SolGold

BUILDING A NET ZERO FUTURE WITH COPPER

ANNUAL REPORT

2022

SOLGOLD BUILDING A NET ZERO FUTURE WITH COPPER

MATERIAL DISCOVERIES*

12.6Mt
COPPER

26.7Moz
GOLD

92.2Moz
SILVER

* Total consolidated Alpala deposit, Tandayama-America deposit and Cacharposa deposit.

RESPONSIBLE BUSINESS

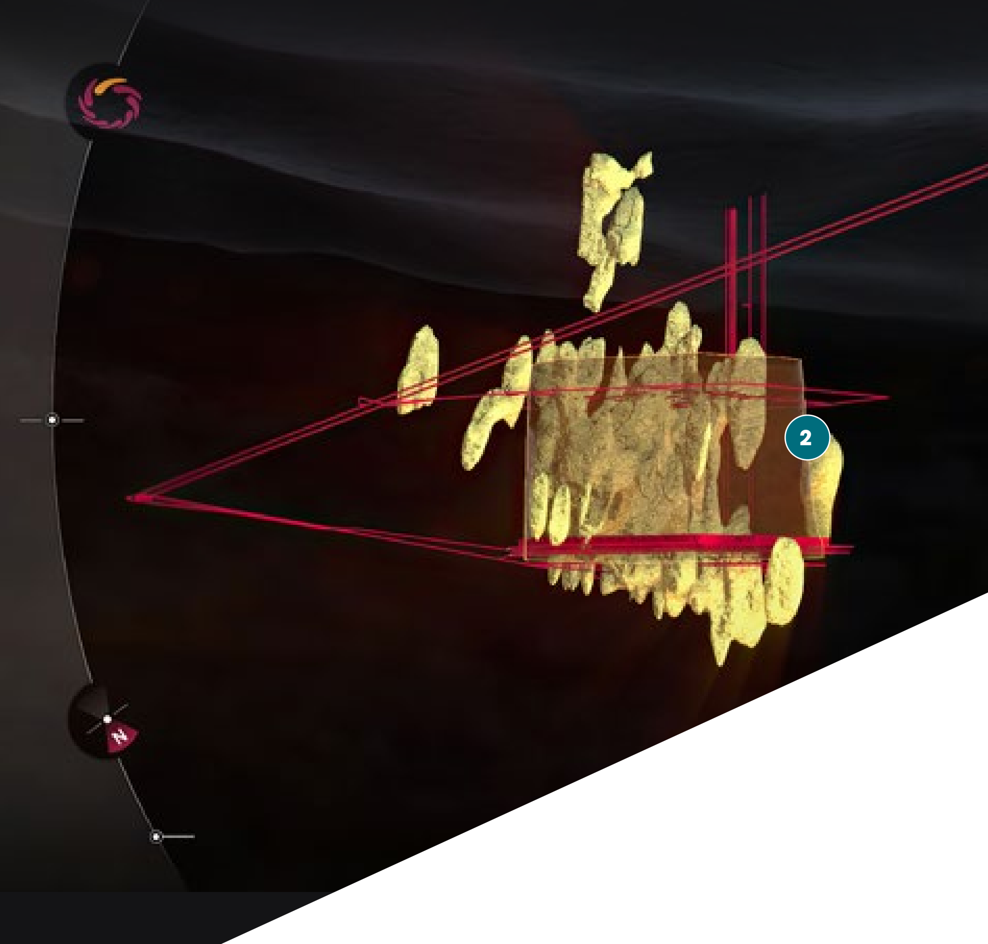
Zero
Environmental incidents

4.33
TRIFR

US$820,256
Socioeconomic investments

PROJECT DELIVERY

PRE-FEASIBILITY STUDY ("PFS") FOR CASCABEL CONFIRMS WORLD CLASS PROJECT



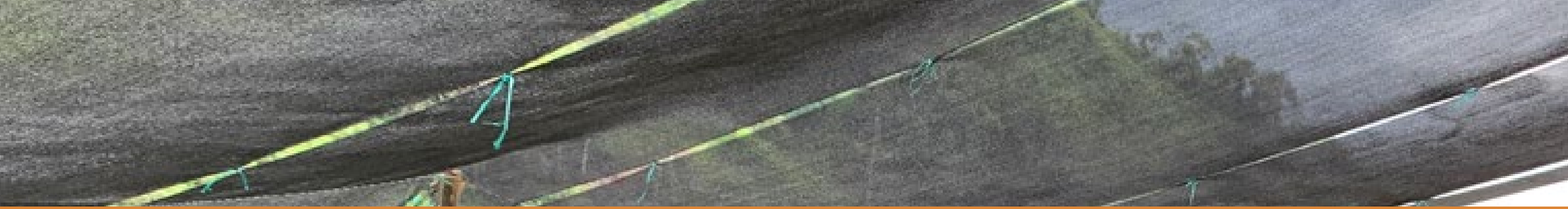
PROJECT: **CASCABEL**

Mineral reserve of 558 Mt at 0.58% Cu 0.52g/t Au and 1.65 g/t Ag

After-Tax NPV: **US$2.9Bn**
After-Tax IRR: **19.3%**
Initial Project LOM: **26 years**
Initial Mineral Reserve: **558 Mt**
Average CuEq Production: **> 200 ktpa**
AISC: **-US$0.06/lb Cu**
Total FCF: **US$14.4Bn**
After-Tax Capital Payback: **4.7 years**

1 **ACCESS DECLINE**

2 **INITIAL CAVE**



SOLGOLD IS AN EMERGING MULTI-ASSET MAJOR AND LEADING EXPLORATION COMPANY FOCUSED ON THE DISCOVERY, DEFINITION, AND DEVELOPMENT OF WORLD-CLASS COPPER AND GOLD DEPOSITS

COMPANY OVERVIEW

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

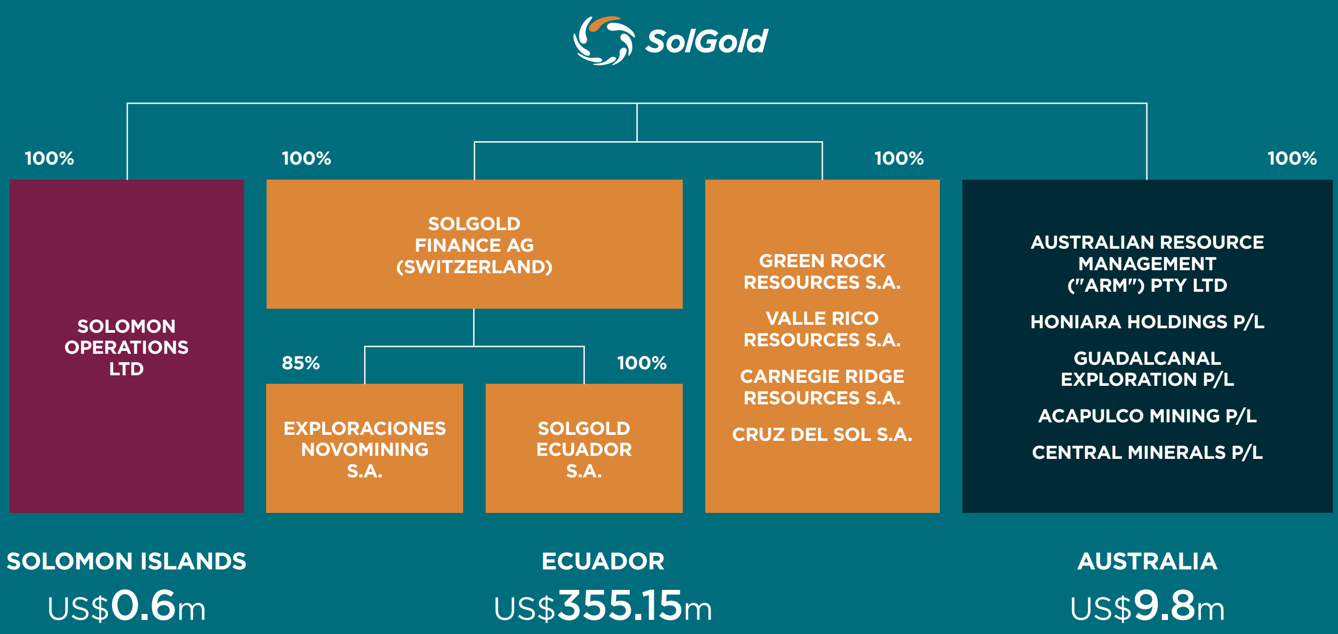
ADDITIONAL INFORMATION

SolGold is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK incorporated public limited company, dual LSE and TSX-listed (SOLG on both exchanges) and has a leading exploration and project team focused on copper-gold exploration and mine development with assets in Ecuador, Solomon Islands and Australia. SolGold is a large and active concession holder in Ecuador and is actively exploring the length and breadth of this highly prospective and gold-rich section of the Andean Copper Belt. SolGold's primary objective is to discover, define and develop world-class copper-gold deposits.

FOUR 100% OWNED ECUADORIAN SUBSIDIARIES
FOR THE REGIONAL EXPLORATION PROGRAMME

SolGold Corporate Structure*

SolGold plc is a mineral exploration and development company headquartered in Brisbane, Australia and manages operations in Ecuador, Australia and the Solomon Islands.



* United States Dollar amounts denote the total expenditure capitalised on 30 June 2022.

@SolGold_plc

SolGold Plc

SolGold Plc

Corporate video

Sustainability video

Cascabel Project 3D video

Investment protection
SIGNED AN INVESTMENT PROTECTION AGREEMENT ("IPA") WITH THE STATE OF ECUADOR SEEN AS CRITICAL TO SUPPORTING LARGE INVESTMENTS

Leadership
APPOINTED NEW KEY EXECUTIVES INCLUDING CHIEF EXECUTIVE OFFICER, CHIEF PEOPLE OFFICER, PRESIDENT OF SOLGOLD IN ECUADOR, VICE PRESIDENT PROJECTS AND, GENERAL COUNSEL TO HELP TAKE SOLGOLD THROUGH TO THE NEXT PHASE OF GROWTH AND DEVELOPMENT

Project delivery
CASCABEL PFS:
AFTER-TAX NPV $US2.9 BILLION AND IRR 19.3% AT US$ 3.60/LB COPPER

Environmental incidents
ZERO – 2022
ZERO – 2021

Material discoveries
ADDED > 3.6 Mt OF CONTAINED CuEq FROM THE CACHARPOSA AND TANDAYAMA-AMERICA DEPOSITS

GHG intensity MtCO_2e per metre drilled in Ecuador

2022	0.08 MtCO_2e
2021	0.09 MtCO_2e

Socioeconomic investments

2022	US$820,256
2021	US$574,994

Health and safety

2022	4.33 TRIFR
2021	9.60 TRIFR

with zero fatalities

TEN YEARS OF GROWTH IN ECUADOR

2012
SolGold enters Ecuador and signs earn-in agreement for ENSA ("Exploraciones Novomining S.A.") which holds 100% of the Cascabel concession

2013
Environmental licence received from Ministry of Environment for drilling at Cascabel concession / Discovery hole at Alpala deposit

2014
SolGold gains unencumbered 85% ownership of ENSA

2015
Ecuador and Australia sign MOU on cooperative ties in the mining sector

2016
SolGold approves US$22.8 million share deal with Newcrest / Ecuador mining cadastre opened

2017
SolGold moves from AIM to Main market on the London Stock Exchange / SolGold commences trading on TSX / Newcrest announce a further investment of US$40 million in SolGold / SolGold awarded circa 60 concessions

2018
BHP declared a major shareholder in SolGold / Maiden Mineral Resource for Alpala Deposit at Cascabel announced / SolGold reaches a total of 76 concessions in Ecuador / Cascabel bakery opened and run by only women

2019
Completion of PEA for the Cascabel project / Start of 1 Million Trees project

2020
Completion of Franco-Nevada US$100 million Royalty Financing / Discovery of Cacharposa deposit at Porvenir / Completion of MRE3 for Alpala deposit / SolGold becomes a UN Global Compact signatory

2021
Guillermo Lasso elected President of Ecuador / Darryl Cuzzubbo appointed CEO / Maiden Mineral Resource announced at Tandayama-America deposit at Cascabel and Cacharposa deposit at Porvenir / Appointment of four new Independent NEDs / SolGold reach US$4.5 million spend on socio-economic development

2022
Cascabel project PFS published confirming world-class Tier 1 potential / Progress towards full compliance with UK Corporate Governance Code / 320,553 tree saplings grown for 1 Million Trees project

Positioning for the future

Building a sustainable future for SolGold will require the continued development and maintenance of strong foundations:

- Completion of Cascabel Definitive Feasibility Study ("DFS")
- Social and Environmental Impact Assessments
- Security from Investment Protection Agreement in place
- Construction permit
- Construction of Cascabel project
- Transition to developer and producer
- Apply Cascabel project blueprint throughout Ecuador
- Continued progress towards full compliance with UK Corporate Governance Code

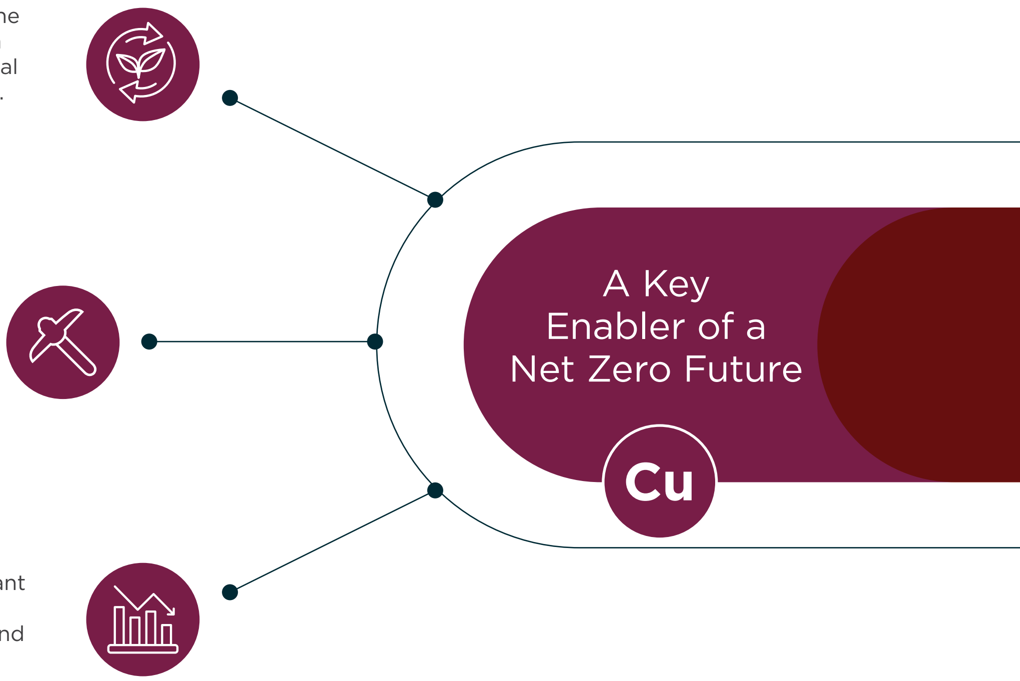
ONE OF THE WORLD'S HIGHEST QUALITY, MOST VALUABLE UNDEVELOPED COPPER-GOLD PROJECTS

NO ORGANISATION IS BETTER POSITIONED TO SUPPORT ECUADOR BECOMING THE NEXT COPPER FRONTIER THAT THE WORLD NEEDS FOR A NET ZERO FUTURE.

Copper is essential for the Global Energy Transition resulting in a fundamental shift in copper demand...

...while copper supply is under pressure and new discoveries rate at a multi-year low

Leading to a significant and growing copper deficit from the second half of this decade



A tier-one asset owner

- Long-life project with 26-year initial mine life extracting only 21% of M&I ("Measured and Indicated") resource
- First decile costs and negative AISC of -US$1.38/lb Cu (first 5 years post ramp-up)
- Post Tax US$2.9bn NPV and 19.3% IRR (at US$3.60 /lb Cu)
- In a commodity that has a strong outlook given global electrification and green energy agenda
- We have clear roadmap to becoming one of the world's first net zero copper concentrate mines to be built

Management Team

- Excellent in-country relations with government and local communities
- Proven track record of project construction, operations, finance and governance
- Experienced local management team

The Next Copper Frontier

Ecuador is the most underexplored section of the Andean copper belt which accounts for ~40% of global copper production

Government actively attracting responsible mining investment – Ecuador's next economic growth engine

Building an industry together to unlock substantial "nation building" opportunities throughout regional centres

Potential for further discovery

- One of the largest exploration property owners in Ecuador
- A proven exploration team
- Several discoveries already under the belt
- Foothold on vast, unexplored regions of the Andean copper belt

Attractive future returns

- Average annual free cash flow of US$1.35 billion in the first five years post ramp-up
- Potential to add further upside to project economics
- Exploration potential to deliver additional projects in future
- Wood Mackenzie Accelerated Energy Transition ("AET") 2 degrees long-term copper price forecast of US$4.20/lb

LIAM TWIGGER
Chair

POSITIONED
TO BECOME A MULTI-ASSET DEVELOPER

Dear Shareholders,

It is my pleasure as your Chair, to present to you on behalf of the Board, our 2022 Annual Report and Accounts.

At the time of writing this review, the world remains in uncharted territory as the lingering effects of the Covid-19 pandemic continue to be felt around the world. The socioeconomic disruptions and challenges have been further compounded by Russia's invasion of Ukraine in February 2022. Perhaps the most concerning consequence of both is that inflation, an economic term that perhaps fell off the radar during a moribund decade for the global economy, has surfaced once again.

While SolGold is currently a non-producer and is therefore less affected than other miners by these trends, it is our duty to ensure we monitor the situation and are prepared for all outcomes as we move ever closer to construction of one of the highest quality copper mines in the global pipeline. We are not, however, completely immune to increased costs. As an exploration company, a large portion of our drilling expenditure includes inputs such as fuel and other raw materials, and so we remain focused on cost control, both in Ecuador and at our global locations.

To hone our focus on costs, risks and corporate governance, a Group Internal Audit function was established in early 2021, reporting to the Audit and Risk Committee ("ARC"). Part of the function's mandate is an annual audit plan focusing on enterprise risks. Increased scrutiny and analysis in February 2022 led to cost reductions in Ecuador. However, the increased scrutiny also led to the discovery of the misappropriation of funds in Ecuador in late 2021, details of which were announced in May of this year. Our corporate culture is designed to encourage transparency and professionalism, protect our shareholders' funds and inspire confidence in our workforce. SolGold will continue to take steps to improve its control, governance and risk management environment and processes. The strengthening of our financial controls illustrates the transformative journey SolGold has undergone in recent years to ensure our business is transparent and ethical and is focused on achieving compliance with all provisions of the U.K. Corporate Governance Code (the "Code").

As Chair, it is my responsibility to oversee the Corporate Governance of the Company and I am pleased to report that, over the course of the financial year, various initiatives have been undertaken as part of our continued drive towards compliance with the Code. One such initiative was the drafting of a new remuneration policy, which was put to our shareholders at the Extraordinary General Meeting ("EGM") held on 30 June 2022. I am pleased to report that all resolutions put to the shareholders were passed at the EGM. In November 2021, following a competitive audit tender process in line with good corporate governance practice, PricewaterhouseCoopers LLP was selected as the Company's Auditor with effect from 11 November 2021.

Despite the global uncertainty, we remained focused on our key deliverable of the year and released the Cascabel Pre-Feasibility Study ("PFS") in April 2022. Of course, while the more detailed numbers are highlighted in this report, it is important to remember the factors, beyond the robust economics displayed in the PFS study, that will ensure we secure our social licence to operate in Ecuador for decades to come. These factors include the creation of new employment opportunities in the country, bringing significant royalty and tax revenue benefiting all Ecuadorians while creating value for shareholders with an after-tax NPV of US$2.9 billion and an IRR of 19.3% at US$3.60/lb copper and a 4.7 year payback period from the start of processing based on mining 21% of the resource as described in the PFS.

Essential to the development of a world class mining project, especially one as significant as Cascabel to the people of Ecuador, is having world class people in place to develop it, and ones that can leverage our IP and go out and find more Cascabel type deposits within our vast portfolio. I am pleased to say, that in the financial year under review, we made great strides in ensuring that we have the right skills and experience at all levels of the business to achieve these goals. In December 2021, Darryl Cuzzubbo joined us as Managing Director and Chief Executive Officer, which put us in a strong position to deliver on our collective objective. With his deep commercial, operations and project delivery experience, I have no doubt, he is the best person to lead this organisation forward in order to realise SolGold's best potential.

We have had a few changes at Board level as well, with Brian Moller not re-elected as a Non-Executive Director in December 2021. We are grateful for his dedication, wise counsel and commitment over the last 16 years and wish him every success in the future. Jason Ward resigned as a member of the Board in May 2022 and as Head of Exploration. Jason has been with SolGold since its inception in 2006 and has played an instrumental role in developing the Company's outstanding presence in Ecuador. Jason will remain as an advisor to the Company to continue to help drive SolGold's exploration strategy. He will work closely with management to appoint his successor. The Board wishes to acknowledge his tireless efforts, both at Cascabel and throughout the extensive exploration portfolio. Keith Marshall also resigned as a Non-Executive Director in August 2022 but will remain as an advisor to the Company's technical committee to oversee the Cascabel project and to ensure a smooth transition to the new Vice President Projects in Ecuador. I would like to especially thank Keith who chaired the project technical committee and oversaw the updated mine plan for the Cascabel project PFS. He acted as Interim Chief Executive Officer at a globally challenging time and steered SolGold successfully through an oversubscribed placing of new ordinary shares that raised approximately US$73.8 million for the Company in the last financial year.

Our operations, as well as our sustainability programmes, can only be successful if they are governed by the right framework. A best-in-class approach to important sustainable development matters forms a fundamental part of our licence to operate which is why, this year, we marked our 10th anniversary in Ecuador with a new milestone in our reporting journey by reporting in-line with the Global Reporting Initiative ("GRI"). This not only demonstrates our serious commitment to contributing to a sustainable future but also our efforts to enhance transparency.

Since day one, SolGold has ensured we support and understand the needs of the very communities whose lives our business will most affect and benefit in the decades ahead. This year we have invested over US$820,000 in socioeconomic projects in partnership with local government authorities and almost US$5 million over the last 10 years. Companies with exploration roots such as ours are best placed to achieve positive relationships with the community given the clean slate we are afforded with greenfield deposits. This, however, also comes with the immense responsibility of getting things right from the start. By understanding the needs and key development drivers of a population that has accepted us as a cohabitant, we can work together to create an environment that is multiple times better than before we arrived. It then becomes our job to do what we say, all the way from construction to development to production, in order to retain the trust that SolGold is the right corporate citizen to take this project forward.

Fortunately, we are developing this asset and exploring for new projects, at possibly the greatest moment of economic transition in the last fifty years. In fact, the need is so great for new copper supply that S&P recently projected demand will reach 50 million tonnes in 2035 in order to deploy the technologies critical to achieving net zero by 2050 goals, compared with the annual demand of 25 million tonnes today.

As we move to decarbonise the world there is a massive opportunity for SolGold. The world needs more copper and there is a shortage of copper, and we have arguably the best undeveloped copper project in the world today. Importantly, this also provides Ecuador with the opportunity to be at the forefront of this transition.

Finally, I would like to thank each and every one of our employees and advisors for their loyalty and hard work over the past year, your passion and dedication is what continues to enable us to progress Cascabel towards production and continue to make progress on new discoveries in this remarkable jurisdiction.

Thank you for your continued support of SolGold.

LIAM TWIGGER
Chair
28 September 2022

DARRYL CUZZUBBO
Managing Director and Chief Executive Officer

COMMITTED
TO THE COMMUNITY

This has been a milestone year for SolGold with significant progress made across our project portfolio.

Dear Shareholders,

There is no question that SolGold presents an incredible opportunity to position Ecuador as the next copper frontier at a time when the world is expected to face a significant copper deficit in the transition towards a net zero future.

Ecuador is a highly prospective underexplored terrain along the Andean copper belt and SolGold is one of the largest concession holders in the country. The Alpala deposit discovered at Cascabel was the second largest copper discovery in a decade with 20% of the world's total copper and 16% of the world's total gold discovered. Furthermore, Cascabel will be one of the lowest carbon intensity copper concentrate mines ever built with a clear pathway to net zero emissions for scope 1 and 2 emissions. My hope is that all Ecuadorians can be proud that through Cascabel and subsequent projects, they, as a country, are enabling the world to transition to a net zero future at a time when the world needs copper the most and doing it in a way that sets a new standard for what is possible by way of carbon intensity.

To take SolGold forward towards its full potential, we have established a leadership team that firstly believes in the full potential of the organisation and secondly have the conviction and capability to take the organisation through its different phases of development. In January of 2022 we appointed Ms. Tania Cashman as Chief People Officer to implement a culture and capability strategy essential for the transition from explorer to developer, builder and operator. In the post-reporting period, in July 2022, we announced further key appointments. Mr. Steven Botts was appointed to the position of President of SolGold Ecuador. Steven has over 40 years' international mining experience and is a deeply experienced leader in cross cultural and international business relations with a proven ability to develop partnerships and deliver projects. Mr. Harold 'Bernie' Loyer was appointed to the position of Vice President Projects of Ecuador. Bernie has over 35 years of international mining experience including over 20 years in Latin America with a proven track record delivering large scale mining projects. We are focused on building capability in Ecuador which is not only the right operating model but also further de-risks the Company. We recently hired Luis Mario Sanchez as Finance Director in Ecuador and Luz Castellanos as Human Resources Director in Ecuador. Mr. Rufus Gandhi was appointed to the position of General Counsel and Company Secretary. Rufus has over twenty years of legal, company secretarial and corporate governance experience working in multiple jurisdictions including in Australia, the U.K., Singapore and the U.S. We also appointed Mr. Keith Pollocks as the Interim Group Chief Financial Officer following the resignation of the prior Group Chief Financial Officer in August 2022. Keith has extensive international experience leading global finance functions for a range of public and private multinational companies predominantly across banking, infrastructure, resources, and mining.

I am pleased to report that 2022 has been a milestone year for SolGold with significant progress made across our project portfolio. The Pre-Feasibility Study ("PFS") for the Cascabel project was published in April 2022 and confirmed it as a Tier 1 world-class asset where it will be one of the top producers in Latin America at very low cost, low carbon footprint, with an initial project life of 26 years expandable to a Life-Of-Mine of greater than 50 years. With the initial mine plan covering just 21% of the Measured & Indicated resource it is estimated to return an NPV of US$2.9 billion producing a free cashflow of approximately US$1.4 billion per annum once ramped up. The publication of the PFS has generated increased interest in the Cascabel project. Upon completion Cascabel will be a significant, multi-decade and very low-cost producer of copper that can help enable Ecuador's emergence as the next copper frontier at a time when the world needs copper the most as we transition to a net zero emissions future. This has been a year of making difficult but rewarding decisions in our journey to achieving significant milestones. We are very excited by the prospect of building the mine at the Cascabel project, not least because it has all the hallmarks of becoming one of the world's lowest carbon footprint mines with an All-In-Sustaining-Cost of -US$1.38/lb copper on average for the first five years post ramp up.

The progress recorded across our portfolio has illustrated SolGold's rapid evolution from frontier explorer into positioning the Company to become a multi-asset developer, builder and operator of world class assets whilst making sure that we make the most of the incredible exploration expertise that has got us to where we are today and is essential for finding future projects across our extensive concessions.

COPPER

Key metal to support the global energy transition

THE TOP SIX USES:

- Electrical Networks
- Construction
- Industrial Machinery
- Home Appliance
- Transport
- Consumer Electronics

GOLD

THE TOP SIX USES:

- Jewellery
- Finance
- Electronics/Computers
- Dentistry/Medicine
- Aerospace
- Medals/Awards

SILVER

FIVE COMMON USES:

- Coins, Rounds, Bullion
- Anti-bacterial
- Electronics
- X-ray and Photography
- Silverware and Jewellery

SolGold is actively evaluating several options as part of the Definitive Feasibility Study ("DFS") to manage and minimise the Cascabel project's overall carbon footprint. These include maximising power from hydro-generation sources, further investigations on electrification, assessing process integration to optimise operational efficiency, and developing an achievable roadmap to completely eliminating scope 1 and scope 2 emissions, among other initiatives.

As such, the Company progressed its pan-Ecuadorian exploration strategy with the announcement of two Mineral Resource Estimates ("MREs") which have added > 3.6Mt of contained CuEq from the Cacharposa deposit at the Porvenir concession and Tandayama-America deposit at the Cascabel concession. We now have a combined Mineral Resource portfolio containing 12.6Mt of copper, 26.7 Moz of gold and 92.2 Moz of silver. Porvenir is the Company's second priority based upon the Cacharposa deposit. SolGold has engaged M3 to progress the Porvenir project Pre-Economic Assessment ("PEA") that is on track for completion by the end of calendar year 2022. Additionally, field programmes are continuing at numerous satellite targets to the Cacharposa deposit that comprises a Mineral Resource of 397Mt at 0.44% CuEq in the Indicated category and contained metal content of 1.40Mt copper and 1.80Moz gold (1.75Mt CuEq). Cacharposa is the second resource to be defined by SolGold as part of its strategy to define a multi-asset portfolio over the length of Ecuador. Exploration activity has also identified the Helipuerto project as the next most important target for the Company. SolGold is expediting the delivery of drilling and environmental permits to drill test extensions to the mineralised system. An initial focus at Helipuerto is on the delineation of the size and tenor of the Tinkimints copper prospect.

In January 2022, it was a pleasure to meet with the President of Ecuador, Guillermo Lasso Mendoza and senior Ministers, to discuss the socioeconomic benefits of the Cascabel project and it was clear that President Lasso is committed to developing the mining sector as a major economic force for Ecuador. In November 2021, SolGold signed the first Investment Protection Agreement ("IPA") with the Government of Ecuador for all historical and proposed investment for the Cascabel project with a specific benefit of agreeing the potential for international arbitration in the U.K. should there be a need.

Another significant milestone recorded this year was SolGold's 10th anniversary in Ecuador. Right from our entry into the country, we have made a conscious effort to operate mindfully alongside our host communities and to have a minimal impact on the environment. Since our arrival in Ecuador, more people have moved back into the rural towns surrounding the Cascabel project in the belief that Cascabel will be developed with substantial gains that this will bring to them, their children and grandchildren. In terms of long-term economic benefits, the Cascabel project is estimated to create over 6,000 indirect and direct jobs, and once constructed, is expected be a top 20 South American copper and gold mine. Our concerted effort to ensure strong relationships with the communities in which we operate has also been illustrated this year as only nine grievances from all host communities were recorded, all of which were satisfactorily resolved.

We continue to strengthen our governance that is fit for purpose for an organisation of our size with room for growth. It is of fundamental importance that we are trusted by our shareholders and stakeholders where strong relationships, good governance and transparency are essential. Whilst we have made a lot of progress, we still have some way to go.

