).

Exploration continues at Rannes, 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) has been formally terminated following finalisation of divestment agreements.

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 – following the securities issued and cancelled per the RNS of 15 July 2013 - 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)