

23 May 2012

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

Rannes Resource Estimate Update

The Board of SolGold plc (AIM code: SOLG) today provides an update to the market on the 100% owned Rannes Project resource estimate.

Key Points:

- **Development and application of an improved geological model for the Rannes deposits.**
- **The resource estimate now includes resources in the Indicated and Inferred categories representing better defined, lower risk, resources. In the process, the overall resource estimate has been modified from 25.5 million tonnes at 0.6g/t gold and 15.9g/t silver (1.0g/t gold equivalent for 812,000 gold equivalent ounces, Inferred category) to 18.7 million tonnes at 0.5g/t gold and 16.9g/t silver (0.9g/t gold equivalent for 550,000 gold equivalent ounces, Indicated and Inferred category).**
- **34% of the resource is now in the Indicated category, and 66% remains in the Inferred category.**
- **Considerable technical studies have been undertaken over the last 5 months, and are ongoing, to further define robust exploration targets in the immediate prospect areas.**
- **Drilling of new areas outside the resource block model has resumed at Rannes following the wet season.**
- **The overall Rannes target remains at 2 million ounces gold equivalent.**

Commenting, Malcolm Norris, Chief Executive Officer of SolGold, said:

"Whilst the headline number for Rannes has been revised, development and application of the new geological model has delivered a more robust resource estimate, with 34% of the estimate in the lower risk and higher confidence Indicated category. This, coupled with the significant work carried out during the wet season to further define robust exploration targets, means that the board remains confident of reaching its previously stated 2 million ounce gold equivalent target."

The previous Rannes resource estimate was announced to the market on November 30, 2011. Drilling continued at Rannes from December 2011 to January 2012, and was then halted due to the wet season, and the inability to access the project site. Drilling resumed in April 2012 and is ongoing. During the wet season shut down period considerable work was completed on developing a robust geological model within which to constrain the resource block model.

This work has now been completed and SolGold is confident that it has developed very robust geological models for the Crunchie and Kauffmans Prospects, and will continue to update these as more drilling is undertaken. The diagrams below (see Figures 1 – 3) demonstrate the development of this model. The consequence of the development of the updated and robust geological models is that resource modelling has been undertaken using the ‘Ordinary Kriging (OK)’ method. Significant components of the resource have now been upgraded to the higher confidence ‘Indicated’ status (see Table 1 below). This has been done with no additional closer spaced drilling, but by the application of the geological model within which to constrain the resource model. 34% of this resource is in the Indicated category, and 66% in the Inferred category.

Previous resource estimates were undertaken using the ‘Multiple Indicator Kriging (MIK)’ method with limited geological constraints and delivered an Inferred resource estimate. Both OK and MIK methods of resource estimation are valid, and at the time of the first Crunchie resource estimate the parameters identified for resource modelling were considered appropriate. Recent geological modelling, in particular the identification of a series of steep mineralised veins and structures (modelled as lodes) at Kauffmans has meant that the OK method, constrained by the updated geological models is now considered the most appropriate approach for current resource modelling.

The most significant difference in resource estimates from the historical MIK estimate to the current OK estimate is from the Kauffmans Prospect. The historical MIK modelling produced wide sub-horizontal resource block model panels, whereas the OK modelling has defined smaller blocks within a series of tightly constrained sub-vertical mineralised lodes, as dictated by the geological model. By comparison, the Crunchie deposit geological model has been defined as a flatter deposit, controlled by flat thrust faults and breccia zones, which when modelled by MIK methods and based on sub-horizontal resource block model panels, produces a comparable result to modelling with the OK method.

SolGold is taking a conservative position and is applying the geologically constrained Indicated and Inferred Resource estimates in planning further exploration.

It is very clear from the development of the model and the assessment of areas of immediate geological potential that the likelihood of resource growth is high. The current drilling at Kauffmans is in areas outside of the resource block model, and has intersected mineralised structures (assays pending).

