20 December 2012

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

CASCABEL GOLD-COPPER PORPHYRY PROJECT
Exploration Update – Significant progress made in defining additional soil gold-copper anomalies, and geological targets

The Board of SolGold plc (AIM code: SOLG) is pleased to provide an update on exploration activities at the Cascabel gold-copper porphyry project in Ecuador. The Cascabel Project is a joint venture between SolGold and TSXV listed Cornerstone Capital Resources Inc. ("Cornerstone"; TSXV-CGP, F-GWN, B-GWN, OTC-CTNXF). SolGold is directing the exploration program and Cornerstone is implementing the program with its experienced in-country team.

Exploration has progressed in 4 key areas -

1. **Further soil sampling continues to deliver very encouraging results**
2. **Rock alteration mapping delivers very encouraging results**
3. **Trench sampling confirms outcropping gold-copper mineralisation**
4. **Progress with components of the drill permitting process**

Soil Sampling Survey:

The regional-scale soil sampling program has progressed to cover the southern portions of the concession and to continue infill sampling of the northern area. The results have defined additional gold, copper and molybdenum anomalies, along with other supporting elements. The anomalies are clustered and cover a broad aerial extent (see Figures 2a, 2b and 2c below). The broad and coherent area of molybdenum anomalism in the south is considered most significant because of the association with strong and extensive alteration and supporting anomalism of other elements.

This is very encouraging and further supports and enhances the definition of the T1 target area, with coincident gold, copper and molybdenum. This target has been further strengthened by recent geological work (rock alteration mapping) outlined below.

Additional soil anomalies have been defined in other areas and these will be further investigated.

It is considered significant that extensive areas of gold, copper and molybdenum anomalism have been defined, and that these anomalous areas are open in most directions. The soil sampling program will need to be extended to define the limits of these anomalous areas, and to cover the area of the T2 geophysical target. These extensions will be undertaken in Q1 2013.

Rock Alteration Mapping:

A comprehensive 'rock alteration mapping' survey is being undertaken in conjunction with the soil sampling program. This survey identifies alteration minerals that may form in association with gold-copper porphyry systems. This exploration technique has been successfully applied elsewhere in the search for gold-copper

porphyries, and in particular during the exploration phase of the Candrian prospect adjacent to the giant Tujuh Bukit porphyry deposit in Indonesia (Norris, 2009). Used in conjunction with other datasets it assists in locating the central parts of a mineralised system, and therefore provides vectors for drill planning.

Figure 3 below shows the 'spectral alteration map' and highlights areas of high temperature clay alteration coincident with the T1 geophysical target and areas of coincident gold-copper-molybdenum from soil sampling.

Malcolm Norris, CEO of SolGold commented: "**These results are very encouraging. They give us high confidence that the T1 target area is a very worthy drill target exhibiting coincident soil geochemical anomalies in gold, copper and molybdenum, geophysical targets, outcropping porphyry mineralisation, and now supporting alteration mapping. To see the datasets aligning strengthens the target areas and with this our confidence grows."**

Trench Sampling:

Rock saw trench sampling at Quebrada Moran has been expanded, and has been undertaken at Quebrada America and Tandayama. The results support the geological mapping and have defined some areas of anomalous copper and gold.

At Quebrada Tandayama 6 channels were sampled and delivered anomalous results of gold and copper (tabulated below). At Quebrada America 10 channels were sampled and delivered anomalous, but lower level results.

The results show that the area of Q. Tandayama and Q. America is a copper system with some supporting molybdenum, and weak gold, while results of sampling at the area of Q. Moran show that it is a gold-copper system. These differing geochemical signatures may also be related to erosional level. Drilling will ultimately test these concepts. The areas that have been channel sampled to date all lie outside the main target (T1) at Cascabel. Future channel sampling will be conducted in the Quebrada Alpala area which lies within the principal target.

Drill Permitting Progress:

The drill permitting process requires the concession holder to prepare water management plans, an environmental impact assessment (EIA) of the proposed drilling program, and to undertake a structured community consultation and endorsement program.

