25 March 2013

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

CASCABEL COPPER GOLD PROJECT UPDATE

Further Mineralised Channel Samples from Alpala Demonstrate Continuity of Extensive High Grade Porphyry Cu-Au Mineralisation

56.93m at 1.16g/t Gold and 0.30% Copper in outcropping porphyry system

The Board of SolGold (AIM code: SOLG) is pleased to announce that recent follow-up channel sampling at its Alpala Prospect within the Cascabel Project in Ecuador has returned highly encouraging gold and copper assays from all follow-up trenching. These results significantly expand the area of mapped and mineralised porphyry gold-copper stockwork veining in the Alpala region.

A channel sample intersection at Alpala, previously reported on 24th January 2013 (Trench TH46, previously labelled by SolGold as TR5: 46m grading 0.81 g/t gold and 0.59% copper), occurred in outcropping porphyry mineralisation within a copper-molybdenum-gold soil geochemical anomaly.

Subsequent follow-up channel sampling (Trench TH57) 130m south-southeast of Trench TH46 yielded 45.50m grading 0.46 g/t gold and 0.25% copper. The result has been calculated after the application of an upper Cu cut-off of 10% to one sample in the trench over 0.35m which returned 43.67% copper and 12.2 g/t gold. Follow-up trenches TH56B and TH56C located 30m west of TH46 respectively assayed 21.45m grading 0.47 g/t gold and 0.42% copper, and 2.3m grading 0.30 g/t gold and 0.96% copper. Another trench (Trench TH56A) located up to 80m northwest of TH46 yielded 56.93m grading 1.16 g/t gold and 0.30% copper. A single channel sample (TH56D) collected from a fourth area 22m further west of TH56A assayed 0.32 g/t gold and 0.52% copper over 0.65 metres, confirming the mineralised stockwork is open to the west. Additional stockwork veining has also been observed further south of the current area of channel sampling.

SolGold considers that the rich copper mineralisation in the individual veins is indicative of a rich core within the porphyry system.

The follow-up sampling was conducted in diorite intrusives that are exposed within creeks, and which contain porphyry quartz vein stockwork mineralisation within argillic altered rocks. The quartz veins contain the copper minerals chalcocite, chalcopyrite and bornite, with quartz veins 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 epithermal caps which lie over the porphyry system.

This follow-up sampling extends the continuity of porphyry gold-copper mineralisation from around 46m (in Trench TH46) to greater than 210m between Trenches TH57 and TH56A.

Highlights of the current trenching results include:

- **56.93m at 1.16 g/t gold and 0.34% copper (including 26.52 m at 1.87 g/t gold and 0.17% copper) - Two higher grade copper results (>1% Cu) are being re-assayed**
- **21.45m at 0.47 g/t gold and 0.42% copper**
- **45.50m at 0.46 g/t gold and 0.25% copper**
- **High gold grades in areas of hydrothermal brecciation: 26.52m grading 1.87 g/t gold**
- **Peak gold and copper grade (0.35m massive sulphide vein) at 12.2 g/t Au and 43.67% (cut to 10%)**
- **Consistent grade throughout most of the length of the new trenches reveals potential for a bulk mineable position at surface.**

SolGold is presently focussing its activities in an area of surface soil gold, copper, molybdenum, antimony anomalism and alteration that is 2.5km by 1.0km (Figure 1), identifying and sampling zones of alteration, veining and mineralisation. Areas of newly exposed porphyry stockwork veining at Alpala are being extended outward in an expanding zone around the currently uncovered porphyry system. In addition, SolGold and Cornerstone Capital Resources Inc (Cornerstone) geologists are scouting the anomalies further afield within this large alteration system to select additional areas for channel sampling. A first-pass drill program to test the central Alpala region and other high priority target areas is currently being planned and is expected to commence in the second quarter of 2013, subject to finalising drill permits.

Key Features

The Alpala Prospect is located within the T1 porphyry gold-copper target located in the southern part of the Cascabel concession. The target area is defined by extensive soil geochemical anomalism (copper, gold, molybdenum - Figure 4), a large argillic alteration zone, a magnetic signature reflecting widespread hydrothermal alteration, and highly mineralised channel samples across creek bed outcrops.

