



1 May 2013

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

CASCABEL PROJECT UPDATE

3D Geophysical Modelling, Channel Sampling and Geological Model at High Grade Alpala Zone

The Board of SolGold plc (AIM code: SOLG) is pleased to provide a further update on recent developments at the Cascabel Project in northern Ecuador as it prepares for drilling on the Cascabel concession. Today's update follows on from the Company's recent and successful placement of 119.8 million shares at £0.015 raising AUD2.6million.

HIGHLIGHTS

- **3D magnetic modelling supports the presence of a copper and gold rich magnetic core zone at the apex of a deep regional intrusion feeding copper gold rich solutions to Cascabel.**
- **Magnetic core zone covers an area of 1000m x 500m under the clay-silica-pyrite cap south east of the outcropping rich copper gold Alpala zone at Cascabel.**
- **Geochemical trenching and mapping confirms mineral zonation typical of a predictable rich porphyry copper gold system.**
- **The extent of surface copper and gold mineralisation, and accompanying clay, pyrite and silica cap rocks cover most of an area of 2km².**
- **A 1 to 2 billion tonne copper gold porphyry target is supported by 3D magnetic data, surface alteration mapping and the extent of copper-gold-molybdenum anomalism in soil sampling data.**
- **Community liaison programs well received and progressing well.**
- **Drill permitting well advanced.**
- **Drill contractor selection during May.**

CASCABEL PROJECT UPDATE

Recent 3D inversion modelling of helimagnetic survey data over the Cascabel concession has been undertaken by Moore Geophysics (Melbourne, Australia) to map the 3D geometry of the magnetic bodies below the outcropping copper and gold rich Alpala porphyry mineralisation. The modelling has defined an interpreted intrusive batholith (solidified magma chamber) at depth, with a magnetic apophyse or protrusion extending close to the existing land surface east of the area of mineralised trenches at Alpala. The Board of SolGold has reason to believe that this magnetic apophyse may represent part of the magnetic core of the Alpala porphyry system, and this has assisted with the siting of planned holes for the upcoming drilling program.



Several other targets on the property have also been modelled and results will be released in the near future.

SolGold has received assays from seven additional areas of channel sampling at the Alpala porphyry copper-gold prospect. These areas all lie within the pyritic argillised cap-rocks that overlie the erosionally-exposed window of quartz stockwork veining that was previously reported as being highly mineralised. The best intersection in these cap rocks was in trenches TH64B-D which assayed 63.03m @ 0.18 g/t Au and 0.19% Cu, including 12.67m @ 0.42 g/t Au and 0.16% Cu. These recent results have allowed SolGold to understand the geometry of the high grade stockwork mineralisation in greater detail. Channel sampling is continuing over a broader swathe of terrain around the exposed Alpala stockwork veins to further understand the distribution of mineralisation at surface.

In preparation for the commencement of drilling at the Alpala porphyry prospect, four drill contractors from Ecuador, and two drill contractors from overseas have visited the Alpala site to tender for the planned drilling program. Final selection of the preferred drill contractor will take place during May.

Recently it has been reported that Enami (the Ecuador state-run mining company) and Codelco of Chile (the world's largest copper producer) have formed a joint venture to conduct advanced exploration at the Junin porphyry deposit and property, located approximately 60km southwest of Cascabel. SolGold believes that the presence of Codelco in Ecuador since November 2011 is a sign of the increasing attractiveness of Ecuador to major foreign investors.

3D INVERSION MODELLING OF MAGNETIC DATA

The high grade Alpala Prospect is located within the T1 porphyry copper-gold target located in the southern part of the Cascabel concession area. The centres of porphyry copper-gold systems are typically highly magnetic due to the presence of the mineral magnetite within the central potassic-altered zones. Recent 3D inversion modelling of magnetic data over the property was conducted by Moore Geophysics (Melbourne, Australia) to enable the geometry of magnetic bodies to be mapped in three dimensions. The south-western inversion model is located over the broader Alpala region (Figure 1).