RANNES RESOURCE SUMMARY (all prospects, 40:1 ratio, 0.3g/t gold equivalent cut off; top cut)
Kauffmans

AuEq Cut off	Category	M Tonnes	Au g/t	Ag g/t	AuEq g/t	Au ozs	Ag ozs	AuEq ozs
0.3	Indicated	2.3	0.63	8.6	0.84	47,100	642,000	63,200
	Inferred	6.2	0.54	7.3	0.72	106,800	1,436,000	142,600
	Total	8.5	0.56	7.6	0.75	153,900	2,078,000	205,800

Crunchie

AuEq Cut off	Category	MTonnes	Au g/t	Ag g/t	AuEq g/t	Au ozs	Ag Mozs	AuEq ozs
0.3	Indicated	2.6	0.43	40.6	1.45	36,300	3,400,000	121,500
	Inferred	3.5	0.45	37.5	1.39	50,700	4,177,000	155,800
	Total	6.1	0.44	38.8	1.42	87,000	7,577,000	277,300

Brother+Cracklin Rosie+Porpcupine

AuEq Cut Off	Category	MTonnes	Au g/t	Ag g/t	AuEq g/t	Au ozs	Ag ozs	AuEq ozs
0.3	Inferred	4.10	0.42	3.4	0.51	55,700	455,000	67,100

TOTAL

AuEq Cut off	Category	MTonnes	Au g/t	Ag g/t	AuEq g/t	Au ozs	Ag Mozs	AuEq ozs
0.3	Indicated	4.9	0.53	25.5	1.16	83,400	4,045,000	184,500
	Inferred	13.8	0.48	13.8	0.83	213,300	6,094,000	365,500
	Total	18.7	0.49	16.9	0.92	296,700	10,139,000	550,000

34%	Indicated	184,700
66%	Inferred	365,500

Table 1: Current resource estimates at 40:1 silver:gold ratio and cut off of 0.3g/t gold equivalent (minor rounding errors).

Gold-Silver Ratio	Gold Equivalent Formula
40:1	$Au\ equivalent\ 40 = Au\ g/t + (Ag\ g/t * 0.025)$

Drilling has resumed at Rannes, initially at Kauffmans Prospect, and is focussed on drilling targets outside of the newly defined resource block model. This is targeting higher grade domains such as that defined in hole SHL008 which intersected 2m at 33g/t gold and 23g/t silver (see Figure 1), and shallower zones of lateral resource extension.

The development of a robust geological model and the confidence in the current resource estimate, means that ongoing exploration in the immediate vicinity of the Crunchie and Kauffmans lodes is more predictable and lower risk.

The Crunchie and Kauffmans deposits differ significantly in their silver/gold ratio. At Crunchie this ratio is 88, and at Kauffmans it is 14 (Table 1). The diagrams below show gold only grade blocks for Kauffmans (Figure 1), but gold equivalent blocks for Crunchie (Figure 3).

Several other prospects exist that contain known gold mineralisation that has not yet been included in the resource estimate. Drilling of these prospects is scheduled for mid-2012.

