



8 July 2013

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

## **Cascabel Project Update**

### **Highlights:**

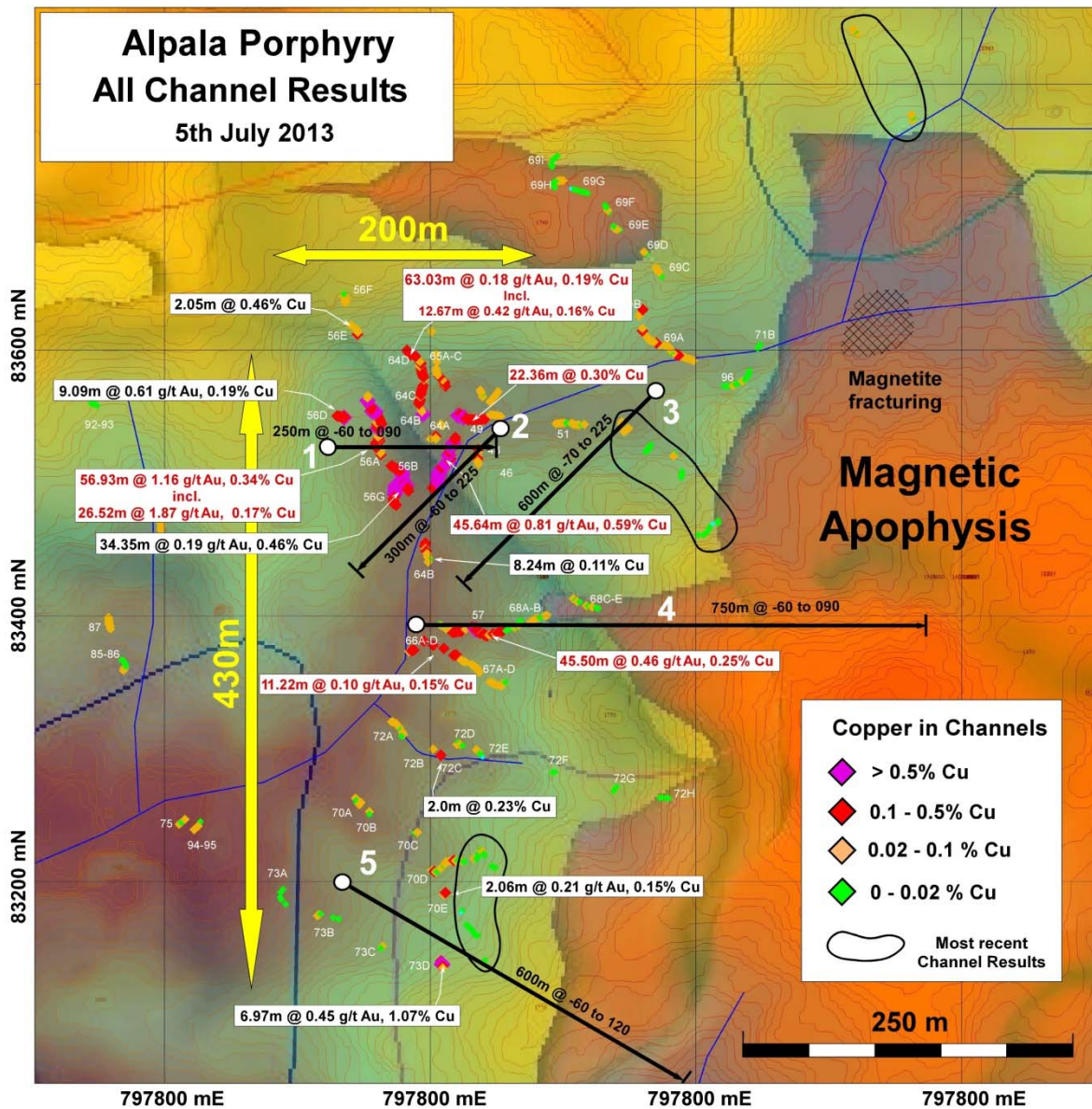
- **Receipt of latest surface channel sample assay results at Alpala Prospect confirms vertical copper gold zonation.**
- **Ministry of Environment progressing through the final stages of the Environmental Permit or "EIA" (Estudio de Impacto Ambiental).**
- **Mobilisation of drilling equipment and associated supplies to support the Stage 1 drill program well advanced.**
- **3D modelling of 4 other targets at Cascabel in preparation.**

The Board of SolGold is pleased to provide a further update on recent developments at the Cascabel Project in northern Ecuador. SolGold holds a 30% interest and can earn 85% of Exploraciones Novomining S.A. ("ENSA") the local subsidiary of Cornerstone Capital Resources ("Cornerstone") which holds the Cascabel concession.