Mr Nicholas Mather, Executive Director of SolGold commented: **"The Cascabel project continues to yield results that exceed our expectations. We have identified the top of what we believe to be a very significant and, on our current evidence, gold-rich porphyry system in the Miocene belt of Northern Ecuador, a poorly explored terrane that hosts the 982Mt 0.89% copper Junin porphyry copper-molybdenum deposit to the south. We are highly encouraged by the continuity of excellent gold and copper grades at surface at Alpala, and our next step is to define the surface extent of the mineralised stockwork, and then identify where it projects under the overlying zones of argillic alteration that are preserved on the flanks of the system. Currently demonstrated gold and copper grades are commensurate with those of economic porphyry systems and importantly distinguish Cascabel as a high grade example. The Company has an active field program underway, designed to bring this compelling porphyry target to a drill testing stage in the coming months."**

Other Project Activities

The recent phase of regional soil sampling on the Cascabel concession, which covered an approximate 20 square kilometre area, has been completed and the focus of activity has now progressed to detailed ground inspection and channel sampling of the anomalous areas.

The helicopter-supported magnetic and radiometric survey completed in November 2012 has been fully processed, and 3D inversion modelling is nearing completion. This model will substantiate high grade targets at depth and provide a 3D tool for delineating the throat of the porphyry system. The permitting process in the lead up to drilling is on schedule. There continues to be strong community support. Drill testing at Cascabel is scheduled to commence in Q2, 2013.

Channel No.	Total length (m)	Width (m)	Gold (g/t)	Copper (%)	Note
TH56A	**61.02**	**56.93**	**1.16**	**0.34**	2 samples > 1% Cu being re-assayed
including		***26.52***	***1.87***	***0.17***	
TH56B	**21.45**	**21.45**	**0.47**	**0.42**	
TH56C	**2.31**	**2.31**	**0.30**	**0.96**	
TH56D	**0.65**	**0.65**	**0.32**	**0.52**	
TH57	**59.52**	**45.50**	**0.46**	**0.25**	1 sample > 1% Cu being re-assayed
including		***16.07***	***0.88***	***1.16***	

Table 1: Results for 5 follow-up channel sampling areas at the Alpala prospect (using 10% Cu cut-off).

Cascabel Timeline

1) **January 2012** - Initial data provided by Cornerstone revealed extensive geochemical anomalism in stream sediment and rock chip samples from Cascabel. Geological maps provided by Cornerstone showed extensive areas of alteration which suggested a substantial and potentially shallow mineralised system at Cascabel.

2) **April 2012** – On the basis of this data, a conducive tectonic environment and the presence of a large porphyry system in the same Miocene-age belt (Junin), SolGold signed a binding Letter of Intent to enter into an agreement with Cornerstone on the Cascabel property.

3) **July 2012** -SolGold and Cornerstone Capital Resources Inc. announced 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.

4) **May-August 2012** – Synthesis of an exploration model was completed following a field visit by SolGold. Sheeted quartz stockwork veins were identified by Cornerstone geologists at Alpala, Moran and America and Tandayama during reconnaissance mapping and sampling. A 4m channel sample across sheeted veins at Alpala assayed 0.98% copper, 3.30 g/t gold.

5) **September 2012–January 2013** - Soil sampling was conducted over an area of approximately 20 square kilometres to locate the focus of mineralising centres. Several clusters of soil anomalies were defined. A cluster of molybdenum anomalies (with copper and gold) was identified over an area of four square kilometres in the south of the concession in the broader Alpala region.

6) **November 2012** - A heliborne magnetic and radiometric survey was flown to map regional faults, intrusions and areas of alteration. An area of complex magnetic signature typical of porphyry systems was identified in the Alpala region.

7) **December 2012-January 2013** - SolGold interpreted the results of spectral data acquired from the regional soil sampling grid, to map the distribution of different alteration minerals.