These activities are currently underway. The baseline studies for the EIA have commenced and a team from consulting firm Cardno-Entrix is on site and working with our community officer and the local communities. A draft EIA is expected by mid-January. Applications for water permits have been submitted to the Water Agency regional office (SENAGUA) for the sourcing of water from 5 potential sites to support the drilling program.

The anticipated first pass drilling program will be based on a 2,500m program comprising man portable drilling rigs with very low environmental impact. Members of the local community have been taken to tour an active drilling program in southern Ecuador so that they may see first-hand the responsible way in which Cornerstone undertakes the exploration program.

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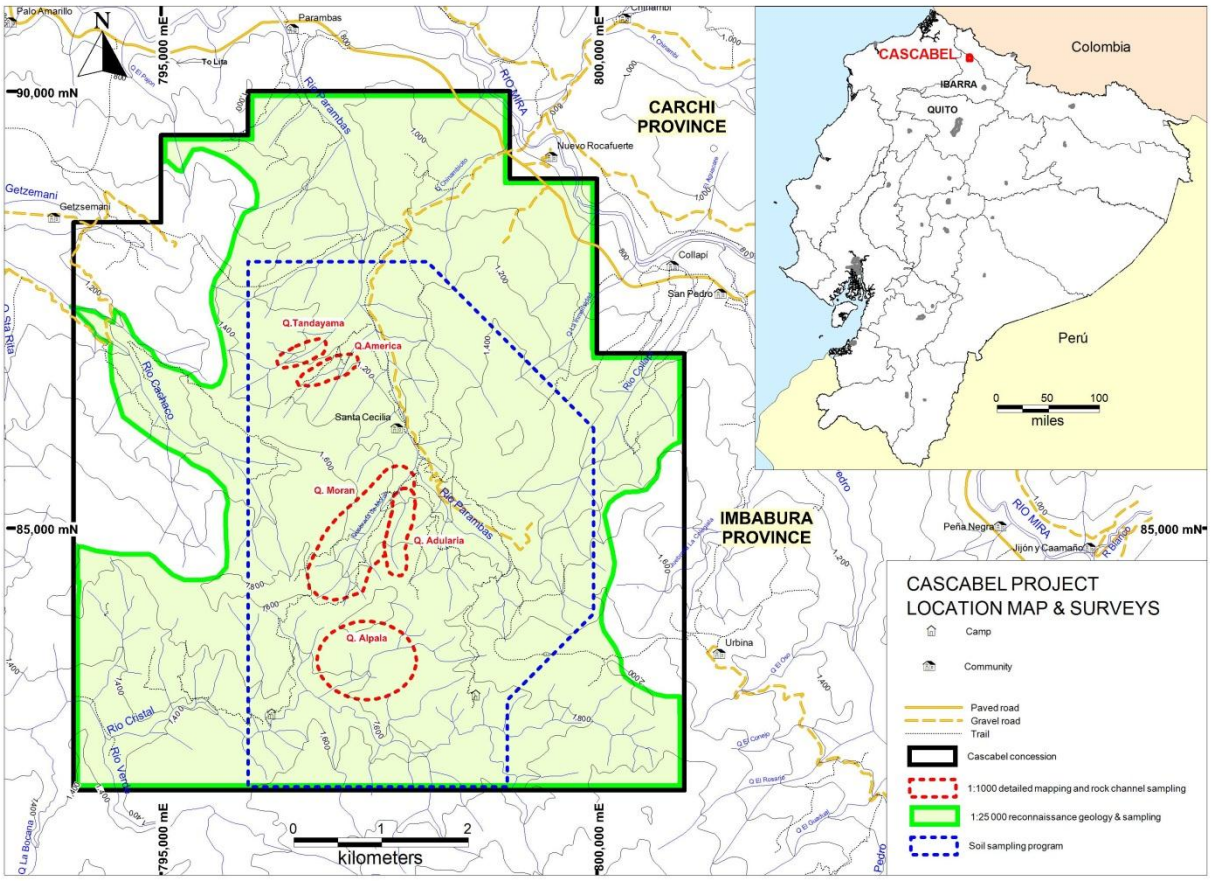

Figure 1: Location of the Cascabel concession in Northern Ecuador. Access is via a 3 hour drive on a sealed road from the capital city Quito. The elevation of the project ranges from 750m to 2100m above sea level. The main prospect areas referred to in the text are also shown in dashed red outline.