Following the PFS for the Cascabel project, SolGold has continued to progress the development path in the form of delivering the PFS Addendum (targeting CY Q4 2022) and the DFS (targeting CY Q4 2023). The objective is to further de-risk the project and realise its world class, Tier 1 potential. The Company is targeting total potential pre-tax NPV uplift of approximately US$1-1.8 billion at the Cascabel project from the continued evaluation of optimisations and other upside opportunities to be incorporated within the upcoming studies.

Further to SolGold's cash position of US$26.1 million as at 30 June 2022, we are investigating a number of strategic initiatives to provide the Company with funding options for the development of Cascabel and the progression of regional projects. SolGold continues to develop the funding path to achieve the Company's next milestones.

I am confident the decisions we are making to build our Company for the future, together with a clear strategic outlook, new leadership team, and exposure to a sought-after future facing commodity, will see us continue to grow SolGold and create value for our shareholders and our broader stakeholders for decades to come.

I would like to thank shareholders and our local communities for their support as we take SolGold forward and would like to recognise the dedication and conviction of all our employees who see and believe in the incredible opportunity before us.

Thank you for your ongoing support.

DARRYL CUZZUBBO
Managing Director and
Chief Executive Officer
28 September 2022

THE CASCABEL PROJECT WILL BENEFIT ITS COMMUNITY FOR GENERATIONS TO COME

50+ years

Since our arrival in Ecuador, more people have moved back into the rural towns surrounding the Cascabel project in the belief that Cascabel will be developed with substantial gains to them, their children and grandchildren. The Cascabel project is estimated to create over 6,000 indirect and direct jobs with an initial project life of 26 years expandable to a Life-Of-Mine of greater than 50 years.

DELIVERING COPPER AT A TIME WHEN SUPPLIES ARE DECLINING AND THE WORLD IS DEMANDING MORE COPPER FOR A TRANSITION TO A NET ZERO FUTURE

OUR CAPITAL INPUTS

NATURAL

Mineral Resource. We use energy, fuel and water to operate our activities. We use these resources as efficiently as possible to minimise our environmental footprint

HUMAN

We invest in our workforce, ensuring they have the right skills, capabilities and career prospects to match our growth ambitions

SOCIAL

We have established a strong social licence to operate in our host countries and local communities which supports our current operations and exploration activities

MANUFACTURED

We rely on drill rigs, plant and site infrastructure

FINANCIAL

Track record of disciplined capital allocation to enable us to invest in our business and deliver strong shareholder returns

HOW WE CREATE VALUE

We generate value by discovering, defining and developing world-class mineral deposits. We maximise funds using an established systematic and disciplined approach to exploration, targeting grassroots opportunities to ensure low-cost entry into projects

- COST CONTROL
- LAND PURCHASES
- MATERIAL DISCOVERIES
- PROJECT DELIVERY
- SHARE PRICE PERFORMANCE

SHARING THE VALUE WE CREATE

SKILLED WORKFORCE

- 99% Ecuadorian employees
- US$27,161,319 wages, salaries and benefits
- 10.4 hours of average training per employee

HOST COMMUNITIES

- US$820,256 invested in socioeconomic projects delivered in partnership with Local Authorities of the communities where we operate (FY2022)
- 17% of procurement budget spent locally in the communities where we operate (FY2022)

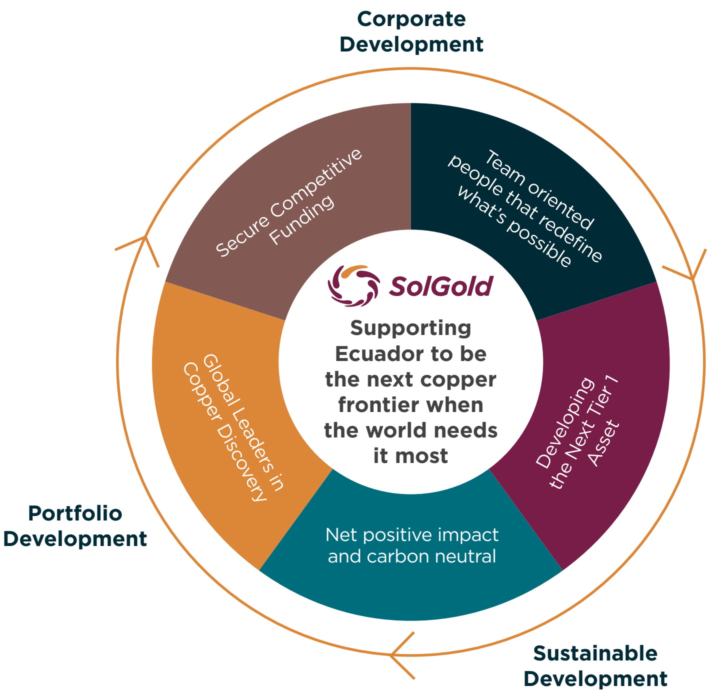
TRUSTED PARTNER

US$900,000 investment in partnership with Franco-Nevada to deliver a waste and recycling infrastructure for the local parishes of Lita and La Carolina in the Imbabura province of Northern Ecuador

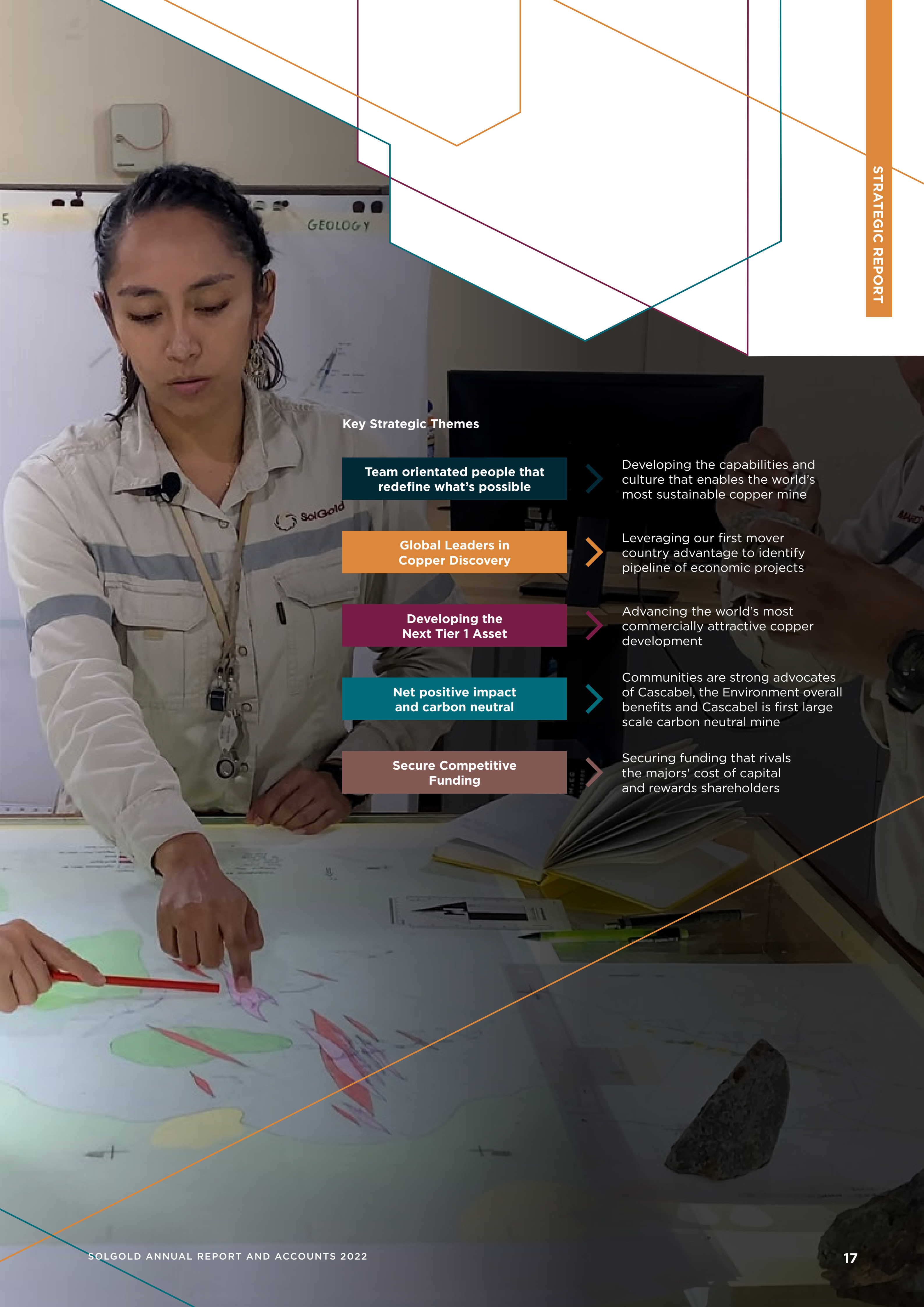
THE EXPLORATION FOR COPPER AND GOLD IS CORE TO OUR BUSINESS MODEL

We generate value by discovering, defining and developing world-class mineral deposits. We maximise funds using an established systematic and disciplined approach to exploration, targeting grassroots opportunities to ensure low-cost entry into projects. Our vision is to become a leading copper and gold miner underpinned by our exceptional portfolio of project options.

SolGold's ambition is to become a major copper and gold mining company in Ecuador, and with the Government's more open policy to foreign investment, is leading the way in opening the country up for future mining. Specifically, the Cascabel project presents an incredible opportunity for Ecuador and its people. Cascabel is one of the most significant copper-gold discoveries in recent times. Not only will the build and operation of Cascabel provide significant local job opportunities but will also promote mining investment further in Ecuador, leading to even greater benefit longer term. Ultimately SolGold will play a vital role in enabling the transition to a sustainable net zero emissions future, with our clear roadmap to building a net zero mine, it can be one of the first large scale copper concentrate mines ever built that is carbon neutral.



SolGold intends to build the world's first large scale carbon neutral copper mine.



Key Strategic Themes

Team orientated people that redefine what's possible	Developing the capabilities and culture that enables the world's most sustainable copper mine
Global Leaders in Copper Discovery	Leveraging our first mover country advantage to identify pipeline of economic projects
Developing the Next Tier 1 Asset	Advancing the world's most commercially attractive copper development
Net positive impact and carbon neutral	Communities are strong advocates of Cascabel, the Environment overall benefits and Cascabel is first large scale carbon neutral mine
Secure Competitive Funding	Securing funding that rivals the majors' cost of capital and rewards shareholders

THE BOARD HAS DEFINED THE FOLLOWING EIGHT KPIs IN ORDER TO MONITOR AND ASSESS THE PERFORMANCE OF THE COMPANY AS IT ADVANCES FROM A PURE EXPLORATION COMPANY INTO A DEVELOPER AND EXPLORER

1 HEALTH AND SAFETY PERFORMANCE

SolGold achieved its goal of maintaining a safe workplace for all and will strive to ensure this achievement is carried out every year. The Company achieved a TRIFR of 4.33in the 2022 financial year (2021: 9.60). TRIFR stands for Total Recordable Injury Frequency Rate and is the number of fatalities, lost time injuries, alternate work and other injuries requiring medical treatment per million hours worked.

KPIs

4.33 TRIFR

(2021: 9.60)

2 COST CONTROL

The Company produces an annual budget and a forecast at least every quarter. Detailed variance analysis (including commentary) is produced monthly, comparing actual costs to budgeted costs. These are presented at Board meetings and at monthly EXCO meetings. In addition, our subsidiaries in Ecuador are funded via monthly cash calls and any deviations from budget are discussed with the CFO before sign-off by the CFO.

3 CASCABEL PROJECT DELIVERY

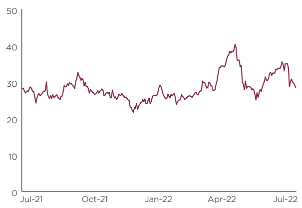
The Company successfully published the PFS for the Cascabel project in early April 2022 confirming Tier 1 potential.

4 MATERIAL DISCOVERIES

The Company successfully progressed its pan-Ecuadorian exploration strategy with the announcement of two Mineral Resources Estimates ("MREs") adding > 3.6Mt of contained CuEq from the Cacharposa deposit at the Porvenir project and the Tandayama-America deposit at the Cascabel project.

5 SHARE PRICE PERFORMANCE

The performance of SolGold's share price is the ultimate gauge of the Company's ability to generate market recognition and value from its exploration and development activities. This market recognition and valuation also facilitates the Company's ability to raise capital from new and existing investors. The share price performance was a target within the Short-Term Incentive Plan of several members of the Company's executive management team and several other employees in corporate finance in FY2022.



6 SOCIAL AND COMMUNITY ENGAGEMENT

We are committed to building and maintaining strong relationships underpinned by open and constructive dialogue with our communities. In the 2022 financial year our teams held more than 1,660 meetings and received 9 claims and complaints (2021: 2,545 and 8). All complaints were satisfactorily resolved. We are committed to improving the lives of the people in the communities surrounding our operations. Our social investment strategy, agreed with the local parishes of Lita and La Carolina, is centred around five key areas:

1) Education
2) Community healthcare
3) Road and community infrastructure
4) Socioeconomic projects and
5) Social, cultural and sporting activities.

Total socioeconomic investments in 2022: US$820,256 (2021: US$573,994).

KPIs

US$820,256

socioeconomic investment, 1,660 meetings and 9 claims and complaints. (2021: US$573,994, 2,545, 8)

7 ENVIRONMENTAL PERFORMANCE

Protecting the environment is central to our sustainability approach. Our environmental stewardship programme is focused on five areas:

1) Water management
2) Waste management
3) Land Rehabilitation
4) Environmental monitoring & biodiversity
5) Reforestation.

SolGold strives for zero severe environmental incidents and we had nil in 2022 (2021: nil).

KPIs

Zero Environmental incidents

(2021: nil)

8 CORPORATE GOVERNANCE

Darryl Cuzzubbo was appointed CEO and Executive Director to the Board. The Company has made significant progress towards full compliance with the UK Corporate Governance Code following shareholder approval of the new Remuneration Policy in June 2022 and decision to put all Board Directors up for re-election at the 2022 AGM.

Copper market outlook

A fundamental driver of copper demand over the past twenty years has been the urbanisation, digitisation, and industrialisation of developing economies. A major driving force behind this process was globalisation which saw companies from the world's developed economies seeking to reduce labour costs, improve margins and flexibility by investing in new capacity in countries such as China. Refined copper consumption in China has more than doubled over this period from approximately 5Mt in 2000 to more than 12Mt in 2021, and today accounts for more than half of global copper consumption. Over the last couple of years, the slow-down in the Chinese economy has led to more modest growth in copper consumption.

Large-scale stimulus packages, the vaccine rollout, pent up demand and low interest rates stimulated economic activity in 2021, with demand increasing 4.2% to 24.4 Mt, surpassing 2019 levels. The rapid rebound in Chinese economic activity supported copper demand in 2020, but in 2021 increased manufacturing activity in Europe and North America resulted in demand growth.

There has been significant volatility in the copper price and across the commodities complex in recent months. Energy prices have continued to rise while most industrial metals have fallen. The instability across these markets was initially as a result of the war in Ukraine and China's Covid-19 restrictions' impact on demand. Recently, inflation and growing recessionary fears are key concerns contributing to the ongoing copper market instability. Low visible inventories and ongoing copper mine supply disruptions should however provide some support to prices. Global refined copper consumption is forecast to grow by 1.6% in 2022 and strengthen to 3.2% in 2023 (according to Wood Mackenzie's June 2022 Outlook).

Over the medium to long-term, copper will benefit from an economic recovery focused on green end-use sectors, which is expected to support above average annual global refined consumption growth of 2.3% over the 10-year period 2022-2031 to 31Mt according to Wood Mackenzie. Average annual growth is expected to average 1.7% annually over the subsequent period to 2050 reaching nearly 42Mt of refined copper demand.

On the supply side, global copper mine production in 2021 was 21.4 Mt, up 2.1% from production levels seen in each 2019 and 2020. Global copper production capability from mines and already committed projects is forecast to increase in the near term to peak at an adjusted 24.7Mt in 2024. Looking further ahead, without additional mine supply from new projects, base case mine production is expected to steadily decline to approximately 14Mt by 2040. New mines will be required to meet demand.

To limit global warming to 2 degrees vs. pre-industrial levels, as per the Paris agreement, an Accelerated Energy Transition ("AET") is required according to Wood Mackenzie. In turn, the AET would increase demand for primary copper, which is expected to grow at a 0.3% higher annual rate. This would translate to an upside copper demand that is more than 2.5Mt higher than the base case in 2040 and a cumulative difference of nearly 50Mt in copper demand between 2022 and 2040. Wood Mackenzie forecasts that under an AET-2 degree scenario, a long-term incentive price of US$9,259/t (US$4.20/lb) in constant 2021 US dollars should be sufficient to close the supply gap, maintain market equilibrium and retain a reasonable market balance over the next decade.

The Alpala deposit at Cascabel, which contains 9.9 million tonnes of copper in the Measured plus Indicated resource category, is perfectly placed to take advantage of this structural shift and long-term demand for copper.

Gold market outlook

Gold prices remain supported in the current environment reflecting geopolitical and growth risks, and the potential for continued elevated inflation. The gold price is being pulled in multiple directions with the negative impact of rising bond yields offset by concerns of sticky inflation and rising recession fears, the latter supporting gold's safe haven demand and supporting ETF inflows.

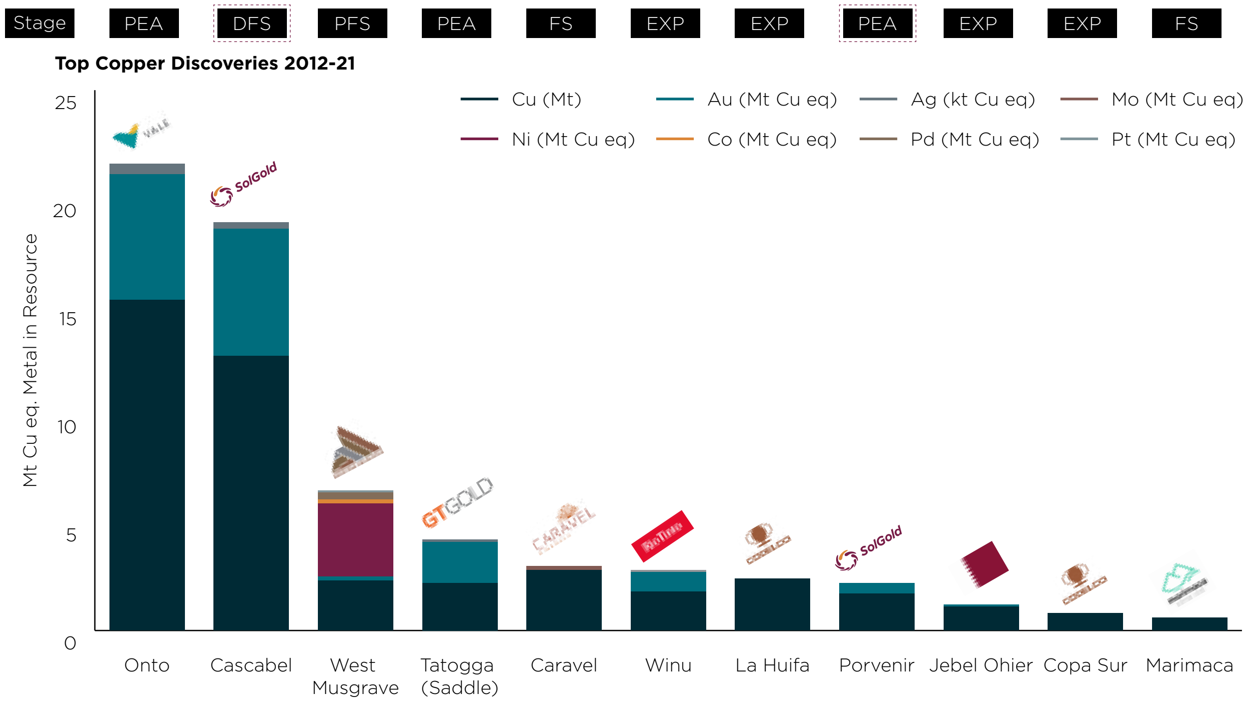
SolGold's Alpala deposit contains 21.7 million ounces of gold in the Measured plus Indicated resource category, positioning it as a strong supply of gold production over the decades ahead.

Ecuador's untapped mineral wealth

Ecuador hosts significant, untapped geological potential at the northern end of the prolific Andean Copper Belt, home to some of the world's largest copper mines. SolGold's teams of experienced Ecuadorian explorationists and geologists are deploying advanced exploration techniques to uncover this mineral wealth. Such methodologies led to the discovery of the Company's Alpala deposit at the flagship Cascabel project, one of the world's most significant mineral discoveries of the last decade.

Top Copper Discoveries in 2012-21

Source: S&P Global Market Intelligence



While there are a number of early-stage, prospective exploration projects across Ecuador, just two large-scale mines are currently in production, namely the Mirador copper mine (owned by EcuaCorriente); and the Fruta del Norte gold mine (owned by Lundin Gold). In addition to this, there are several high-profile development projects that are currently being advanced through feasibility studies. In the coming years, this number is likely to increase as additional capital is invested and these development projects are brought into production.

The development of Ecuador's mining sector has been made possible with the support from all levels of the Government, with whom SolGold continues to maintain strong relationships. In addition, SolGold continues to work in close partnership with the communities in which it operates, as a key part of the Company's strong social licence to operate.

THE ALPALA DEPOSIT IS THE MAIN TARGET IN THE CASCABEL CONCESSION, SOLGOLD'S FLAGSHIP PROJECT

FLAGSHIP PROJECT: **CASCABEL**

Location:
Imbabura province, Northern Ecuador

Ownership:
85% Subsidiary: Exploraciones Novomining S.A.

Tenement Area:
1 concession, 50 km^2

Primary Targets:
Copper-gold porphyry

CASCABEL PRE-FEASIBILITY STUDY

The results of the Cascabel project PFS were announced in April 2022, confirming the Cascabel project's world class, Tier 1 potential to be a large, low-cost, and long-life mining operation that is based on achievable, proven, and tested mining and processing assumptions. Once constructed, Cascabel is expected to be a top 20 South American copper and gold mine benefiting from a high-grade core, advantageous infrastructure and an increasingly investor friendly government.

The PFS investigated multiple scenarios in order to identify an initial base case to take forward, with additional resources and upside to be investigated, supporting the next phase optimisations, and confirming the application of block cave mining to the Alpala underground resource.

Highlights of the Cascabel PFS include:

- After-tax NPV and IRR of US$2.9bn and 19.3%, respectively
- Payback of 4.7 years from start of operations
- Initial 26-year operating life and 25Mtpa process plant throughput with an expandable Life-of-Mine potential to greater than 50 years
- Total ore production of 558Mt, containing 3.3Mt Cu, 9.4Moz Au and 30Moz Ag
- Process plant producing 2.8Mt Cu, 7.6Moz Au and 21.7Moz Ag over the initial 26-year life of the project
- Average annual production for initial cave of 132ktpa Cu, 358kozpa Au and 1.0Mozpa Ag
- All In Sustaining Cost ("AISC") of – US$0.06 /lb Cu over the initial 26-year mine project
- Average annual production in the five years following initial cave ramp up of approximately 190ktpa Cu, 680kozpa Au and 1.3Mozpa Ag (330ktpa CuEq) at a negative AISC of – US$1.38/lb Cu
- Total after-tax free cash flow generation of US$14.4bn and averaging over US$1.3bn per year in the first five years post ramp-up
- Estimated initial capital expenditure of US$2.7bn for the initial cave development, first process plant module and infrastructure with first ore production expected in mid-2029

The PFS underpins the Mineral Reserve estimate and further optimisations of the mine and process plant are expected to deliver additional value.

The availability of low-cost hydropower, on site water resources, the use of low energy intensive block cave mining methodology, process plant configuration, the potential use of a fully electric mining fleet, concentrate transport via a pipeline will deliver a lower carbon footprint compared to projects which do not have these benefits.

Additional optimisations are currently being progressed for a PFS Addendum planned for completion in Q4 of CY 2022.

The Cascabel project Definitive Feasibility Study ("DFS") is then planned for completion in Q4 of CY 2023.

Cascabel Mineral Resource and Mineral Reserve Estimates

Alpala Mineral Resource Estimate ("MRE#3")

The Alpala porphyry copper-gold-silver deposit, at a cut-off grade of 0.21% CuEq, comprises 2,663 Mt at 0.53% CuEq in the Measured plus Indicated categories, which includes 1,192 Mt at 0.72% CuEq in the Measured category and 1,470 Mt at 0.37% CuEq in the Indicated category. The Inferred category contains an additional 544 Mt at 0.31% CuEq.

The estimate comprises a contained metal content of 9.9 Mt Cu and 21.7 Moz Au in the Measured plus Indicated categories, which includes 5.7 Mt Cu and 15 Moz Au in the Measured category, and 4.2 Mt Cu and 6.6 Moz Au in the Indicated category. The Inferred category contains an additional 1.3 Mt Cu and 1.9 Moz Au.

			GRADE				CONTAINED METAL			
CUT-OFF GRADE	MINERAL RESOURCE CATEGORY	Mt	CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (Moz)	Ag (Moz)
0.21%	Measured	1,192	0.72	0.48	0.39	1.37	8.6	5.7	15.0	52.4
	Indicated	1,470	0.37	0.28	0.14	0.84	5.5	4.2	6.6	39.8
	Measured + Indicated	**2,663**	**0.53**	**0.37**	**0.25**	**1.08**	**14.0**	**9.9**	**21.7**	**92.2**
	Inferred	544	0.31	0.24	0.11	0.61	1.7	1.3	1.9	10.6
	Planned dilution	5	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0

Notes:

1. Mrs. Cecilia Artica, SME Registered Member, Principal Geology Consultant of Mining Plus, is responsible for this Mineral Resource statement and is an "independent Qualified Person" as such term is defined in NI 43-101.
2. The Mineral Resource is reported using a cut-off grade of 0.21% CuEq calculated using [copper grade (%)] + [gold grade (g/t) x 0.613].
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by underground mass mining such as block caving.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
6. MRE is reported on 100 percent basis within an optimised shape.
7. Figures may not compute due to rounding.

Alpala Mineral Reserve Estimate

As part of the PFS, the Company announced for the first time a Mineral Reserve for the Alpala deposit, which has been estimated using block caving as the sole underground mining method, taking into account the effect of dilution of indicated material with lower grade or barren material originating from within the caved zone and the overlying cave backs, representing the economically mineable part of the measured and indicative resource, based on achievable mine plan and production schedule. The initial Mineral Reserve represents 21% of Measured and Indicated Resources tonnes and approximately 38% of contained metal in dollar terms.

		GRADE			CONTAINED METAL		
MINERAL RESERVE CATEGORY	Mt	Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mt)	Au (Moz)	Ag (Moz)
Probable	558	0.58	0.52	1.65	3.26	9.37	30
Total	**558**	**0.58**	**0.52**	**1.65**	**3.26**	**9.37**	**30**

Notes:

1. Effective date of the Mineral Reserves is 31 March 2022.
2. Only Measured and Indicated Mineral Resources were used to report Probable Mineral Reserves.
3. Mineral Reserves reported above were not additive to the Mineral Resource and are quoted on a 100% project basis.
4. The Mineral Reserve is based on the 18 March 2020 Mineral Resource.
5. Totals may not match due to rounding.
6. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
7. The Mineral Reserve Estimate as of 31 March 2022 for Alpala was independently verified by Aaron Spong FAusIMM CP (Min) who is a full-time employee of Mining Plus. Mr Spong fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101 and is the Qualified Person under NI 43-101 for the Mineral Reserve.

Tandayama-America Mineral Resource Estimate

The TAM MRE#2 dataset with a 30 March 2022 data cut-off comprised 30,892m of diamond drilling from holes 1-41, 458m of surface rock-saw channel sampling from 72 outcrops, and 29,631.6m of final assay results from holes 1-40. The TAM deposit lies approximately 3km north of the Alpala deposit.

The TAM porphyry copper-gold deposit contains a total Mineral Resource of 528.5Mt @ 0.36% CuEq for 1.27Mt Cu, and 3.16Moz Au in the Measured plus Indicated categories containing 1.27 Mt Cu and 3.16 Moz Au, plus 105.1Mt @ 0.36% CuEq for 0.26Mt Cu, and 0.62Moz Au in the Inferred category.

				GRADE			CONTAINED METAL		
POTENTIAL MINING METHOD	CUT-OFF GRADE (CuEq %)	RESOURCE CATEGORY	TONNAGE (Mt)	Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16	Measured	17.8	0.20	0.16	0.30	0.04	0.09	0.05
		Indicated	338.7	0.23	0.21	0.36	0.78	2.28	1.23
		Inferred	35.7	0.22	0.23	0.36	0.08	0.26	0.13
Underground	0.28	Indicated	172.0	0.26	0.14	0.35	0.45	0.78	0.60
		Inferred	69.4	0.26	0.16	0.36	0.18	0.36	0.25
Total Measured + Indicated			**528.5**	**0.24**	**0.19**	**0.36**	**1.27**	**3.16**	**1.89**
Total Inferred			**105.1**	**0.24**	**0.18**	**0.36**	**0.26**	**0.62**	**0.38**

Notes:

1. Dr Andrew Fowler, MAusIMM CP(Geo), Principal Geology Consultant of Mining Plus, is responsible for this Mineral Resource statement and is an "independent Qualified Person" as such term is defined in NI 43-101.
2. The Mineral Resource is reported using cut-off grades that are applied according to the mining method where 0.16 % CuEq applies to potentially open-pittable material and 0.28 % CuEq applies to material potentially mineable by underground bulk mining methods. Copper equivalency is discussed in detail in "Reasonable Prospects for Eventual Economic Extraction".
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit or underground bulk mining such as block caving as described below.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
6. The underground portion of the Mineral Resource is reported on 100 percent basis within an optimized shape as described below.
7. Figures may not compute due to rounding.

EXPLORATION PROGRAMME – ECUADOR

SolGold continues to pursue its strategy as an integrated explorer and developer, aiming to create maximum value for all shareholders. The Company is applying its exploration blueprint of systematically evaluating its exploration assets across Ecuador, which are held by four wholly owned subsidiaries, and has identified several high priority copper and gold resource targets.

Early-stage results from the Company's regional exploration programmes are testament to this approach following the discovery of significant copper-gold mineralisation at surface at the Cacharposa porphyry copper-gold target at Porvenir as well as the discovery of significant geochemical and geophysical hallmarks of large porphyry systems identified at several project areas, including the Rio Amarillo and Cisne Loja projects.

SolGold's regional exploration programme in Ecuador coordinates multiple highly skilled field teams systematically exploring its concessions throughout the country. The Company's regional concessions are located along the prolific Andean Copper Belt which is renowned as the production base for a significant portion of the world's copper and gold resources.

The regional exploration programme is focused on several high priority targets with extensive and systematic exploration field programmes underway ranking priority drill targets. The ongoing exploration programme on these projects continues to focus on:

- Drill testing targets
- Collection and interpretation of geophysical data
- Mapping and geochemical sampling of new areas.