The modelling has identified magnetic basement rocks at around 2km depth that are interpreted to represent an intrusive batholith (solidified magma chamber). This batholith is interpreted to be the source of intrusions that, while still molten, ascended and generated the Alpala porphyry mineralisation at shallower levels. The modelling has also identified a magnetic apophyse, approximately 1 kilometre by 600 metres in dimension, just east of the area of mineralised trenches at Alpala (Figures 1 and 2). The areas around the periphery of this magnetic apophyse - which encapsulate the recent channel sampling at central Alpala - will be targeted in the forthcoming drill program. Figure 3 shows the interpreted target zone for additional quartz stockwork veining as a carapace around the magnetic apophyse.

CHANNEL SAMPLING RESULTS AND DEVELOPMENT OF GEOLOGICAL MODEL

Assay results have been received from seven new areas of channel sampling. Four of the new channel cuts lie over or north of the zone of outcropping mineralised quartz stockwork veins (TH62, TH63, TH64, TH65) whilst the other three lie over or south of the zone of outcropping quartz veins (TH66, TH67, TH68). Assay results of all trenches assayed to date are listed below.

Table 1: Results for all channel samples at the Alpala prospect.

Channel No.	Intersection Width (m)	Gold (g/t)	Copper (%)	Zone	Announcement Date
TH51	24.13	0.04	0.03	Pyrite Shell	24 January 2013
TH50	9.98	0.10	0.04	Pyrite Shell	24 January 2013
TH49	22.39	0.16	0.30	Weak Quartz Stockwork	24 January 2013
TH48	13.22	0.06	0.08	Pyrite Shell	24 January 2013
TH46	45.63	0.81	0.59	Intense Quartz Stockwork	24 January 2013
TH47	5.48	0.75	0.06	Intense Quartz Stockwork	24 January 2013
TH57	45.50	0.46	0.25 *	Intense Quartz Stockwork	25 March 2013
TH56B	21.45	0.47	0.42	Intense Quartz Stockwork	25 March 2013
TH56A	56.93	1.16	0.34	Intense Quartz Stockwork	25 March 2013
TH56D	0.65	0.32	0.52	Intense Quartz Stockwork	25 March 2013
TH56C	2.31	0.30	0.96	Intense Quartz Stockwork	25 March 2013
TH62	13.14	0.02	0.05	Pyrite Shell	New results
TH63	8.84	0.03	0.04	Weak Quartz Stockwork	New results
TH64A	4.1	0.02	0.03	Weak Quartz Stockwork	New results
TH64B	8.3	0.02	0.35	Weak Quartz Stockwork	New results
TH64C	18.65	0.18	0.24	Weak Quartz Stockwork	New results
TH64D	36.08	0.22	0.13	Weak Quartz Stockwork	New results
TH65	25.59	0.04	0.11	Weak Quartz Stockwork	New results
TH66A	6.32	0.03	0.15	Weak Quartz Stockwork	New results
TH66B	1	0.11	0.15	Weak Quartz Stockwork	New results
TH66C	1.4	0.19	0.14	Weak Quartz Stockwork	New results
TH66D	2.5	0.22	0.17	Weak Quartz Stockwork	New results
TH67A	4.1	0.06	0.24	Weak Quartz Stockwork	New results
TH67B	5.45	0.02	0.05	Pyrite Shell	New results
TH67C	11.7	0.01	0.05	Pyrite Shell	New results
TH67D	7.5	0.005	0.02	Pyrite Shell	New results
TH67E	8	0.03	0.03	Pyrite Shell	New results
TH68A	17.97	0.01	0.02	Pyrite Shell	New results
TH68B	16.46	0.01	0.03	Pyrite Shell	New results
TH68C	7.83	0.01	0.03	Pyrite Shell	New results
TH68D	7.32	0.01	0.02	Pyrite Shell	New results
TH68E	4.14	0.003	0.01	Pyrite Shell	New results

* Cu value cut to 10% in one sample.



The high grade intersections (> 0.3 g/t Au [*up to 1.16 g/t Au*] and $> 0.3\%$ Cu [*up to 0.96% Cu*]) are associated with the outcropping window of more intense quartz stockwork veining (Table 1). This zone of mineralised quartz stockwork veins is exposed within the erosional hollow of the Alpala creek, which has cut down to locally expose a small part of a much larger zone of underlying stockwork veining. This zone of higher grade copper and gold **is anticipated to extend under cover in all directions** and at depth at Alpala (Figures 4 and 6).