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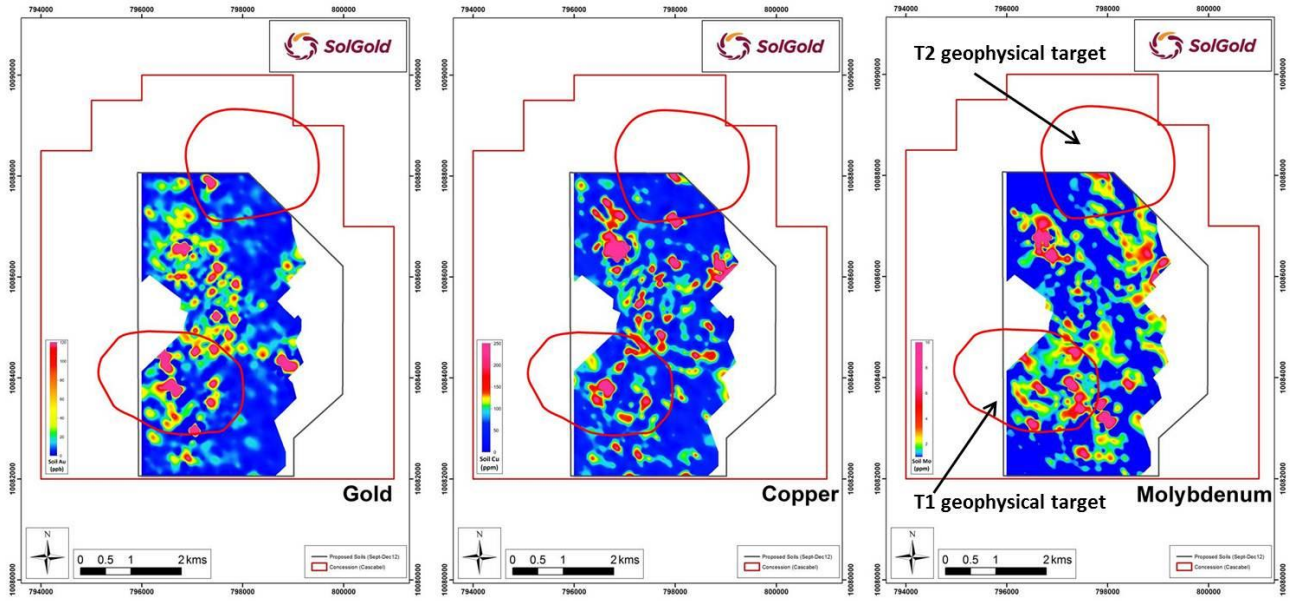

Figure 2: Side by side Gold, Copper and Molybdenum anomalism in soil samples at Cascabel. Results to date are from the 200m x 100m and 100m x 100m soil sampling program. Individual images are shown below as figures 2a, 2b, 2c. Considerable sampling still needs to be undertaken to properly define areas of anomalism and to fully cover the geophysical targets. To date anomalism has been defined over an area of at least 5 x 2 kilometres.

Geophysical targets T1 and T2 are shown in red. The T1 target corresponds with areas of irregular gold, copper and molybdenum anomalism. The areas of Quebrada Amercia and Tandayama in the north and Quebrada Moran in the central region, where porphyry stockwork mineralisation outcrops, have been channel sampled and show anomalous gold, copper and molybdenum. Both of these areas lie outside of the principal target T1 which is yet to be channel sampled.

The coincident gold-copper-molybdenum anomaly at Quebrada America and Tandayama, immediately SW of geophysical target T2 has been reinforced by the follow-up sampling. This anomaly was referred to in the market release dated 8 November 2012.