Activities conducted on the priority projects are described in further detail on the following pages.

PRIORITY EXPLORATION PROJECTS

Project: **Chical**
Concessions: **4**
Size: **166 km²**
Target: **Cu Au**

Project: **Rio Amarillo**
Concessions: **3**
Size: **123 km²**
Target: **Cu Au**

Carnegie Ridge Resources S.A.

Project: **Salinas**
Concessions: **4**
Size: **188 km²**
Target: **Cu Au Ag**

Valle Rico Resources S.A.

Project: **Cisne Victoria**
Concessions: **4**
Size: **170 km²**
Target: **Cu Au**

Project: **Coangos**
Concessions: **7**
Size: **305 km²**
Target: **Cu Au**

Project: **Helipuerto**
Concessions: **4**
Size: **184 km²**
Target: **Cu Au**

Cruz del Sol S.A.

Project: **Chillanes**
Concessions: **1**
Size: **48 km²**
Target: **Cu Au**

Project: **Cisne Loja**
Concessions: **3**
Size: **147 km²**
Target: **Cu Au Ag**

Project: **Porvenir**
Concessions: **7**
Size: **244 km²**
Target: **Cu Au**

Project: **Timbara**
Concessions: **4**
Size: **152 km²**
Target: **Cu Au**

Green Rock Resources S.A.

PROJECT OVERVIEW: **CHICAL**

Location: Carchi province, Northern Ecuador

Ownership: 100% Subsidiary: Carnegie Ridge Resources S.A.

Tenement Area: 4 concessions, 166 km^2

Primary Targets: Epithermal copper-gold

PROJECT OVERVIEW: **SALINAS**

Location: Bolivar province, Southwest Ecuador

Ownership: 100% Subsidiary: Valle Rico Resources S.A.

Tenement Area: 4 concessions, 188 km^2

Primary Targets: Gold-silver-copper epithermal

The Chical Project is located 25 km NE of Alpala, 20 km NE of the Blanca project epithermal veins of Au-Ag intermediate sulphidation, 10 km SW of Río Nulpe Cu porphyry prospect of Royal Road Minerals, Nariño Colombia, and 40 km SW of the Piedrancha mine from intermediate sulphidation Au-Ag epithermal veins owned by Miranda Gold, Nariño Colombia. Tectonically, the Chical mineralisation is found within a wide area where structures cross NE and NW between the Naranjal Fault ("FN") to the north-western end of the concessions and the Toachi Fault ("FT") to the southeast.

Multiple targets have been identified at the Chical project including Espinosa, a 1.5km x 1.0km soil anomaly, which has been defined with rock chip samples returning up to 7 g/t Au. At the Pascal and La Esperanza prospects, large copper-gold anomalies have been defined with rock chips returning up to 1% Cu, 0.4 g/t Au and 886 ppm Mo.

A six-hole drilling programme totalling 5,000m has been planned to test targets at Espinosa, Pascal and La Esperanza. Social teams obtained land access permissions in readiness for the drill programme which can commence when water permits are received – the final approval required for drilling. The team continues geological mapping and interpretation over La Esperanza and Pascal targets.

The Salinas concessions are located 21km north of Guaranda and 150km southwest of Quito in the centre of the Western Cordillera.

The Salinas project is prospective for both Ag-Au-Cu epithermal and Cu-Au porphyry systems. Previous drilling by Rio Tinto returned 74.5m at 2.0 g/t Au and 137 g/t Ag, including 39.5m at 3.3 g/t Au and 168 g/t Ag. Mineralisation is hosted in structurally controlled hydrothermal volcanic breccias. A hypogene covellite-enargite-chalcocite arsenopyrite paragenesis of phases suggests a nearby larger Cu-Au porphyry system.

Social teams have successfully negotiated access to the Salinas 3 and 4 concessions. Work to gain access to the Salinas 1 and 2 concessions is ongoing with access expected to be granted in the coming months. Initial exploration is planned to commence at Salinas 3 and 4 in the coming months, and at Salinas 1 and 2 when access permissions are finalised.

The Rio Amarillo project is located in northern Ecuador approximately 30km southeast of the Cascabel concession.

The main target areas at Varela, Florida, Palomar and Chalanes exhibit porphyry style surface mineralisation and alteration covering a vertical extent of up to 1,500m over a 12km-long by 3km-wide northeast-trending, highly magnetic, porphyry belt. The major northeast trending magnetic belt is intersected by a secondary northwest-trending magnetic feature, likely to represent the intersection of two deep-seated crustal-scale fracture zones, which are filled by intrusive bodies with magnetic characteristics indicative of strongly differentiated and mineralised systems. This structural regime has strong similarities to that encountered at the nearby Alpala deposit.

3D geochemical modelling of the Varela target highlights similarities between the Varela and Alpala lithocap footprints and geochemical signatures. The models have proven highly predictive when used at both the Cascabel and Porvenir projects for targeting porphyry mineralisation.

Varela Target

The Varela target exhibits a well-preserved metalliferous lithocap and hydrothermal alteration system with a full complement of porphyry plume elements, which are inferred to be consistent with large and strongly mineralised porphyry copper-gold (-molybdenum) systems.

A total of 3,743m of drilling from three holes at the Varela target was completed in a campaign conducted from August 2021 to January 2022 at the Varela copper. Assays from Hole 1 returned an interval of 72m @ 2.16 g/t Au from 640m depth, including 24.0m @ 5.77 g/t Au. No further significant gold or copper intervals were intersected.

PROJECT OVERVIEW:
RIO AMARILLO

Location: Imbabura province, Northern Ecuador

Ownership: 100% Subsidiary: Carnegie Ridge Resources S.A.

Tenement Area: 3 concessions, 123 km^2

Primary Targets: Copper-gold porphyry

A new geological mapping campaign continues in prospects surrounding the Varela target including:

- **Chahuarpungo:** Copper-gold porphyry prospect located 2km south of the Varela target comprising diorite and sediments with phyllic alteration. A significant gold-copper rock chip anomaly representing a 1.4km x 1.2km area with 1.6g/t Au and 0.1% Cu results and relationship of quartz stockwork of five veinlets per meter and a chalcopyrite/pyrite ratio of 1/5
- **Sigsal:** Gold epithermal prospect located to the east of the Varela Target. The prospect consists of a clast supported hydrothermal breccia that exhibits strong oxidization and leaching, some clasts sericite and secondary biotite alteration. The rock saw channel sampling includes values of 0.5g/t Au, over 500 ppm As and 332ppm Mo
- **El Domo:** Gold epithermal prospect located to the west of the Varela Target. The prospect contains hydrothermal breccias with silica, alunite and pyrophyllite alteration. High gold values returned 2.95-23.7g/t Au from rock chip sampling

PROJECT OVERVIEW:
CISNE VICTORIA

Location: Morana Santiago province, South-eastern Ecuador

Ownership: 100% Subsidiary: Cruz del Sol S.A.

Tenement Area: 4 concessions, 170 km^2

Primary Targets: Copper-gold porphyry

Located in south-eastern Ecuador, north of the Warintza and San Carlos-Panantza porphyry deposits, the Cisne Victoria project is hosted in Jurassic volcanic and intrusive rocks. Stream sediments, rock chip geochemistry and mineralisation style, combined with an initial interpretation of the heli-mag over the Cisne Victoria project indicate the presence of a Cu-Au porphyry target.

Geochemical sampling (including streams sediments, rock chip and soils) and regional geological mapping programmes were completed in mid-2021 covering the southern part of the Victoria concession. Rock sampling results in diorite outcrops have returned up to 2.3% Cu, 0.7 g/t Au and 8.8 g/t Ag.

The exploration team plans to complete detailed mapping in the second half of 2022 and continue to work with the La Victoria and San Jorge communities to gain access to other areas of the project.

SolGold's regional exploration programme in Ecuador coordinates multiple highly skilled field teams systematically exploring its concessions throughout the country.

The Chillanes project is located in the central Miocene belt that is host to several large epithermal and porphyry deposits including Loma Larga and Llurimagua.

Stream sediment geochemical sampling has returned the highest copper results from any SolGold project in Ecuador with best results including 1,140 ppm Cu and 1,110 ppm Cu.

Social teams have been working with communities to gain access to the project concessions and will resume discussions in the financial year ending June 2023.

PROJECT OVERVIEW: **CHILLANES**

Location: Bolivar/Chimborazo province, Central Ecuador

Ownership: 100% Subsidiary: Green Rock Resources S.A.

Tenement Area: 1 concession, 48 km^2

Primary Targets: Copper-gold porphyry

PROJECT OVERVIEW: **COANGOS**

Location: Morana Santiago province, South-eastern Ecuador

Ownership: 100% Subsidiary: Cruz del Sol S.A.

Tenement Area: 7 concessions, 305 km^2

Primary Targets: Porphyry and epithermal copper-gold

The regional exploration programme is focused on several high priority targets with extensive and systematic exploration field programmes underway.

The Coangos project is located in southern Ecuador in a large unexplored area of the Jurassic metallogenic belt. Mineralised outcrops have been discovered in "red-bed" sedimentary and volcanic rocks.

The copper-silver anomalies, located to the southwest of the Coangos 2 concession, contain secondary copper carbonates and oxides, chrysocolla, malachite, and tenorite with primary bornite, chalcocite and chalcopyrite. Rock chip sampling in near-source stream boulders and structurally controlled outcrops have returned up to 4.13% Cu and 15.7 g/t Ag.

Geological field mapping identified fault breccia outcrops (1.5m wide) containing quartz veins up to 8mm thick, sugary quartz clasts, rhodochrosite, barite and calcite in a zone of chlorite-sericite alteration. Rock chip sampling of this structure has returned very high grades of up to 27.98% Cu and 100 g/t Ag. The breccia is exposed along strike in two separate streams, located 200m apart. The structure has not been closed off and mapping continues in streams along strike. Soil grid sampling covering this area, defined a 1.5km by 0.6km Cu anomaly (>200 ppm) that is open to the west.

The Cruz del Sol team expects to resume exploration activities in the last quarter of CY2022.

The Helipuerto project concessions lie within one of the most prolific portions of the Andean Jurassic Porphyry Belt, which hosts globally significant copper and gold deposits in Ecuador, several of which have been developed into mines, such as the nearby Fruta del Norte and Mirador mines, the Santa Barbara, Panantza and Warintza deposits, and SolGold's newly discovered Cacharposa deposit at Porvenir.

The Tinkimints prospect is located adjacent to Solaris Resources' Warintza copper deposit that has an in-pit Mineral Resource of 579Mt at 0.59% CuEq in the Indicated category. The Tinkimints prospect is characterised by highly anomalous copper and copper/zinc in soil over a 1.5km by 1km area. High values of copper in soil are observed, including 0.71% Cu and 0.16% Cu.

Extensive geochemical programmes including stream sediment, soil, rock chip sampling and field geological mapping have been carried out since July 2021 in the Helipuerto concessions. Detailed geological and structural mapping identified an NNW trending, mineralised hydrothermal breccia hosted in Jurassic volcanic rocks. Rock chip and rock saw sampling returned 13.3 g/t Au; 1.4 % Cu; 12 g/t Ag; and 0.6 % Zn.

Just south of Solaris Resources' Warintza Sur target (606m at 0.41% CuEq from surface reported by Solaris Resources) SolGold's soil grid sampling defined an 800x200m Cu-Mo anomaly. Detailed anaconda mapping identified quartz-diorite dykes hosted in Jurassic volcanic rocks affected by sericite+ chlorite±biotite alteration and quartz+ pyrite±chalcopyrite± molybdenite veins. Rock chip sampling has returned anomalous Mo values.

Ongoing exploration is focused on the extension of the soil grid sampling to the east of Helipuerto 2 concession and south of Solaris' Warintza Sur target.

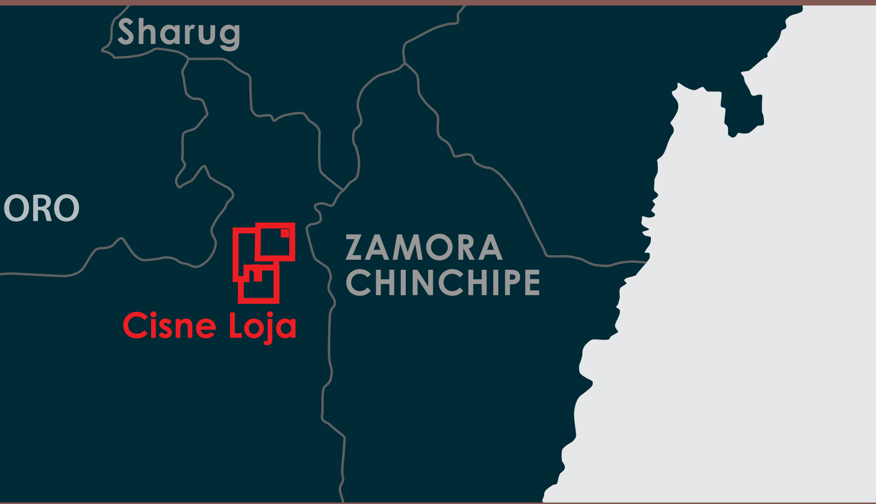
PROJECT OVERVIEW: **HELIPUERTO**

Location: Morona Santiago province, South-eastern Ecuador

Ownership: 100% Subsidiary: Cruz del Sol S.A.

Tenement Area: 4 concessions, 184 km^2

Primary Targets: Porphyry and epithermal copper-gold



PROJECT OVERVIEW: **CISNE LOJA**

Location: Loja province, Southern Ecuador

Ownership: 100% Subsidiary: Green Rock Resources S.A.

Tenement Area: 3 concessions, 147 km^2

Primary Targets: Epithermal gold and silver, Porphyry copper gold

The Cisne Loja project is located in southern Ecuador where SolGold has identified two high-priority prospects, Cuenca Loma and Celen. At Cuenca Loma, epithermal quartz veins grade up to 15 g/t Au and outcrop over an area of 2km x 1km. At Celen, a 2km x 1km copper-gold-molybdenum soil anomaly has been discovered with rock chips grading up to 4.3% Cu and 4.5 g/t Au.

Field geological, structural and alteration mapping in combination with soil and rock geochemical sampling have identified a 1,000m x 750m zone of coincident Cu-Au-Mo soil geochemical anomalism centred upon an RTP magnetic high with an annular magnetic low. Field mapping has identified zones of magnetite-chalcopyrite porphyry veining and diagnostic secondary copper minerals, neotocite, malachite and azurite within the target area. An initial drilling programme to test the Celen target is planned to commence when the drilling permit is approved.

PROJECT OVERVIEW: **TIMBARA**

Location: Zamora Chinchipe province, Southern Ecuador

Ownership: 100% Subsidiary: Green Rock Resources S.A.

Tenement Area: 4 concessions, 152 km^2

Primary Targets: Copper-gold porphyry

The Timbara project is located in Ecuador's eastern Jurassic Belt which hosts the Fruta del Norte epithermal gold deposit, the Mirador copper porphyry deposit and the Santa Barbara copper-gold porphyry deposit. Results from reconnaissance mapping and sampling have identified outcropping porphyry style mineralisation.

Two main styles of mineralisation have been recognised at the Timbara project to date. An epithermal vein-hosted gold and polymetallic system was identified on the Timbara 2 concession with mineralisation strikes over 1 km, hosted in a sulphidic quartz vein. A porphyry-style prospect has also been identified on the Timbara 1 concession. A geochemical soils grid programme returned geochemical anomalies characteristic of porphyry copper-gold mineralised systems and is open for further target definition.

The target on the Timbara 2 concession is awaiting prior permitting for future drilling tests.

Located in southern Ecuador approximately 100km north of the Peruvian border, the Porvenir project has been the focus of intense systematic exploration activity that includes sampling of fluvial sediments, heavy sediments, soils and rock fragments, as well as Anaconda-style geological mapping; this work helped to identify several areas of interest.

Aerial magnetometry geophysics was also carried out throughout the project and on land at the Cacharposa deposit, a 3D geochemical model was developed based on the results of the soil samples. With these products and geological interpretations, eight objectives were defined: Cacharposa, Mula Muerta, Eudis, Balmore, Diablo, Palmal, Bartolo and Merino.

Cacharposa deposit

A Mineral Resource Estimate ("MRE") has been completed for the Cacharposa deposit totalling 396.8Mt @ 0.44% CuEq for 1.40 Mt Cu, and 1.80 Moz Au in the Indicated category, plus 96.9 Mt @ 0.37% CuEq for 0.28 Mt Cu, and 0.38 Moz Au in the Inferred category, using a cut-off grade of 0.16% CuEq.

The Cacharposa maiden MRE dataset comprised 18,635.7m of diamond drilling from holes 1-23, 439.6m of surface rock-saw channel sampling from 23 outcrops, and 16,982.4m of final assay results from holes 1-20. The data cut-off (the effective date) for the MRE was 26th October 2021. A 27-hole drilling programme, totalling 21,245.30m, was completed at the Cacharposa deposit.

PROJECT OVERVIEW: **PORVENIR**

Location: Zamora Chinchipe province, Southern Ecuador

Ownership: 100% Subsidiary: Green Rock Resources S.A.

Tenement Area: 7 concessions, 244km^2

Primary Targets: Copper-gold porphyry

Mula Muerta and Viño Targets

A drilling programme was carried out at the Mula Muerta and Viño targets, in which 4 holes were drilled totalling 2,117.54m. Drilling did not encounter significant mineralisation in these boreholes. The technical team continues with detailed mapping and surface geochemical sampling at the prospective targets to outline future drill tests.

MINERAL RESOURCE STATEMENT (EFFECTIVE DATE 26 OCTOBER 2021)

				GRADE			CONTAINED METAL		
POTENTIAL MINING METHOD	CUT-OFF GRADE (CuEq %)	RESOURCE CATEGORY	TONNAGE (Mt)	Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16	Indicated	396.8	0.35	0.14	0.44	1.40	1.80	1.75
		Inferred	96.9	0.29	0.12	0.37	0.28	0.38	0.36

Notes:

1. Dr Andrew Fowler, MAusIMM CP(Geo), Principal Geology Consultant of Mining Plus, is responsible for this Mineral Resource statement and is an "independent Qualified Person" as such term is defined in NI 43-101.
2. The Mineral Resource is reported using a cut-off grade calculated for the open pit mining method.
3. Copper equivalency factor of 0.632 (whereby CuEq = Cu + Au x 0.632) is based on third party metal price research, forecasting of Cu and Au prices, and a cost structure from mining study data available from a similar deposit. Costs include mining, processing and general and administration ("G&A"). Net Smelter Return ("NSR") includes off-site realisation ("TC/RC") including royalties, metallurgical recoveries (84% for Cu and 65% for Au) and metal prices of Cu at US$3.30/lb and Au at US$1,700/oz. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit mining methods.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
6. Figures may not compute due to rounding.

EXPLORATION PROGRAMME – **AUSTRALIA**

SolGold holds tenements across central and southeast Queensland, through its wholly owned subsidiaries, Central Minerals Pty. Ltd. and Acapulco Mining Pty. Ltd. Exploration programmes were reduced to a minimum in order to focus on Ecuador based opportunities. Central Minerals Pty. Ltd. currently holds exploration permits at the following projects:

1. **Rannes**
2. **Mount Perry**
3. **Normanby**
4. **Mount Pring**
5. **Westwood**
6. **Cracow West**

EXPLORATION PROGRAMME – SOLOMON ISLANDS

The Kuma tenement in the Solomon Islands (Southwest Pacific) is considered by SolGold to be highly prospective for porphyry copper-gold and epithermal gold deposits.

SolGold continued its support of the local communities during the reporting period; however, no further exploration activities were completed at the Kuma project. The Company had been actively pursuing the renewal of the concession and at the date of this report was awaiting a final decision from the Ministry of Mines in Solomon Islands.

OUTLOOK

The focus of the Group during the financial year ending 30 June 2023 will be on the delivery of the PFS Addendum and advancement of the Definitive Feasibility Study at Cascabel as well as the completion of a Preliminary Economic Assessment for the Porvenir project.

Exploration activity will continue at the Company's priority projects during the next reporting period. Extensive and systematic geological and geochemical field programmes are underway and priority drill targets are expected to be ranked and drill ready. The Company will also continue the process to identify potential JV/earn-in partners over select 100%-owned early-stage exploration projects.

The Company is focused on the creation of a copper-gold major production company in Ecuador, substantially covering one of the world's most under explored and prolifically mineralised porphyry copper-gold provinces in the northern Andean Copper Belt.

QUALIFIED PERSON

Information in this report relating to the exploration results is based on data reviewed by Mr Jason Ward ((CP) B.Sc. Geol.), Exploration Advisor to SolGold and former Head of Exploration for the Group. Mr Ward is a Fellow of the Australasian Institute of Mining and Metallurgy, holds the designation FAusIMM (CP), and has in excess of 20 years' experience in mineral exploration and is a Qualified Person for the purposes of the relevant LSE and TSX Rules. Mr Ward consents to the inclusion of the information in the form and context in which it appears.

Highlights

The Group achieved several milestones during the financial year ended 30 June 2022. These have helped to progress the development of SolGold, in particular the development of the Cascabel project and the exploration of the surrounding licence areas, and have included:

- Exploration and evaluation expenditure of US$66,294,083 for the year (2021: US$77,508,612 net of impairment) (refer Note 13)
- Continued acquisition of US$3,836,561 (2021: US$927,957) in landholdings in the Cascabel project area in anticipation of infrastructure requirements for project development, with another US$561,293 (2021: US$4,653,433) spent on advance payments for critical land parcels
- Operating loss after tax of US$1,701,565 (2021 restated: US$23,772,089 restated) representing a decrease of US$22,070,524 over the prior year. The decrease in the loss is attributable to the remeasurement of the NSR financial liability and then offset by the tax expense, refer to Note 21. Refer to Note 1 for further details on the prior year restatements.
- US$26,102,133 cash balance (2021: US$109,562,103).

Results

The Group incurred a loss after tax of US$1,701,565 for the year (2021: loss US$23,772,089 restated). The decrease in the loss after tax is due to the remeasurement of the NSR financial liability, which represents a gain of US$35,003,704 for the year ended 30 June 2022. The remeasurement was triggered by Board approval in April 2022 of the Preliminary Feasibility Study ("PFS") resulting in amendments to anticipated cash flows of the NSR agreement due to changes in the timing of construction and the mine life and updated production volumes. This remeasurement (Note 21) is a non-cash flow book entry accounting for the financial liability at amortised cost. This remeasurement is offset by the associated deferred tax liability which in turn increased the income tax expense (refer Note 7 and 15). Overall administrative expenses remained consistent from 2021, although there are some noteworthy costs.

Employee benefits expenses increased by US$1,930,187 as a result of the employment of additional senior management in Australia and London. Additionally, the exploration costs written off increased by US$2,973,693, foreign exchange losses increased by US$2,755,619, and revaluation on the BHP derivative increased by US$1,152,476.

An income tax expense of US$4,540,103 (2021: US$151,173) was recognised. This amount is offset by an income tax benefit of US$11,111 recognised directly in equity associated with capital raising costs, and an income tax benefit of US$267,087 recognised in other comprehensive income relating to the fair value movement of the Company's investment in Cornerstone Capital Resources Inc. The balance of the tax expense is associated with the deferred tax liability on the remeasurement of the NSR liability (Note 7 and 15).

The Group recognised a total other comprehensive loss of US$1,742,845 (2021: gain US$1,818,657) for the financial year ended 30 June 2022. A loss of US$1,205,636 (2021: gain of US$1,198,986) was recognised representing the mark-to-market adjustment on the Company's investment in Cornerstone Capital Resources Inc. For the financial year ended 30 June 2022 the Group recognised a loss of US$702,938 (2021: gain of US$670,049) on translation of foreign operations. The average exchange rate used to convert Australian dollars to United States dollars was 0.7256 for the financial year ended 30 June 2022 compared to 0.7470 for the financial year ended 30 June 2021. The Group also recognised a decrease in the Ecuadorian post-employment benefits of US$165,729.

Statement of financial position

Total assets at 30 June 2022 were US$429,162,611 compared to US$452,553,338 at 30 June 2021 representing a decrease of US$23,392,727.

Current assets overall decreased by US$87,212,401, which was primarily cash used to fund the Group's flagship Cascabel project and related overheads, the Group's regional exploration programme and general overhead expenses. Other receivables and prepayments decreased by US$809,792 as a result of land deposits being capitalised during the year. Initial deposits and payments for land purchases are classified as other receivables until such time as the land processes in Ecuador are finalised and titles deeds re issued, whereupon they are capitalised. Loans receivable and other current assets decreased by US$2,942,639, mainly as a result of certain employees repaying their Company Funded Loan Plans.

Non-current assets increased by US$63,819,674 mainly due to increases in exploration and evaluation assets, classified as intangible assets. Exploration assets increased by US$61,739,591 (net of written off expenditure) predominantly due to the exploration expenditure incurred at the Alpala project (US$35.03 million net of written off expenditure) and the various regional projects (US$27.14 million net of written off expenditure) in Ecuador as identified in this report, during the twelve months ended 30 June 2022. Exploration assets decreased by US$4.6 million, reflecting the written off misappropriation of funds (refer note 1(b)(i) for the restatement details). Financial assets held at fair value through other comprehensive income ("OCI") decreased by US$1,473,198 representing the mark to market adjustments that the Company makes on its investment in Cornerstone Capital Resources Inc. Property, plant and equipment increased by US$3,261,392 primarily due to strategic land purchases at the Alpala project.

Total liabilities at 30 June 2022 were US$97,914,105 compared to US$118,290,836 at 30 June 2021 representing a decrease of US$20,376,731 largely as a result of the remeasurement of the NSR royalty, accounted for at amortised cost.

Current liabilities at 30 June 2022 were US$6,924,204 compared to US$8,183,405 at 30 June 2021 representing a decrease of US$1,259,201. Trade and other payables decreased by US$1,338,584.

Non-current liabilities decreased by US$19,117,536 mainly due to the remeasurement of the NSR financial liability and the associated deferred tax liability, which was offset by accrued interest and by a decrease in the value of the derivative liability associated with the BHP options issued in December 2019.

Given that the Company will need to secure further funding to meet the Group's 18-month future exploration and working capital commitments, the situation gives rise to a material uncertainty as there can be no assurance the Company will be able to raise the required financing in the future. Notwithstanding this material uncertainty, the Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the financial statements and prepare the financial statements on a going concern basis given the Company's proven ability to raise necessary funding. See more details in Note 1.

Cash flow

Cash expenditure (before financing activities) for the year ended 30 June 2022 was US$82,658,324 (2021: US$95,812,231). Most of this cash spend relates to cash expenditure on the Group's exploration expenditure in Ecuador (US$69,455,961) and property, plant and equipment and strategic land purchases, that are currently still in negotiating stages (US$2,195,892).

During the financial year ended 30 June 2022, nil cash was received from the issue of shares via private placements or the exercise of share options (2021: US$76,113,126). Accordingly, the net cash outflow of the Group for the year ended 30 June 2022 was US$83,143,710 (2021: inflow of US$61,589,969).

As mentioned above, cash of US$69,455,961 (2021: US$75,611,280) was invested by the Group on exploration expenditure during the year.

Post-reporting date events

On 5 July 2022 SolGold announced the grant of a total of 10,000,000 long term incentive employee options and the allotment and issue of 1,336,182 new ordinary shares to Mr Darryl Cuzzubbo, Chief Executive Officer and Managing Director. The Incentives were triggered by requirements within the Executive Remuneration Contract executed in January 2022, and in accordance with the Company's Directors' Remuneration Policy and Long-Term Incentive Plan Rules, which were approved by shareholders on 30 June 2022. The Options will vest in three separate tranches, each with a thirty-six (36) month expiry date.

On 11 August 2022 SolGold announced that Ayten Saridas, Group CFO, resigned. The Company appointed Keith Pollocks as Interim Group CFO. The Company also announced that Jason Ward informed the Board of his decision to step down as Head of Exploration. Mr Ward will remain as an advisor to the Company to continue to help drive SolGold's exploration strategy.

Keith Marshall, independent Non-Executive Director, resigned from the Board effective from 12 August 2022. He will remain as an advisor to the Company's technical committee to oversee the Cascabel Project and to ensure a smooth transition to the new Vice President Projects, Bernie Loyer.

On 24 August it was proposed to extend the CFLP for 3 individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension will see their payments terms extend until 31 December 2022.

On 30 August 2022 SolGold announced the issue of 599,257 new ordinary shares to Mr Steve Botts, President, SolGold Ecuador and the issue of 299,629 new ordinary shares to Mr Harold 'Bernie' Loyer, Vice President Projects. These incentives were triggered by requirements within the Executive Remuneration Contracts executed in July 2022 for recruitment inducement purposes.

Cost management and performance against budget

To ensure the business's continued success, SolGold must be adequately funded at all times in order to retain employees, meet expenditure requirements and keep operations running across all projects. As part of the Group's cost management strategy the Group has implemented several cost reduction initiatives to preserve cash. These include, but are not limited to, ongoing reviews of budgets and regular forecasts to ensure effective use of cash in core activities, reductions of corporate overheads where possible and active working capital management. Refer to the Directors' Report and Note 1(b)(ii) for further discussions around the Group's going concern status.

Financial controls and risk management

The Board regularly reviews the risks to which the Group is exposed and ensures through Board Committees and regular reporting that these risks are managed across all sectors of the Company. The Audit and Risk Committee is responsible for the implementation and review of the Group's internal financial controls and financial risk management systems. Refer to page 40 for detailed information on the principal risks and uncertainties and for further detailed information on the financial risks refer to Note 24. Following the discovery of the misappropriation of funds in Ecuador, the Audit and Risk Committee will oversee the steps required to improve the control, governance and risk management environment.

Equity

Since the date of the last Annual Report, the Company has issued the following equities:

On 5 July 2022, the Company issued 1,336,182 new ordinary shares to Mr Darryl Cuzzubbo, Chief Executive Officer and Managing Director of SolGold plc.

On 5 July 2022, the Company issued a total of 10,000,000 unlisted share options over ordinary shares of the Company to Mr Darryl Cuzzubbo. 4,000,000 options are exercisable at £0.29 and expire on 1 December 2025, 3,000,000 options are exercisable at £0.35 and expire on 1 December 2026, 3,000,000 options are exercisable at £0.50 and expire on 1 December 2027.

On 30 August 2022, the Company issued 599,257 new ordinary shares to Mr Steve Botts, President, SolGold Ecuador and 299,629 new ordinary shares to Mr Harold 'Bernie' Loyer, Vice President Projects.

At year end the Company had a total of 2,293,816,433 fully paid ordinary shares and 32,250,000 options on issue. At the date of this report the Company had a total of 2,296,051,501 fully paid ordinary shares and 42,250,000 options on issue.

WE RECOGNISE THAT RISKS CAN HAVE A SAFETY, ENVIRONMENTAL, FINANCIAL, OPERATIONAL OR REPUTATIONAL IMPACT

Our approach

SolGold recognises that effective risk management is key to how we do business and forms a key part of our strategy to safely deliver sustainable value to all our stakeholders.