### **Receipt of Final Surface Channel Sample Assay Results at Alpala Prospect**

Additional assay results have been received from 67 individual channel samples that were collected from three local areas at higher elevation to the northeast, east and south-southeast of the mineralised outcrops at Alpala (Figure 1). This final batch of assay results from the recent phase of surface sampling at Alpala were from higher in the silica-clay lithocap where copper and gold grades were expected to be lower.

This most recent set of assay results further confirms the SolGold model, that copper and gold grades increase with depth in the system. The previously sampled channels that lie at lower elevation and closer to the dissected Alpala drainage are significantly higher potential ore grade and are overlain by the lithocap, preserving nearly the entire mineralised body. Planned drill holes 1 through to 4 will all be collared in the region of higher copper and gold grades that occur closer to the Alpala drainage.



**Figure 1 – Copper grades in all surface channel samples (as of 5<sup>th</sup> July 2013) at central Alpala and topographic contours superimposed on a 3D magnetic model that shows a magnetic apophysis east of Alpala. Mineralised surface samples cover an area extending 430m north-south by up to 200m east-west. The three areas of new channel sample results are shown as black outlines whilst previously reported channel intersections are shown in red and black text.**

### Status of Progress to Environmental Report

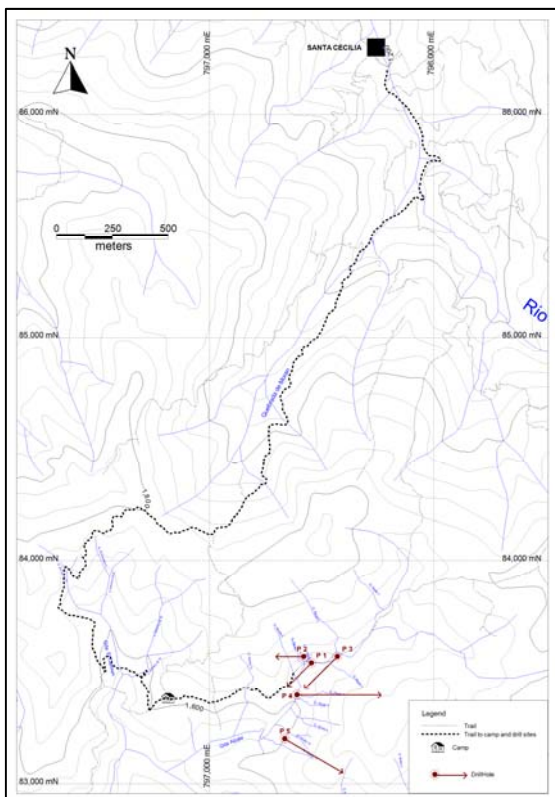
The Ministry of Environment is progressing through the final stages of the Environmental Permit or “EIA” (Estudio de Impacto Ambiental). As previously reported, the Final Report for the EIA was submitted to the Ministry of Environment on 31 May 2013. Ministry of Environment personnel have informed the Company that there are some minor issues still to be addressed by the report. SolGold has engaged its environmental consultants, Cardno Latino America, to assist with addressing these last remaining issues.

### Mobilisation and Preparation for the Stage 1 Drill Program at Cascabel

Mobilisation is progressing for the Stage 1 drilling program, and it is expected that mobilisation of the drilling and other associated equipment will be completed in mid-July.



Cascabel field office and construction of drill core shelter.



