

29 May 2013

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

Quarterly Activities Report
Issue 1

The Board of SolGold Plc (AIM code: SOLG) announces the commencement of a Quarterly Activities Reporting programme with issue one. In the previous quarter the Company has continued to make strong progress on the development of its Cascabel Project in Ecuador and reported on a successful completion of a share placement to fund this development. The Board was also delighted to welcome Mr Alan Martin as the Company's new Chief Executive Officer.

HIGHLIGHTS

- **20 year technical, commercial and financial investment expert Alan Martin appointed CEO;**
- **Re-negotiated agreement with Cornerstone provides for SolGold to acquire up to 85% interest in the promising Cascabel copper gold porphyry project in Northern Ecuador;**
- **Follow-up channel sampling at the Alpala Prospect within the Cascabel Project returned highly encouraging gold and copper assays from all follow-up trenching. Results significantly expand the area of mapped and mineralised porphyry copper-gold stockwork veining in the Alpala region;**
- **3D magnetic modelling supports presence of a copper and gold rich magnetic core zone; and**
- **Successful placement of 119.8 million shares at £0.015 to raise £1.8 million to fund exploration and commence a drilling program at the Cascabel Project.**
- **Drill contractor appointed, access well progressed and drilling permits advanced in preparation for drilling in June 2013.**
- **Drill sites selected to test high grade Alpala project.**

Cascabel Project

SolGold's Board and management team believe that Cascabel represents a unique opportunity for corporate and shareholder growth based on:

- Potential to host a billion tonne copper-gold deposit at Alpala, the main target;
- High grade copper and gold at surface;
- Highly mineralised copper-gold stockwork system revealed in trenches;
- 3D geophysics shows a deep system with an extensive source;
- Logistically well situated close to ports, sealed highways and the capital with access to power and water at a low elevation;
- Locally cooperative community and pro-mining Government;
- The Alpala prospect itself covers an extensive area - over 2km²; and



- Cascabel has at least 4 other prospective targets in addition to Alpala.

During the period under review SolGold reached an agreement with Cornerstone Capital Resources Inc. ("Cornerstone") in respect of re-negotiated terms to acquire a majority interest in the promising Cascabel copper gold porphyry project in Northern Ecuador.

The re-negotiation provides for SolGold to be immediately registered as a shareholder in ENSA, the Cornerstone subsidiary that holds the exploration licence at Cascabel. This provides upside from the La Encrucijada epithermal gold project as well, and affords SolGold the right to 85% of the Cascabel project (up from 65%) for a reduced expenditure of C\$2.5Million on the project (down from C\$7.8Million). SolGold will also acquire up to 15.9% of Cornerstone by further subscribing \$0.75M of share issues in Cornerstone. At this stage, SolGold would have an 85% interest in the Cascabel project. SolGold shall carry Cornerstone through its 15% interest in the project to completion of a bankable feasibility study on SolGold's schedule and budget. Cornerstone may elect to contribute down to 10% interest in development or dilute to a 0.5% Net Smelter Return. SolGold may acquire this, and other royalties, for payments totalling C\$7.5Million at any stage. SolGold may recover Cornerstone's carried costs to bankable feasibility study from 90% of Cornerstone's share of Cascabel project cash flows.

Alan Martin Appointed CEO

In May, the Company announced the appointment of Mr Alan Martin as Chief Executive Officer of SolGold and its subsidiaries.

Mr Martin brings to SolGold more than 20 years of technical, commercial and financial investment experience in the Australian resources industry. He has a strong passion for exploration and considerable financial experience, a key ingredient for junior exploration companies.

Mr Martin commented: **"I am very much looking forward to the challenge of leading and growing SolGold together with its existing management team. I believe the Company is uniquely situated in that there are few other exploration companies globally that have the following attributes: a strong mix of technical and commercial skills at Board level; a first class exploration team with hands-on experience exploring, discovering and defining major resource inventories; and the potential for a world class Cu-Au deposit at Cascabel, which can launch SolGold from a junior explorer into the ranks of a +\$1billion junior mining company."**

The Board believes that with his diverse experience in the Australian resources industry, and a project such as Cascabel, with potential to host a world class copper deposit, he will be instrumental in delivering outstanding returns to SolGold shareholders.