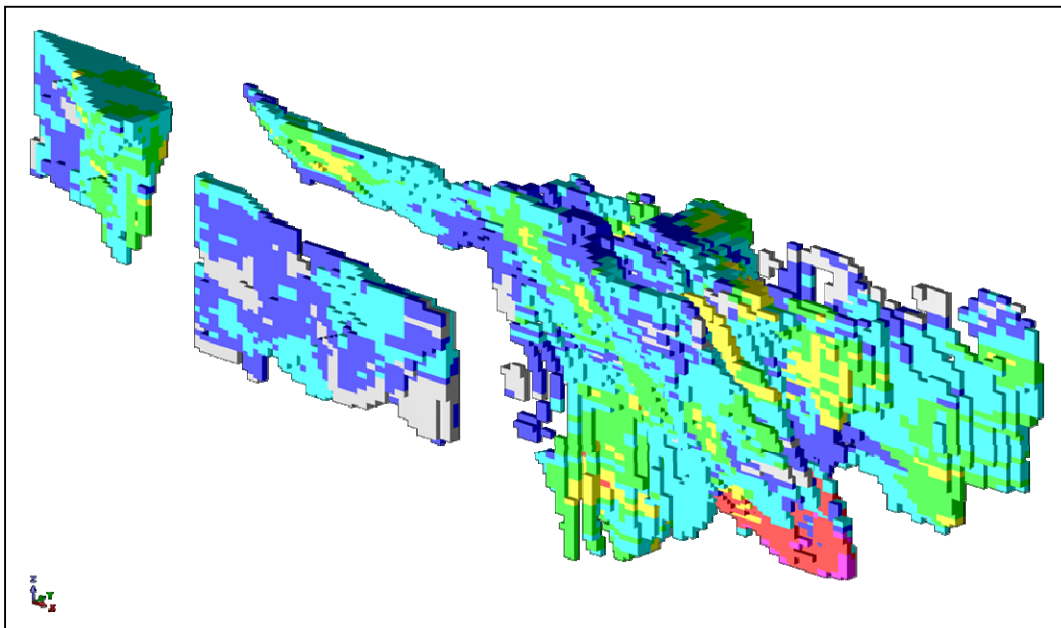


Figure 1: Kauffmans - Gold Block Grade Distribution (view looking local grid north west). The red zone defines higher grade associated with the high grade intercept in drill hole SHL008 (2m at 33g/t gold and 23g/t silver). Yellow, red and mauve colors are >1g/t gold. The steep multiple mineralised zones, or lodes, have been defined by the geological model. The Kauffmans mineralised zone, as defined to date, has a strike length of ~900m at surface, and a depth below surface extent of ~200m.

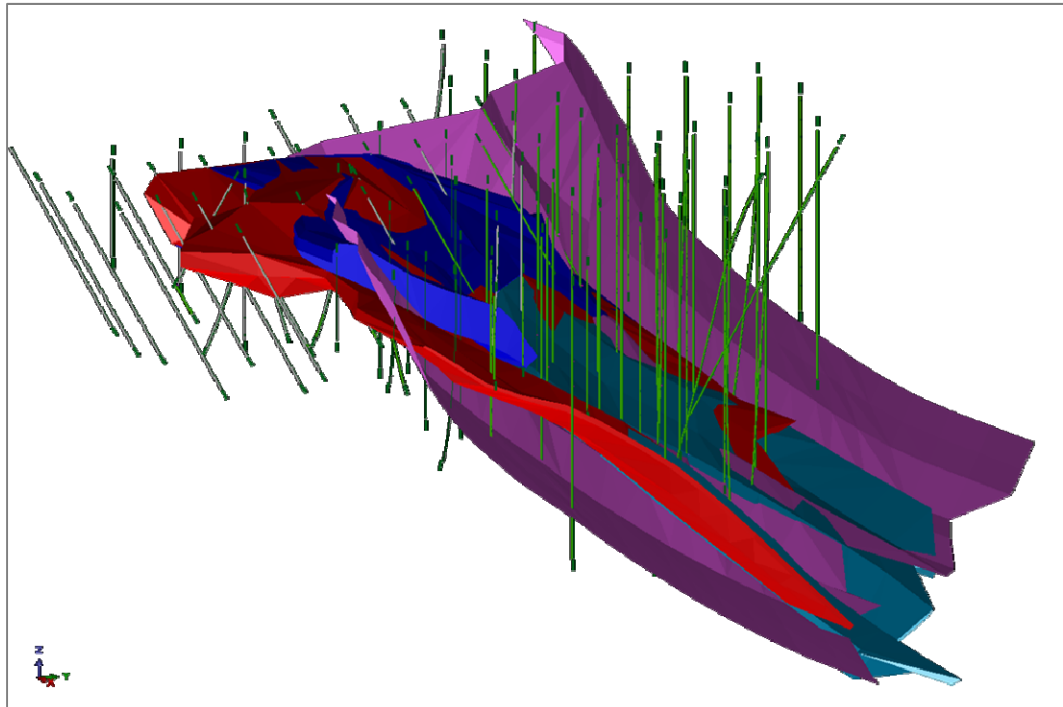


Figure 2: Crunchie geological model looking NW. The Crunchie mineralised zone, as defined to date, has a strike length of ~600m at surface, and a depth below surface extent of ~200m (red = mineralised zone; purple = thrust fault; blue = sericite alteration).