The lower grade intervals (0.1-0.3 g/t Au and 0.1-0.3 % Cu) are associated with the transition between the underlying intense quartz stockwork veining and the overlying barren zone where quartz veins are absent. In this peripheral zone of the quartz stockwork shell, the quartz vein intensity is weak, accounting for the lower copper and gold grades. The zones of extremely low grade are associated with the argillic (clay) altered capping rocks that contain networks of oxidised pyrite veins (Figures 5 and 6). These rocks dominate the areas of higher elevation and conceal the larger Alpala porphyry system. These zonal relationships typify the zonation in most of the world's intact classic copper gold porphyry systems.

These results and the developing geological understanding at Alpala gives SolGold geologists high confidence that the project is located on the apex of a large and rich copper-gold porphyry system, most of which is preserved below the current level of erosion, and concealed by the argillic-altered cap-rocks north west and south east of Alpala.

Channel sampling is continuing over a broader swathe of terrain around the exposed Alpala stockwork veins to further understand the distribution of mineralisation at surface.

PREPARATION FOR DRILLING PROGRAM AT ALPALA

Six drilling contractors have been invited to tender for the Phase 1 drilling program at Cascabel and five have visited the Cascabel concession and Alpala prospect. Four of the drill companies are from Ecuador. Four quotations have been received, with the remaining two due in the next week.

The drill contract will be awarded during May, enabling finalisation of the permits required by the contractor. Logistic preparations for the drilling program are well underway. The Phase 1 drill program will comprise 6 drill holes, for a total program of 2500m. Preliminary selection of drill site locations has been completed, and access on the ground is currently being assessed for suitability for drill pad construction.

SolGold and Cornerstone continue to progress through the regulatory requirements for issue of the Environmental Permit, which allows advanced exploration including drilling. Drilling is allowed to commence immediately upon approval of the EIA (Estudio de Impacto Ambiental; i.e. Environmental Impact Study).

Mr Nicholas Mather, Executive Director of SolGold commented: **“SolGold and its partner Cornerstone continue to make smooth progress through the steps required to gain the Environmental License that will enable drilling at Cascabel. The General Audience meeting with the local community was held on Friday the 26th April in Santa Cecilia. The meeting was positive and SolGold and Cornerstone are well supported by the local community. SolGold and Cornerstone continue to track through the required steps leading to grant of the Environmental License. The Company is moving on simultaneous fronts through regulatory, logistic and geological requirements leading up to the commencement of drilling on the exciting high grade Alpala target.”**

CODELCO AND ENAMI JOINT VENTURE AT JUNIN IN ECUADOR

Enami EP (the Ecuador state-run mining company) and Codelco of Chile (the world's largest copper producer) have entered a joint venture to conduct advanced exploration on the Junin Porphyry deposit (Llurimagua project). This project is located approximately 60 km southwest of Cascabel.

SolGold believes that the entry of Codelco into Ecuador during 2011-2013 reflects the increasing attractiveness of Ecuador to major foreign investors. Ecuador granted its first large-scale mining contract to China's Ecuacorriente SA in 2012, and that partnership will provide the country with significant experience to propel its nascent mining industry.