Mr Nicholas Mather will continue to remain as an Executive Director of the Company to assist Mr Martin during a transitional phase over the next 12 to 24 months.

Follow-up Channel Sampling at the Alpala Prospect

In March, the Company announced the follow-up channel sampling at its Alpala Prospect within the Cascabel Project in Ecuador which returned highly encouraging gold and copper assays from all follow-up trenching. These results significantly expand the area of mapped and mineralised porphyry copper-gold stockwork veining in the Alpala region.

The follow-up sampling was conducted in favourable diorite intrusives that are exposed within creeks, and which contain porphyry quartz vein stockwork mineralisation within argillic altered rocks. The quartz veins contain the high grade copper minerals chalcocite, chalcopyrite and bornite, with intense quartz veining occurring in abundances of 25-40 veins per metre.

Significantly, it is now evident that six areas of channel sampling define continuity of mineralisation over a 200m x 100m area, with stockwork mineralisation open on all sides, indicating that the mineralised body is considerably more extensive and extends to the north-west and south-east underneath low temperature lithocaps which lie over the porphyry system, and preserve it.

This follow-up sampling extends the continuity of porphyry copper-gold mineralisation from around 46m (in Trench TH46) to greater than 200m between Trenches TH57 and TH56A.

Trenches at Alpala



Trench TR46: 45.63m @ 0.81 g/t Au, 0.59% Cu



Trench TR49: 22.39m @ 0.16 g/t Au, 0.30% Cu

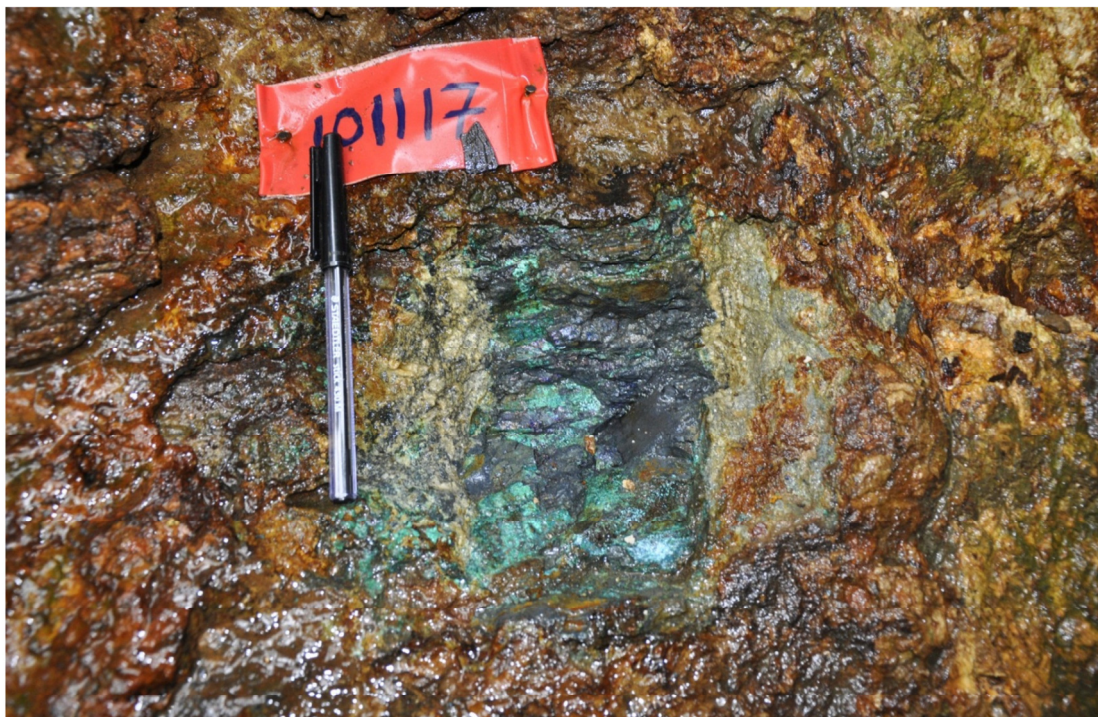


Trench TR56: 56.93m @ 1.16 g/t Au, 0.34% Cu



Trench TR56: 56.93m @ 1.16 g/t Au, 0.34% Cu

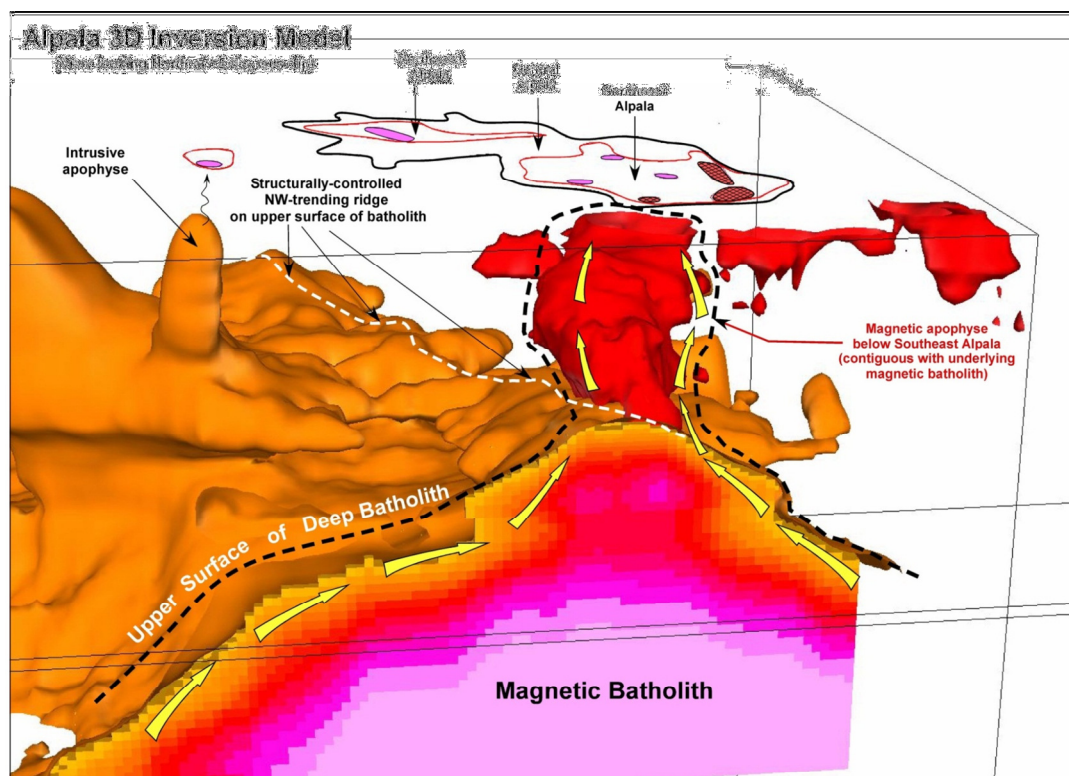
Massive Chalcocite at Alpala Prospect



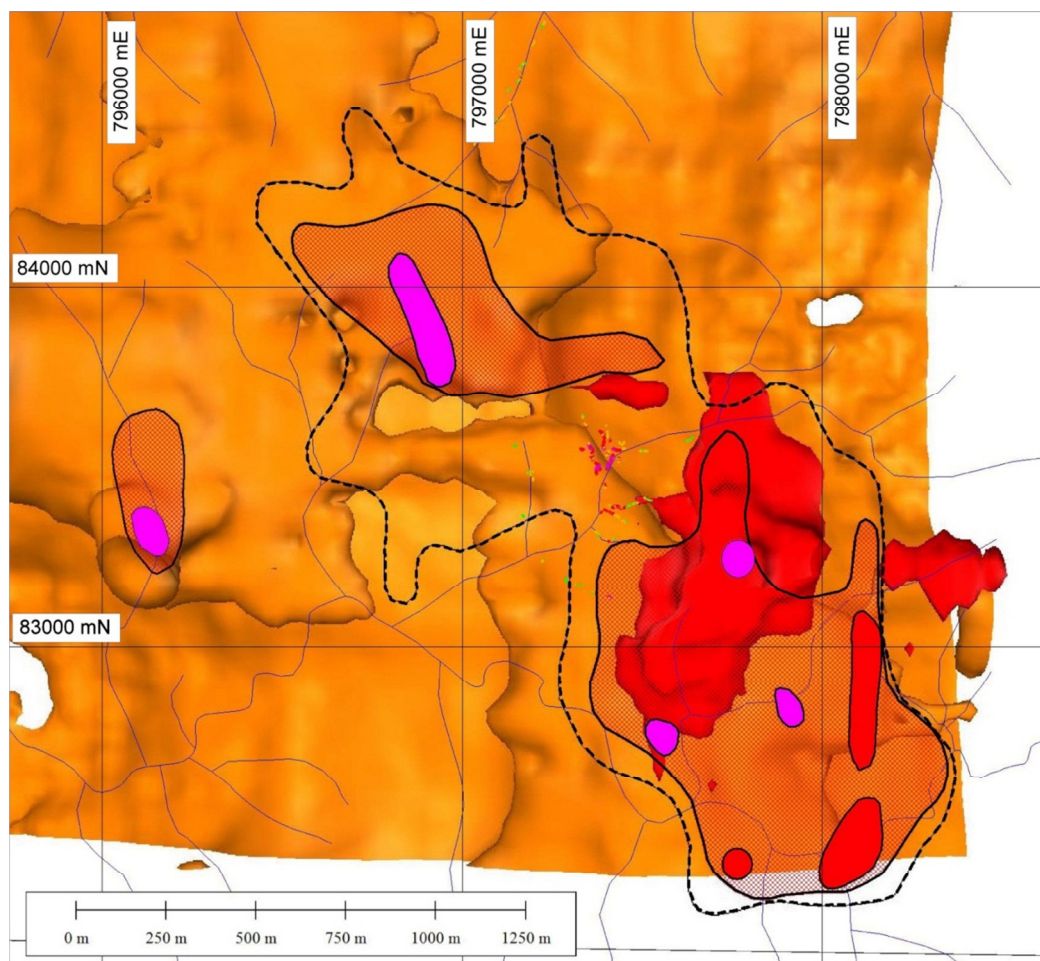
Trench TH57: 0.35m @ 12.2 g/t Au, 43.67 % Cu

Within a longer trench intersection of **45.50m @ 0.46 g/t Au, 0.50% Cu (uncut)**
(or 45.50m @ 0.25% Cu when the 35cm high-grade interval [43.67% Cu] is cut to 10% Cu)