We recognise that risks can have a safety, environmental, financial, operational or reputational impact. An understanding of risk guides our requirements to anticipate, design, plan and adequately respond to internal and external events. This ensures that proper incident response and effective monitoring can be implemented to minimise anticipated risks and reduce harm and disruption to people, the environment and the viability of the SolGold business model.

The health and safety of our people and the communities where we work has been a SolGold priority since we started operations. It remains a critical consideration along with government requirements, community concerns and health advice for planning for the recommencement of operations following the gradual easing of restrictions in all areas following the Covid-19 pandemic. The recommencement plan incorporated identification, assessment and minimisation of risks and addresses concerns and requirements that were identified through consultations between the SolGold management team and key stakeholders from communities where we operate or traverse and other affected groups, local and state government, health advisors, employees and contractors.

Enterprise risk management

The Company has invested significant resources during the financial year to implement a Company-wide risk management system, including a risk policy and risk standard. As part of its risk management system, SolGold's leadership team maintains a comprehensive corporate, operational and project risk register. The Group's risk registers are updated on a quarterly basis and are reviewed by the Audit and Risk Committee ("ARC"). The Company appointed an Independent Internal Auditor in April 2021 following a competitive recruitment process. The Independent Internal Auditor maintains an enterprise level risk management matrix based on the corporate, operational and project risk registers. The annual Internal Audit work programme is based on key risks identified in the enterprise level risk management matrix and is proposed to the ARC for endorsement. The findings arising from Internal Audit work are shared with the ARC and those members of the senior executive team who are subject to actions arising.

Project risk management

The PFS for our Cascabel project was published in April 2022 including consideration of environmental, social and economic impacts. Work on a PFS Addendum is underway evaluating further upsides and optimisations that will be completed by the end of CY2022. The PFS study team has conducted an integrated risk workshop to identify, record and discuss known and anticipated risks, which has considered and will be included in future phases of the project and formed the basis of the creation of the project risk register. A further review of these risks will be conducted prior to completion of upcoming studies – closing those that have been effectively treated or managed and communicating recommended actions for enduring high-rated risks.

Risk appetite of the group

Resource exploration, evaluation and development is a high-risk business. There is no certainty that the investments made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property with commercial potential. There is no assurance the Group has, or will have, further commercially viable ore bodies. Capital expenditures to bring a property to a commercial production stage are significant and require special skills and long-term planning. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. Permitting is seen by the Group to have the highest risk as obtaining the necessary permits for exploration and development can be a complex and time-consuming process, and the duration and success of the Group's efforts to obtain permits are contingent upon many variables not within its control.

Risk appetite reflects the nature and extent of risk that is acceptable to SolGold whilst still able to achieve goals and objectives. This appetite is considered based on the consequences of these risks materialising and takes into account all internal and external factors. SolGold will take strong strategic corporate action if any risk exceeds its established appetite. The following are some of the additional risks to which the Group and Company may be exposed from time to time:

RISK	DESCRIPTION	KEY MITIGATORS
Health & Safety Risks	Safety risks are inherent in exploration and mining activities and include both internal and external factors requiring consideration to reduce the likelihood of negative impacts. The current highest risk, due to the geographical spread of exploration activities, is associated with transportation of people to and from the project areas. This includes transit vehicle accidents with a potential for fatalities due to vehicle impacts or rollovers. In addition, the remote locations of drilling activities increase the risk of delays in gaining access to effective emergency medical assistance resulting in delayed treatment in the event of incident or accident. The expansion of the Group's footprint in Ecuador also potentially increases safety risk. Health and safety reviews, inspections, audits and hazard assessments are completed on a regular basis to ensure effective procedures and controls are in place. Any incident resulting in serious injury or death may result in litigation and/or regulatory action (including, but not limited to suspension of development activities and/or fines and penalties), or otherwise adversely affect the Group's reputation and ability to meet its objectives. The Group's exploration and business activities were impacted by the Covid-19 pandemic. The Group has adapted the way it conducts its business in response to the pandemic and follows mandates of various and relevant governments as well as responding to the concerns of local communities in Ecuador.	The executive management team and onsite managers adhere to the highest safety protocols and place priority on ensuring all employees, contractors and suppliers are always safe. The Transport Plan that incorporates safe travel for people and a site safety system that incorporates hazard recognition, training, monitoring and continuous improvement will alleviate proposed safety risks and limit unnecessary accidents. This risk remained constant during the current year.
Social Licence to Operate Risk	Strong community relations are fundamental to creating safe, sustainable and successful operations. Losing the support from any individual community would be a risk for activities in that area and to the Company's broader reputation. The Group's concessions are near and, in limited areas, overlap with local communities, and local approvals are often needed in order to access and operate in these areas. The Group often enters into agreements with local communities, groups or individuals that address surface access, road or trail usage, local employment, social investment and other key issues. Every local stakeholder relationship, however, requires ongoing dialogue and relationship management. Events do not always unfold as intended or according to plan, however, and the status of relations can deteriorate for any number of reasons, including, but not limited to: • Influences of local or external political or social representatives or organisations • Shifts in the agendas or interests of individuals or the community as a whole • The Group's inability to deliver on community expectations or its commitments • Concerns stemming from communities' historic or recent experiences with legal and/or illegal miners. However, if under extreme circumstances the Group were to lose its social licence with one or more communities and be unable to regain it, this could impact the viability of the project. By the same token, if the Group is unable to obtain social licences from some communities, initial exploration could be prevented.	SolGold has ongoing community engagement and socialisation programmes in place in order to best understand the needs of local communities. The possible risks associated with the relocation of communities during the development stage will be managed with the community members' best interests at the core of all decisions. • The development of a relocation and resettlement plan will be developed with close consultation and involvement with the community, governments and other stakeholders • The development of a transport plan in conjunction with government, community and other stakeholders • Employment, training and development plan that continues to give preference to local communities • Maintaining a robust grievance and obligations register that promotes transparency and trust • Maintain independent community monitoring of water and continue water recycling and minimisation of river water extraction • Work closely with the community to identify safe and acceptable alternative access. This risk remained constant during the current year.

KEY:

Decrease Increase Same

RISK	DESCRIPTION	KEY MITIGATORS
People and Leadership Risk	Establishing an effective composition of the Board, succession processes and evaluation methods is critical to the success of the Group. The Group is dependent on recruiting and retaining high performing leaders focused on managing the Group's interests, requiring a large number of persons skilled in the project development, engineering, financing, operations and management of mining properties. Competition for such persons is high in the current commodity price environment. The inability of the Group to successfully attract and retain highly skilled and experienced executives and personnel could have a material adverse effect on SolGold's business, its ability to attract financing and the results of operations. In-country industrial relations risk, and the potential increase in politicisation of the country, places a risk on the Group and the country's focus on the development of a mining industry.	SolGold actively minimises this risk through its HR function by ensuring there is a proper feedback and grievance process in place across the Group for all staff, supporting and growing employees' careers and ensuring they are properly equipped and receive support at all times. Building and maintaining an Industrial Relations Strategy for Ecuador through in-country specialist expertise, designing recruitment plans to include local and indigenous people and engaging skilled front-line workers will help mitigate this risk. SolGold has during the Financial Year increased the members of its Community Engagement team and invested in training. The Company has a number of committees in place (Nomination, Remuneration and Audit and Risk Committee) to develop and implement the most appropriate criteria and succession tools to hire and retain the right people in the workforce. A key focus during the year was the review and roll-out of workforce related policies and better performance management. This risk remained constant during the current year.
Geopolitical, Regulatory and Sovereign Risk	SolGold's exploration tenements are located in Ecuador, Australia and the Solomon Islands and are subject to the risks associated with operating both in domestic and foreign jurisdictions. Operating in any country involves some risk of political and regulatory instability, which may include changes in government, negative policy shifts, changes to the tax and royalty regime and civil unrest. In addition, there is a risk that due to the deterioration of the macroeconomic situation, governments may consider imposing currency controls and limitations on capital flows. Specifically, under Ecuadorean law, citizens have a constitutional right pursuant to a judicial process, to apply to the Constitutional Court for approval for a public referendum on any subject matter. In 2019, an application was made to the Ecuadorean Constitutional Court to request to have a referendum held, the effect of which was to seek to stop mining activities at the Cascabel concession. The Constitutional Court unanimously rejected the application. However, despite the Constitutional Court ruling on that particular occasion, no assurance can be given that at some future time a similar application designed to seek to stop mining at Cascabel or in any other location of interest to the Group, will not be made. Anti-mining activism involving protests or blockage of access is a risk for operational areas. The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of SolGold. These factors may have a negative impact on the ability of the Group to secure external financing and an adverse effect on the Group's market value and the going concern of the business as whole.	SolGold has a successful track record of operating in Ecuador, Australia and the Solomon Islands and the Group actively monitors political developments on an ongoing basis. The management team aims to maintain open working relationships with local authorities in the countries where the Group operates. The election of centre-right president Guillermo Lasso in 2021 averted the risk of an abrupt shift in macroeconomic policies and in SolGold's view reduced political uncertainty and raised the prospects of a market-friendly macro policy agenda. On the other hand, this risk has increased during the current year considering the national unrest in Ecuador triggered by increasing fuel and food prices that was initiated by Indigenous groups in June 2022 that led to a rise in the country's perceived sovereign risk and bond yields. Ensuring the Company maintains strong relationships with regional and national government agencies, as well as community members from our area of influence is a key mitigator for minimising disruptions. The Company to date has not had any security threats, due to the implementation of our extensive safety management and security protocols in place. SolGold will continue to work closely with government agencies to support regional security efforts as well as continuously advance and update security measures as operations and activities increase. The current security plan in place is highly effective and tailored to the Company's needs and is reviewed regularly and in light of changing circumstances. This risk has increased during the current year.

KEY:

Decrease Increase Same

RISK	DESCRIPTION	KEY MITIGATORS
Title Risk	SolGold's concessions and interest in concessions are subject to the various conditions, obligations and regulations which apply in the relevant jurisdictions including Ecuador, Australia (Queensland) and the Solomon Islands. If applications for title or renewal are required, this can be at the discretion of the relevant government minister or officials. If approval is refused, SolGold will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement. Some of the properties may be subject to prior unregistered agreements or transfers of native or indigenous peoples' land claims and title may be affected by undetected defects or governmental actions. No assurance can be given that title defects do not exist. If a title defect does exist, it is possible that SolGold may lose all or a portion of the property to which the title defects relate.	Successful relationships with governments, senior in-country officials and other key external stakeholders are built and maintained. This includes delivering on and adhering to the conditions attached to the tenement grant documents. SolGold currently knows of no reason to believe that current applications will not be approved, granted or renewed. During 2020, the Ecuadorian Government clarified the timing surrounding the four-year investment period which resulted in extensions for a number of licences. The Company continues to assess its ability to meet the investment criteria on its Ecuadorian licences and is working closely with the Government in communicating the needs of the industry. This risk has reduced during the current year.
Environmental Risk	The Group's exploration activities are required to adhere to both international best practice and local environmental laws and regulations. Any failure to adhere to globally recognised environmental regulations could adversely affect the Group's ability to explore under its exploration rights. Significant liability could be imposed on SolGold for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by SolGold or its subsidiaries, or non-compliance with environmental laws or regulations. SolGold proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations. Nevertheless, residual risks inherent in SolGold's activities could lead to financial liabilities.	In line with all Ecuadorian mining companies, the management of this risk is based on compliance with the Environmental Management Plan. SolGold will maintain effective environmental compliance registers and reporting protocols and ensure effective emergency preparedness planning, and resources to contain and manage spills. In order to ensure compliance, the Group provides adequate resources to this area including the employment of personal and the utilisation of third-party consultants to audit the compliance with the Environmental Management Plan. To date, the Group has been fully compliant. This risk remained constant during the current year.

RISK	DESCRIPTION	KEY MITIGATORS
Land Access, Permitting and Surface Rights Risk	The Group is required to obtain governmental permits to conduct different phases of exploration and evaluation on its concessions. Obtaining the necessary permits can be a complex and time-consuming process, which at times may involve several different government agencies. The duration and success of the Group's efforts to obtain permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities, the expertise and diligence of civil servants, and the timeframes for agency decisions. The Group may not be able to obtain permits in a timeframe that might be reasonably expected. Any unexpected delays associated with the permitting processes could slow exploration and development activities and could adversely impact the Group's operations. There is a risk of permits that are needed for ongoing operations being denied regarding tenure and other development related infrastructure. Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective concessions is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or indigenous claims. Immediate access to land in the areas of activities cannot in all cases be guaranteed. SolGold may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, SolGold's tenements. Compensation may be required to be paid by SolGold to land holders so that SolGold may carry out exploration and/or mining activities. Where applicable, agreements with indigenous groups must be in place before a mineral tenement can be granted. In the long run SolGold will be required to acquire large areas of land for its surface operations, posing a risk of delays and increasing prices the longer the process takes.	Attention is focused on maintaining sound relations with local communities and working with these groups to enhance these relationships. The Group's social team, under the supervision of the country manager, continues to address any such issues. Furthermore, there is regular dialogue with the affected communities by senior executives. The possible risks associated with the relocation of communities during the development stage will be managed with the community members' best interests at the core of all decisions. The development of a relocation and resettlement plan will be developed with close consultation and involvement with the community, governments and other stakeholders. SolGold ensures it follows protocols put in place by local and national government bodies in a timely manner when applying for permits. The Company regularly meets with government officials to discuss ongoing permitting applications in a transparent and professional manner and is compliant with a stakeholder engagement plan for land access. This risk remained constant during the current year.
Project Development Risks	Where the Group discovers a potential economic resource or reserve, there is no assurance that the Group will be able to develop a mine thereon, or otherwise commercially exploit such resource or reserve. Any failure to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated.	The Company is following sound project management processes for taking a discovery into mineral resource and reserve by using established methods of evaluation including economic analysis. This is carried out using several different levels of studies to evaluate various options and assess the best option for SolGold to take into development and production. This is carried out by using a dedicated team and recognised consultants including subject matter experts. This risk remained constant during the current year.

KEY:

Decrease Increase Same

RISK	DESCRIPTION	KEY MITIGATORS
Funding Risks	The exploration, evaluation and development of the Group's projects will require substantial additional financing above and beyond the Group's current liquid funds. Current global capital market conditions have been subject to significant volatility, and access to equity and debt financing, particularly for resource companies, has been negatively impacted in recent years. The war in Ukraine, the increasingly hawkish tilt of Western central banks and the arrival of inflation more generally have injected additional risk into the global capital markets, with most indices lower for the year. These factors may impact the Group's ability to obtain equity or debt financing in the future. Additional financing may not be available, or if available, the terms of such financing may be unfavourable compared to earlier capital raises. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration activities and the development of the Group's projects.	The executive management team regularly meets with shareholders, financiers and other capital market stakeholders to discuss the availability and costs of various types of financing with the aim of gauging their support. It is management's view that high quality exploration projects should always be capable of being financed. This risk increased during the current year. Please refer to Note 1.
Financial Reporting and Control Risk	SolGold's aspiration is to have a corporate culture that is designed to encourage transparency and professionalism, protect our shareholders' funds and inspire confidence in our workforce. It is crucial that the Group maintains high ethical standards and there is no tolerance of fraud, bribery, any form of corruption or unethical activity. Internal control over financial reporting may not always prevent or detect misstatements. SolGold started to strengthen its internal financial capabilities and internal control framework following a special audit by KPMG LLP in early 2021. A Group Internal Audit function was established, reporting to the ARC. The ARC agreed on an annual audit plan focusing on enterprise risks. Increased scrutiny and analysis by the Group finance team throughout 2021 led to cost reductions, but also to the discovery of the misappropriation of funds in Ecuador in late 2021. This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million during the years 2017 to 2021.	SolGold's immediate response to the discovery of the misappropriation of funds includes: • Commissioning of a forensic audit by Ernst & Young Ecuador • Supervision of the investigation by the SolGold Internal Audit function and supported by our General Counsel and reporting to the ARC • Hiring of three new employees into the Ecuador Finance function since 1st January 2022. SolGold will continue to take steps to improve its control, governance and risk management environment and processes. These steps include increasing the resources and improving the capabilities of senior management and the Finance function. Ongoing actions include: • Restructuring the Finance organisation in Quito and hiring several roles locally that will help us strengthen our processes and improve our control culture • Recruitment of an in-house lawyer and a procurement manager in Ecuador • Improvement and tightening of payment controls, enhancing controls and improving procure-to-pay processes • Internal Audit analysing further specific processes in relation to the Ecuadorian entity. This risk has reduced during the current period reflecting the Group's strengthened internal financial capabilities and internal control framework.

RISK	DESCRIPTION	KEY MITIGATORS
Mineral Reserve and Resource Estimates Risk	Mineral Reserve and Mineral Resource figures are estimates, and there is a risk that the estimated Mineral Resources and Mineral Reserves will not be realised. The quantity of Mineral Resources and Mineral Reserves may vary depending on, among other things, metal prices. Any material changes in the quantity of Mineral Resources, Mineral Reserves or the amount of the Mineral Reserves that are mined, and metal recoveries achieved in production may affect the economic viability of any project. Mineral Resources that are not Mineral Reserves have not demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Further, there is a risk that Inferred Mineral Resources will not be upgraded to proven and probable Mineral Reserves as a result of continued exploration. Fluctuations in gold prices, results of drilling, metallurgical testing and preparation and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Reserves could have a material adverse effect on SolGold's results of operations and financial condition.	Key elements that mitigate the impact to the Company and investors are experienced and qualified personnel and advisors, applying industry standards, conducting independent review and continuous disclosure (including sensitivity analysis of key factors). SolGold employs experienced and qualified personnel to manage exploration programmes using practices and techniques that are accepted in industry or substantiated with appropriate analyses to validate new techniques. Quality checks and validation of results occurs across the data collection, interpretation, modelling, estimation and classification process. Results are reported progressively in-line with continuous disclosure obligations to ensure the market is informed of how projects advance. Further, qualified persons (independent qualified persons in the case of NI 43-101 Technical Reports) validate the information, processes and conclusions as part of the reporting process. This risk remained constant during the current year.
General Exploration and Extraction Risks	Exploration activities are speculative, time-consuming and can be unproductive. In addition, these activities often require substantial expenditure to establish Reserves and Resources through drilling and metallurgical and other testing, determine appropriate recovery processes to extract copper and gold from the ore and construct mining and processing facilities. Once deposits are discovered it can take several years to determine whether Reserves and Resources exist. During this time, the economic viability of production may change. As a result of these uncertainties, the exploration programmes in which the Group is engaged may not result in new Reserves.	The Group uses modern geophysical and geochemical exploration and surveying techniques. The Group employs a world-class team of geologists with considerable regional expertise and experience. They are supported by a network of fully accredited laboratories capable of performing a range of assay work to high standards. Group Mineral Resource and Ore Reserve estimates are prepared by a team of qualified specialists following guidelines of NI 43-101, which is one of the most recognised reporting codes for Latin America and TSX-listed companies. Mineral Resource and Ore Reserve estimates are prepared by independent consultants. This risk remained constant during the current year.

KEY:

Decrease Increase Same

VIABILITY STATEMENT

To address the requirements of provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a minimum of two years. This period aligns with the Group's expected timeline for a final investment decision, completing project early works, securing project funding, execution of an Investment Protection Agreement and the gaining of all necessary licences and permits associated with the Cascabel project, as further outlined below.

The Group will consider extending the assessment period as the Cascabel project advances to its construction decision, to cover the full construction and ramp-up period, considering specific challenges arising from long-lead projects.

Mining is a long-term business and timescales can run into decades as demonstrated by the Cascabel PFS initial life of mine estimated at 26 years. When taking account of the impact of the Group's current position on this viability assessment, the Board considers:

- material political events globally, particularly in Ecuador
- the Group's financial forecast and resulting cash positions
- the potential state of equity and debt capital markets in light of available sources of funding and scenarios that impact these funding solutions
- macro-economic developments and possible impacts on relevant commodity prices
- a prolonged downturn in the price of copper and gold
- the labour market relevant for a successful project execution, in particular factors that could prevent the Group from attracting and/or retaining executive leadership talent
- actions at the Group's disposal to mitigate the adverse impacts of any of the above.

The Group's viability assessment is focused on SolGold's existing asset base and factors in the most likely development projects. This is considered appropriate for an assessment of SolGold's ability to fund its activities and manage the potential impact of the factors above. As a result of given uncertainties, the Group regularly assesses its strategy, updates its financial rolling forecasts, monitors the state of relevant capital markets and runs various financial scenarios for the period over which the Group assesses its prospects and viability. Management regularly produces cash flow forecast and manage its liquidity risk.

As outlined in Note 1 to the financial statements, in assessing going concern, management has prepared a base case and a severe but plausible scenario based on future cash flow forecasts. Under the base case scenario, the Group would have sufficient funds until December 2022 without applying any of the mitigating actions that are included within the severe but plausible scenario outlined below. SolGold's severe but plausible scenario considers a collapse of financial markets, caused by a continued inflationary environment and ensuing recession that is not conducive to further capital raises when necessary. In such a situation the Company would cease all exploration activities, terminate all technical services and dramatically reduce overheads to reduce costs. Under its worst-case scenario, the Group would have sufficient funds at least until January 2023. As disclosed in Note 1(b) the Directors determined that this is a material uncertainty regarding going concern; however, this is not the Group's strategic plan, and, as described below, the Directors are exploring available funding options, which underly the basis for this viability assessment.

The Group had cash on hand of US$26.1 million and net current assets of US$27.4 million as at 30 June 2022 (2021: US$109.6 million, US$116.3 million). The Group continuously monitors capital markets and the Board regularly considers various forms of financing available to SolGold as the Group will need to secure further funding to meet its exploration and working capital commitments through to completion of the Cascabel DFS in Q4 CY 2023. The Group has a proven ability to successfully execute equity and other financings as demonstrated by the equity placings and royalty agreement completed in the 2020-21 financial years totalling approximately US$240 million in gross proceeds. Accordingly, the Directors have a reasonable expectation that the Group will be able to raise funds when necessary.

As SolGold progresses through the transition from explorer to developer with the advancement of the Cascabel project, the Directors will consider appropriate funding options available to the Group through the phases of development. Namely: (1) securing funding through to the end of the DFS in late 2023; (2) funding through to project investment decision and early works in 2024; and (3) project execution from 2025. The progress towards delivery of key project milestones including the Investment Protection Agreement and permitting will de-risk the Cascabel project and expand SolGold's potential funding options across the three phases of development. These would include copper concentrate offtakes, potential opportunities with strategic partners, project finance and Export Credit Agencies ("ECA"), streaming, and equity raises, among other options.

The Group has no debt due in the coming three years and has strongly focused its viability assessment on potential sources of funding and on-going cost savings to support the Group's strategy to progress the development of the Cascabel project and advance its exploration programme towards additional potential mineral discoveries. Based on their assessment of the Group's prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation over the two-year period of their assessment.

Section 172 statement

In accordance with the requirements of section 172 of the Companies Act 2006 (the "Act"), when making decisions, the Board of Directors takes into account the interests of all of its stakeholders when determining the Group's strategy and objectives. A good understanding of our stakeholders enables the Board to factor the potential long-term impact of strategic decisions on our various stakeholders.

The Board of Directors of SolGold plc are aware of their duty to act in good faith and to promote the success of the Company for the benefit of its shareholders and with regard to the interests of wider stakeholders.

We are conscious that the decisions we make have long-term consequences and are aware of the need to foster close relationships with all our stakeholders and employees; and to consider the impact of our business on local communities and the environment. Minimising our environmental footprint is a key priority in everything we do.

In the Strategic Report section of this Annual Report, the Company has set out the short to long-term strategic priorities and described the plans to support their achievement. Throughout the Annual Report we have illustrated how s.172 factors have been considered during the year and how we have engaged with key stakeholder groups.

As part of the Company's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders. The Company continuously interacts with a variety of stakeholders important to its success including equity investors, debt and alternative finance providers, employees, government bodies, the local community, and suppliers. The Company strives to strike the right balance between engagement and communication. Furthermore, the Company works within the limitations of what can be disclosed to the various stakeholders with regard to maintaining confidentiality of market and/or commercially sensitive information. We have outlined here our key stakeholder groups and how we have engaged with them.

Investors

WHY THEY MATTER TO US

- As a developing business, we are in the investment phase of unlocking our projects, and our shareholders play an important role in supporting our Company in achieving its strategic goals
- While we are establishing the foundations for a long-term, sustainable mining business we are building and maintaining an investor base that will support our objectives before we generate any revenues
- Our focus for the year has been on progressing the Alpala project through to the development phase and engaging with existing and new investors to enable greater options for the business
- Aligned to our long-term view on value creation for a range of investors, we have maintained a pipeline of other significant projects, including a further 75 concessions in Ecuador as a highly prospective and undeveloped mining country
- Our shareholders expect sustainable value creation which requires us to ensure good governance and risk management alongside operational performance

HOW WE HAVE ENGAGED WITH THEM

- We regularly engage on topics of strategy, governance, project updates and performance. The CEO, CFO and other members of the senior management team presented to over 350 investors at conferences, roadshows and other one-to-one meetings in the financial year ended 30 June 2022, up from over 330 in the prior year
- These meetings are often arranged by our brokers and banks working closely with us or are part of periodic calls with key shareholders, who request updates
- The Company seeks active feedback post these meetings, which are being passionately discussed at Board meetings
- The Board has consulted with a range of the Company's corporate and institutional shareholders during the year in relation to a wide range of issues, including during a proxy consultation roadshow ahead of the 2021 AGM
- As a result of these consultations the Board has addressed several concerns previously held by certain shareholders which resulted in the votes cast "against" at the 2021 AGM
- Our commitment to and progress towards full compliance with the UK Corporate Governance Code is a result of this engagement
- As illustrated in our Strategic Report, we see the critical nature of copper in the energy transition and the long-term counter-cyclical nature of gold as a store of wealth and educate investors on a one-to-one basis about the attractiveness of our future copper-gold concentrate
- We hold an Annual General Meeting and plan to make this important event more interactive, based on investor feedback
- We regularly update the Company presentation and website to keep investors up to date on information
- We issue regular news and project updates and post material on social media accounts e.g., LinkedIn and Twitter @SolGold

WHY THEY MATTER TO US

HOW WE HAVE ENGAGED WITH THEM

Employees

- Our employees are our most important asset and are critical to our long-term success. We believe that their involvement depends on ensuring a positive and rewarding environment where they feel respected and safe
- In the financial year ended 30 June 2022 the Group employed an average of 894 people across Australia, Ecuador, the Solomon Islands and the United Kingdom and employed 796 people at the end of the financial year. 99% of our employees are based in Ecuador and the Directors consider workforce issues holistically for the Group as a whole

- We have an open line of communication between employees, senior management and the Board of Directors
- We hold weekly meetings with staff to provide updates on the projects and ongoing business objectives
- Most employees are covered by yearly performance reviews and, where relevant, have KPIs linked to their short-term incentive scheme
- The physical and mental health of our employees is a key focus for us. We provide psychological support to our employees with a professional available at our camps. In addition, throughout FY 22 we implemented a number of Covid-19 prevention controls including;
    - Education and awareness programme for our health professionals and team members
    - Vaccination campaigns for our technical and community population – 97% of the population vaccinated
    - Protecting our at-risk population by offering teleworking options when possible
    - Temperature screening for employees and contractors when entering our offices and camps
    - Adapting our protocols in the field with quarantines, extending rosters, between others
- We have a dedicated Ecuador HR function and in the last year have ensured that there is a feedback and grievance process in place across Ecuador for our staff, supported by various Group policies
- We undertook a Group-wide cultural survey to assess which areas need most improvements in the eyes of our staff members
- Supporting our growing employee development programme, we hold monthly induction courses for all new staff and, following the Covid-19 pandemic, this has extended to incorporate new health and safety protocols for all employees. SolGold employees continue working remotely when it is possible and appropriate for their role
- Support through grievance mechanisms and a whistle-blowing policy which provides our employees, suppliers and contractors the opportunity to anonymously report any incidents that they feel have violated the Code of Conduct, internal policies or the law
- We are working towards a more diverse workforce, As at 30 June 2022, 15% of the workforce in Ecuador was female. Tied to our ambition for greater local empowerment, it is important to note that this also varies by role, where 18% of our 57 geologists as at 30 June 2022 were women. Equally, at a leadership level we are also working towards improving diversity with 29% of Board members being women as at 30 June 2022

WHY THEY MATTER TO US

Government

- Our vision is to create a lasting business for all Ecuadorians and to develop a sustainable mining industry for the country that benefits all stakeholders
- Managing our licence to operate within Ecuador around our key projects means we consider the lifecycle of our projects from discovery and permitting, through development and operation to any closure and rehabilitation implications
- As a country seeking both socio-economic development and enhanced governance around its natural resources – such as through the Extractive Industries Transparency Initiative ("EITI") – we recognise our ability to bring international expertise that can greatly support the country ambitions of accountability and transparency in resource development

HOW WE HAVE ENGAGED WITH THEM

- In the period 2021-2022 there has been a remarkable increase in Government contact due to President Lasso's pro-mining position. Engagement across Cabinet has been very welcome and the Decree 151 for Mining issued by the President was a significant plan of action for both industry and government to firmly establish mining as a pillar of the economy
- SolGold continues to develop its relations with President Lasso's elected administration and is in regular dialogue with multiple relevant Government bodies and in particular with the newly appointed Minister of Energy and Mines, Xavier Vera Grunauer and Minister of Water, Environment and Ecological Transition, Gustavo Manrique
- In November 2021 SolGold signed the first Investment Protection Agreement with the Government for all historical and proposed investment related to the formal phase of Exploration for the Cascabel project, a first in history with a specific benefit of agreeing the potential for international arbitration in the U.K.
- In January 2022 senior Company executives had a positive meeting with President Lasso and his advisors on the project and general discussion on the related economic model
- The Company managers have regular dialogue with Government at all levels in Quito as well as with agencies of the Imbabura and other provinces
- The Company engages with the relevant departments of the Ecuadorian Government in order to progress the operational licences it requires to advance each of its concessions
- We are engaged in regular discussion and negotiation with the Ecuadorian Government on high level issues related to the Cascabel project and the infrastructure proposed in the PFS required for its development. These Government Ministries have expressed full cooperation with the project. The next major activity starting in September 2022, will be negotiations for the terms of reference for a production licence for the project
- After some years of delay, in late 2021, the Ministry of Environment approved a Complementary Study for further advanced exploration in the Cascabel concession and has recently signed a letter approving the incorporation of works to initiate an Exploration Decline and Shaft at Alpala under the existing Advanced Exploration Environmental Licence
- In March 2022 the Company initiated environmental studies related to the obtaining of the various Environmental Licences for the Cascabel project infrastructure
- The Company continues to seek local level permissions for water, forestry and archaeological certificates and for drilling activity for its multiple regional concessions

WHY THEY MATTER TO US

HOW WE HAVE ENGAGED WITH THEM

Communities

- Building trust and a sense of partnership with communities is key to our business and local impact. We have a team of 24 people employed full-time to engage in face-to-face community meetings across all our projects
- Community engagement informs better decision making and ensures all SolGold stakeholders benefit from the Company's decisions. Having the community's trust will mean it is more likely that any potential concerns the community has can be mitigated and our plans and strategies are more likely to be aligned to their expectations
- The focus of our development has been in Ecuador and realising the opportunity for a national mining industry meaning we are keen to support this emerging industry
- Around our flagship Cascabel Project, the communities in the areas of influence provide employees to the project and will be a key part of our supply chain
- As a long-term partner for Ecuador we are closely engaged with local and indigenous peoples in and around all our project affected areas and ensure that our discussions on permitting and developments across our portfolio are conducted within international treaties and Ecuadorian law

- We have at least weekly engagements with the local community as part of the development of our sustainability initiatives. In the context of the Cascabel project, we have regular open dialogue with the Provincial Government, the Municipal Government of Ibarra, the Parish Governments of Lita and La Carolina and community leaders regarding the development of the project
- The ongoing programme of information sessions delivered to communities in the direct area of influence provides an opportunity to coordinate local activities and is a means to strengthen the social presence of the Company, providing an opportunity to identify emerging issues and ultimately builds trust. We have mapped out the communities within our direct zone of influence and indirect zone of influence as well as all external interest groups
- In Ecuador, we have several partnerships with local and national universities to support education and development across the regions we operate in, including education and training of best practices to foster a culture of environmental stewardship and responsible mining
- Throughout the year we have ensured that a strong engagement has taken place with local communities through local businesses (including, for example, the local bakery, coffee plantation, chicken farm, plant nurseries and hardware stores, amongst others), to ensure we understand the ambition for greater local economic activity. We have a well publicised local grievance mechanism to respond to claims and complaints from the communities. All claims and complaints are logged and resolved formally in writing in accordance with both parties

Suppliers

- We have established long-term partnerships that complement our in-house expertise and as our business grows, we recognise the further opportunities and potential from trusted partnerships with our suppliers
- Moving from an exploration business to one that is also developing projects means that our supplier partners are key to ensuring we develop a high standard, sustainable business and critical new resources will be required to construct and power these projects

- We are committed to developing our local communities and have engaged smaller local vendors to manage Company initiatives and services needed
- The management team continues to work closely with consultants to complete deliverables associated with the Cascabel project studies
- Implementing procedures and practices to ensure the efficient use of water, energy and other resources and regular training sessions to ensure Company standards are met
- We have an Anti-Bribery policy in place which is currently under review and will be publicly available on the Company's website. when work is complete. Anti-Bribery and Corruption are discussed at induction and training session conducted for employees and site visitors. Going forward, SolGold will continue to promote the importance of this policy with suppliers

DARRYL CUZZUBBO
Chief Executive Officer

CONTINUED COMMITMENT TO SUSTAINABILTY

SolGold will play a vital role in resourcing the transition to a net zero emissions future and is committed to following a sustainable and transparent approach to exploration, development and mining.