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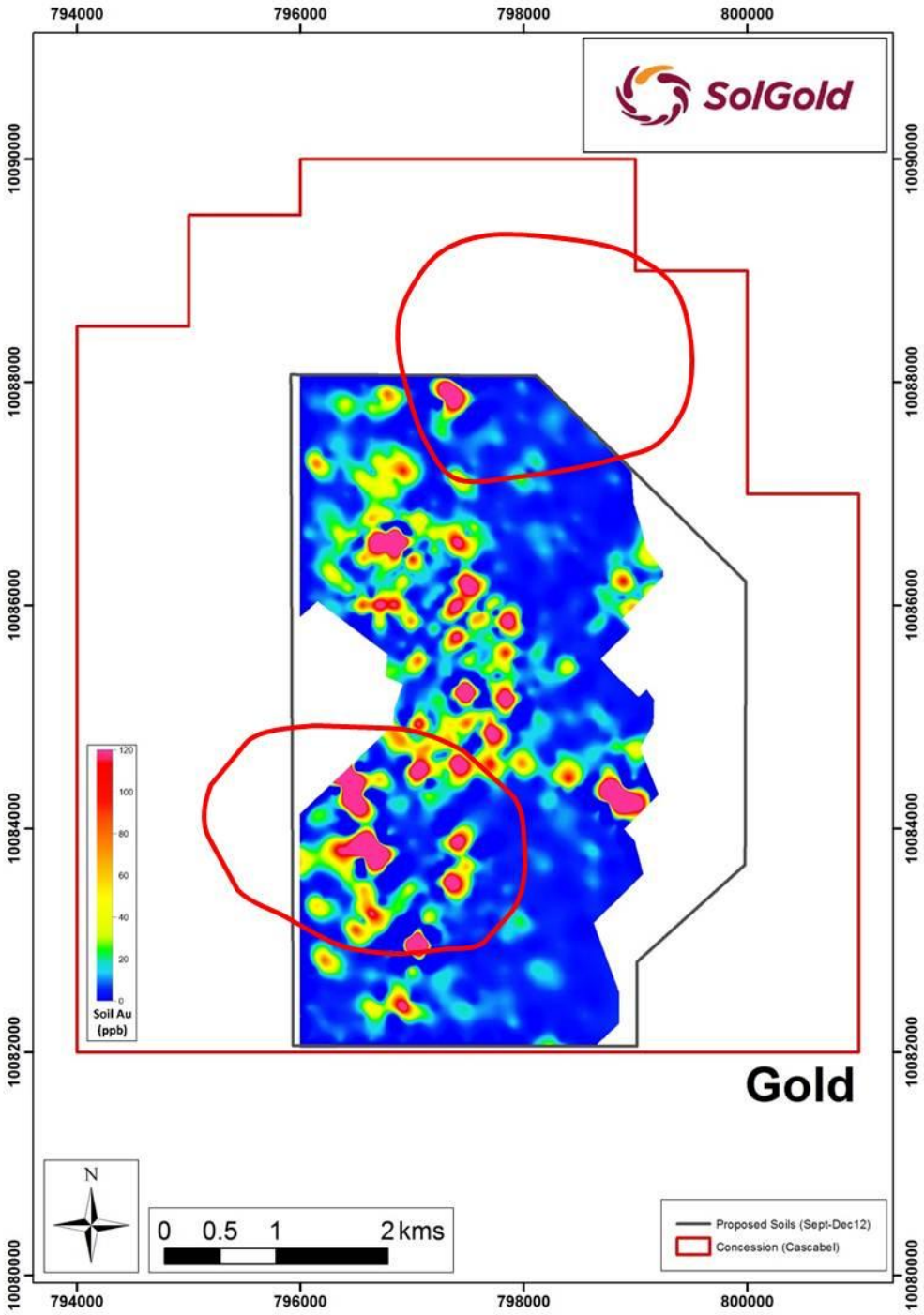

Figure 2a: Gold anomalism in soil samples at Cascabel.