SCHEMATICS OF THE MAGNETIC DATA AT THE ALPALA PROSPECT

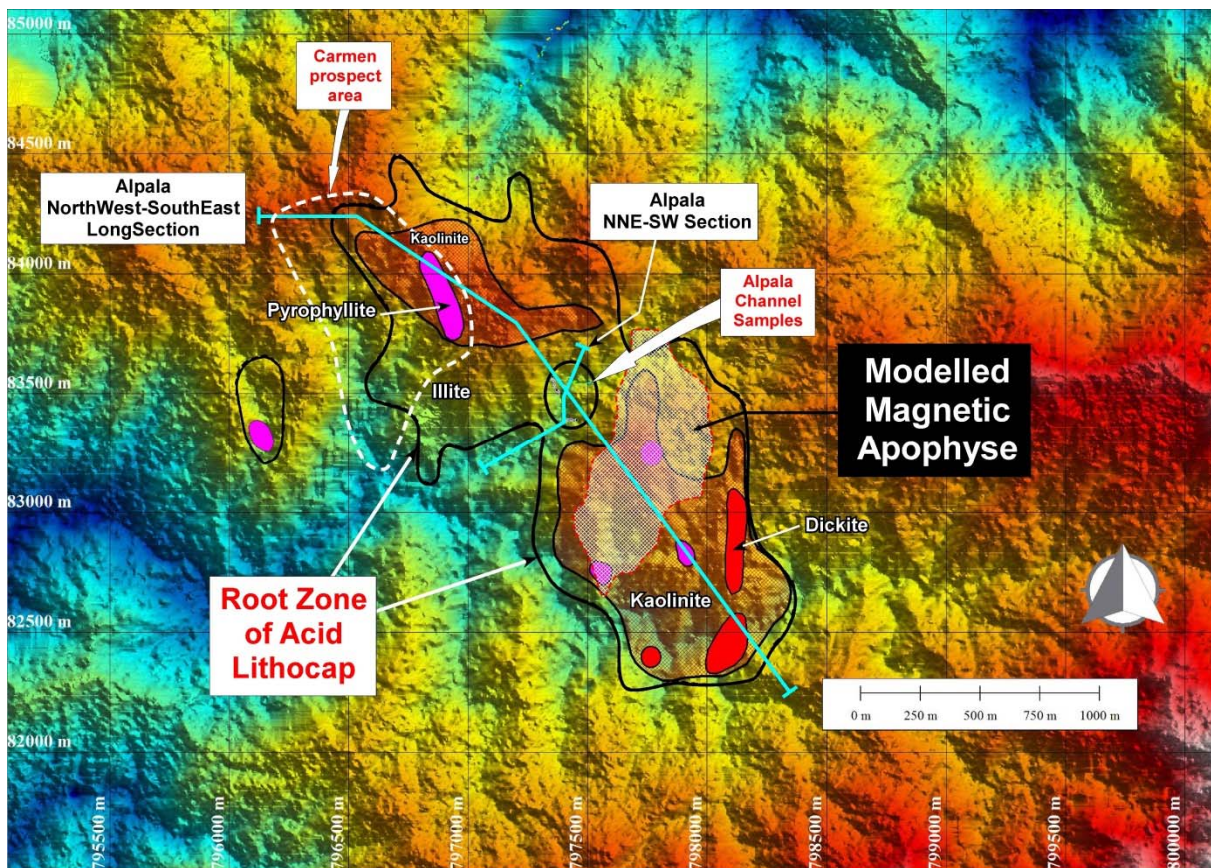


Figure 1 – Location of the Alpala lithocap (black outline), the long-section and cross-section portrayed in Figures 5 and 6 (blue lines), the area of high grade Cu and Au in surface channel sampling at central Alpala and the modelled magnetic apophyse (white cross-hatched area).