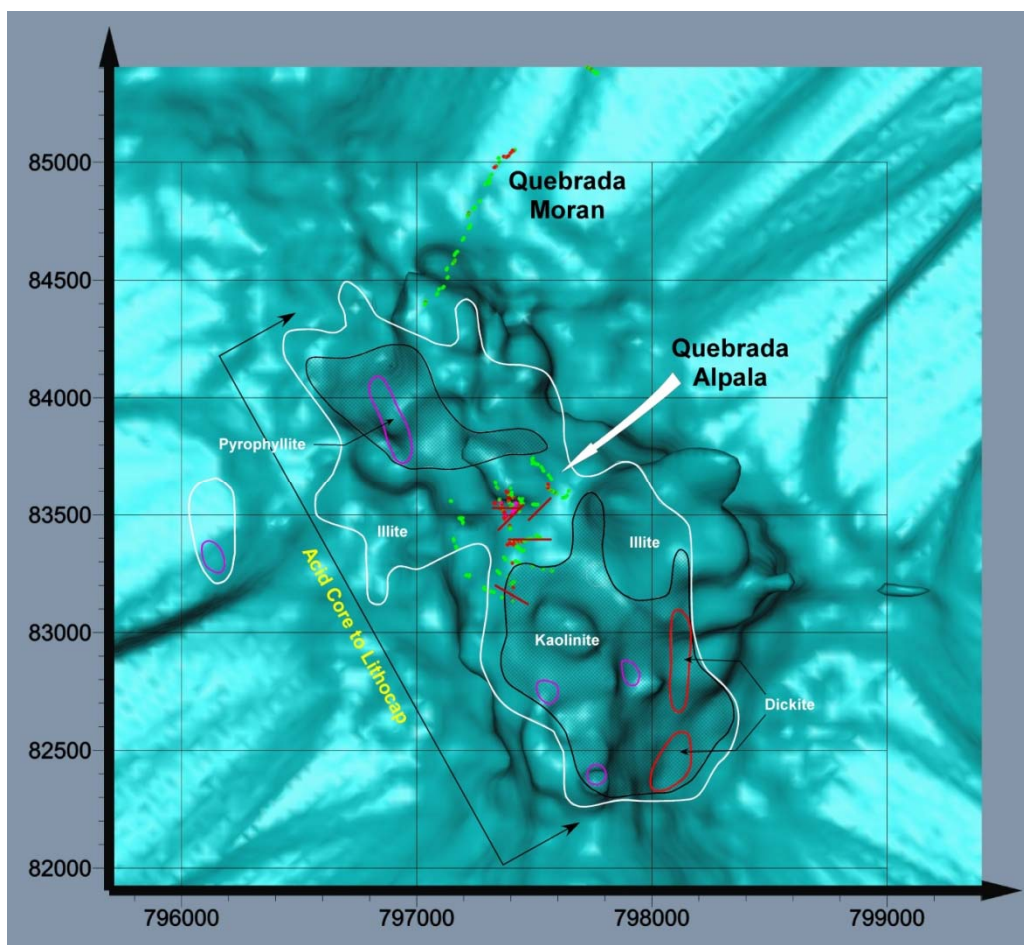
Alpala field camp preparation for Stage 1 drilling program.

Route (5.6 km) for manual transport of equipment to support the Stage 1 drilling program. The Alpala field camp is shown approximately 800m west of the area of drilling.