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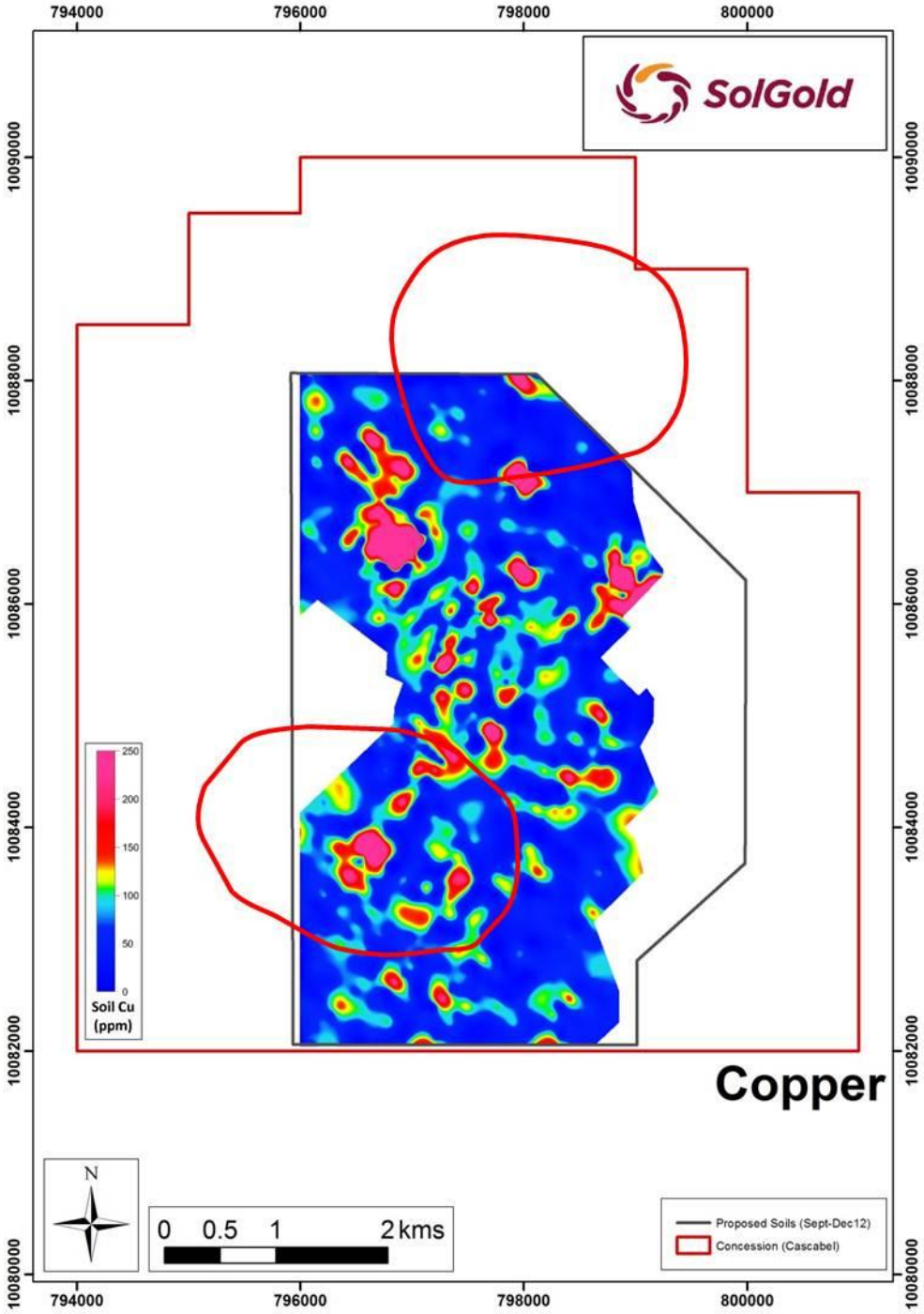

Figure 2b: Copper anomalism in soil samples at Cascabel.