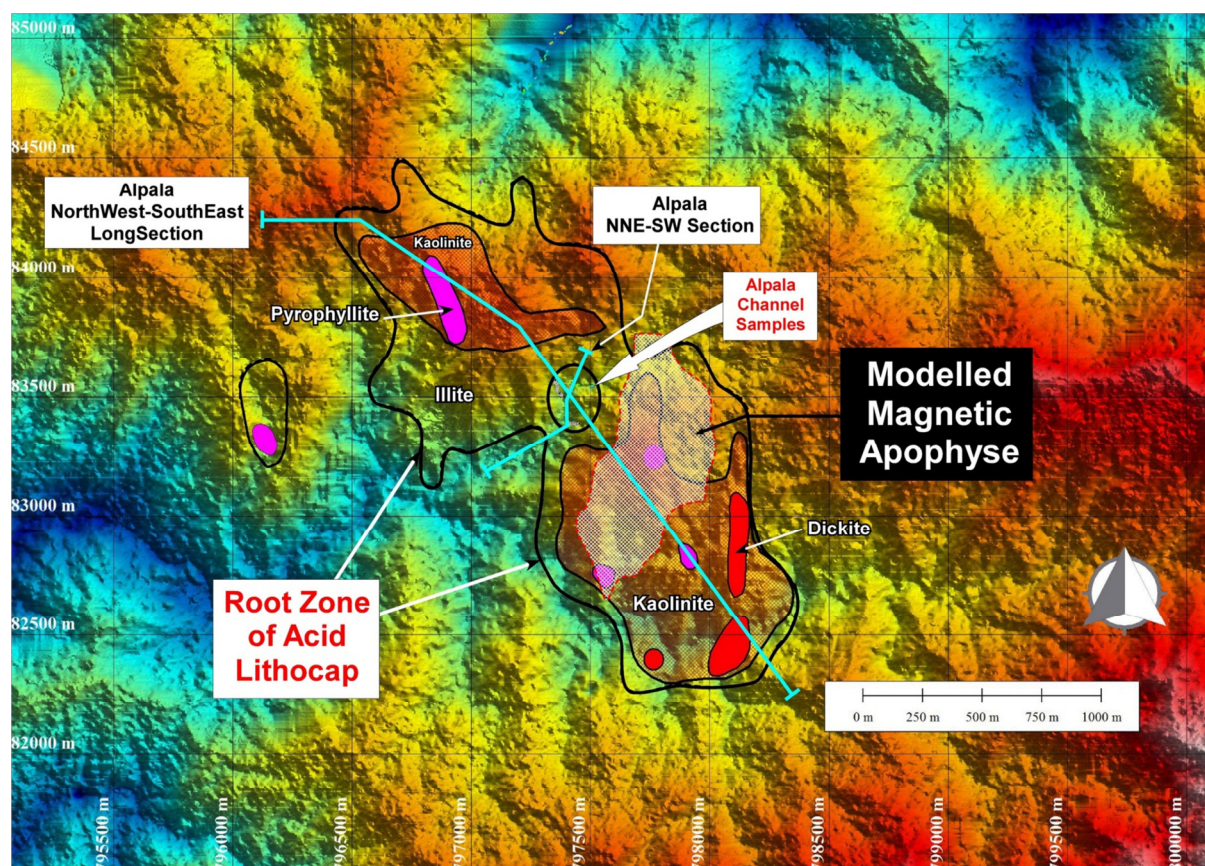
In May, the Company announced the latest developments on the Cascabel Project. SolGold announced that 3D magnetic modelling supports the presence of a copper and gold rich magnetic core zone at the apex of a deep regional intrusion feeding copper gold rich solutions to Cascabel and especially the Alpala Prospect. This magnetic anomaly covers an area of 1000m x 500m under the low temperature clay-silica-pyrite lithocap 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.



Alpala Magnetic 3D Inversion Model (Plan View)



Topographic Map showing Modelled Magnetic Apophyse



Successful Fund Raising

In April, the Company entered agreements for a placing of 119,801,376 shares at £0.015 per share for gross proceeds of £1.8 million with institutional and private investors. The Company's management and a number of existing shareholders and clients of the Company's broker SP Angel supported the placement. The Company now 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.

The funds are to be primarily used to progress exploration and Stage 1 drilling at the Cascabel Project.

Board Changes and Cost Saving Initiatives

During the quarter, the Company advised the resignation of CEO and Managing Director, Mr Malcolm Norris. The Company also announced the resignation of Mr Cameron Wenck as Non-Executive Chairman with immediate effect, after seven years of unstinting service to SolGold.

The Board and Management of the Company have commenced implementing a range of rationalisation and cost saving initiatives, including a reduction in Board fees, a reduction in salary expenses, and a reduction in the general administrative costs of running the Company.



Corporate Webcast Presentation

Executive Director, Nicholas Mather, recently presented the Company's corporate presentation via webcast. A copy of this audio is available at: <http://www.brrmedia.co.uk/event/111421/nicholas-mather-executive-director>

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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), the Florida/Ngella, 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 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).

A full review of exploration results at Rannes, Mt. Perry, Normanby and Cracow West is in progress.

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