This sustainability report is aligned to the requirements of the GRI Principles, a best practice framework for sustainability reporting. SolGold's mission is to deliver the highest level of transparency for our stakeholders on environmental management, community engagement, and the health and safety of our people. This sustainability report represents a significant step towards embedding and achieving our overall sustainability objectives.

The core pillars of our sustainability activities are:

- The Environment
- Our People
- Health and Safety
- Our Communities

Our business model is centred around the exploration, development and mining of copper and gold. SolGold's purpose is to serve the energy transition and continue supplying these essential elements that facilitate the transition to a net zero future.

We take pride in placing the environment at the heart of our strategy. Ecuador is the only government in the world in which the environment is recognised as a stakeholder and has been awarded its own rights.

This year, SolGold marks ten years as a trusted partner in Ecuador. SolGold has not only invested in its local communities through various socioeconomic development initiatives and partnerships but has also worked hard to build a robust relationship with all the Company's stakeholders, earning us a solid social licence to operate in Ecuador.

Darryl Cuzzubbo
Chief Executive Officer

Sustainability Highlights 2022:

- SOLGOLD IS ONE OF THE FIRST 100 COMPANIES TO JOIN THE ZERO CARBON ECUADOR PROGRAMME ("PECC")
- REFORESTED 135 HECTARES OF LAND WITH SAPLINGS GROWN IN OUR OWN NURSERIES
- INCREASED SOCIOECONOMIC INVESTMENT BY 43% FROM 2021
- ZERO ENVIRONMENTAL INCIDENTS REPORTED
- TRIFR: 4.33 (TOTAL RECORDABLE INJURY FREQUENCY RATE PER ONE MILLION HOURS WORKED) (2021: 9.60)
- 1,660 STAKEHOLDER MEETINGS HELD WITH COMMUNITY MEMBERS
- 9 GRIEVANCES LODGED BY HOST COMMUNITIES IN 2022 AND ALL SATISFACTORILY RESOLVED IN THE SAME YEAR
- 99% ECUADOREAN EMPLOYEES
- 17% OF PROCUREMENT SPEND IN LOCAL COMMUNITIES
- 15% WOMEN EMPLOYED IN ECUADOR OPERATIONS

SOLGOLD AIMS TO BUILD ONE OF THE LOWEST CARBON FOOTPRINT COPPER MINES ON THE PLANET. OUR SUSTAINABILITY GOALS ARE DRIVEN AND MOTIVATED BY THE UN's SUSTAINABLE DEVELOPMENT GOALS, AS WELL AS OUR COMMITMENT TO THE UN's GLOBAL COMPACT

We support

SUSTAINABLE DEVELOPMENT GOALS

Sustainable development goals

A recent special report published by the International Energy Agency titled "The Role of Critical Minerals in Clean Energy Transitions" identifies risks to key minerals and metals that – left unaddressed – could make global progress towards a clean energy future slower or more costly, and therefore hamper international efforts to tackle climate change. There is no shortage of resources worldwide, and there are sizeable opportunities for those who can produce minerals in a sustainable and responsible manner. SolGold is fully aligned with resolution 4/19 on mineral resource governance adopted by the United Nations Environment Assembly on 15 March 2019 that states "Awareness of how the extractive industries can contribute to the sustainable development of countries and the well-being of their populations, as well as of the possible negative impacts on human health and the environment when these activities are not properly managed". SolGold is committed to mining responsibly and supporting the United Nations Sustainable Development Goals ("SDGs"). The SDGs are linked throughout this report to demonstrate our input toward these goals.

Our sustainability performance

THEME	OBJECTIVES	UN SDG	2022	2021	2020	2019	2018
Climate change	Reduce Scope 1 and 2 carbon emissions from managed operations		2,180 $mtCO_2e$	5,276 $mtCO_2e$	2,044 $mtCO_2e$ (excl. regions)	4,811 $mtCO_2e$ (excl. regions)	4,594 $mtCO_2e$ (excl. regions)
Climate change	Reduce amount of energy used from fossil fuels		8,522 MW	18,877 MW	7,906 MW (excl. regions)	18,844 MW (excl. regions)	n/a
Environmental stewardship	Rehabilitate all land in former drilling platform areas		0.34 Ha	0.37 Ha	0.24 Ha	0.33 Ha	0.29 Ha
Responsible consumption	Reduce water usage in our managed operations		10.30 per 1,000m^3	17.14 per 1,000m^3	5.29 per 1,000m^3	21.97 per 1,000m^3	7.53 per 1,000m^3
Responsible consumption	Reduce waste in our managed operations		50.54t	163.24t	23.72t	26.90t	26.14t
Environmental opportunities	Increase environmental management activities (US$)		2,056,587	1,412,256	1,190,352	1,044,112	459,962 (excl. 1 Jul-31 Dec 2017 as records were unavailable)
Human capital	Increase percentage of women as part of the workforce in Ecuador		15%	21%	21%	19%	15%
Zero harm	Zero work-related fatalities		nil	nil	nil	nil	nil
Social opportunities	Increase total spend socioeconomic initiatives (US$)		820,256	573,994	283,465	225,852	127,349
Corporate governance	Increase Board representation by women		29%	22%	14%	12.5%	0%

UN global compact

SolGold is a signatory to the UN Global Compact and is committed to making its 10 principles part of our strategy, culture and day-to-day operations. Our commitment to the UNGC also underpins our engagement in collaborative projects which advances the broader development goals of the United Nations.

SolGold's latest UNGC submission can be read here: https://ungc-production.s3.us-west-2.amazonaws.com/commitment_letters/139825/original/20200512_SolGold_letter_of_Commitment_to_UNGC.pdf?1589384132

Our environment

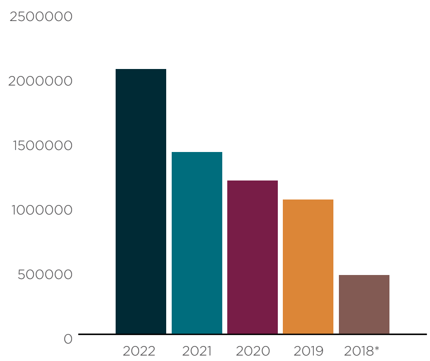
SolGold is committed to minimising the impact of its operations on the environment through the responsible management of all of our projects often by using a closed loop management system of reduce, reuse and recycle. SolGold operates in some of the world's most beautiful jurisdictions, and we recognise our responsibility to protect our planet so that it remains healthy and vibrant for future generations.

SolGold's Environmental Policy is driven by our commitment to minimise adverse environmental impacts as a result of the Company's operating activities. Not only does this ensure environmental regulations are met, but our strategy is also focused on providing a safe work environment for SolGold's employees, as well as working in a responsible manner through comprehensive protection of the environment.

Click Here to view SolGold's Environmental Policy.

Environmental supervision is carried out by a team that includes field workers, environmental supervisors, and the senior management. This ensures the activities of the Company are aligned with sustainable development. As part of the Pre-Feasibility Study completed in April for the Cascabel project, SolGold followed international environmental standards such as the International Finance Corporation ("IFC") principles to ensure environmental compliance is met. As a measure of our commitment to ensuring good stewardship of the environment, we have **increased our total environmental spend** in the reporting period under review. The environmental spend includes all expenses generated by the environmental department, including (but not limited to) grey water treatment, plant nurseries, waste management & inspections, rehabilitation, emergency response, environmental monitoring, audit reports, and other miscellaneous expenses. This year's environmental spend represents an all-time high for SolGold's total environmental spend as we move closer to becoming a development company.

Total environmental spend (US$)



* FY18 excludes July – December 2017 as data was not captured during that period.

Overall, SolGold's objectives in relation to the management and care of the environment are to:

- Ensure the protection of the environment as an integral part of its operations
- Implement objectives and goals to support the Environmental Policy
- Understand environmental impacts and manage these of our work practices on the environment
- Continually educate and train staff members on environmental issues, standards and practice
- Ensure compliance with all applicable environmental laws and regulations
- Communicate the Environmental Policy to all employees, subcontractors and the community in general
- Implement measures to avoid or minimise pollution, waste and other impacts on the environment
- Expect a high environmental standard from all our suppliers, consultants and contractors as we do from ourselves

SolGold's decarbonisation strategy

In October 2021, SolGold was one of the first 100 pioneering companies to join the Zero Carbon Ecuador Program ("PECC"). This is an initiative promoted by the Ministry of the Environment, Water and Ecological Transition, which seeks the active participation of industry to achieve the climate goals and objectives established in the first Nationally Determined Contribution of Ecuador to a carbon emissions reduction target of 22.5% by 2025 for the country.

There are three stages to our strategy to reduce our carbon emissions:

Decarbonisation policy stages

1. Quantification

2. Reduction

3. Achieving the target

In the reporting period under review, SolGold has made significant strides to measure the necessary metrics to disclose our verified and validated emissions.

Greenhouse gas ("GHG") emissions

SolGold has carried out the measurement of greenhouse gases ("GHG") as detailed in the Carbon Reporting section of the Corporate Governance report. GHG emissions were measured from the operation of the Cascabel project and main exploration projects in Ecuador that can vary from year to year. There is a small margin of error in 2022 given the emissions produced from exploration activity in Sharug was not included.

CARBON EMISSIONS	MEASURE	2022	2021	2020	2019	2018
Scope 1: Cascabel	$mtCO_2e$	1,304	4,271	1,998	4,767	4,569
Scope 2: Cascabel	$mtCO_2e$	42	16	46	44	25
Total: Cascabel	$mtCO_2e$	1,346	4,287	2,044	4,811	4,594
Scope 1: Regional	$mtCO_2e$	824	987	n/a	n/a	n/a
Scope 2: Regional	$mtCO_2e$	10	2	n/a	n/a	n/a
Total: Regional	$mtCO_2e$	834	989	n/a	n/a	n/a
Scope 1	**$mtCO_2e$**	**2,128**	**5,258**	**1,998**	**4,767**	**4,569**
Scope 2	**$mtCO_2e$**	**52**	**18**	**46**	**44**	**25**
TOTAL	**$mtCO_2e$**	**2,180**	**5,276**	**2,044**	**4,811**	**4,594**
GHG Emissions Intensity: Cascabel	**$mtCO_2e$/metre drilled**	**0.06**	**0.10**	**0.18**	**0.05**	**0.05**
GHG Emissions Intensity: Regional projects	**$mtCO_2e$/metre drilled**	**0.17**	**0.55**	**n/a**	**n/a**	**n/a**

While we recognise as a Company that reporting according to the GHG Protocol would include all seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PCFs"), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3), as we are still in exploration and early development stage, we produce negligible (N_2O), and no ("HFCs"), ("PFCs"), (SF_6) and (NF_3), thus only report on Scope 1 and Scope 2 GHG emissions of carbon dioxide.

Toxic emissions

Similarly, there are no values of emissions of SO_2, NOx or excess dust to report, because in the current phase of advanced exploration, no significant fixed sources of combustion are used that exceed what is established in Ecuadorian Environmental Legislation (TULSMA-AM-097-A). The Company has carried out environmental air quality monitoring at specific points located in the host of the project and camp, but it is not directly related to fixed combustion sources for the mining activity that is authorised.

Energy use[1]

ENERGY CONSUMPTION	MEASURE	2022	2021	2020	2019
Total energy consumed: Cascabel	MW	5,379	17,146	8,068	18,999
Energy from fossil fuels: Cascabel	MW	5,158	16,922	7,906	18,844
Energy from renewable sources: Cascabel	MW	221	224	162	154
Total energy consumed: Regional projects	MW	3,391	1,848	n/a	n/a
Energy from fossil fuels: Regional projects	MW	3,364	1,824	n/a	n/a
Energy from renewable sources: Regional projects	MW	27	24	n/a	n/a
Total Energy from Fossil Fuels	**MW**	**8,522**	**18,746**	**7,906**	**18,844**
Total Energy from Renewable Sources	**MW**	**248**	**248**	**162**	**154**
Total Energy Consumed	**MW**	**8,770**	**18,994**	**8,068**	**18,998**
Percentage of Renewable Power/ Total Energy Consumed	**%**	**2.8**	**1.3**	**2.0**	**0.8**

1. Data available from FY2019.

PROMOTING ENTREPRENEURSHIP IN THE PRODUCTION OF COFFEE

113 producers

The objective of the Café Cascabel initiative is to promote entrepreneurship in the production of coffee that can be commercialised as a product of quality. The beneficiaries of this project include 113 producers living in the local parish governments of Lita, La Carolina and Jacinto Jijon.

Environmental monitoring

SolGold's environmental procedures and guidelines are reviewed every six months, or earlier if required, to include control parameters implemented by updates to various different authorities including our Environmental Management Plan, Environmental Audit Processes, and national or international environmental regulations. We also engage with the community on environmental monitoring to address their concerns.

For the Cascabel project, environmental monitoring is carried out for: surface water, sediments, discharge water (residual and drilling), drinking water, drilling mud, soil, air quality (particulate matter and gases), noise, vibrations and biotics (flora and fauna).

For the SolGold exploration projects (Porvenir, La Hueca, Sharug, Rio Amarillo and Blanca) environmental monitoring is carried out specifically on: discharge water, drilling mud, soil and environmental noise.

SolGold's environmental compliance audits are carried out every two years. The Company has complied with the presentation of all the Environmental Audits according to the scheduled times established by the Environmental Control Authority:

- On August 6, 2021, the Environmental Audit was approved by the Ministry of the Environment, Water and Ecological Transition ("MAATE") meaning that the Advanced Exploration phase of the Cascabel Concession was approved for the period August 2016-August 2018
- The last Environmental Audit presented to the MAATE concerned the Advanced Exploration of the Cascabel Concession period August 2018-August 2020 and is currently in the process of approval
- The MAATE has been presented with the performance of the Environmental Compliance Audit for the Advanced Exploration phase of the Cascabel Concession for the period August 2020-August 2022, which is in the process of revision and approval of the MAATE.

SolGold is pleased to disclose that there **were nil incidents of environmental non-compliance** for the reporting period that were reported to the Ministry of the Environment, Water and Ecological Transition. We would be required to report on incidents classified as medium and high risk, in which the alteration of the natural environmental conditions of a medium incident would entail considerable costs and time but where the damage is reversible and a serious incident where the remediation measures entail high costs and time and the damage may be irreversible.

ENVIRONMENTAL INCIDENTS	MEASURE	2022	2021	2020	2019	2018
Reportable environmental incidents	Number	nil	nil	nil	nil	nil

Water management

SolGold's approach to water management is to make efficient use of the resource, complying with the provisions of the Company's Environmental Policy and current environmental regulations in Ecuador. The following guidelines have been set to fulfil these requirements:

- Use of environmentally friendly products both for the preparation of drilling fluids and cleaning activities in camps
- Treatment of drilling fluids and wastewater in camps before their discharge
- Reuse of drilling water that returns to the surface
- Superficial and discharge water quality monitoring
- Training programmes for the communities on the Cascabel project's water management
- Implementation of flow control devices at authorised collection points to verify actual consumption and flow
- Implementation of water reservoirs for better use of water resources and return of clean water from drilling (recirculation of clean water).

WATER USE	MEASURE	2022	2021	2020	2019	2018
Water withdrawals by source						
Total water used for primary activities	1,000m^3	10.30	17.14	5.29	21.97	7.53
Potable water from external sources	1,000m^3	0.152	0.152	0.107	0.064	n/a
Non-potable water from external sources	1,000m^3	20.39	25.73	15.15	18.02	17.79
Surface water used	1,000m^3	30.69	42.87	20.44	39.99	25.32
Groundwater used	1,000m^3	n/a	n/a	n/a	n/a	n/a
Water discharge						
Surface water	1,000m^3	17.42	21.84	10.70	13.54	4.46
Groundwater	1,000m^3	n/a	n/a	n/a	n/a	n/a
Water recycled	1,000m^3	0.054	0.024	n/a	0.045	0.084

Due to the Covid-19 pandemic, all personnel working in drilling activities and operational personnel had to camp on site, which accounts for the increase in water consumption in 2021. The total water consumption for primary activities dropped by 40% in 2022.

In order to limit SolGold's impact on water quality, the Company is carrying out the following activities:

- All discharge waters, both from drilling and from camps, must be treated in compliance with the maximum permissible limits established in national environmental legislation
- Use of environmentally friendly products for both drilling and camp activities
- Use of technologies that help us reuse water in drilling (for example, the use of solid removal units).

In the reporting period, SolGold noted the following achievements in relation to water management:

- Catchment permits authorised for 1.5 l/s
- About 90% of the water in our industrial processes (drilling) was reused
- Water consumption per drill of 0.041 l/s / approximately
- State-of-the-art technology (solids removal unit) is used for removing drill sludge from water
- Environmentally safe products are used in all drilling activities
- 100% of wastewater is treated and discharged into the environment in compliance with the standards of Ecuadorian law.

The focus moving forward into 2023 is to maintain the controls that have allowed SolGold to make efficient use of water resources, and that has enabled the Company to minimise the impacts that water discharge may cause, as well as remaining within the authorised flow rate of 1.5l/s.

Water sourcing

SolGold carries out hydrological studies of the water sources where the Company intends to collect water, both for industrial use and for private use. This is to obtain the necessary permits for the use and exploitation of water, granted by the Environmental Control Authority, which we also communicate and verify with our host communities, to ensure their supply of water is not affected. With all these compliance parameters, the Environmental Authority grants the respective use and exploitation permit to SolGold, demonstrating that the community intake of water is not affected by both the consumption and for their agricultural or livestock activities.

USE AUTHORISATION NO. AND USE OF WATER	NO.	NAME OF THE WATER SOURCE	AUTHORISED FLOW L/S	USE
PROCESS 2 DHM-AP-002-2017	1	Quebrada Parambas	1.5	Industrial
	2	Quebrada América	1.5	Industrial
	3	Río Parambas	1.5	Industrial
	4	Quebrada Chinambicito	0.5 0.5	Industrial Domestic
	5	Quebrada El Carmen	1.5	Industrial
	6	Quebrada El Carmen	1.0	Domestic
	7	Río Cristal	1.5	Industrial
	8	Quebrada Malte	1.5	Industrial
	9	Quebrada Apalá	1.5	Industrial
		TOTAL	**12.5**	
PROCESS 1 DHM-001-2013	1	Quebrada Tandayama	1.5	Industrial
	2	Quebrada Aguinaga	1.5	Industrial
	3	Quebrada Morán	1.5	Industrial
	4	Quebrada Arellano	1.5	Industrial
	5	Quebrada Alpala	1.5	Industrial
		TOTAL	**7.5**	

In summary, the water from several sources is shared with the surrounding communities, but these do not affect shortage of supplies for the communities. The order of precedence established in the Law of Water Resources, Uses and Use of Water is respected prior to obtaining water use permit. The order is as follows:

a) Human consumption

b) Irrigation that secures food sovereignty

c) Ecological flow

d) Productive activities

Waste management

SolGold's approach to waste management is to distinguish between hazardous and non-hazardous waste and to follow a compliant waste management procedure, including characterisation, use, and final disposal. SolGold continuously promotes recycling, as evident in the number of schemes and initiatives the Company has organised in this area of waste management. The Company is also committed to reducing the generation of hazardous and non-hazardous waste through reducing, reusing and recycling, which are established techniques within the Waste Minimisation Plan presented to the Environmental Control Authority on an annual basis.

Key highlights for waste management:

- No recyclables managed by SolGold are sent to waste dump zones
- 100% organic waste is processed for compositing
- 100% of hazardous waste (greases, used oil, engine fillers, etc.) is processed externally.

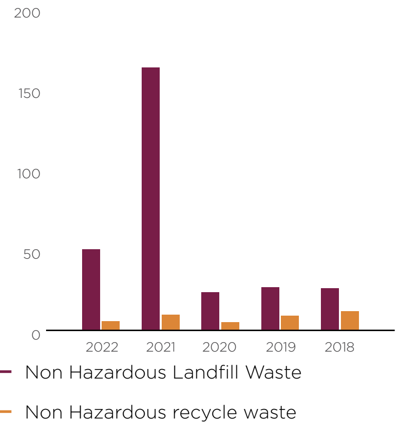
WASTE GENERATED (TONNES)	2022	2021	2020	2019	2018
General waste to landfill	50.54	163.24	23.72	26.90	26.14
Hazardous waste to landfill	zero	zero	zero	zero	zero
General and hazardous waste incinerated	30.59	31.65	22.27	44.88	37.46
General waste recycled, reused and refurbished	5.83	9.85	5.06	9.14	12.03
Hazardous waste recycled, reused and treated	0.48	1.60	1.16	0.78	1.00
Total mineral waste	n/a	n/a	n/a	n/a	n/a

As visible from the below table, SolGold has significantly reduced overall material usage for timber, lime, cement, and grease. The increase in lubricating and hydraulic oil can be explained by an increase in operations since Covid-19 the year before however remains lower than pre-pandemic levels.

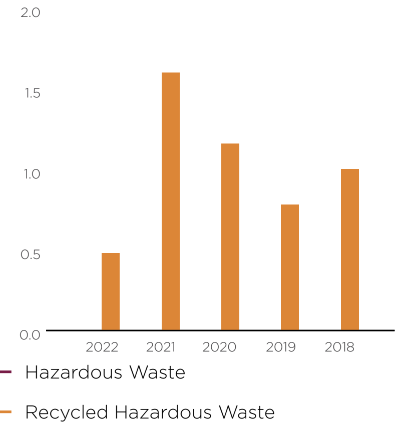
MATERIALS USED	MEASURE	2022	2021	2020	2019	2018
Timber	Tonnes	83.9	239.7	117.1	118.2	0
Cyanide	Tonnes	0	0	0	0	0
Explosives	Tonnes	0	0	0	0	0
Hydrochloric acid	Tonnes	0	0	0	0	0
Caustic soda	Tonnes	0	0	0	0	0
Lime	Tonnes	12.4	13.8	7.5	22.9	15
Cement	Tonnes	35.2	43.2	63.2	62.9	0
Petrol and diesel	kL	461.5	1,555.8	719.2	1,741.3	1,687.7
Lubricating and hydraulic oil	kL	0.9	0.4	3.1	2.5	2.1
Grease	Tonnes	0	0.2	0.2	0.6	1.5

SolGold's 2023 strategy is to maintain the level of training the Company has provided to all staff at all levels about the importance of waste reduction and best practice. The Company is also driven to educate staff on how best practice can generate income and the significant contributions for agricultural activities and rehabilitation with the addition of nutrients in the case of composting. Operationally, SolGold is committed to obtaining a minimum of 15% of recycled material from the total non-hazardous waste generated at the Cascabel project, and to reduce the generation of hazardous waste at the source to ensure that 100% of the total waste is treated by qualified Environmental Control Authority managers.

Non Hazardous Landfill Waste vs Non Hazardous recycle waste



Hazardous Waste vs Recycled Hazardous Waste



Tailings design

In the Company's PFS for the Cascabel project released in April 2022, SolGold identified areas in which the tailings could be installed and would be decided in close consultation with the communities. The technical information of the tailings design is in the process of being prepared and will comply with international standards and legal compliance prior to its construction. SolGold is evaluating the tailings management options due to be finalised in the Definitive Feasibility Study ("DFS") due to be published at the end of 2023.

INTEGRATING WOMEN INTO THE LOCAL ECONOMY

8 jobs created

The Cascabel Bakery initiative in the community of Santa Cecilia was created to integrate women in the economy of their local communities. This project was developed in collaboration with the Mayor's Office of Ibarra who provided the necessary breadmaking skills initially to eight women. Prior to this bakery, people from the village of Santa Cecilia had to travel two hours to buy bread. Today it is a thriving business that serves the local communities around the Cascabel project.

Rehabilitation

We are committed to rehabilitating all the intervened land from drilling operations. To date we have rehabilitated a total of 1.57 ha in drilling platform areas. We currently have 35 drilling platform areas that are due to be rehabilitated measuring 0.42 Hectares.

LAND UNDER MANAGEMENT	MEASURE	2022	2021	2020	2019	2018
Company-managed land (ha)	Hectares	4,979	4,979	4,979	4,979	4,979
Land rehabilitated or vegetated (ha)	Hectares	0.34	0.37	0.24	0.33	0.29

Biodiversity

Ecuador is one of the most megadiverse countries in the world and host to beautifully diverse flora and fauna which needs to be protected from negative impacts posed by our operations in the country. In FY2022, SolGold has carried out a survey of biotic information in seven areas of biodiversity to understand the richness of species, as well as the size and structure of their populations:

COMPONENT	# OF SPECIES REGISTER IN BIOTIC STUDIES AND MONITORING	# OF SPECIES IN IUCN VULNERABILITY CATEGORIES	
Flora	223	Almost threatened	11
		Vulnerable	10
		Endangered	6
		Critically Endangered	2
Mammals	92	Almost threatened	11
		Vulnerable	12
		Endangered	7
		Critically Endangered	0
Birds	328	Almost threatened	26
		Vulnerable	15
		Endangered	3
		Critically Endangered	0
Amphibians	55	Almost threatened	6
		Vulnerable	16
		Endangered	18
		Critically Endangered	3
Reptiles	51	Almost threatened	15
		Vulnerable	5
		Endangered	4
		Critically Endangered	0
Fish	31	Almost threatened	1
		Vulnerable	0
		Endangered	0
		Critically Endangered	1

SolGold uses the International Union for Nature Conservation ("IUCN") to identify any Red List species in areas affected by its operations. All the species registered from the biotic monitoring carried out since 2014 have been revised and updated in their taxonomy and input into a database that has been created in which each species has its information on the threat categories according to the IUCN Red List and the National Red Lists (latest updates) together with the geographic coordinates ("UTM") where they were registered. To date there have been 18 biotic monitoring observations with the most recent one having occurred in Q3 FY2022 and Q1 FY2023.

One million trees programme

SolGold recognises that Ecuador is one of the most biodiverse countries in the world with relatively low CO_2 emissions per capita compared to other industrialised countries. Their key climate change commitment is to reduce deforestation and enhance reforestation, in accordance with the United Nations REDD+ National Action Plan. As a result, the Company is continuously implementing new programmes to further conserve the environment and inaugurated the One Million Trees project in 2019 to restore the deforested land with native trees.

The One Million Trees Programme is SolGold's environmental team's flagship conservation initiative, the purpose of which is to reforest and rehabilitate areas that have been impacted by historic agricultural activities and form ecological corridors between remnants of forest that have remained isolated. The restoration and subsequent connectivity will allow a greater number of fauna species to find resources and refuge for their development.

To date we have planted 184,707 saplings covering an area of 135 hectares with 53 native tree species.

METRIC	2022	2021	DIFFERENCE
Number of native forest species planted by SolGold nursery	52,128	83,196	37%

In FY2022 there was a 37% reduction in trees planted as we search for areas that can be reforested without obstructing areas where the Cascabel mine will be developed. Agreements have been reached to allow the One Million Trees programme to cover areas outside the Cascabel concession.

Our people

The importance of supporting our employees, implementing stringent health and safety policies, and promoting a culture of equity across the value chain is core to our values.

Ecuadorian workforce profile highlights:

- 99% Ecuadorian employees recruited locally
- 15% female employees
- 81% of all employees live in neighbouring communities
- 2.7% employees registered as disabled
- 57 Ecuadorian employees have a science degree in geology, giving SolGold a significant advantage exploring the highly prospective and gold-rich section of the Andean Copper Belt.

WORKFORCE*	MEASURE	2022	2021	2020	2019	2018
Workforce profile						
Permanent	Number	254	251	219	181	167
Eventual	Number	377	449	295	137	106
Contractors	Number	0	n/a	n/a	n/a	n/a
Total Employees	Number	875	802	700	498	404
Percentage of foreign nationals	%	0.31	0.57	0.78	0.63	n/a
Percentage recruited locally	%	99.7	99.4	99.2	99.4	1.10%
Female Directors	Number	2	2	1	1	0
Male Directors	Number	5	7	6	7	5
Female Senior Managers	Number	2	2	2	1	0
Male Senior Managers	Number	13	13	10	8	8
Female Employees	Number	127	139	112	93	54
Male Employees	Number	652	720	488	553	435
Employee remuneration						
Employee wages and benefits paid	US$	19,790,007	20,831,812	17,186,099	13,884,556	11,179,191
Average wage per employee	US$	31,363	29,760	33,436	43,662	40,949
Ratio of lowest wage to average wage paid	Ratio	1:6	1:6	1:7	1:9	1:9
New hires and turnover						
New hires	Number	0	186	196	45	n/a
Employee turnover	%	2%	2%	4%	3%	1%
Redundancies	%	56%	28%	45%	63%	14%
Dismissals	%	14%	1%	1%	0%	n/a

* Data on employees supplied in the sustainability report is based on average per year for Ecuador only.