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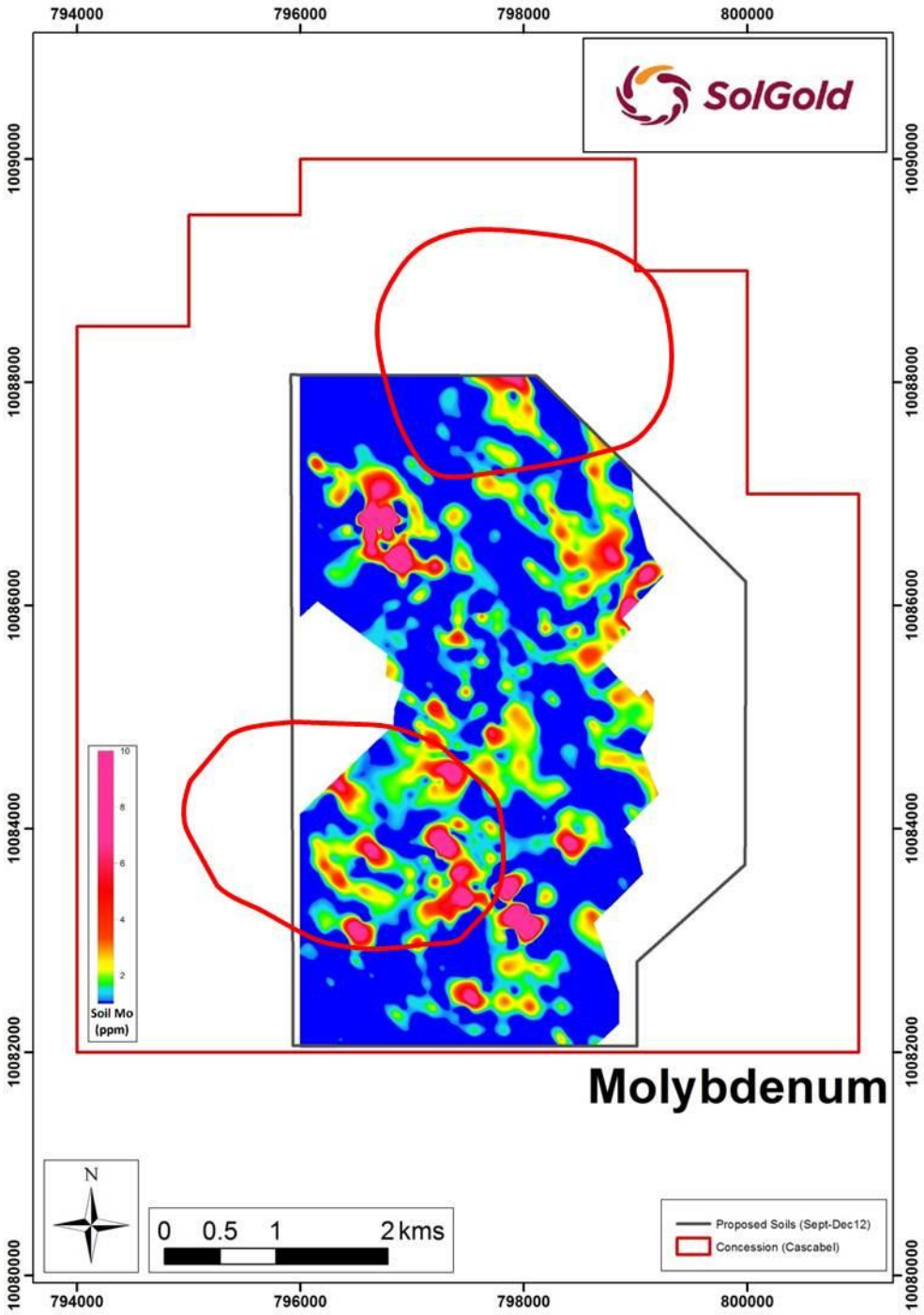

Figure 2c: Molybdenum anomalism in soil samples at Cascabel.