   This revealed clear zonation in alteration mineralogy in the Alpala region that was consistent with a large porphyry system.

8) **January 2013** – Local continuity of gold and copper mineralisation at Alpala was demonstrated by a 45.64m channel sample (Trench TH46, previously labelled by SolGold as TR 5) that averaged 0.81 g/t gold and 0.59% copper.

9) **February 2013** – Renegotiation of Cascabel Agreement as noted in SolGold's RNS of 19 February 2013.

10) **March 2013** – Follow-up channel sampling around the TH46 intersection demonstrated continuity of porphyry stockwork mineralisation at potential economic grades over a 200m by 100m area, and with mineralisation being open in all directions. The focus of exploration activity concentrated in the Alpala region with escalated reconnaissance scouting and channel sampling. Planning for a phase 1 drill program commenced.

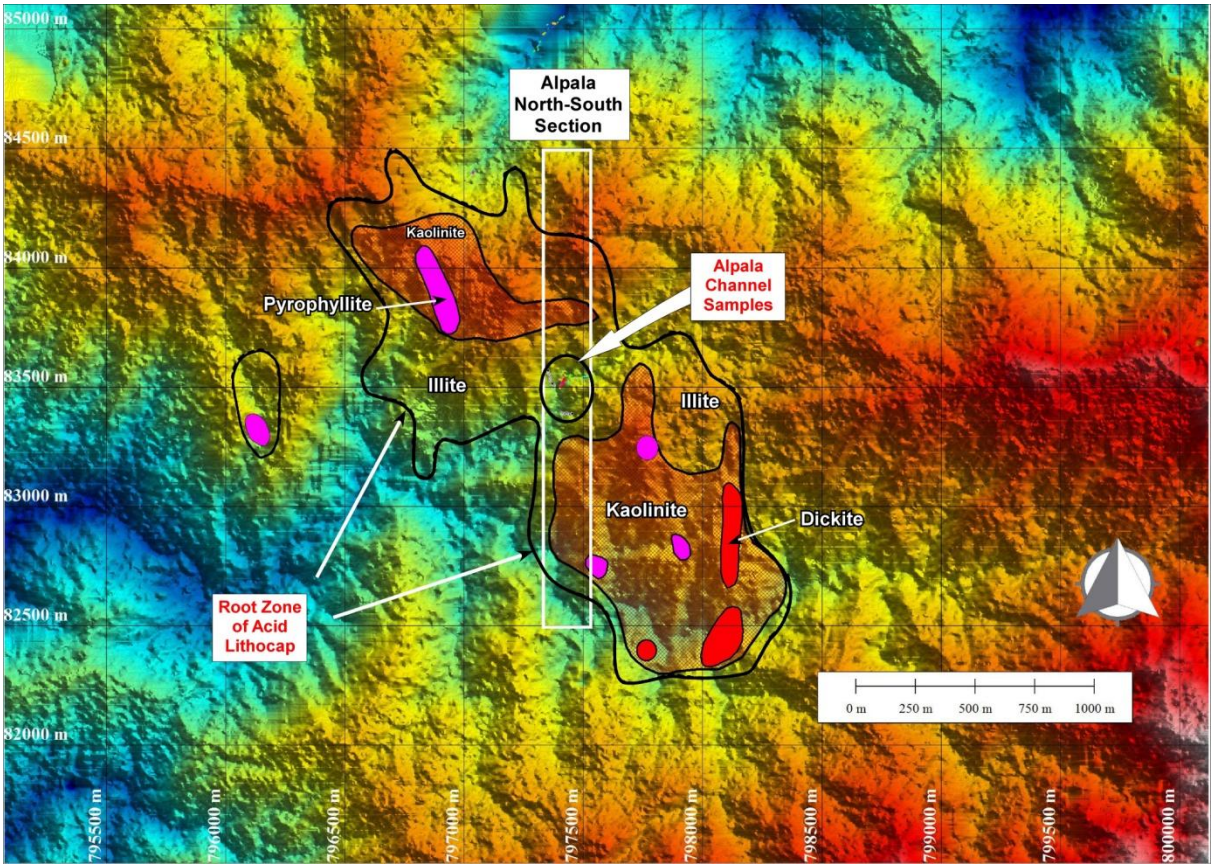

Figure 1: Diagram showing the northwest-oriented 2.5 kilometre by 1 kilometre zone of alteration at Alpala. Areas of more intense hydrothermal alteration (kaolinite, dickite and pyrophyllite) lie southeast and northwest of Alpala. The north-south section line is shown in Figure 2.