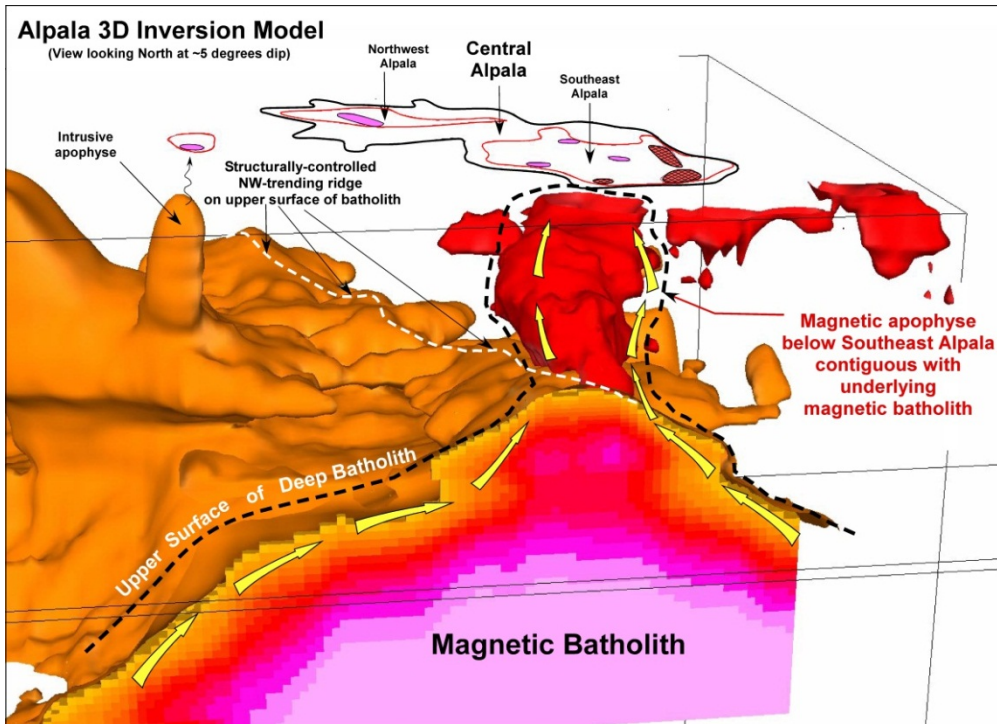


Figure 2 – 3D inversion model of magnetic survey data spanning the broader Alpala region. The magnetic apophyse (red shape), which extends above the modelled magnetic batholith, underlies the southeast Alpala region. The area around the margins of this magnetic apophyse, and which encapsulate the recent channel sampling at central Alpala, will be targeted in the upcoming drill program.

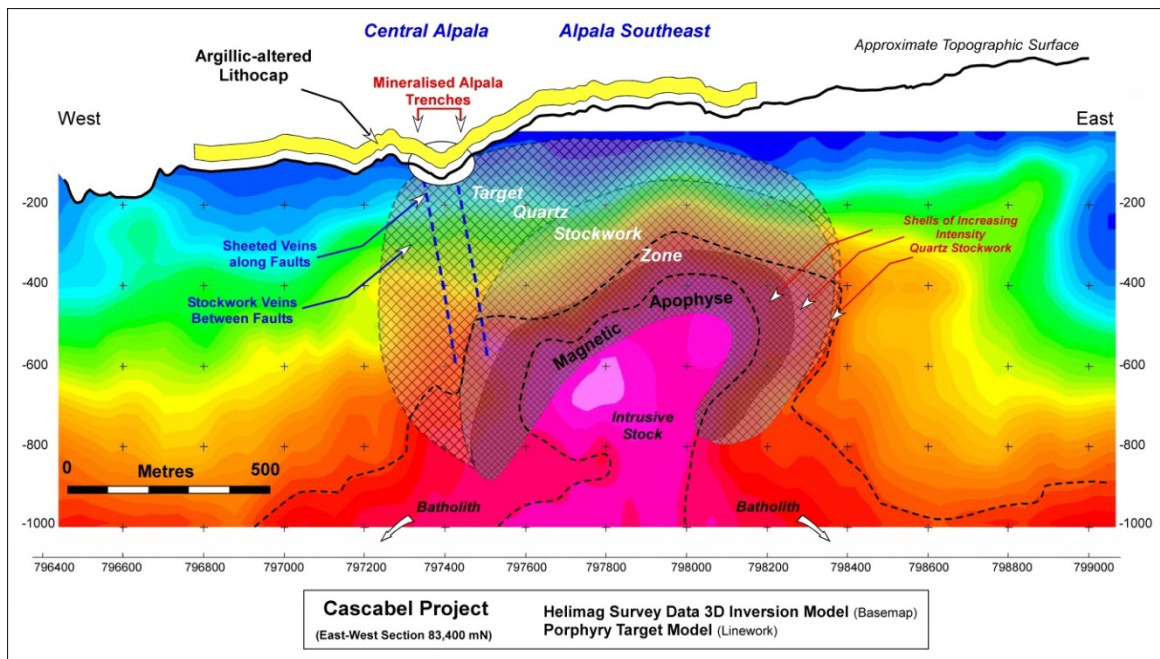


Figure 3 – Section at 83,400 mN through the magnetic 3D inversion model. The section runs east-west through the central Alpala region of mineralised porphyry quartz stockwork veins. The magnetic apophyse and its periphery will be tested for porphyry stockwork mineralisation as interpreted in the above model. The target quartz stockwork zone is also labelled in Figures 5 and 6.