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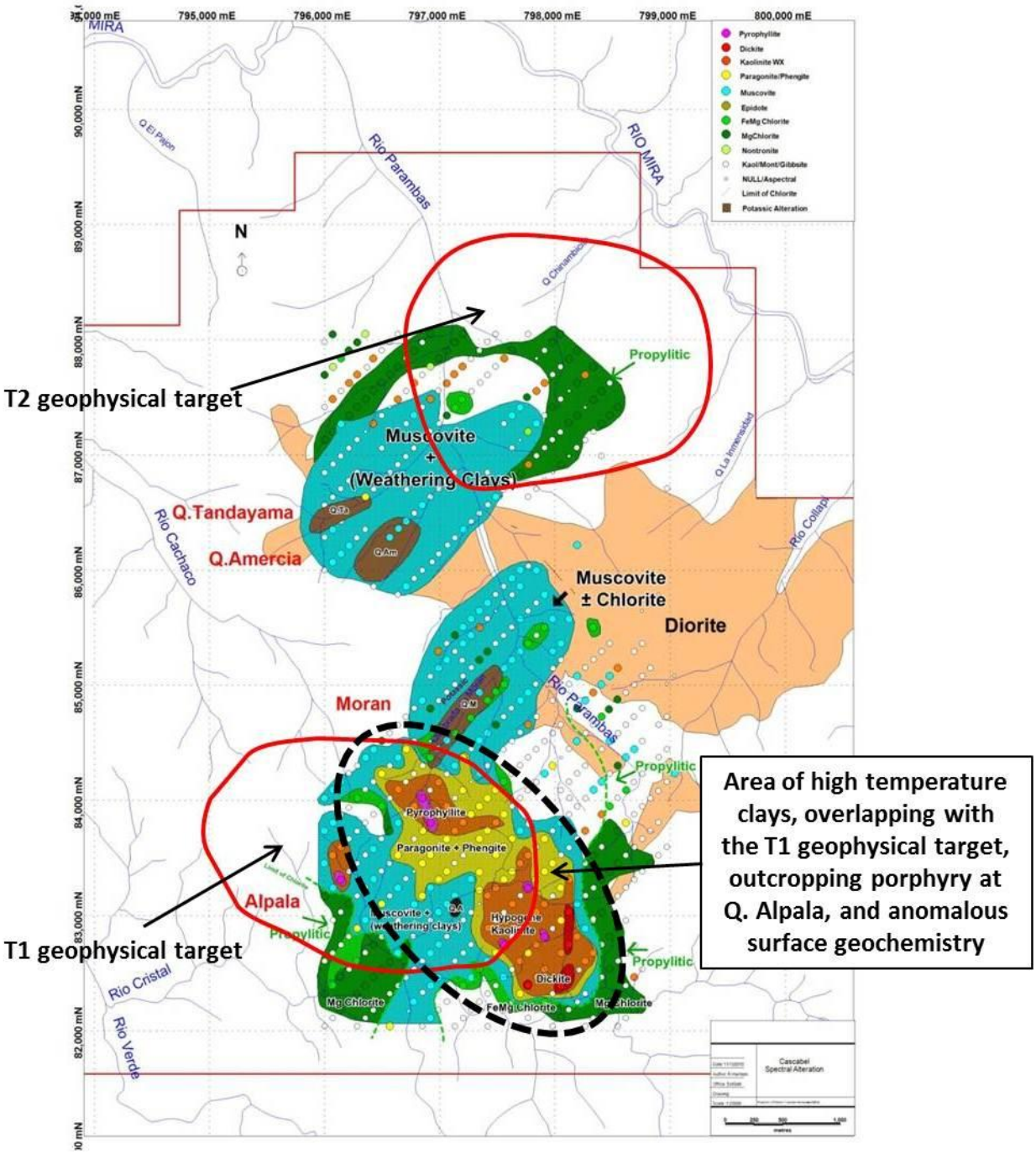

Figure 3: Spectral Alteration Map of the Cascabel Property (December 2012). The geophysical targets T1 and T2 are shown in red outlines. The T1 target corresponds closely with the higher temperature clay alteration distribution in the “rock alteration mapping”.