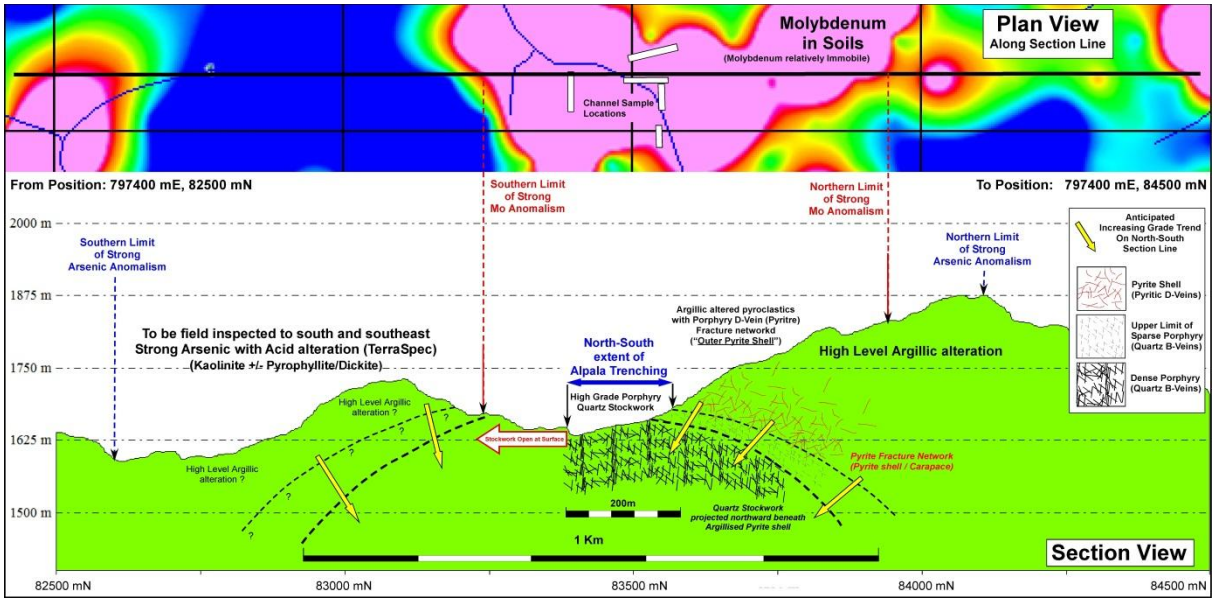

Figure 2: North-south cross-section as located in Figure 1, showing the area of channel sampling at Alpala, soil molybdenum anomalism along the section line, and the areas of potential quartz stockwork veining north and south of central Alpala.