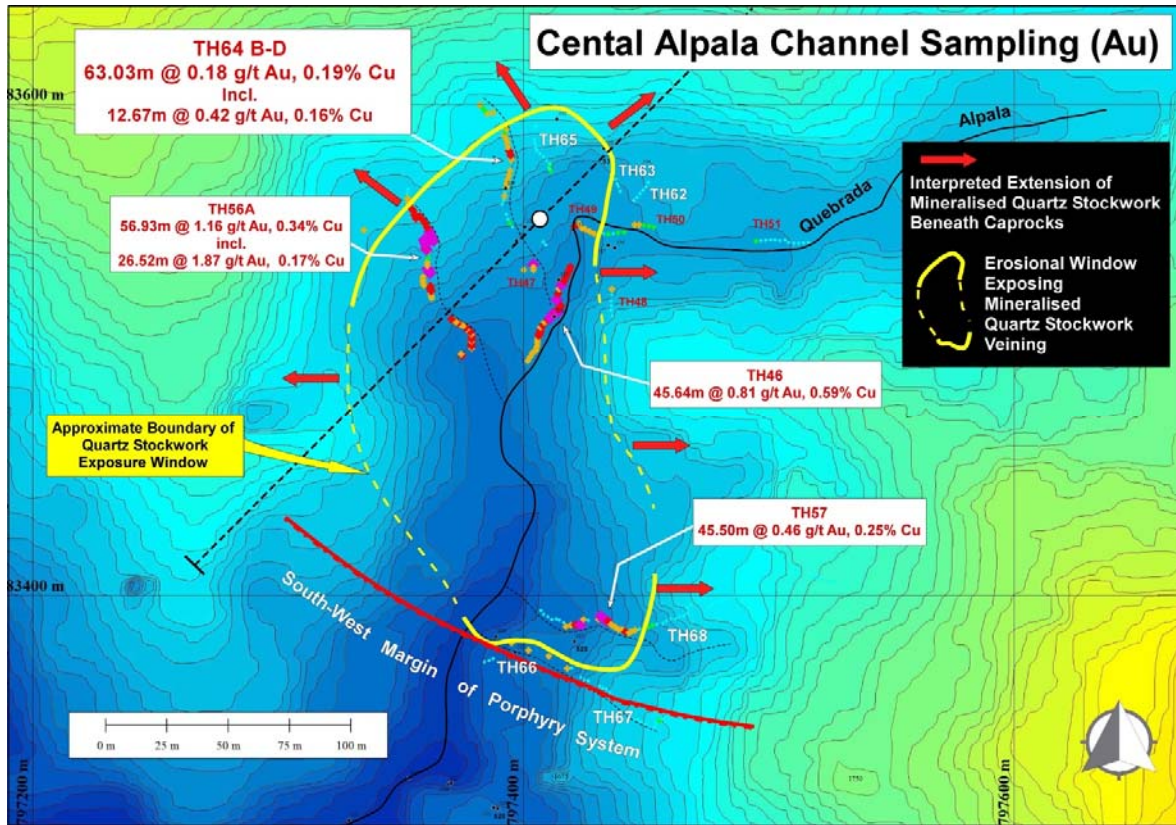


Figure 4 – Trenches (channels) assayed at Central Alpa to date. Gold values are plotted together with significant intersections. The areas of best grade at surface coincide with zones of sheeted and stockwork quartz veins (yellow outline). Areas outside the yellow outline (at higher elevations) are dominated by networks of oxidised pyrite veins which are associated with lower Au and Cu grades within trenches. The dashed black lines show the location of the first two planned drill holes at Alpa.