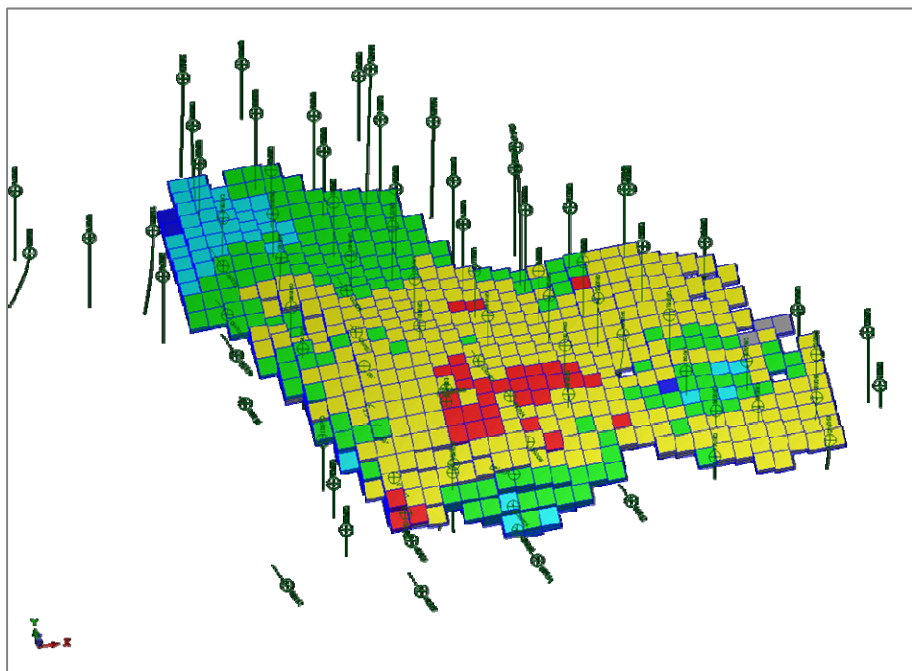


Figure 3: Crunchie gold equivalent mineralised domain in the resource block model. Oblique view looking NE from surface down the plane of the mineralisation. Yellow and red colours are gold equivalent > 1 g/t.

Considerable technical studies have also been undertaken over the last 5 months to further define robust exploration targets within the immediate vicinity of the Kauffmans and Crunchie deposits. This work is ongoing and the board remains confident of reaching its previously stated 2 million ounce gold equivalent target. The figure below shows gold in soil anomalies and exploration targets in the immediate Kauffmans-Crunchie area, and in the broader belt. Numerous targets exist that have not yet been drilled. Soil geochemical sampling is in progress to cover those areas not yet sampled, and a 3-D Induced Polarisation geophysical survey is in progress to map sulphide associated targets.