Click Here for SolGold's Bullying, Harassment & Discrimination Policy.

Diversity and inclusion

We aim to recruit and retain the best people ensuring we deliver our strategy and run our operations safely and productively.

DIVERSITY AND INCLUSION	MEASURE	2022	2021	2020	2019	2018
Women as a % of total workforce	%	15%	21%	21%	19%	15%
Women in management	%	23%	14%	15%	8%	13%
Women as technical staff	%	23%	20%	21%	20%	17%
Ratio of basic salary men to women	%	111.0%	99.7%	88.7%	83.4%	98.7%
Employees with disabilities	%	2.7%	2.4%	2.9%	4.1%	2.6%
Incidents of discrimination and corrective actions taken	Number	0	0	0	0	0

In the reporting period, there were 0 new hires, 56% redundancies and 14% dismissals in Ecuador. This was a result of the reduction of activities in the Cascabel project and the subsequent reduced need for the number of employees compared to FY2021.

Click Here to view SolGold's Equity, Diversity & Inclusion Policy.

Gender equality

SolGold is committed to continuing to provide an inclusive work environment which is supportive of differences and encourages full participation of all employees. This is demonstrated in our performance over the last four years, including our significant performance in FY2022.

SolGold can disclose that the ratio of basic salary between men and women favoured male workers in FY 2022. However, we recognise that the pay should be equal between men and women and we are working to balance the ratio of basic salary between men and women.

Other highlights include:

- 23% female management, a four-year high
- 23% female technical staff, a four-year high.

In the reporting period, we are proud that almost every metric that SolGold measures regarding female employment throughout the business in Ecuador increased and continues to progress.

Human rights

SolGold is committed to conducting its activities in a manner that respects individual and collective human rights, as set out in the United Nations' Universal Declaration of Human Rights, and the core conventions of the International Labour Organisation. We are also mindful of the international and InterAmerican Human Rights Conventions that Ecuador is part of, including the Escazú Agreement, an international treaty signed by 25 Latin American and Caribbean nations concerning the rights of access to information about the environment, public participation in environmental decision-making, environmental justice, and a healthy and sustainable environment for current and future generations. SolGold aims to operate in a way that is consistent with the UN Guiding Principles for Business and Human Rights. We aim to integrate human rights into our risk management processes of all our operating jurisdictions, and we are constantly reassessing these to ensure safety and respect for human rights are met.

Skills training and development

SolGold recognises that the development, retention and wellness of our employees is a fundamental pillar to SolGold's success, sustainability as a business and growth of Ecuador's mining industry. Our people are incredibly important to us, and we strive to consistently and fairly provide mentorship, empowerment and encouragement in each role for each employee to reach their full potential. We believe constant growth, internal opportunities and development programmes improve employee morale, productivity and career satisfaction which ultimately contributes to the Company's overall success.

KEY PERFORMANCE INDICATOR	MEASURE	2022	2021	2020	2019	2018
Total number of individuals trained	Number	286	109	324	423	175
Average hours of training per year per employee	Number	10.40*	25.64	22.53	24.49	11.01

* The training hours in FY2022 dropped significantly due to disruptions caused by the global pandemic, national strikes, management restructure, redundancy of employees in Ecuador, and budget constraints.

Health and safety

At SolGold, we take a holistic approach to the management of health and safety, with legal compliance at the forefront. We endeavour to promptly report all safety-related incidents to ensure lessons are learnt and equipment and procedures are adapted if required. We facilitate regular safety briefings in order to keep our employees up to date on protocols and practices we have in place, whilst maintaining constant communication on any new risks that may arise in certain situations. SolGold is committed to achieving an injury and incident free workplace. We achieve this through the following activities:

- Education of health and safety risks
- Implementation of health and safety procedures
- Training and crisis management training
- Provision of health and safety equipment and appropriately trained personnel
- Prompt reporting of any injuries and incidents to ensure lessons are learnt and equipment and procedures are adapted if required
- Regular review of compliance with health and safety policies to avoid complacency.

In the reporting period, there were a total of four (4) Lost Time Incidents (“LTI”) and only minor accidents that did not generate any extensive harm. These accidents were taken care of with first aid and medical treatment.

SAFETY STATISTICS	MEASURE	2022	2021	2020	2019	2018*
Total hours worked	Hours	1,615,430	1,458,115	1,252,753	781,198	354,972
Number of fatalities	Number	0	0	0	0	0
Fatal injury frequency rate	Number of fatalities per 1,000,000 hours worked	0	0	0	0	0
Lost-Time Incident ("LTIs")	Number	4	2	2	2	1
Lost-Time Injury Frequency Rate ("LTIFR")	Number of lost time incidents in the year per million hours worked	2.48**	1.37	1.60	2.56	2.82
Medical Treatment Incident ("MTIs")	Number	3	12	3	4	7
Total recordable cases (fatal injuries + LTIs +MTIs)	Number	7	14	5	6	8
Total Recordable Injury Frequency Rate ("TRIFR")	**Number of recordable injuries or illness per one million hours worked**	**4.33**	**9.60**	**3.99**	**7.68**	**25.35**

* Total Hours Worked reported for FY2018 includes data from Cascabel from 1 July 2017-30 June 2018 and for the exploration projects from 1 January 2018 – 30 June 2018 only. Data was not recorded prior to January 2018 for exploration projects.

** LTIFR increased in FY2012 due to incidents requiring employees to take days off from work.

The reported incidence of occupational illness for employees in 2022 was 0, demonstrating our strong commitment to protecting employee health.

OCCUPATIONAL HEALTH	MEASURE	2022	2021	2020*	2019*	2018*
Number of health examinations conducted	Number	732	1,177	523	197	6
Percentage of employees covered by health insurance	%	100	100	100	100	100
Rate of absenteeism (Regional only)**	%	2.01	0.45	0.04	0	0
Inhalable hazards and carcinogens						
Total number of workers at risk of exposure to inhalable hazards and carcinogens	Number	61	121	131	381	370
Workers potentially exposed to inhalable hazards above the exposure limit	%	0	0	0	0	0
Workers potentially exposed to carcinogens above the exposure limit	%	0	0	0	0	0
Noise						
Total number of workers at risk of exposure to noise	Number	214	107	117	62	51
Workers potentially exposed to noise above 85 dB(A)		0	0	0	0	0
New cases of occupational diseases						
Diseases related to inhalable hazard and carcinogen exposure		0	0	0	0	0
Illness related to noise exposure		0	0	0	0	0
Diseases related to other health hazard exposure		0	0	0	0	0

* Regional Project in Ecuador only.

** Absenteeism appeared higher in FY2022 as previously total absenteeism was not registered. As of FY2022 and going forward, total absenteeism will be registered.

Our communities

SolGold is committed to the well-being of our host communities. We actively engage with our communities to establish solid and constructive relationship management of the environmental and social impacts.

SolGold has always placed the highest importance in creating and maintaining open, respectful, proactive and productive relations with all the communities living in the areas within which SolGold operates. We are committed to making a positive impact on all our stakeholder groups, especially our communities, indigenous groups, and local authorities. This is achieved by:

- Generating positive community relations
- Understanding that the positive relationship is based on SolGold knowing and recognising the social environment in which it is going to carry out its activities
- Delivering transparent information to the communities about the Company's developments so that the community can participate in making decisions that may affect their environment.

During the reporting period, SolGold has not had the need to relocate individuals or communities to carry out advanced exploration and economic evaluation of the deposit.

SolGold is governed by strict compliance with Ecuadorian laws. Therefore, classifying a host community is based on the area of influence given in the Complementary Environmental Impact Study for the advanced exploration phase of metallic minerals of the Cascabel Mining area, which was most recently approved by the MAATE dated May 29, 2022.

PARISH	AREA INFLUENCE	COMMUNITIES	PEOPLE	FAMILIES
LITA	Direct influence	Parambas	325	98
		Getzemani	322	88
		Santa Cecilia y el Carmen	259	79
		Santa Rita	141	41
		La Esperanza del Rio Verde	73	48
		Sub total	**1,120**	**354**
	Without influence	Other	2,754	810
		Total parish	**3,874**	**1,164**
LA CAROLINA	Direct influence	San Pedro	528	688
		Rocafuerte	294	103
		Collapi	131	46
		Urbina	108	29
		Sub total	**1,061**	**866**
	Without influence	Other	2,339	1,021
		Total parish	**3,400**	**1,887**

Community safety

SolGold is committed to protecting host communities and going beyond what is expected from a company to protect local residents and create a safety culture for citizens within our areas of influence. We are focused on the following areas of community protection:

- **Risk prevention:** Prevention campaigns are developed to alert the community to the risks of landslides, river floods, and construction
- **Community Environmental Observatory:** Groups made up of members of the communities to monitor water and soil quality and share results with the members of their communities
- **Activities COPAE:** Chaired by the Presidents of the Local Authorities in Lita and La Carolina, support technical groups to work on road risk prevention, geological faults, and health emergency
- **Domestic violence workshops:** With the support of professionals from the Imbabura Provincial Government, workshops have been held in the communities of Lita and La Carolina
- **Alcohol consumption campaign:** Together with the Health Centres of Lita and La Carolina, prevention workshops were held in the campaign: "I say NO to Alcohol, Take Control"
- **Culture and sports activities:** Sports cooperation agreements, with the collaboration of a soccer coach and cooperation with sports supplies for the Lita and La Carolina communities. Promotion of local dance groups and cooperation with traditional costumes and a dancing coach

Click Here for SolGold's Grievance, Complaints & Disputes Policy.

DEVELOPING COMMUNITIES THROUGH BEEKEEPING

12 families

The objective of this honey initiative is to promote the development of communities through beekeeping. The beneficiaries include 12 families of the local parish governments of Lita and La Carolina.

Local job creation

Our communities are a very important factor to the long-term success of each project, and we recognise that, in order to contribute to a sustainable social and economic environment, employing and empowering local people is vital. Our job creation opportunity goals are focused on:

- Improving geological, project and community-based opportunities for women
- Further inclusiveness of vulnerable groups as well as the LGBTQ+ community
- Creating opportunities for community members for sustainability initiatives
- Reliable, long-term provider of thousands of jobs across exploration, development and production and throughout the life of our mine(s)
- Equal opportunity employer, harnessing and developing local talent.

OPERATIONS WITH COMMUNITY PARTICIPATION	2022	2021	2020	2019	2018
Local Employment	395	409	363	479	354
Local Supervisors	56	73	60	66	67

Socioeconomic development

SolGold understands that socioeconomic development is a key driver of growth to improve the wellbeing of the local population through economic and social means. Economic and social development are two out of the three pillars of sustainable development, that are at the heart of all our operations. The third pillar being responsible stewardship of the environment:

- Economically, these include the generation of local employment, skills building and promotion of microenterprises. In the case of mining, the Ecuadorian legal regime provides for the local governments and communities to benefit from the mining royalties directly to enhance their development
- Socially, these include improvements in access to education, security, health, respect for culture, and promotion of human rights.

SolGold aims to contribute to each of these important drivers with respect for the laws of the Ecuadorian state and local government agencies responsible for the social and economic development of the communities.

SolGold has guidelines for the socioeconomic development programmes in local communities. These guidelines require the initiative to:

- Align with Ecuadorian legal regulations, in accordance with the Environmental Management Plan approved by the MAATE, and in accordance with the Local and Community Development Plans
- Focus primarily on the towns in the areas of influence of the Project (Lita and La Carolina), with special attention to the 10 communities in the area of direct influence of the project, without affecting the rights of the others
- Ensure a community or institutional counterpart exists
- Always respect the customs and traditions of the host communities
- Obtain written authorisation of the participants
- Contemplate the follow-up and monitoring phase
- Consider a three-year plan whereby after that period it must function on its own, independently of the mining activity.

COMMUNITY DEVELOPMENT	MEASURE	2022	2021	2020	2019	2018
Total spending on socioeconomic development	US$	820,256	573,994	283,465	225,853	127,349
Spend on corporate social investment initiatives	US$	560,145	498,297	285,351	319,864	179,444
Total Procurement Spend in Ecuador	US$	6,403,285	37,696,510	21,319,022	36,788,246	38,887,000
Total Procurement Spend in the Community	Number	1,082,186	3,599,375	2,464,334	3,047,254	2,531,221
Share of Procurement Spend in Local Community	%	17%	10%	12%	8%	7%

As the data suggests, there has been a significant increase in social investment from 2020. This can be linked to the following:

- Actions carried out by SolGold, through its subsidiary ENSA, to cooperate with government health areas to control the spread of Covid-19 (US$74,000)
- Implementation of community info-centres as part of the Connect Ibarra programme, the first of the three existing ones was inaugurated as a pilot centre in the community of Santa Cecilia. These centres facilitate the access of students to the educational platforms implemented by the Ministry of Education (US$37,745)
- Creation of an internal communication area in order to generate transparent and timely communication content adapted to the various moments of the project (pre-feasibility stage) and groups of stakeholders who have an influence on the Cascabel project
- Execution of cooperation agreements with the autonomous decentralised rural parish governments of Lita and La Carolina, to act in the fields of Community Health, Education, Implementation of Productive Projects, Road and Community Infrastructure and Social, Cultural and Sports Promotion as of the year 2021, with annual cooperation (US$330,000).

Education and training

As SolGold continues to progress with the Cascabel Mining Project, the Company plans to continue its commitment to maximise job opportunities for local people living in communities close to the project site. The work the Company is doing to plan for future resource and skills forms a significant part of our People & Culture Strategy with several initiatives planned as part of our broader People & Culture roadmap.

Given the ambitions for Cascabel, in addition to ongoing exploration and other projects, there is a practical need to plan and prepare for the workforce of the future. This will involve the identification and analysis of what experience and knowledge we need to achieve our objectives. SolGold is committed to continuing to provide an inclusive work environment which is supportive of differences and encourages full participation of all employees. The Company recognises that the differences our people bring to the workplace add to its strength. SolGold believes that strong community relations are fundamental to creating a safe, sustainable, and successful operation.

We envisage a well-structured and creative education and training programme that shapes individuals from the start. A state-of-the-art operating procedure will be developed and through a type of academy or centre of learning, we will transition the skills and behaviours needed to successfully build and operate the mine. Considerable work will be needed to structure the approach to training including alignment with local schools and universities. This includes analysis of strategies to increase participation of historically under-represented groups, such as women and indigenous peoples.

	FARMERS BENEFITTED	BENEFICIARIES	GROUP
SOCIOECONOMIC INVESTMENT	Agromujeres 2019	8	Women
	Coffee Cascabel 2010 – 2022	36	Farmer
	MAG Convention 2018 – 2021	378	Farmer
	Agroforestry Farms 2013 – 2022	1,320	Farmer
	Value added		
	Bakery Cascabel 2018 – 2022	8	Women
	Gardening Group Parambas/San Pedro 2021	20	Farmer
	Golden Miel 2019	11	Women
	Restaurant Rocafuerte 2019 – 2021	10	Women
	Chicken Raising 2019 – 2021	212	Farmer
	Total	**2,003**	
EDUCATION AND TRAINING	Adaptation of Educational Centres	1,790	Students
	Community Computer Centres	700	Students
	Adaptation of Child Care Centres	225	Children
	Training	94	Workers
	University Scholarships	4	Students
	Total	**2,813**	

The projects and programmes established during the year ended 30 June 2022 will be maintained in the following period as long as the Cascabel project continues receiving strong support from the host communities.

Healthcare in the community

SolGold is committed to exploring initiatives that positively impact the local communities' access to healthcare, as well as initiatives that will aid the communities in times of health crises. These include:

- **SOCIAL IMPACT:** Emotional impact on communities, return of families and migrants from the city to the countryside
- **HEALTH IMPACT:** The insufficient health coverage that the Lita and La Carolina parishes have, both with supplies, equipment and medical personnel, became more evident
- **ECONOMIC IMPACT:** The pandemic has caused many members of the communities to lose their jobs, local businesses have been experiencing losses, payment for the agricultural products of the sector does not allow the farmer to generate profit
- **EDUCATIONAL IMPACT:** The mechanism of teaching classes virtually in the rural sector has caused an irreparable delay in a large percentage of the student population. Children and young people do not have adequate technological equipment to receive these classes.

SolGold, through its subsidiary ENSA, has actively intervened in the communities, with the permission of the Cantonal Government of Ibarra, Ministry of Health, together with the local government authorities through co-operation agreements to help combat these issues identified. SolGold has positively contributed US$74,000 in the last reporting period with:

- Informative-educational campaigns
- Vaccination campaigns and medical brigades in communities
- Provision of medical supplies
- Installation of disinfection areas for hand washing
- Delivery of food kits to older adults and people with special disabilities in the parishes of Lita and La Carolina.

Community engagement

The key to acquiring and maintaining a social licence to operate is through communication, engagement, consultation, and education with local stakeholders. SolGold is continuously engaging with communities to resolve conflict and improve external relationships. Dialogue is a constant learning process through which the Company reports on developments and welcomes suggestions of the communities as long as they are framed in the law and are environmentally and socially acceptable. To this end, the grievance mechanism for complaints, claims and requests for information has been developed, among others, which is available through various means for our communities and other stakeholders.

"SolGold wants Ecuadorians to be proud of what we are doing and how we are doing it. We want to help Ecuador to become the next copper frontier enabling the world to transition to a net zero future by building the lowest carbon footprint copper mines on the planet. We want to do this in a way where all stakeholders benefit and can contribute recognising that transparency is key to building long-term trusting relationships."

Darryl Cuzzubbo
Chief Executive Officer

This report has been produced in line with GRI Principles to enable effective disclosures regarding SolGold's sustainable practices, promoting informed decisions and understanding of carbon-related assets within our systems.

This section constitutes the Company's Non-Financial Information Statement, which was produced in compliance with Sections 414CA (1) and 414CB (1) of the Companies Act 2006. Information incorporated by cross reference.

REQUIREMENT	RELEVANT POLICIES AND STANDARDS	OUTCOMES AND ADDITIONAL INFORMATION	PAGE
Environmental Matters	Environmental Policy	Protecting our natural environment	Page 56
Employees	Code of Conduct	This policy outlines the governance of the conduct of our employees, contractors and suppliers	Page 89
	Bullying, Harassment & Discrimination Policy	This policy highlights our commitment to maintaining a work environment which ensures the respect for all individuals, regardless of their age, race, gender, religion	Page 65
	Equity, Diversity & Inclusion Policy	This policy recognises that a diverse and talented workforce is a competitive advantage and to consider highly qualified individuals at all stages of employment, while considering criteria to promote diversity including race, sex, religion, ethnic origin, and disability	Page 66
	Grievance, Complaints & Disputes	Procedure for dealing with complaints, claims and requests for information by employees and host communities	Page 70
Social Matters	Procurement Policy (currently in draft)		
Human Rights	Code of Conduct	This policy outlines the governance of the conduct of our employees, contractors and suppliers	Page 89
	Grievance, Complaints & Disputes	Procedure for dealing with complaints, claims and requests for information by employees and host communities	Page 70
	Human Rights Policy (currently in draft)		
	Modern Slavery Statement (currently in draft)		
	Supplier Code of Conduct (currently in draft)		
Anti-Bribery and Anti-Corruption	Anti-Bribery and Anti-Corruption Policy	This policy highlights our zero-tolerance approach to bribery and corruption	Page 89
	Whistle-blower Policy	This policy emphasises our commitment to compliance with laws, regulations, and the Company's own business and ethics policies	Page 89
	Code of Conduct	This policy outlines the governance of the conduct of our employees, contractors and suppliers	Page 89
	Supplier Code of Conduct (currently in draft)		
Description of principal risks relating to matters above		Risk management	Pages 40-46
Description of business model		Business model	Pages 14-15
Description of non-financial KPIs		Key performance indicators	Pages 19-21

We are committed to introducing a comprehensive list of policies to protect our environment, our people and our communities, as evident in the list of policies above. We are also developing policies that focus on Human Rights, Indigenous People, and Procurement and look forward to implementing these across our business in 2023 as well as preparing our TCFD Statement (Task Force on Climate-Related Financial Disclosures) which is a requirement for all UK companies to disclose the impact of climate change on their business.

The Strategic Report was authorised for issue and signed on behalf of the Directors by:

LIAM TWIGGER
Chair
28 September 2022

LIAM TWIGGER
Chair

"In a pivotal year for SolGold, the Board has continued its focus on the formulation and implementation of our strategy through good corporate governance."

Dear Shareholders,

I am pleased to present the Corporate Governance Report for the financial year ending 30 June 2022.

In my Chair Review, I have commented on the Company's overall business performance. As Chair, I take responsibility for overseeing SolGold's corporate governance in earnest. In this letter, I want to highlight the Board's commitment to strong governance and the work of the Board and its committees ("Board Committees") and more specifically, I want to draw your attention to our sustained commitment to becoming fully compliant with the U.K. Corporate Governance Code (the "Code").

UK Corporate Governance Code

Since my last review in the 2021 Annual Report, SolGold has complied with all the provisions of the Code except in those areas outlined on pages 78-79. We have comprehensively reviewed, updated, and implemented several policies and procedures in identified areas, in addition to our sub-committee terms of reference, on our pathway to voluntary compliance with the Code. It is also important to note that the Company is also subject to various corporate laws and regulations in Canada and Australia due to being an issuer on the TSX, and a registered foreign corporation and tax resident in Australia.

Board Membership

As you would have read, the end of 2021 brought the successful appointment of Darryl Cuzzubbo as Executive Director to the Board and Chief Executive Officer and Managing Director to the Company. This was a result of an externally led search, which was overseen by the Nomination Committee who faced the difficult task of identifying a leader to facilitate the delivery of our strategic plan.

Darryl has taken the helm at a critical time, with the release of the PFS in April of this year, and brings a valuable skill set in project development, construction and management. I would like to, again, thank Keith Marshall who took on the role as Interim CEO and gave the Company stability during the recruitment process.

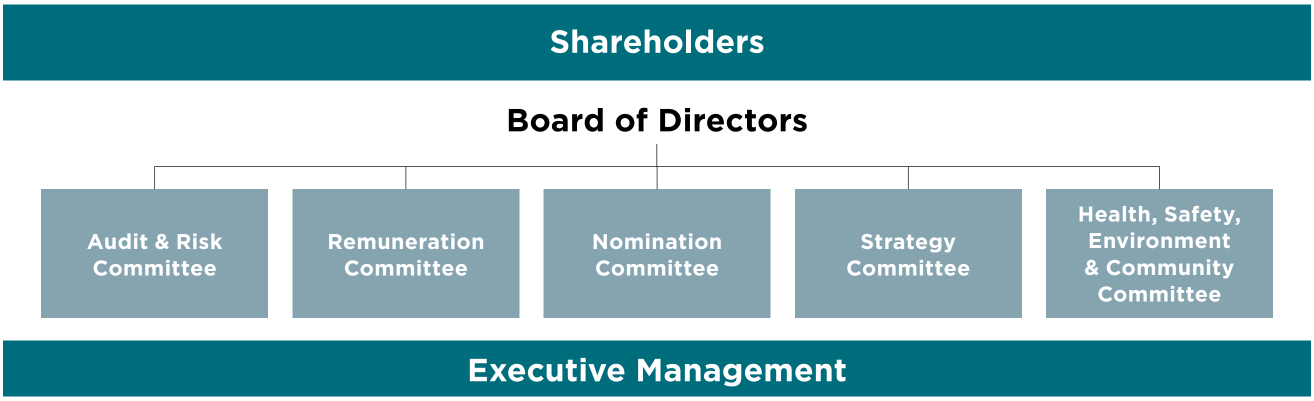
Effective Committees

I am grateful to the Chairs of the Board Committees for the work they have done in carrying out their responsibilities and the commitment they have made to delivering SolGold's strategy in good governance: Kevin O'Kane for the Nomination and Remuneration Committees and Elodie Grant Goodey for the Audit and Risk Committee and Health, Safety, Environment, and Community Committee. I am grateful to Elodie for her work as Senior Independent Director.

Conclusion

I have had the privilege to meet several of our investors in my annual AGM roadshow, at industry conferences and on calls. My thanks go to all our shareholders for their ongoing support and to the members of the Board for their continued commitment to SolGold and ensuring the future success of the Company for the benefit of all our stakeholders and shareholders.

LIAM TWIGGER
Chair
28 September 2022



The Board of Directors

The Board is responsible for ensuring SolGold's long-term success and making critical decisions.

The matters reserved for the Board are available on the Company's website, in the Corporate Governance Charter (https://www.solgold.com.au/investors-center/#gov).

The Board has a schedule of matters and responsibilities specifically reserved to itself, the main items of which include:

- CEO appointment and determination of the terms of the appointment
- Strategy, annual budget, balance sheet management and funding strategy
- Approval of the published financial results and other external and regulatory reporting
- Performance assessment of Executive Directors against its strategic goals and financial plans
- Establishment / approval / maintenance of corporate policies, including Corporate Governance
- A lead role in the function of various Board Committees
- Determination of commitments, acquisitions, and divestments within specified limits
- Overview of risk management initiatives and reporting protocols
- Consideration of material contracts and transactions not in the ordinary course of business
- Health and safety of our employees through monthly reporting of KPIs to the Health, Safety, Community and Environment Committee
- Monitoring investor sentiment regularly and engaging frequently with the Group's major shareholders
- Approval of treasury policy and significant financing arrangements
- Approval off the allotment of equities and other financial instruments.

Outside the formal schedule of matters reserved for the Board, the Chair and Non-Executive Directors make themselves available for consultation with the executive team as often as necessary.

Major Board Decisions

- Appointment of new CEO, Darryl Cuzzubbo
- Approval to release the PFS for the Cascabel project
- Review of the appropriateness of incentive calculations and awards to employees
- Establishing a strategy committee
- Determining the remuneration framework and incentive policies for Directors, Executives and Management
- Application of the principles and provisions of the UK Corporate Governance Code
- Company restructure with the majority of Executives based in the Brisbane Head Office.

SolGold is subject to the Canadian National Policy 58-201 – Corporate Governance Guidelines as a requirement of listing on the Toronto Stock Exchange ("TSX") and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority as a requirement of listing on the London Stock Exchange ("LSE"). We voluntarily make a commitment to meet the standards required under the UK Corporate Governance Code 2018.

As SolGold is a standard listing on the LSE, we are not required to comply with the Code, as per the Financial Conduct Authority's ("FCA") Listing Rules. However, the Board has made a commitment to voluntarily meet the principles of the Code expected of a premium listing to continue the acceleration of SolGold's corporate governance and strategic goals. The Code is available to view on the Financial Reporting Council's website (www.frc.org.uk).

The Code gives SolGold a chance to report against a list of principles and provisions to our stakeholders to illustrate our improvements and compliance within our governance structures and implementation. SolGold is eligible for exemption from the FCA's requirements relating to corporate governance disclosures, however the Directors have decided to provide such disclosures which are set out below.

Compliance with the UK Corporate Governance Code 2018

As a Company with a standard listing on the London Stock Exchange, SolGold plc is not required under the FCA Listing Rules to apply the Principles and comply with the Provisions of the Code, which is available on the FCA website (www.fca.org.uk). However, the Company decided to voluntarily adopt the UK Code in FY2021 to adhere to the highest standards of corporate governance. Prior to reporting according to the UK Code, SolGold plc reported according to the Quoted Company Alliance Corporate Governance Code ("QCA Code") which is recognised as being suitable for growth companies. The Company is however subject to Canadian National Policy 58-201 – Corporate Governance Guidelines through the financial period to 30 June 2022 by virtue of its listing on the TSX and is in compliance with the guidelines. For the period up to 30 June 2022, the Company was compliant with the UK Code with the following exceptions:

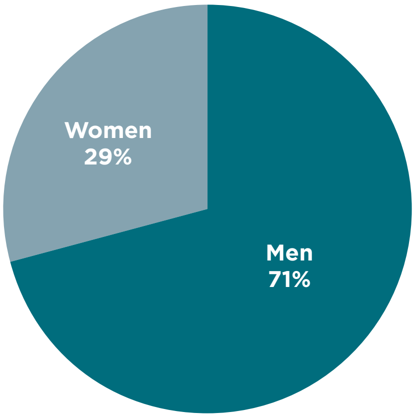
PROVISION OF THE CODE (INCLUDING REFERENCE NUMBER)	NON-COMPLIANCE	REASON FOR NON-COMPLIANCE	COMPLIANCE OR PROGRESS TOWARDS COMPLIANCE
Provision 5: Engagement with workforce using one of the prescribed methods.	The Board has currently not specified one of the three methods of engagement with the workforce set out in the UK Code.	The Board does however already engage with the workforce in a number of ways. In FY2022 a Chief People Officer was appointed, and a Culture Review was conducted by an external independent organisation. Following the result of the review we will make progress towards finding the best method of further engaging with the workforce. Key stakeholder interests and matters set out in s172 of the Companies Act 2006 are considered in Board discussions and decision making. Our s172 disclosure can be found on page 48.	Relationship dynamics between the Board and stakeholders are considered during decision-making at Board and Committee levels. The Board intends to formalise one of the recommended schemes during FY2023.
Provision 17: A majority of members of the Nomination Committee should be independent Non-Executive Directors. The Chair of the Board should not chair the committee when it is dealing with the appointment of their successor.	During FY2022 only half of the Nomination Committee were independent Non-Executive Directors, including the Chair.		The Board will review the balance of the Nomination Committee in FY2023.
Provision 18: All Directors should be subject to annual re-election.	The Company departed from the Code at the 2021 AGM up until 31 December 2021 as the Board members were elected on a three-year rotation.	Following the dissent vote against Mr. Mather at the AGM in 2020 as CEO, and in order not to destabilise the central management of the Company, the Board determined not to recommend that all of the Directors retire and offer themselves for re-election in FY2021 as noted in the Chair's statement in the 2021 Annual Report.	All Directors will offer themselves for re-election at the Company's 2022 AGM. The Company will then comply with this provision of the Code.
Provision 23: The process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline.	The Company does not currently have a succession plan process for the Board.	Consideration around Board succession is underway but is not as detailed nor structured as the Executive Committee critical role succession plan in place at the moment.	The Company will review a succession plan for the Board in FY2023.