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	CHANNEL INTERSECTIONS						
Location	Metres	Au	Ag	Cu	Pb	Zn	Mo
		g/t	g/t	ppm	ppm	ppm	ppm
Q. Moran	18	0.04	0.88	686	8	238	2.2
Q. Moran	16.2	0.21	0.58	1805	4	135	1.0
Q. Moran	6.8	0.01	0.25	246	4	167	1.0
Q. Moran	6.9	0.01	0.25	167	3	199	1.0
Q. Moran	14.6	0.12	0.37	1220	3	203	1.1
Q. Moran	7.33	0.05	0.25	598	3	117	1.9
Q. Moran	18.5	0.03	0.25	523	4	211	5.1
Q. Moran	8.3	0.01	0.25	175	14	224	3.1
Q. Moran	16.4	0.05	0.25	351	7	153	3.9
Q. Moran	11.86	0.08	0.33	825	11	484	2.6
Q. Moran	6.02	0.06	0.25	917	5	275	2.0
Q. Moran	7.51	0.07	0.25	379	6	91	6.8
Q. Moran	17.85	0.08	2.13	972	105	1507	6.3
Q. Moran	20.61	0.03	0.30	246	14	211	6.1
Q. Moran	14.87	0.02	0.25	298	9	295	2.7
Q. Moran	24.78	0.03	0.67	152	35	289	1.0
Q. Moran	20.92	0.11	1.78	400	26	421	3.1
Q. Moran	9.86	0.04	0.66	137	8	154	1.0
Q. Moran	8.27	0.03	0.68	371	154	493	1.2
Q. Moran	12.8	0.03	0.62	373	31	359	1.2
Q. Moran	3.83	0.01	0.68	179	43	874	1.0
Q. Moran	8.44	0.01	0.50	261	89	753	1.0
Q. Moran	22.82	0.28	4.69	891	371	5213	3.1
Q. Tandayama	56.03	0.14	0.59	1689	7	99	3.3
Q. Tandayama	15.74	0.17	0.87	1975	4	99	1.3
Q. Tandayama	27.91	0.06	0.44	775	11	85	3.2
Q. Tandayama	5.99	0.14	1.00	1045	55	325	35.7
Q. Tandayama	20.05	0.02	0.25	238	11	145	3.6
Q. Tandayama	37	0.05	0.27	322	14	305	2.6
Q. America	10.64	0.01	0.25	217	3	57	1.0
Q. America	2.1	0.02	0.25	155	3	45	1.0
Q. America	12.83	0.03	0.25	313	3	44	4.4
Q. America	22.13	0.03	0.33	233	12	97	1.0
Q. America	37.14	0.02	0.36	303	9	58	6.0
Q. America	4.99	0.02	0.44	348	10	73	4.7
Q. America	5.4	0.07	0.66	855	59	1748	12.0
Q. America	10.55	0.02	0.37	495	9	79	5.4
Q. America	1.68	0.05	0.25	982	14	43	13.0
Q. America	8.6	0.02	0.25	364	11	77	3.6

Table 1: composite rock saw channel sample results (for reference 1000ppm equals 0.1%)

Norris, 2009; The Discovery History of the Tujuh Bukit Copper-Gold Project East Java, Indonesia; NewGenGold conference, Perth, November 2009.

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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.

Assaying, Quality Assurance/Quality Control (QAQC)
Samples were delivered in sealed bags by Cornerstone employees to the ACME preparation laboratory in Cuenca. Rock samples are prepared (ACME code R200-250), and assayed by the ACME-Vancouver laboratory (www.acmelab.com) for gold (ACME code G601, F.A., 30 g) and multi-elements (ACME code 1E, 4 Acid digestion ICP-ES finish). All over limits results for precious and base metals were systematically re-assayed (ACME codes G6Gr and 7TD). Stream sediment samples are prepared (ACME code SS80), and assayed for gold (ACME code G601, F.A., 30 g) and multi-elements (ACME code 1EX, 4 acid digestion, ICP-MS finish).

ACME is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Certified blanks and standards are systematically inserted every 25 samples as part of Cornerstone's QA/QC program.

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 Australia, they comprise the Rannes, Mt Perry, Cracow West and Normanby Projects, all in southeast Queensland. 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 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). The 2012 exploration program, including planned drilling to define new ore positions and grow the resource, is underway.

Exploration continues at Mt. Perry, Normanby and Cracow West.

In the Solomon Islands, the 2012 exploration program on the Fauro project has been delayed while a JV partner is sought to pursue drilling of gold-copper targets defined in the 2011 exploration program. The 2012 Guadalcanal Joint Venture with NVL Solomon Islands Limited (a subsidiary of NYSE-listed Newmont Mining Corporation) is now seeking expressions of interest for possible divestment.

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.

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