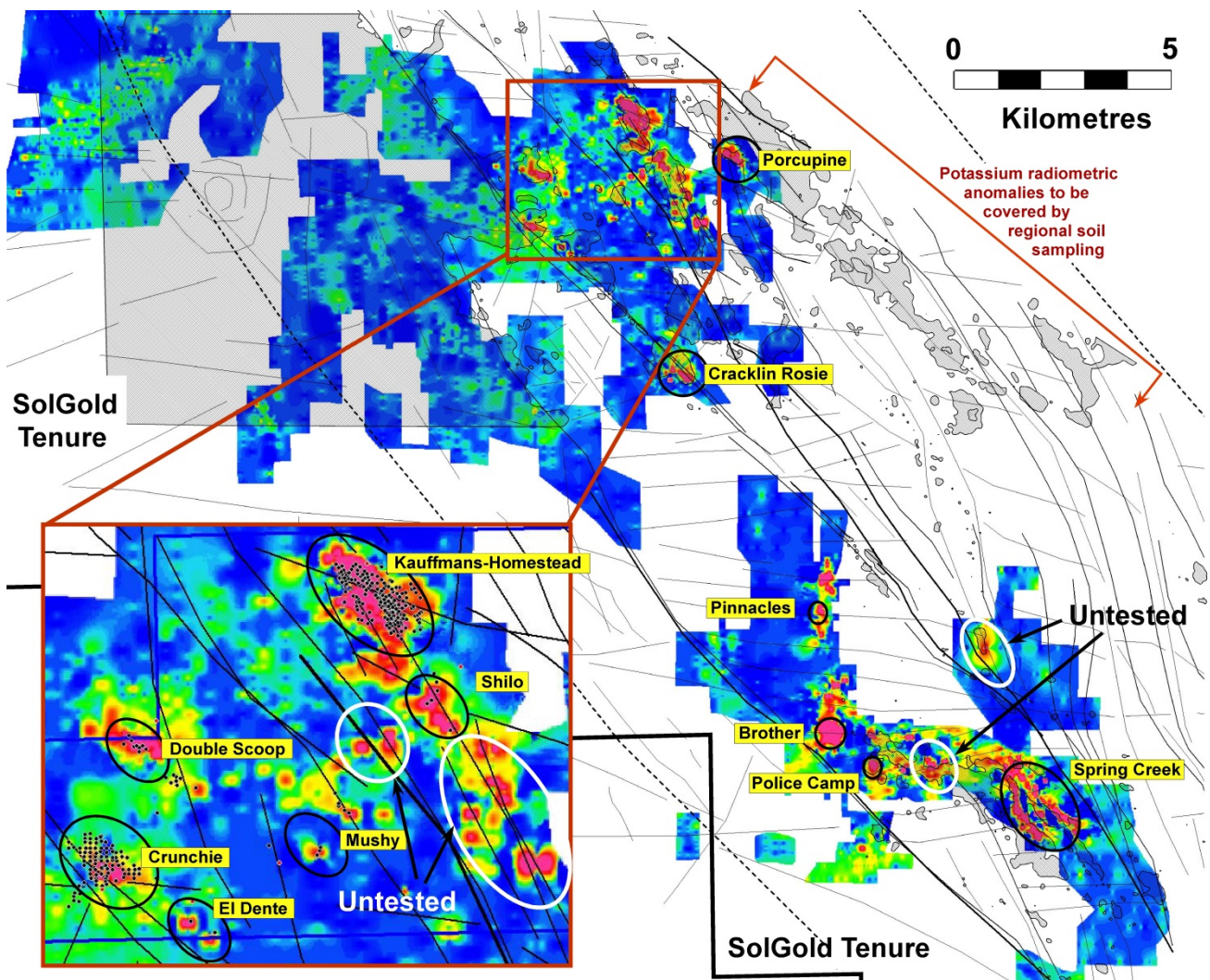


Figure 4: Image showing gold in soil anomalies and exploration targets in the immediate Kauffmans-Crunchie area, and in the broader belt.

Qualified Persons

Information in this report relating to the exploration results, gold:silver ratios and cut-off grades is based on data reviewed by Mr Malcolm Norris (B.Sc. Hons, MSc), the Chief Executive Officer of the Company. Mr Norris 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 Norris consents to the inclusion of the information in the form and context in which it appears.

The data in this report that relates to Mineral Resources using the Ordinary Kriging (OK) method is based on information evaluated by Mr Simon Tear who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM) and who has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC Code and guidelines"). Mr Tear is a full-time employee of H&S Consultants Pty Ltd and he consents to the inclusion in the report of the Mineral Resource in the form and context in which they appear.

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, Queensland, Australia, and the Solomon Islands. In Australia, they comprise the Rannes, Mt Perry, Cracow West and Normanby Projects. In the Solomon Islands they comprise the Fauro Project (located on Fauro Island), and the Guadalcanal Joint Venture with Newmont Mining Corporation, and in Ecuador a JV with Cornerstone Capital Resources on the Cascabel gold-copper project.

In April 2012, SolGold and Cornerstone Capital Resources Inc. announced that they had signed a binding Letter of Intent 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 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 table above for details of the resource statement and gold equivalent ratios). The 2012 exploration program, including drilling to define new ore positions and grow the resource, has commenced.

Exploration continues at Mt. Perry, Normanby and Cracow West. Drilling is currently underway at Mt. Perry.

In the Solomon Islands, final data from the 2011 exploration program on the Fauro project has been reviewed and plans for 2012 are being prepared, including the search for a JV partner. The 2012 Guadalcanal Joint Venture exploration program with NVL Solomon Islands Limited (a subsidiary of NYSE-listed Newmont Mining Corporation) has commenced and includes drilling on highly prospective gold-copper porphyry targets.

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 in Australasia and Melanesia, investment, finance and law. Board and Management have significantly vested interests in the Company, holding approximately 16.3% 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 313,381,934 shares on issue and 11,264,000 options exercisable at 50p on issue. Further details concerning the Company's key projects and personnel can be found at www.solgold.com.au