PROVISION OF THE CODE (INCLUDING REFERENCE NUMBER)	NON-COMPLIANCE	REASON FOR NON-COMPLIANCE	COMPLIANCE OR PROGRESS TOWARDS COMPLIANCE
Provision 29: The Board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls.	The Board has not been involved in a review of operational and compliance controls but has been involved in a review of financial controls.		The Company will undertake a review of the effectiveness of all material controls in FY2023 and monitor these as well as the risk management framework on an ongoing basis. The Company will report on this monitoring and review in the 2023 Annual Report.
Provision 32: Before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months.	Kevin O'Kane is the Chair of the Remuneration Committee but did not serve at least 12 months prior to his appointment on a Remuneration Committee.	At the start of 2021 Keith Marshall assumed the acting CEO role and stepped down as Chair of the Remuneration Committee at which point Kevin O'Kane assumed the Chair role.	The Company will review the structure of the Remuneration Committee in FY2023.
Provision 36: Remuneration schemes should promote long-term shareholdings by executive directors that support alignment with long-term shareholder interests. Share awards granted for this purpose should be released for sale on a phased basis and be subject to a total vesting and holding period of five years or more. The remuneration committee should develop a formal policy for post-employment shareholding requirements encompassing both unvested and vested shares.	SolGold were only partly compliant with Provision 36. Whilst the Company promotes an LTIP for Executive Directors to create long term value for shareholders with a holding period of no less than 5 years, a formal policy for post-employment shareholding requirements only came into effect in FY2023 following the successful vote of the Remuneration Policy by shareholders on 30 June 2022.	The Company drafted a new Remuneration policy in FY2022 that was accepted by shareholder vote at year end on 30 June 2022.	The Long-term Incentive Plan rules that came into effect on 1 July 2022 make the Company compliant with Provision 36.
Provision 41: There should be a description of the work of the Remuneration Committee in the annual report, including: reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps.	SolGold currently does not have pay ratios nor grading completed.	We have secured an external consultant, Korn Ferry, in Ecuador to support the review and grading of our roles and train us in grading methodology so we can continue to maintain the process on an ongoing basis.	The Board will provide an update on its actions to address this Provision in FY2023.

Diversity and Inclusion Targets

In accordance with the new disclosure requirements under FCA Listing Rules 14.3.33, as at 30 June 2022, 29% of the individuals on the Board are women, Elodie Grant Goodey and Maria Amparo Albán. The senior position of Senior Independent Director is also held by Elodie Grant Goodey. Further information regarding the application of the Company's diversity policies can be found in the Board sub-committee reports, found on pages 65-66 and 79-80.

Board gender split



Gender identity reporting (at 28 September 2022)

	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD (CEO, SID AND CHAIR)	NUMBER IN EXECUTIVE MANAGEMENT	PERCENTAGE OF EXECUTIVE MANAGEMENT
Men	5	71%	2	5	80%
Women	2	29%	1	1	20%

Ethnic background reporting (at 28 September 2022)

	NUMBER OF BOARD MEMBERS	PERCENTAGE OF THE BOARD	NUMBER OF SENIOR POSITIONS ON THE BOARD (CEO, SID AND CHAIR)	NUMBER IN EXECUTIVE MANAGEMENT	PERCENTAGE OF EXECUTIVE MANAGEMENT
White British or other White (including minority-white groups)	6	86%	3	4	67%
Mixed/Multiple Ethnic Groups	1	14%	–	–	–
Asian/Asian British	–	–	–	2	33%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Further details of the way the Code has been applied can be found in the following pages;

Board Leadership and Company Purpose	Promoting the long-term sustainable success of the Company Purpose, values, strategy and culture – we have conducted an extensive analysis of the Company in FY2021/22 Resource availability to meet Company objectives and measure performance, including the assessment and management of risk Responsibilities to shareholders and stakeholders Policies and procedures are consistent with Company values, demonstrate the right to speak up	Pages 87-89
Division of Responsibilities	Leadership responsibilities from the Chair and effectiveness Board Composition – the Board maintains the appropriate balance of Executive and Non-Executives and demonstrates diversity amongst skills, experience and abilities Time management for Non-Executives to ensure the Board is offered analysis, expert opinion, strategic guidance and to hold management to account Board is provided with sufficient resources to manage the Company effectively and efficiently	Pages 91-93
Composition, Succession and Evaluation	Board appointments and succession plan to ensure diversity of gender, social and ethnic backgrounds and personal strengths Board has a sufficient combination of skills, experience and knowledge Evaluation of the Board to ensure strategic objectives met	Pages 94-95
Audit, Risk and Internal Control	Internal and external audit functions are independent and effective Ability to present a fair, balanced and understandable assessment of the Company's position and prospects Efficient procedures to mitigate risk, manage internal control framework and determine the extent of the Company's risk appetite	Page 96
Remuneration	Remuneration is designed to support strategy and promote long-term sustainable success that is aligned with the Company's purpose and values Formal and transparent remuneration procedures, to ensure no Director decided their own remuneration outcome Directors apply independent judgement and discretion when considering performance objectives and remuneration outcomes	Pages 103-117

The Board of SolGold leads the strategic objectives of the Group and is responsible for its long- term growth.

The members of the Board have extensive and diverse experience in Corporate Governance, geology, mining, strategic planning, accounting, finance and diplomatic relations. The Board currently consists of seven (7) Directors, three (3) of which are considered independent, excluding the Chair, and six (6) of which are Non-Executive under the Code.

LIAM TWIGGER

Grad Dip Bus, BEc, CPA

Chair
Appointment: June 2019
Australian
Age: 59

Career

Mr Twigger has over 30 years of experience in the fields of investment banking and corporate finance. He has extensive experience in providing strategic corporate advice and in the execution of M&A across the resource sector.

Mr Twigger is Deputy Chairperson and an Executive Director of Argonaut Limited, a licensed and independent, Australian based investment banking, funds management and stockbroking firm.

Mr Twigger was the founding principal of PCF Capital Group which merged into Argonaut in 2021 and was central to the establishment of Macquarie Bank's Bullion and Commodities division in Perth in 1995.

Mr Twigger was also formerly a Non-Executive Director of Gold Corporation (the Perth Mint), a position he held for 6 years.

Skills and Expertise

Strategy & Leadership, Capital Raising, Corporate Strategy, Corporate Finance

External Appointments

Lunnon Metals Ltd
Argonaut

DARRYL CUZZUBBO

BEng (Mech)(Hons), MSc (Total Quality Management), MBA, FAICD, Wharton (AMP)

Executive Director CEO/MD
Appointment: November 2021
Australian
Age: 53

Career

Mr Cuzzubbo has over 30 years of experience in roles across a variety of commodities and geographies in both the resources and manufacturing sectors. He has extensive executive leadership experience in the global resources section. His experience includes being responsible for significant business turnarounds, enterprise-wide transformational change programmes and delivering major projects. These positions also saw him lead the development and execution of significant breakthrough strategies by successfully gaining the support of internal and external stakeholders including customer organisations, Politicians, NGOs and Community groups.

Darryl has previously held positions at Orica and BHP.

Skills and Expertise

Strategy & Leadership, Metals & Mining, Operations & Explorations, Corporate Governance, Minerals Explorations, Sustainability/ESG, Risk, Project Development

External Appointments

Arafura Resources Ltd

COMMITTEE MEMBERSHIP

- Audit and Risk Committee
- HSEC Committee
- Nomination Committee
- Remuneration Committee
- Strategy Committee
- Chair of Committee

ELODIE GRANT GOODEY
BA (History & Politics)

Senior Independent Non-Executive Director
Appointment: July 2020
British
Age: 49

Career
Mrs Grant Goodey is a social performance professional with 25 years' experience in societal risk assessment, social performance, human rights, government and civil society relations. She has a valuable track record of managing key stakeholders at executive and frontline levels in a FTSE100 company.

Mrs Grant Goodey was formerly Head of Societal Issues and Relationships at BP, leading social policy management, social risk assessment, advocacy and stakeholder engagement. In this role, she was responsible for the company's position on societal issues such as human rights, transparency and accountability and led the cross-functional team that drafted business and human rights policy, impacting communities and supply chains in more than 100 countries.

Previously, she was a member of the board of directors of Amerisur Resources and a member of the FTSE's ESG Advisory Group. Earlier in her career, Mrs. Grant Goodey held roles with Monitor Deloitte (formerly known as Monitor Group) and BBC World Service and has volunteered for a number of human rights non-profit organisations.

Mrs Grant Goodey is fluent in English, French and Spanish.

Skills and Expertise
Strategy & Leadership, Financial and Contract Management, Sustainability/ESG, Risk, Corporate Governance

External Appointments
RCF Acquisition Corp
Saltus Consulting

NICHOLAS MATHER
BSc (Geology)(Hons)

Non-Executive Director
Appointment: May 2005
Australian
Age: 65

Career
Mr Mather has 35 years' experience in exploration and resource company management in a variety of countries. His career has taken him to numerous countries exploring for precious and base metals and fossil fuels. Mr Mather has focused his attention on the identification of and investment in large resource exploration projects. He has, during his career, been instrumental in capital raisings of over A$500 million and the return of A$5.7 billion to shareholders via takeovers.

Mr Mather is Founder and Managing Director of DGR Global. He was Managing Director of BeMax Resources NL and was instrumental in the discovery of the world class Ginkgo mineral sand deposit in the Murray Basin in 1998. As an Executive Director of Arrow Energy NL until his resignation in 2004. Mr Mather drove the acquisition and business development of Arrow's large Surat Basin Coal Bed Methane project in south-east Queensland. He was Managing Director of Auralla Resources NL, a junior gold explorer, before its US$23 million merger with Ross Mining NL in 1995. He was a non-executive director of Ballarat Goldfields NL until 2004, having assisted that company in its recapitalisation and requotation on the ASX in 2003. He was also founder and Chair of TSX-V listed Waratah Coal Inc until its AUD$130 million takeover by Minerology Pty Ltd in December 2008.

Skills and Expertise
Strategy & Leadership, Minerals Exploration, Capital Raising, Corporate Strategy, Financial and Contract Management, International Business

External Appointments
DGR Global (ASX), Armour Engergy (ASX)
New Peak Metals (ASX)
Aus Tin Mining (ASX)
Lakes Blue Energy (ASX)

KEVIN O'KANE
BsC (Applied Science) (Mining Engineering), Cert (Competent Boards)

Independent Non-Executive Director
Appointment: October 2020
Canadian
Age: 62

Career
Mr O'Kane is a mining engineer with more than 40 years' experience in the global mining industry. Kevin has worked extensively for BHP in South America and has significant executive level operation leadership skills which he gained from large scale copper mines, including more than ten years at Minera Escondida.

He is fluent in Spanish and brings a wealth of technical, operational and HSCE leadership combined with South American knowledge to the SolGold Board.

Mr O'Kane also currently acts as a Non-Executive Director of NorthIsle Copper and Gold Inc, IAMGold Corporation, Almaden Minerals and IntelliSense.io.

Skills and Expertise
Minerals Exploration, Corporate Strategy, Leadership, Contract Management, Corporate M&A, Risk, Project Development

External Appointments
IntelliSense.io
NorthIsle Copper and Gold Inc
Almaden Minerals Ltd (AMM on TSX)
IAMGold Corporation (MG on TSX)

MARÍA AMPARO ALBÁN

JD, MEcLaw, SIPA, Cert. Business Excellence

Independent Non-Executive Director
Appointment: October 2020
Ecuadorian
Age: 53

Career

Mrs Albán was appointed Non-Executive Director on 21 October 2020 and has more than 25 years' experience in international trade and sustainable development, particularly environmental compliance. María has worked in a number of countries and was instrumental in the Free Trade Agreement negotiation between Ecuador and the United States on environmental matters.

María has served as an advisor to Ecuador's Trade Ministers, Ministry of Environment, United Nations Environmental Programme (among others) and was the founding partner of the Inter-American Institute for Justice and Sustainability ("IIJS"). She is a lawyer by background and has taught international trade negotiation, sustainable development and environmental law for over a period of ten years.

María's Ecuadorian experience and knowledge will provide exceptional value to the SolGold Board during permitting and fiscal agreement negotiations in Ecuador.

Skills and Expertise

Strategy & Leadership, Financial Management, Contract Management, Sustainability/ESG, Legal, Risk, Corporate Governance

External Appointments

ACD Consulting Cia. Ltda

JAMES CLARE

BA(Hons), LLB

Non-Executive Director
Appointment: May 2018
Canadian
Age: 46

Career

Mr Clare is a partner at Bennett Jones LLP, one of Canada's leading corporate law firms. He is a corporate and securities lawyer with extensive experience in the mining sector both domestically and internationally. Mr Clare is recognised by Lexpert as a leading mining lawyer in Canada, and repeatedly recommended for his experience in mining, corporate finance and securities law by the Canadian Legal Lexpert Directory.

Mr Clare also currently acts as a Non-Executive Director of PJX Resources Inc, Riverside Resources Inc and Canstar Resources Inc.

Mr Clare was involved with SolGold's TSX listing process and provides ongoing legal and corporate advice to the Company in relation to its Canadian regulatory and business matters.

Skills and Expertise

Legal, Capital Raising, Strategy & Leadership, Corporate Strategy, Contract Management, Corporate M&A

External Appointments

PJX Resources Inc
Riverside Resources Inc
Canstar Resources Inc

Board changes during FY2022

Mr Darryl Cuzzubbo was appointed Executive Director on 16 November 2021 and CEO/Managing Director of the Company on 1 December 2022.

Mr Brian Moller was not re-elected to the Board on 15 December 2021.

Mr Jason Ward resigned from the Board on 13 May 2022.

Mr Keith Marshall stepped down from his Interim CEO Role on 1 December 2021 and resigned from the Board on 12 August 2022 (FY2023).

COMMITTEE MEMBERSHIP

- Audit and Risk Committee
- HSEC Committee
- Nomination Committee
- Remuneration Committee
- Strategy Committee
- Chair of Committee

DARRYL CUZZUBBO

BEng (Mech)(Hons), MSc (Total Quality Management), MBA, FAICD, Wharton (AMP)

Managing Director / Chief Executive Officer

Career

See page 82 for information.

KEITH POLLOCKS

Chartered Treasurer (MCT), CPA, CFTP, M(Comm), B(Bus)

Group Chief Financial Officer (Interim)

Career

Mr Pollocks has extensive international experience leading global finance functions for a range of public and private multinational companies predominantly across banking, infrastructure, resources, and mining.

Throughout his career he has held various senior finance and commercial management roles in Australia, Europe, US and Asia and specialised in capital raising, mergers and acquisitions, financial risk management, investor relations and strategic transformation.

Keith started his career with Shell International and has recently held CFO roles at Victory Offices (ASX: VOL), Kasbah Resources Limited (ASX: KAS) and Newcastle Coal Infrastructure Group.

He is a Chartered Corporate Treasurer and Certified Practicing Accountant.

TANIA CASHMAN

MBA, GradDip HR/IR, BA

Chief People Officer

Career

Ms Cashman became SolGold's Chief People Officer and member of the Executive Committee on 10 January 2022 with responsibility for the Company's People & Culture Strategy and Function.

As a Senior Executive with over 25 years' experience in global resources, Ms Cashman has expertise in Human Resources, Organisation Design, Process Design, Business Transformation, Change Management, and Program Delivery.

Starting her career in Human Resources, Ms Cashman has most recently held executive level roles as VP HR Excellence and VP Transformation at Orica and previously as VP Program Delivery at BHP.

At BHP, Ms Cashman developed and led multi-disciplinary project teams (500+) and managing significant budgets (250m+) to successfully delivery large scale business and technology change.

STEVEN BOTTS
BGS, MEPM

President, SolGold Ecuador

Career
Mr Botts is a Senior Mining Executive, Director, and Consultant with over 40 years of international mining experience in the development of mining projects, socio-environmental management, and sustainable development. Mr. Botts has extensive Latin America experience, having worked in Argentina, Brazil, Colombia, Ecuador, Mexico, Panama and Peru. He is fluent in English and Spanish.

Mr. Botts is a deeply experienced leader in cross cultural and international business relations with a proven ability at developing partnerships and delivering projects. Notable achievements include his leadership in the successful permitting of the Antamina project, formation of the Mina Justa project team and taking the project through to a viable Feasibility Study, and the turnaround of Tahoe Peru to a more efficient and value-oriented organisation that achieved safety and production goals under very challenging circumstances.

RUFUS GANDHI
LLB, AICD

Group General Counsel and Company Secretary

Career
Mr Gandhi is a lawyer with over 20+ years of legal, company secretarial and corporate governance experience working in multiple jurisdictions including Australia, UK, Singapore and the UK.

Prior to joining SolGold plc, Mr Gandhi previously worked at Gladstone Ports Corporation, as the first General Counsel and Company Secretary. In addition to several years as a private practice lawyer with leading law firms, King & Wood Mallesons, O'Melveny & Myers LLP and Slaughter and May LLP, Mr Gandhi has previously been Senior Legal Counsel at APA Group and ConocoPhillips (U.K.) Limited.

HAROLD 'BERNIE' LOYER
BGS, MEPM
BEng(Mech), BusM

Vice President Projects

Career
Mr. Loyer is a Project Mining Executive with over 35 years of international mining experience including over 20 years' in LATAM, having worked in Peru, Mexico, Chile and Argentina.

A mechanical engineer, fluent in English and Spanish, Mr. Loyer holds multiple patents for the design of process and material handling equipment.

Mr. Loyer has a proven track record delivering large scale mining projects including Goldcorp's Penasquito Project in Zacatecas, Mexico, Goldcorp´s Cerro Negro Project in Santa Cruz, Argentina and Torex Gold´s Morelos Project in Guerrero, Mexico.

Mr. Loyer spent five years at FLSmidth Minerals based in Copenhagen serving as Vice President, Minerals Technology and Chief Product Officer where he was responsible for all global process technology, manufacturing and material handling. Prior to that he served 15 years with BHP Billiton, spending the last 10 years in Peru and Chile where he held operational leadership positions.

Board's role

The Board's role is to provide the necessary oversight of the Company's purpose, values, direction and strategic plans through acts of leadership that support the senior management team to promote and achieve long-term sustainable added value for shareholders and stakeholders. The Board recognises that to achieve its obligations, it requires sound and continuously improved Corporate Governance practices. Over the past year, the Board has paid particular focus on dramatically improving and replacing the systems of policies and procedures that control the Company's current practices and providing support to management to implement their expectations.

The Directors' diverse range of skills, experience and industry knowledge, and the ability to exercise objective and independent judgement, are the driving factors behind bolstering the future success of the Company. SolGold's business model and strategy are set out on pages 14-15 in the Strategic Report and outline the basis upon which the Company intends to generate and preserve value over the long-term.

Purpose, culture and strategy

The Board has the goal, through improved corporate governance responsibility, to foster and continue a culture of integrity to ensure that SolGold provides a sustainable and enduring economic, social and environmental benefit over the long-term to generate value for shareholders and benefit the wider society. The Board regularly receives feedback and assurance from the CEO and Executive Management that corrective action is taken as required to align with the Company's purpose.

The Board is responsible for setting the tone from the top, encompassing the Company's purpose and values as a factor during any decision making. The CEO is the agent, delegated by the Board, to communicate this message throughout the Company. By way of example, the CEO and relevant Executive Management have communicated with all employees on a number of matters including:

- Implementing and educating the workforce on the Code of Conduct, in both English and Spanish
- Empowering employees to speak out when they witness (or believe they have witnessed) misconduct
- Encouragement and education of the Whistle-blower Policy
- Culture review planning and interviews
- Additional initiatives in relation to compliance, ethical behaviour and anti-corruption training.

The Board along with the support of management are further committed to assessing and monitoring the culture of the Company in the next financial year, with the assistance of an external consultant.

Board activity during the year

SolGold over the past year witnessed substantial change to the business, being the culmination of the strategy undertaken by the Nomination Committee to appoint a new Chief Executive in November 2021. Those changes are reflected in the level of Board activity and intensity of committee meetings and overall strategic direction of the Company.

The Board has been heavily focused on the demands of the PFS, to ensure this study was a sufficient representation and explanation of the strategic purpose to become a global leader in copper discovery and development of world class mineral deposits. Performance in some areas, such as the delay of the PFS, was a direct result of the Board's cautionary approach to ensuring information released to the market was completed with best practice in mind. A summary of the Board's activities is available in the table on page 88.

BOARD RESPONSIBILITIES	ACTIVITIES
Strategic Approve the Group's strategy and objectives, setting the purpose and values of the Group, reviewing and approving material agreements, exploration tenements and overseeing the Group's operations and risk appetite statements.	• Released the long awaited PFS of the Cascabel project to demonstrate SolGold's position to supporting Ecuador becoming the next copper frontier • Reviewed and approved the key strategic priorities for the Group for the current Financial Year • Received presentations from the CEO and Head of Exploration at every scheduled Board Meeting, updating the Board on progress against the Group's strategic goals
Governance Supervising the Group's corporate policies and procedures, including receiving regular reports and updates from Board Committees, reviewing and approving the organisational structure and monitoring compliance with the Code and Canadian National Policy 58-201 – Corporate Governance Guidelines.	• Approved the appointment of Executive Director Darryl Cuzzubbo in November 2021 • Adoption of amendments to equity, diversity and inclusion policy, bullying, harassment & discrimination policy, whistle-blower policy, securities trading policy, grievance, complaints & disputes policy • Adoption of amendments to Code of Conduct • Voluntary compliance with the UK Corporate Governance Code 2018 • Annual reviews of Directors' conflicts of interest and independence of Non-Executive Directors • Approve amendments to Directors' Remuneration Policy
Financial Scrutiny and overall responsibility for the financial affairs and controls of the Company.	• Considered recommendations from the Audit and Risk Committee to adopt the 2021 Annual Report and Accounts and the 2022 Half-Yearly Report and MD&A • Review the Group's ongoing financial position • Review and approval of planned capital expenditure • Review and approval of the 2022-23 budget • Oversight of the external forensic investigation following the identification of the misappropriation of funds in Ecuador
Employee and Stakeholder Engagement Engagement with both our workforce and local communities.	• Received regular updates from the HSEC Committee regarding the work carried out for local communities and environments • Approved employee performance incentive plans • Invited members of the executive team and their direct reports to attend and present at Board meetings
Risk To ensure the Group acts within the boundaries set by the Risk Appetite Statement.	• Continued development and review of risk management processes • Review of updates from the Audit and Risk Committee on internal control and assurance functions • The Group's Risk Register detailing the significant and emerging risks faced by the Group and their corresponding mitigation plans, as reported in the Audit and Risk Committee Report (see pages 98-100 for further details)

Resources and controls

The Board ensures that the necessary resources and controls are in place to ensure the Company is in the best position to meet its objectives. The Board approved the amendments to the Ministry of the Environment Whistle-blower Policy, including the introduction of utilising the services of a third party, Safecall, to provide for any concerns to be raised in confidence, or anonymously. This system is in place and reports are provided to the Board through the Audit and Risk Committee Reports.

The Group has a comprehensive range of policies and procedures, including a full Corporate Governance Charter and a Whistle-blower Policy, both available on the Company's website.

The Group's Corporate Governance Charter contains specific clauses dealing with the Company's:

- Code of Conduct
- Board and Management commitment to the Code of Conduct
- Responsibilities to shareholders and the broader financial community
- Responsibilities to clients, customers, consumers and the broader community
- Environmental practices
- Employment practices
- Obligations relative to fair trading.

In addition, the Group has cascaded a range of policies throughout its global operations including, but not limited to:

- Corporate & Social Responsibility
- Anti-Bribery & Corruption Policy
- Environmental Management
- Bullying, Harassment & Discrimination Policy
- Grievances, Complaints & Disputes Policy
- Equity, Diversity & Inclusion Policy
- Whistle-blower Policy
- Worksite Health & Safety
- Alcohol & Drugs Policy.

Click Here for SolGold's Whistle-blower Policy.

Click Here for SolGold's Anti-bribery & Corruption Policy.

Click Here for SolGold's Code of Conduct.

Workforce policies and practices

All Directors have access to the advice and support of the Company Secretary and have the right to raise any concerns without prejudice at Board meetings, and additionally have these concerns appropriately recorded in the meeting minutes. The Board has adopted the procedure in accordance with the UK FRC's Guidance on Board Effectiveness, which permits Directors, in appropriate circumstances, to obtain independent professional advice at the Company's expense. Any firms associated with Directors that provide professional services will only assist where those firms have the requisite experience or expertise, and all fees are charged on an arm's length basis. Alternatively, the Company may engage other professional services firms to act for it where greater expertise or expedience may be garnered from elsewhere within the industry.

Where a particular transaction or matter to be resolved by the Board may involve a potential conflict of interest of one or more of the Directors, those parties recuse themselves from deliberation and voting on the matter. In some instances, the disinterested Directors may consent to the attendance of the interested Director(s), and their participation in any discussion of the matter to be resolved, in order to have all views considered ahead of the matter being separately resolved by the disinterested Directors.

The Board aims to ensure an avenue of communication is available and maintained with shareholders and stakeholders, to ensure that their views are understood and considered.

Workforce engagement

The Board recognises that employee engagement is the responsibility of the whole Board. To comply with the UK Code it is intended that in 2023 a designated Non-Executive Director will be given responsibility for ensuring that the Board successfully engages with our workforce. At present, the Board engages with employees via site visits and inviting key employees to attend Board meetings. The Board also gains insight into social dynamics affecting the Company under the ESG mandate of the Board. The Board monitors the culture of the Group and its workforce through on-going engagement, involving site visits or participation in quarterly townhalls with Senior Management. In addition, the Board reviews the results of employee surveys which are undertaken periodically to gauge employee sentiment and workplace culture. In 2022, a culture review was performed by an external third party to appraise the Company's culture to ensure the values of the Board and positive ethos is developed further and sustained.

Shareholder engagement

SolGold regularly engages with its major corporate and institutional shareholders through attendance at resource conventions and similar industry functions. Furthermore, it undertakes non-deal roadshows to engage with institutional shareholders, brokers, analysts, and potential investors. Feedback garnered from these processes is discussed at Executive and Board level to ensure investor expectations are consistently understood. The Company also engages in investor events and webinars, providing the opportunity to engage with and answer the questions of private investors. The Investor Relations team is contactable by all investors and is open and available to answer any queries.

The Company publishes numerous internal and external contact points at the end of each of its market releases to facilitate contact from all shareholders. Conference and investor presentations, including videos where applicable, are made available on the Company's website and via its newsletter service. The Company operates a LinkedIn and Twitter account and has a free newsletter subscription page available to all interested parties on its website.

The Company's website contains information available to all shareholders, potential investors and interested stakeholders, including Key Securityholder Information, the Company's Constitutional documents, a range of its Corporate Policies and Meeting Materials for the Company's last five Annual General Meetings. The results of each shareholder meeting are released to the market following the conduct of the meeting, and include in tabular form, all the proxy votes received in relation to each resolution put to the meeting.

Annual General Meeting

The AGM is the annual opportunity for all shareholders to meet with the Directors and to discuss with them the Company's business and strategy. Shareholders can ask questions ahead of the AGM via email or telephone.

For 2022, it is intended that the AGM will be held as a hybrid meeting. The notice of AGM will be posted to all shareholders at least 21 working days before the meeting. Separate resolutions are proposed on all substantive issues and voting is conducted by a poll. The Board believes this method of voting is more democratic than voting via a show of hands since all shares voted at the meeting, including proxy votes submitted in advance of the meeting, are counted. For each resolution, shareholders will have the opportunity to vote for or against or to withhold their vote. Following the meeting, the results of votes lodged will be announced to the London Stock Exchange and displayed on the Company's website.

The Board recognises that at the 2021 AGM a meaningful proportion of shareholders did not support certain resolutions relating to Director re-election, the allotment of shares and the disapplication of pre-emptive rights. The Board, via Chair Mr Twigger and Managing Director and CEO, Mr Cuzzubbo, has consulted with a range of the Company's corporate and institutional shareholders in relation to the 2021 AGM to understand and discuss their concerns with respect to these resolutions. SolGold's Board adheres to Provision 11 of the Code that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent. The Board is committed to complying with the Code from mid-2022, including to Provision 18 that all Directors be subject to annual re-election commencing from the Company's 2022 AGM. The Company also intends to respect the principles of pre-emption as far as practicable to protect shareholders' pre-emption rights.

The Board also engages with and considers wider stakeholder groups, including the workforce, in its decision making. More information is set out in Section 172 on page 48.

Chair

Liam Twigger, our Non-Executive Chair, is responsible for leadership of the Board, for efficient organisation and conduct of the Board's function and the briefing of all Directors in the case that they were not present at a Board meeting. Mr Twigger leads the Board ensuring its effectiveness, and his role and responsibilities are clearly delineated from the Chief Executive Officer. Mr Twigger was first elected to the Board on 17 June 2019 and was considered to be independent on his appointment as Chair in August 2020.

Chief Executive Officer

Darryl Cuzzubbo, our Executive Director, CEO and Managing Director reports to the Chair and to the Board directly and is responsible for all Executive Management matters of the Group. Mr Cuzzubbo is also responsible for the Company's operational performance and resource management, incorporating its operational, financial, health & safety, and environmental conduct and performance, as well as the maintenance of relationships with the Company's broad range of stakeholders and shareholders. Mr Cuzzubbo is tasked with ensuring that the Company's organisational structure and processes can implement the strategic and cultural aims established by the Board.

As CEO, Mr Cuzzubbo is responsible for the daily running of the affairs of the Company under delegated authority from the Board and to implement the policies and strategies set by the Board. In carrying out his responsibilities, he must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial position and operating results.

In the first half of the year, Keith Marshall acted as Interim CEO until 1 December 2021. During his role as Interim CEO, he was no longer considered independent. However, following the appointment of Darryl Cuzzubbo as CEO, Keith Marshall returned to being a Non-Executive Director. The Board heavily scrutinised the independence of Keith Marshall as Non-Executive Director and deemed that following 9 months in his position as Interim CEO his judgement was not impaired as an independent Non-Executive Director. Mr. Marshall has since resigned from the Board effective 12 August 2022.

Board composition, independence, and division of responsibilities

The composition of the Board is set out on pages 94-95. The Board composition is currently comprised of seven (7) directors, of whom three (3), excluding the Chair, are considered, by the Board, to be of independent judgement and character. The Board considers that there is an appropriate combination of Executive and Non-Executive Directors to advocate shareholder interests and oversee Executive Management practices. On 16 November 2021, Mr Darryl Cuzzubbo was appointed to the Board by shareholders as an Executive Director. Mr Brian Moller was not re-elected to the Board on 15 December 2021 and Mr Jason Ward subsequently stepped down from the Board on 13 May 2022 and Mr. Keith Marshall returned to his role as Non-Executive Director. Throughout the period of Mr. Marshall's role as Interim CEO and subsequently, Mr. Cuzzubbo as CEO, at least half the Board, excluding the Chair, were Non-Executive Directors whom the Board considered to be independent in compliance with Provision 10 of the Code. The Board will continue to regularly review and monitor its composition and performance having responsibility for the evolving complexity of the Company's activities and operations and make changes as appropriate. Further information regarding the division of responsibilities can be found on the SolGold website in Matters for the Board (https://www.solgold.com.au/investors-center/).