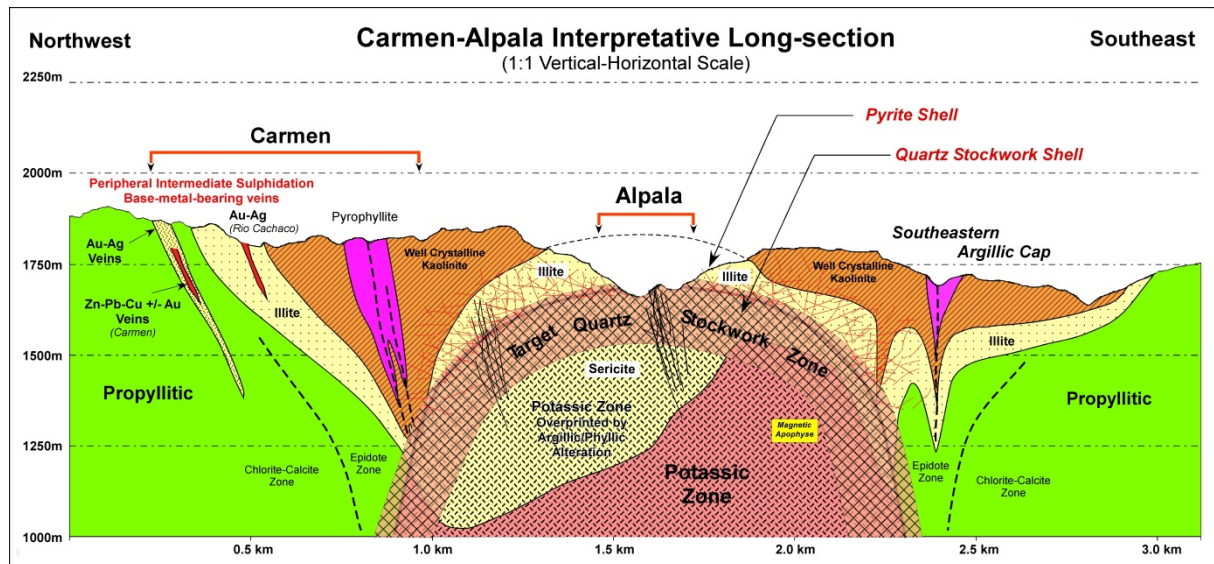


Figure 5 – Developing geological model and interpretative (1:1 scale) long-section through the Alpa region. The section location is shown in Figure 1. The two lithocap remnants (orange areas) that cap the Alpa porphyry Au-Cu system were once likely contiguous across the Alpa valley. The vertical relationship between the outer, barren to low-grade pyrite shell and the underlying, well-mineralised zone of quartz stockwork veining is shown.

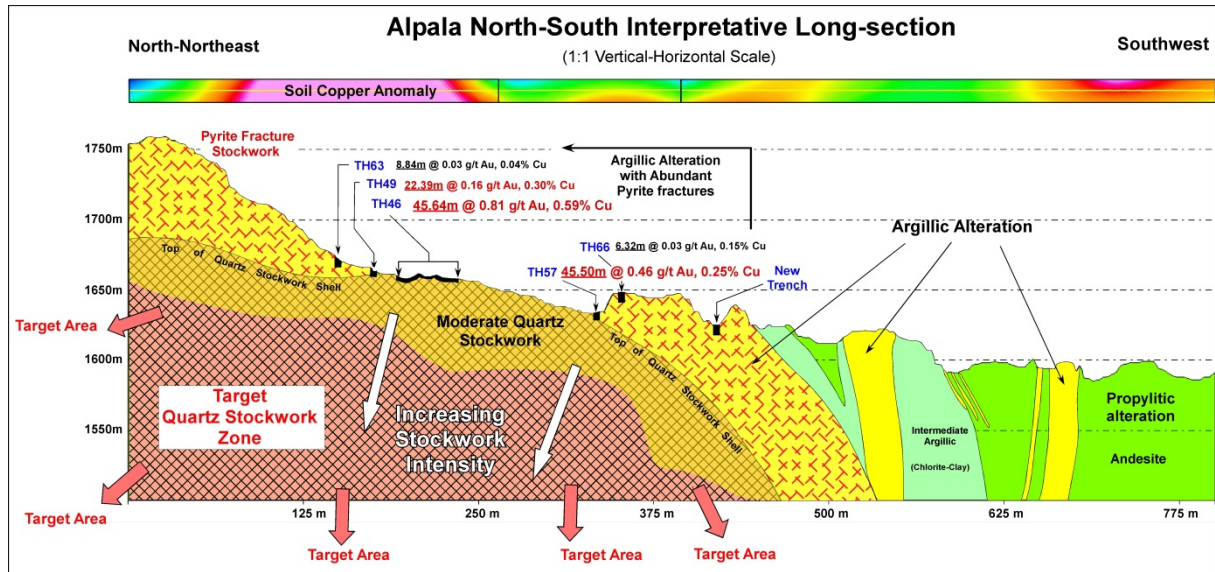


Figure 6 – North-northeast to southwest cross-section through central Alpala. The section location is shown in Figure 1. High grade trenches (TH46 and TH57) are associated with the exposed window of quartz stockwork veining while the more recent low grade trenches (TH63 and TH66) are associated with the overlying argillised cap-rocks to the north and south. At central Alpala, the exposed quartz stockwork zone is open at depth on many sides (red arrows in Figures 4 and 6).

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.

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 a JV with Cornerstone Capital Resources 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 Ngella license on Florida Island 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 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).

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) is to be 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 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 544,044,342 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.