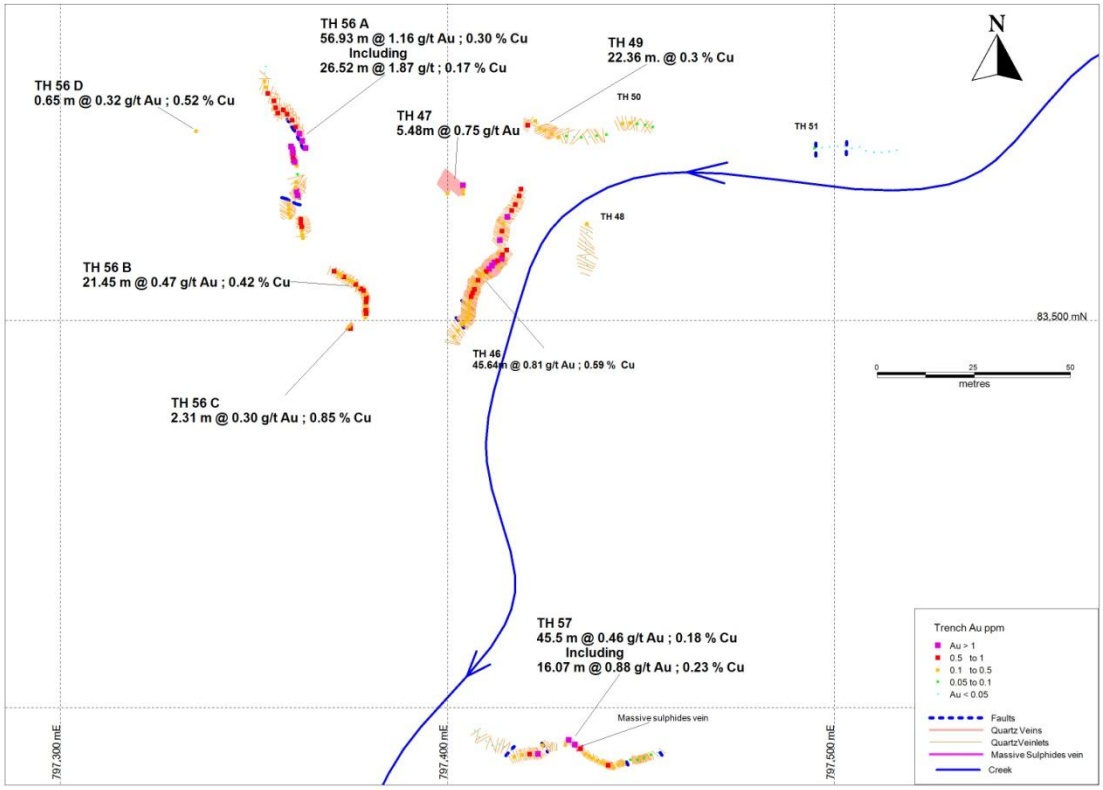

Figure 3 A: Principal gold and copper intersections encountered in channel samples at the Alpala porphyry prospect. Veins and structures