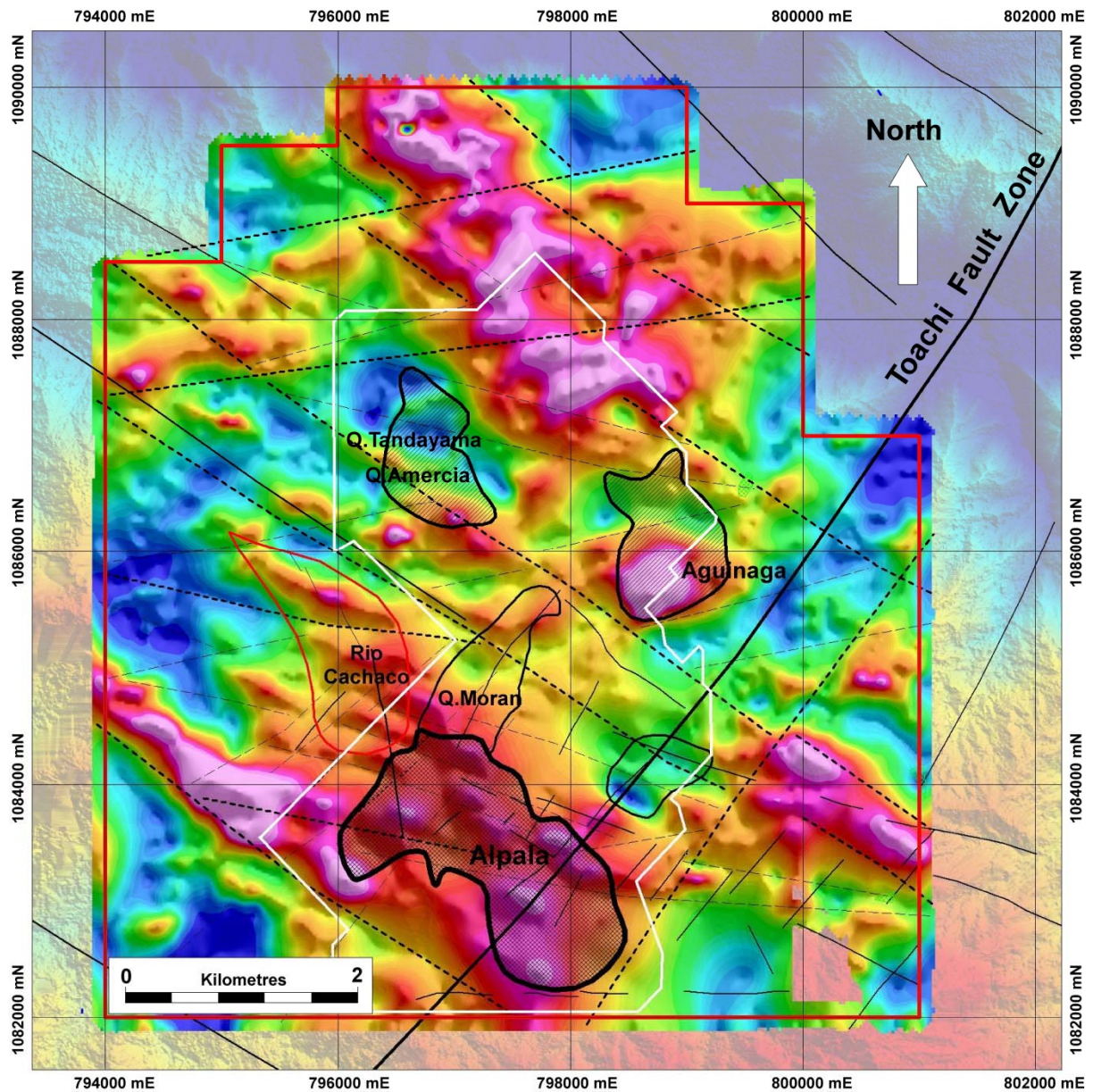


### 3D Modelling on other Targets at Cascabel

As announced on 1 May 2013, 3D inversion modelling of helimagnetic data from the Alpala region identified a magnetic protuberance (or apophysis) that the Company believes may be associated with underlying porphyry copper-gold mineralisation (Figure 2). The next step currently being undertaken by SolGold is the visualisation of 3D magnetic inversion data over two additional porphyry copper targets (Aguinaga and America-Tandayama) that lie in the central and northern parts of the concession, and which are also associated with coincident copper, gold and molybdenum anomalism in soil samples.



**Figure 2 – Mineral alteration zones at Alpala** centred on an underlying magnetic apophysis (blue 3D magnetic model). Note the diagnostic overlying lithocap, preserving the mineralised copper gold system.



**Figure 3 – Principal targets on the Cascabel concession plotted on RTP (reduced-to-pole) magnetic image.** 3D visualisation of modelled magnetic data from the northern half of the concession and covering the Aguinaga and Amercia-Tandayama porphyry prospects is currently being undertaken.

The relationship of the Cascabel System to the regional Toachi Fault (Figure 3) is considered very favourable for copper gold mineralised porphyry system emplacement, as this fault controls the location of the Junin copper porphyry deposit approximately 70 km south, southwest.

#### **BRR Media Interview with Chief Executive Office and Chief Geologist**

Chief Executive Officer Alan Martin and Chief Geologist Dr Bruce Rohrlach were recently interviewed regarding the Cascabel project in Ecuador.

The interview is available at <http://www.brrmedia.com/lseaim/10SOLG/solgold/>





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 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 in 2006, under the AIM Code 'SOLG' and currently has a total of 552,244,342 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](http://www.solgold.com.au)