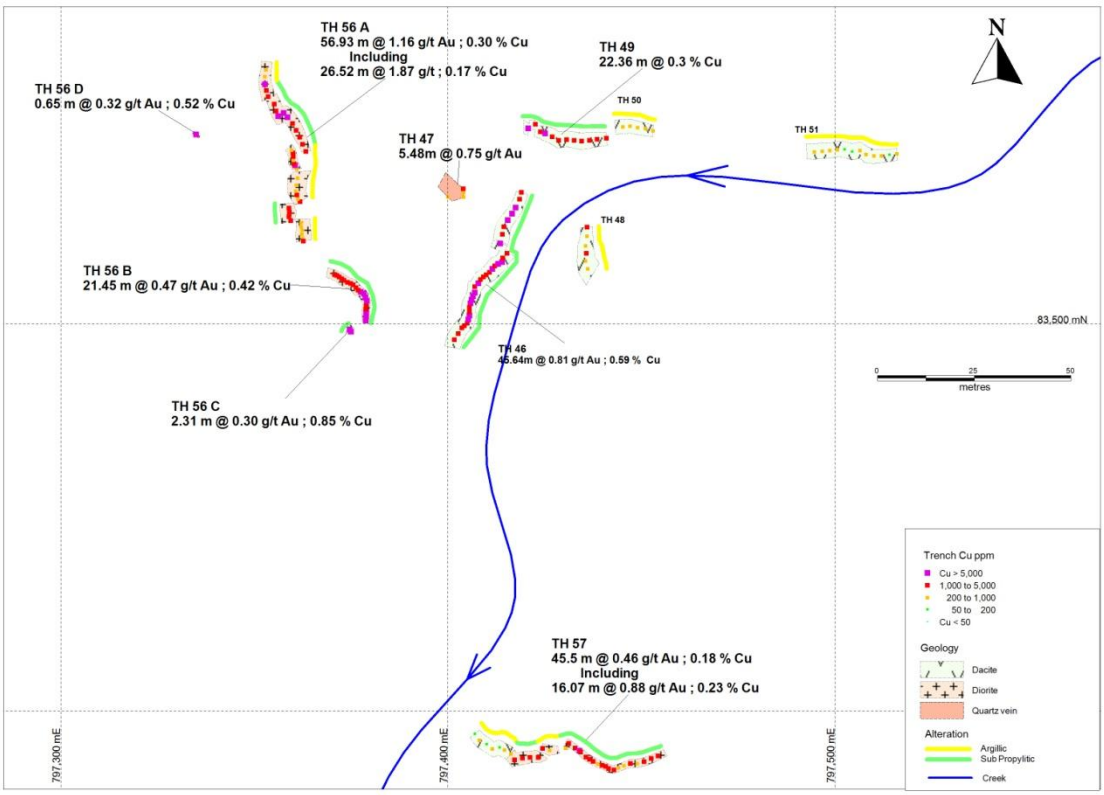

Figure 3 B: Principal gold and copper intersections encountered in channel samples at the Alpala porphyry prospect. Geology and alteration

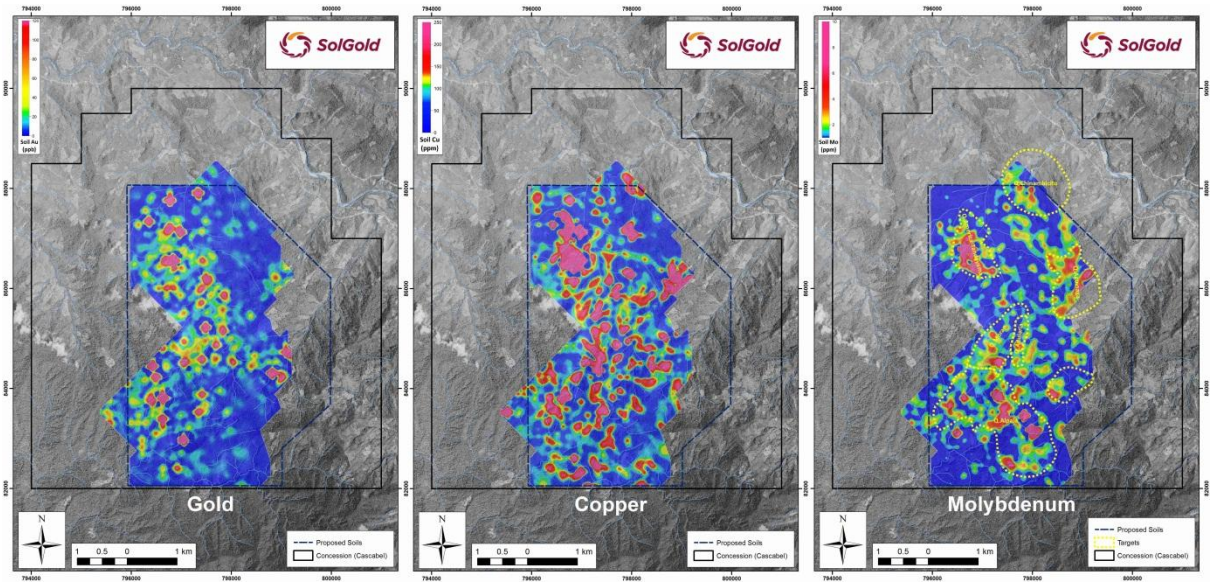

Figure 4: Final result of Phase 1 soil sampling covering 20 square kilometres on the Cascabel concession. Major clusters of molybdenum anomalies (right panel) define key intrusive centres associated with porphyry gold-copper prospects.

Figure 5: Photograph of porphyry stockwork quartz veins and oxidised sulphide fractures from the most recent phase of channel sampling at the Alpala porphyry system.

Qualified Person
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 of a JV with Cornerstone Capital Resources Inc. 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), and the Guadalcanal Joint Venture with Newmont Mining Corporation.

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).

Exploration continues at 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 outlined in this announcement.

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 424,242,966 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