Director independence

The Board currently comprises of three (3) independent Non-Executive Directors, excluding the Chair, (2) two non-independent Non-Executive Directors and (1) one Executive Director. Over half of the Board is considered to be independent. The Board has determined that the Non-Executive Directors previously declared as independent remain independent, in line with the definition set out in the Code.

The Board has heavily scrutinised the independence of Non-Executive Directors, Liam Twigger and Keith Marshall. Under the Code, Mr Twigger as Chair and Mr Marshall as interim CEO for 9 months are all in positions that could impair a Non-Executive Director's independence.

INDEPENDENT DIRECTORS	NON-INDEPENDENT
Elodie Grant Goodey	Liam Twigger (Chair)
Maria Alban Amparo	Darryl Cuzzubbo
Kevin O'Kane	Nicholas Mather
Keith Marshall*	James Clare

* Was only independent from 1 December 2021-30 June 2022. Mr. Marshall resigned from the Board on 12 August 2022).

The Board reviews the independence of its Non-Executive Directors on an annual basis and has determined that the independent Non-Executive Directors continue to demonstrate ongoing objectivity of Board matters. The Board has also concluded that the Chair continues to demonstrate objective judgement and to provide constructive challenge.

After a rigorous and robust review of each Director's individual approach and contribution to Board discussions, the Board has concluded that both Non-Executive Directors continuously demonstrate ongoing objectivity which, at times, included appropriate challenges of matters under deliberation at Board meetings as well as constructive criticism of Executive Management. These behaviours and characteristics illustrate that Mr Twigger and Mr Marshall have the requisite integrity to hold the Executive Management to account for managing the delivery of the business in addition to a breadth of experience that allows them to provide advice on a range of commercial issues pertinent to SolGold. As a result, the Board has determined that Mr Twigger and Mr Marshall are capable of acting in the best interests of the Company and shareholders and are capable of exercising independent judgement. The Board will continue to review the independence of its Non-Executive Directors on an annual basis.

Mr Nicholas Mather is not considered independent for the purposes of the Code having served as the CEO of SolGold from 2005 until March 2021 as well as having a personal shareholding in SolGold of 3.94% and a shareholding of 8.9% through DGR Global Limited where Mr Mather is the Founder and Managing Director. Mr James Clare is not considered independent as he is a partner in the Canadian law firm Bennett Jones LLP that provides legal services to the Company. These professional services are provided on standard arms-length commercial terms and conditions.

According to the Code, at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board consider to be independent. At all times in FY2022 we have been compliant with this requirement. In the first half of the financial year until 1 December Keith Marshall was Interim CEO, Maria Amparo Alban, Elodie Grant Goodey and Kevin O'Kane were independent Non-Executive Directors, James Clare, Nicholas Mather and Keith Marshall were non-independent Non-Executive Directors, the Chair is excluded. From 1 December 2022, Keith Marshall stepped back into his role as Non-Executive Director and his judgement was scrutinised by the Board and deemed independent. Hence, there were four independent Non-Executive Directors and three non-independent Non-Executive Directors and one Chair who is excluded as per the Code. Please see Division of Responsibilities section for more information. Whilst the Board considered the Chair to be independent on appointment in compliance with the Code, due to the Chair's responsibilities the FRC do not consider the Chair's role as independent in any other circumstance.

Conflicts of interest

The Company's Directors are bound by the Articles of Association and subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may conflict, with the Company. The Directors are required to notify the Company of any conflict or potential conflict of interest before every Board Meeting. Any conflicts or potential conflicts are retained in the Company's conflict register, maintained by the Company Secretary.

Board committees

The Company's Board has Committees established in the following areas:

- Audit and Risk
- Remuneration
- Nomination
- Health, Safety, Environment and Community
- Strategy.

The Terms of Reference for each of these Committees are set out within the Company's Corporate Governance Charter and are all available on the Company's website. During the period 1 July 2021 to 30 June 2022, there were 17 Board meetings. Directors' attendance at Board and Committee meetings which they were eligible to attend during this period was as follows:

	BOARD (17)	AUDIT AND RISK COMMITTEE (8)	REMUNERATION COMMITTEE (5)	NOMINATION COMMITTEE (1)	HSEC COMMITTEE (3)	STRATEGY COMMITTEE (7)
Liam Twigger	17/17		5/5	1/1		7/7
Darryl Cuzzubbo[1]	10/10	3/3			2/2	7/7
Keith Marshall[2]	16/17	3/3				
Nicholas Mather	17/17			1/1		6/7
James Clare	15/17					6/7
Brian Moller[3]	8/8					
Elodie Grant Goodey	17/17	8/8	5/5		3/3	
María Amparo Albán	17/17	8/8		1/1	3/3	
Kevin O'Kane	17/17		5/5	1/1	3/3	7/7
Jason Ward[4]	13/14				2/2	

1 Darryl Cuzzubbo was appointed as an Executive Director on 16 November 2021. Mr. Cuzzubbo is not a member of the ARC Committee but is invited to attend meetings.

2 Keith Marshall became a member of the ARC Committee on 15 December 2021 and resigned from the Board on 12 August 2022. (FY2023). Kevin O'Kane is an Interim member of the ARC since Keith Marshall's resignation.

3 Brian Moller was not re-elected to the Board on 15 December 2021.

4 Jason Ward resigned from the Board 13 May 2022.

Non-executive directors' role and time commitment

The Company's Non-Executive Directors hold, or have held, senior positions within the corporate and/or resources sector. The Non-Executive Directors must exercise objective judgement when decision making and hold management to account. Responsible Corporate Governance requires the Board to critically review and monitor the activities of Executive Management. The Non-Executive Directors of the Company consistently demonstrate the attributes of sufficient time, knowledge and skill to undertake the responsibilities expected of a Non-Executive Director. Non-Executive Director performance is assessed annually as part of the Board's performance evaluation.

The Non-Executive Directors have held separate meetings throughout the year, either before, or directly after a Board Meeting, where the Executive Directors were purposely excluded. These sessions are used to raise issues and concerns and to seek clarification without the presence or potential influence of management.

When making new appointments of Non-Executive and Executive Directors, significant commitments are disclosed with an indication of the time involved. Where a Non-Executive Director contemplates taking up another appointment, they must consult with the Chair and seek approval from the Board to ensure there is no detrimental impact on their time commitment to SolGold. Subject to Board approval, Directors may accept external appointments as directors of other companies and retain any related fees paid to them. Full-time Executive Directors do not take on more than one Non-Executive directorship in a FTSE 100 company or other significant appointment. There were no new Non-Executive Directors appointed to the Board in the last year, and accordingly no external third-party recruitment agents were engaged to seek potential candidates.

Senior independent director

Elodie Grant Goodey is the Senior Independent Director ("SID"). Mrs Grant Goodey acts as a sounding board for the Chair and serves as an intermediary for the other Directors when necessary. In addition, the SID meets at least annually with the Company's Non-Executive Directors independently of the Chair and the Executive Directors to appraise the Chair's performance. The SID is also available to the Company's shareholders, who may wish to approach the Company to discuss concerns that may not have been addressed through other available channels. Mrs Grant Goodey has engaged with several major investors during the year under review.

Company secretary

Rufus Gandhi joined the Company on 1 August 2022 as both General Counsel and Company Secretary, replacing Dennis Wilkins as Company Secretary under the Company restructure. Mr Gandhi is available as a resource to all Directors, but particularly the Chair, and is responsible for all matters to do with the proper functioning of the Board, and the maintenance of its materials and records and certain regulatory filings. Each Director is entitled to access the advice and services of the Company Secretary as required. The Company Secretary is responsible for the recording of the minutes of a Board or Committee Meeting and ensures any unresolved concerns at a meeting are sufficiently recorded in the Minutes. The Board considers that it has the relevant information, resources and time it needs to function effectively and efficiently.

Further information about the Company Secretary is available on page 86 (bio page).

Board appointments and succession

The Nomination Committee, and where appropriate the full Board, is charged with regularly reviewing the composition of the Board and recommends nominations to the Board. Appointments to the Board are subject to a formal, rigorous and transparent procedure, and an effective succession plan has been approved and is in place for Board and Executive Committee Members.

The Nomination Committee recognises the importance of diversity when considering potential appointments. The report of the Nomination Committee is available on page 97. The Company has a succession plan in place for the Executive Management Team and a detailed diversity plan (and targets) is due to be included in the Company Scorecard in FY2023.

Click Here to view the Nomination Committee Terms of Reference.

Click Here to view the Equity, Diversity & Inclusion Policy.

Annual re-election of directors

Pursuant to Clause 18.9 of the Articles of Association, one third of Directors are subject to retirement and nomination for re-election by rotation. All Directors will be subject to re-election at the 2022 AGM in line with the UK Code. The Notice of AGM will provide further details on those Directors seeking election or re-election.

Under the terms of the Share Subscription Agreement ("SSA") with Newcrest executed on 30 August 2016 and BHP executed on 15 October 2018, the significant shareholder has the right (but no obligation) to appoint up to one Non-Executive Director to the Board for so long as the Significant Shareholder holds an interest of 10% or more in the Company. Neither Newcrest nor BHP have exercised the right to appoint Directors onto the Board in FY2022.

Board skills, experience and knowledge

Maintaining a balance of experience and skills is an important factor in the Company's Board composition. The Board is currently comprised of seasoned industry professionals with combined qualifications, skills and experience as outlined in the Nomination Committee Report.

The Nomination Committee uses the skills matrix to record the skills and experience of the current Board members and conducts a gap analysis against the skills and experience necessary to support the Company's overall business and strategic needs. A key role of the Nomination Committee is to perform regular evaluation on the composition of the Board including skill-set matrices and analysis with regards to the length of service of the Board as a whole and the need to refresh membership over time.

The Nomination Committee is mindful of the tenure of the Chair and notes that Mr Twigger has only been in the position of Chair for just over 2 years.

Skills matrix

The Board skills matrix identifies the skills and experience the Board needs for the next period of SolGold's development, considering SolGold's circumstances and the changing environment. The Board collectively possesses all the skills and experience set out in the skills matrix and each Director satisfies the Board requirements and attributes discussed above. For more information on the individual skills and attributes of the Directors, refer to Board biographies on pages 82-84. Following Keith Marshall's resignation from the Board on 12 August 2022, the Board does not have block cave mining expertise in its skills matrix, however Keith will remain as an external Technical Advisor to provide block cave mining expertise to SolGold.

SKILL	LIAM TWIGGER	DARRYL CUZZUBBO	KEITH MARSHALL*	NICHOLAS MATHER	KEVIN O'KANE	ELODIE GRANT GOODEY	MARIA AMPARO-ALBAN	JAMES CLARE
Executive Leadership	X	X	X	X	X	X	X	X
Strategic Planning	X	X		X	X	X	X	X
Mergers & Acquisitions	X	X	X	X				X
Communications & Investor Relations	X	X		X		X		X
Accounting & Audit	X					X		
Corporate Financing	X		X	X				X
HR Management & Compensation		X			X			
Legal, Compliance & Regulatory	X	X		X		X	X	X
Corporate Governance	X	X	X	X	X	X	X	X
Project Development		X	X		X			
Mineral Exploration				X				
Mining Operations		X	X		X			
Block Cave Mining			X					
Sustainability / ESG		X	X	X	X	X	X	
Risk Oversight	X	X	X	X	X	X	X	X
Digital (including Cyber security)		X						

* Keith Marshall resigned from the Board on 12 August 2022 (FY2023).

Board evaluation

The Company encourages and recommends each of its Directors to attend relevant external seminars, conferences, and educational programmes for expanding their knowledge base and professional skills. The Chair conducted an internal Board Performance evaluation this past year, as an external evaluation was conducted in the previous year. Individual Director evaluations included one-to-one discussions on their performance, contributions and any training or concerns they may have or need. The Senior Independent Director, Elodie Grant Goodey, held a one-to-one discussion with Liam Twigger as Chair to provide feedback on his performance over the past year.

The internal review concluded that the Board is well-balanced in terms of dynamics and led by a fully engaged Chair. Although many Board meetings were held via video conferencing, this still allowed for appropriate challenges and debate amongst the Directors, without an individual controlling discussions and decision-making.

The Board will continue to focus on areas of succession planning and enhanced workforce engagement and ensuring that it strengthens its internal audit department as well as the overall control and governance environment with a specific focus on developing its corporate culture.

Internal and external audit

While still maintaining overall responsibility, the Board delegates oversight of the internal and external audit functions to the Audit and Risk Committee. The Audit and Risk Committee is responsible for reviewing the relationship and independence of our newly appointed external Auditors, PricewaterhouseCoopers LLP ("PwC"), and additionally is responsible for scrutinising the integrity of the financial statements prepared by Executive Management to ensure the assessment of SolGold's position is accurately reflected.

The Company's Audit and Risk Committee meets with the Company's external auditors, PwC, at least four times a year. In addition, the Company has an independent internal auditor who provides regular reports to the Audit and Risk Committee.

Fair, balanced and understandable assessment

The Board and Audit and Risk Committee are responsible for carefully reviewing the Company's quarterly financial, half year and annual results and consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Risk management

The Board is responsible for the Company's risk management system and internal controls, and their effectiveness. The Board delegates some responsibilities for risk management oversight to the Audit and Risk Committee, where risk is monitored continually and formally reviewed annually. This enables Executive Management to review the risk, mitigate it and implement controls to ensure the boundaries of the Company's risk appetite are maintained.

Key internal control procedures, which form part of the review of the effectiveness of risk management and internal control, includes:

- The Code of Conduct supported by Company policies and procedures, including delegations of authority and divisions of responsibility
- Training of staff on current policies and procedures relevant to their position, in both Spanish and English
- Constant monitoring of business performance, including Key Performance Indicators
- A formal whistle-blowing policy, with an external third-party whistle-blowing hotline and web submission, the results of which are reported to the Board
- Defined controls and quality assurance over, but not limited to, financial reporting, and health and safety procedures.

The Audit and Risk Committee carried out a robust assessment of the Company's principal and emerging risks and this comprehensive report of the principal and emerging risks and how these are managed and/or mitigated can be found on pages 40-46.

KEVIN O'KANE
Chair – Nomination Committee

Nomination committee membership*

The members of the Nomination Committee are set out below:

MEMBER	ATTENDANCE
Kevin O'Kane: Chair	1/1
Nicholas Mather	1/1
María Amparo Albán	1/1
Liam Twigger	1/1

* Please refer to pages 78-79 on compliance with the Code.

A statement to shareholders from the Chair of the Nomination Committee.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for 2022.

The primary function of the Nomination Committee is to evaluate the Board with reference to composition, competencies, and diversity and to recommend succession planning, appointment, re-elections, and terminations of Directors. The Committee is also responsible for assisting the Board in relation to the appointment of members of Management (including, without limitation, the Chief Executive Officer, Chief Financial Officer, Chief People Officer, and Chief Operating Officer) to the extent that the Company has or requires such positions. The Committee Terms of Reference were updated during the past year, in March 2022, and a copy is available on the Company's website.

Objectives and achievements in 2022

An improved skills matrix was developed to reflect the present and future needs of the Board more adequately in preparation for the challenges during the next 5 years. For example, ESG competencies are now more specifically identified, and cyber security has been added as an important skills requirement for the Board.

Leadership succession – CEO and Senior Executive search

As reported previously, in January of 2021 Mr Nicholas Mather advised the Board of his intention to retire from the role of Chief Executive Officer ("CEO") after 13 years at the helm of SolGold. Mr Mather stepped down effective 31 March 2021, at which point Independent Non-Executive Director Keith Marshall commenced as interim CEO and the search for a new CEO was initiated.

The CEO search process was completed near the end of the CY2021 with the appointment on 16 November 2021 of Mr Darryl Cuzzubbo. Given the importance of the CEO appointment, the Nomination Committee initially met once, and then made the decision that all discussions regarding the CEO appointment should be held during Board Meetings to allow all Directors to discuss and review potential applicants to determine their suitability.

Board and management change

Effective 11 May 2022, Executive Director Mr Jason Ward resigned as a Director of SolGold and subsequently stepped down as the Head of Ecuador. The Company has since appointed Mr Steve Botts as the President of Ecuador, more information regarding Mr Botts is available on page 86. Mr Keith Marshall tended his resignation to the Board on 12 August 2022, bringing the Board of Directors down to a total of seven (7).

Compliance with the code

According to the Code, a majority of members of the Nomination Committee should be independent Non-Executive Directors. The Chair of the Board should not chair the committee when it is dealing with the appointment of their successor. During the year under review only half of the Nomination Committee were independent Non-Executive Directors, including the Chair. The Company will be seeking action to comply with this requirement.

Key objectives for 2023

The enhanced skills matrix will be utilised to evaluate the current Board makeup and identify gaps against future needs, as the Company transitions from an exploration only focus to project development and ultimately operations. A medium to longer term roadmap will be developed that lays out the path to further diversity of skills and other attributes of the Board. The upskilling will be achieved through education of existing Directors and potentially the addition of new independent directors. This upskilling will enhance the financial literacy of the Board in general and the Audit and Finance Committee in particular. Consideration of increasing gender and other diversity considerations will be a key part of this process.

KEVIN O'KANE
Chair – Nomination Committee
28 September 2022

ELODIE GRANT GOODEY
Chair – Audit and Risk Committee

Audit and risk committee membership
The members of the ARC are set out below:

MEMBER	ATTENDANCE
Elodie Grant Goodey: Chair	8/8
María Amparo Albán	8/8
Keith Marshall*	3/3

* Resigned August 2022. Keith was not a member of ARC during his tenure as Interim CEO.

A statement to shareholders from the Chair of the Audit and Risk Committee.

Dear Shareholders,

I am pleased to present the Audit and Risk Committee ("ARC") Report for 2022.

The ARC is responsible for ensuring that the financial performance, position and prospects of the Group are properly monitored as well as liaising with the Company's auditors to discuss the audit of the financial statements and the Group's internal controls. The ARC has a permanent external advisor on audit and financial matters.

In the year under review, management was specifically challenged on driving the misappropriation investigation and its resulting consequences, drafting and implementing the Code of Conduct, managing costs, driving forward Corporate Governance, monitoring the actions from the Special Audit and from the various internal audit reports.

The CEO, CFO, Group Finance Manager, Group Financial Controller, General Counsel & Company Secretary, independent internal auditor and external auditor also participate in meetings of the Committee by invitation from the Chair of the ARC. The Committee's Terms of Reference were updated in March 2022 and are available to view on the Company's website, which includes a list of responsibilities.

With the resignation of Keith Marshall from the Board, Mr Kevin O'Kane was appointed as an interim member of the Audit and Risk Committee by the Board in August 2022. Mr O'Kane will remain a member of the ARC until a permanent replacement is found.

Role and responsibilities
The ARC's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:

Audit related:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them prior to their approval by the Board
- Assessing the Company's internal financial controls
- Reviewing the appointment, scope and performance results of both external and internal audits
- Monitoring corporate conduct and business ethics and ongoing compliance with laws and regulations
- Maintaining open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged
- Ensuring that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate
- Considering the appointment, reappointment, removal, remuneration and terms of engagement of the external auditor and making recommendations to the Board in respect of the same
- Monitoring and reviewing the external auditor's independence, objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.

Risk related:

- Ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems
- Determining the amount and nature of risk that the Company wishes to take in pursuit of its strategy
- Reviewing methods of identifying broad areas of risk in line with the principal risks outlined in this document
- Setting parameters or guidelines for business risk reviews
- Reviewing and assessing the effectiveness of the Company's internal control and risk management systems and making informed decisions in respect of the same
- Implementing and reviewing arrangements by which Directors, Management, employees and contractors may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

Committee discussions in 2022
The Committee met 8 times during the year ended 30 June 2022. All meetings were held using video conferencing. The ARC paid particular attention to internal controls, fraud and bribery prevention, financial planning, reporting and controls and the Group's liquidity position. In addition, there were in-depth discussions on ad hoc topics as requested by the ARC. The key topics discussed by the Committee are set out on the following pages. We have complied with Provision 25 of the UK Corporate Governance.

System of internal control

Review of internal controls Reviewing the Company's internal financial controls	The Committee oversaw a forensic investigation into alleged money misappropriation. The investigation revealed that during the years 2017 to 2021 US$4.6 million was misappropriated. A programme of corrective actions is underway, the implementation of which is being monitored by the Committee. This is part of the increased focus on developing and strengthening the overall control environment across the Group, which is an area of specific focus for the Committee.
Ethical business conduct Monitoring corporate conduct and business ethics	The Committee reviewed and approved the updated Code of Conduct and associated policies.

Risk assurance

Risk management Assessing the Group's risk profile and the process by which risks are identified and assessed	The Committee assessed the Group's risk management policy and standard. The Committee discussed the key risks, the mitigation plans in place and the appropriate executive management responsibilities. The Committee also considered the process by which the risk profile is generated, the changes in risk definitions and how the risks aligned with the Group's risk appetite.
Internal audit work Reviewing the results of internal audit work and the 2022 plan	The ARC agreed on an annual audit plan focusing on enterprise risks. The Chair of the Committee held regular one-to-one meetings with the internal auditor, which enabled further evaluation of the work performed.
External audit Reviewing the results of the external audit work, evaluating the quality of the external audit and consideration of management letter recommendations	The Committee has assessed the appointment of the new external auditors in a competitive tender. PwC were onboarded as SolGold's new external auditors, which included a visit to Ecuador to meet local staff. The Committee reviewed and approved the 2022 Audit Plan.

Significant accounting issues considered by the audit and risk committee in relation to the group's financial statements

Financial statements Monitoring the integrity of the financial statements of the Company	The Committee reviewed the presentation of the Group's audited results for the year ended 30 June 2022 and the unaudited results for the six months ended 31 December 2021 as well as the quarterly financial statements (Q1 and Q2) to ensure they were fair, balanced and understandable, when taken as a whole. The results were assessed to ensure they provide sufficient information for shareholders and other users of the accounts to assess the Group's position and performance, business model and strategy. In conducting this review, particular focus was given to the disclosures included in the basis of preparation in Note 1 in the Notes to the Group Financial Statements in relation to the Group's funding position and the suitability of the going concern assumption. The Committee reviewed the significant judgements associated with the 2021 financial statements, including "key audit matters", and also reviewed the supporting evidence for the Group being a going concern. The Committee is comfortable that the overall disclosures in the Annual Report are fair, balanced and understandable, when taken as a whole. The Committee reviewed papers prepared by the finance team and the findings from the external auditors in relation to the above matters.
Going concern basis of accounting in preparing the financial statements Determining the ability of the Company to continue as a going concern depends upon continued access to sufficient financing facilities	The Committee assessed the proposed budget and cash flow forecast for this financial year and coming periods and worked with the Finance team on scenario planning and the long-term strategic plan. The Committee notes that the ability of the Group to continue as a going concern depends on its ability to secure additional financing and that this situation gives rise to a material uncertainty. However, the Committee has considered the various funding options being explored by management, as well as the Group's historical ability to raise necessary funding, and considers it appropriate that the financial statements are prepared on a going concern basis.

Ecuadorian business internal investigation

What we found

In early 2021 SolGold's Board of Directors commissioned a special internal controls review by KPMG LLP to help identify where the control environment needed enhancing as part of the Board's focus on strengthening internal controls and good corporate governance. As a consequence, the Company started to strengthen its internal financial capabilities and internal control framework. Immediate needs identified were the recruitment of a Group Financial Controller in Brisbane and a Group General Counsel in London, who were appointed in February and March 2021 respectively. A Group Internal Audit function was also established, reporting to the Audit and Risk Committee ("ARC"). The ARC agreed on an annual internal audit plan focusing on enterprise risks. Increased scrutiny and analysis by the Group finance team throughout 2021 led to cost reductions, but also the discovery of the misappropriation of funds in Ecuador in late 2021.

In December 2021, in immediate response to the discovery, the Company instructed EY Ecuador to commence a forensic investigation into the alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation.

The forensic investigation revealed that during the calendar years 2017 to 2021 US$4.6 million was misappropriated. The investigation brought to light the material misstatement of exploration assets as a result of false expenses being capitalised. The investigation also brought to light weak and missing controls and failures in the risk management framework, which needed further investigation. The individual responsible for the misappropriation of the funds is no longer with the Group and management are currently pursuing options to recover the funds.

This misappropriation resulted in the cumulative overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in-line with SolGold's accounting policy. SolGold concluded that it was appropriate to write-down the value of these assets accordingly and restate our accounts. The profit and loss impact for the year ended 30 June 2022 amounted to US$228k, reflecting the fact that most losses were incurred in prior years and that increased diligence by the Group finance function had had an impact. Though the misstatements are material to the quantum of exploration assets, the Company does not consider the misstatements to be material to the financial statements as a whole, either on an individual or cumulative basis. The overstatement of the exploration assets is cumulative and is made up of smaller annual misstatements that were not material in their respective years (refer to note 1 and note 13).

How we responded

This behaviour is an extremely serious matter, and it has no place in SolGold. SolGold management has enhanced its risk, governance and controls environment and acted on both the recommendations of KPMG (special audit) and EY (forensic audit) and our own internal observations.

We are working towards our corporate culture being one to encourage transparency and professionalism, protect our shareholders' funds and inspire confidence in our workforce. The Company has taken steps to improve its control, governance and risk management environment and processes. These steps include increasing the resources, sourcing suitably qualified and experienced people, and improving the capabilities of senior management and the Finance function. This is an ongoing process and it will be an area of continuing focus for the Board and Management.

We have appointed a new President of the Ecuadorian SolGold subsidiaries, based full time in Ecuador, along with a Vice President of Projects, also to be based in Ecuador full time. The Ecuadorian Finance team was restructured with a new Finance Director appointed in January 2022, along with a Senior Accountant (March 2022), Treasury Analyst (June 2022), Tax Specialist (June 2022) and 2 new Finance Assistants (July 2022 and August 2022, respectively). Within Ecuador, a Human Resource Director was appointed in March 2022, a Procurement Director in August 2022, in addition to an in-house Legal Counsel that started in September 2022.

In early June 2022, the SolGold Directors commissioned a Cultural Review, with a focus on exploring our strengths and areas for improvement, assisting us to identify what is required to continue to build a strong culture, based on shared values, as we transition from explorer to developer to operator. The results were presented to the Board. The Executive Committee will be meeting in October in Quito for a 3-day workshop with a key deliverable being an overall roadmap or execution plan that links all goals and associated initiatives that ultimately lead to the enablement of our Business Strategy. Where relevant, actions needed to address the key findings from this review will be discussed and integrated into this plan. This will be monitored for completion at the Board with "deep-dives" taken on specific topics at suitable future Board meetings. There are several planned initiatives that already form part of the People and Culture Strategy.

What we will do moving forward

While SolGold management has taken appropriate steps to strengthen its risk, governance and controls environment we recognise this is ongoing. We will seek to continuously improve our internal controls and policies and procedures, ensuring these are reviewed and updated accordingly and that they are applicable and relevant to our business and ensuring we comply with best practice corporate governance.
With this we are also enhancing the awareness of the standards we expect, the capabilities of our people, and to reinforce to the Group as a whole the importance of ethical business practices.

External auditor independence

A key factor that may impair an auditor's independence is a lack of control over non-audit services provided by the external auditor. Non-audit work is only undertaken where there is commercial sense in using the auditor without jeopardising auditor independence; for example, where the service is related to the assurance provided by the auditor or benefits from the knowledge the auditor has of the business.

The ARC has satisfied itself that the external auditors' independence was not impaired.

The ARC held meetings with the external auditor and the Chair of the ARC held regular meetings with the lead audit engagement partner during the year.

ELODIE GRANT GOODEY
Chair – Audit and Risk Committee
28 September 2022

ELODIE GRANT GOODEY

Chair – Health, Safety, Environment and Community Committee

Health, safety, environment and community committee membership

The members of the HSEC Committee are set out below:

MEMBER	ATTENDANCE
Elodie Grant Goodey: Chair	3/3
María Amparo Albán	3/3
Kevin O'Kane	3/3
Darryl Cuzzubbo	2/2
Jason Ward*	2/2

* Resigned May 2022.

A statement to shareholders from the Chair of the Health, Safety, Environment and Community Committee.

Dear Shareholders,

I am pleased to present the Health, Safety, Environment, and Community Committee ("HSEC") Report for 2022. As the Company continues to face the biggest global health challenge of our lifetime, the HSEC continued its commitment to play a role in supporting the efforts to combat and reduce the risks of Covid-19 in the workplace.

The HSEC Committee is responsible for shaping the Company's policies, objectives, and guidelines on environmental, health, safety, and community relations matters and for analysing and reporting to the Board of Directors on the expectations of the Company's various stakeholders.

The CEO, Vice-President Ecuador, the Environment Manager, the Health & Safety Manager and the Community Relations Manager have also participated in meetings of the HSEC Committee by invitation. The HSEC Committee's Terms of Reference were reviewed and updated in March 2022 and are available to view on the Company's website.

Committee discussions in 2022

The Committee met 3 times during the year ended 30 June 2022. All the meetings were held using videoconferencing. The following matters were discussed:

- Health and safety management systems, including metrics, internal reporting and improved HSEC dashboard
- Emergency preparedness and response
- Community relations management, including reviewing material issues, investigations and complaints
- Land acquisition and potential resettlement
- Climate change risks, including a Request for Proposal for work on preparing SolGold for their TCFD Statement in FY2023.

The HSEC Committee encourages employees and stakeholders to speak up on all matters, especially concerning matters of safety.

ELODIE GRANT GOODEY

Chair – HSEC Committee

28 September 2022

LIAM TWIGGER
Chair – Strategy Committee

Strategy committee membership*

The members of the Strategy Committee are set out below:

MEMBER	ATTENDANCE
Liam Twigger: Chair	7/7
Darryl Cuzzubbo	7/7
Nicholas Mather	7/7
Kevin O'Kane	7/7
James Clare	7/7

* Strategy Committee was adopted in February 2022 and 7 meetings were held from 11 March 2022.

Dear Shareholders,

I pleased to present the Strategy Committee Report. The primary function of the Strategy Committee is to assist the Board to fulfil its overall responsibilities relating to the strategic direction and development of the Company. As a Committee, we have met seven (7) times this year to discuss potential corporate transactions that would benefit the Company as a whole and the short to medium term funding structure and strategic direction, necessary to ensure the growth and continued success of the Group.

Role and responsibilities

The Committee is responsible for assessing the corporate and strategic performance of the Company in its broadest sense and form a wide view on the adequacy of progress made in achieving strategic objectives and outcomes, and of the systems to measure, monitor and deliver on them. In addition, the Committee shall:

- Support the Board and Senior Management in formulating the overall strategy for the Company, with particular emphasis on horizon scanning, priorities, activities and outcomes
- Make recommendations to the Board to optimise the allocation and adequacy of the Company's reserves and resources, as well as its exploration and development assets
- Consider the strategic development opportunities for the Company, including by way of acquisitions, disposals, joint ventures, commercial co-operations or otherwise
- Make recommendations to the Board for proposed M&A transactions, including the strategic rationale for such proposals and proposed financing structures
- Consider whether existing and/or proposed funding is adequate and properly and effectively allocated across the Group's operations
- Make recommendations to the Board as to financing or refinancing proposals for the Group, whether by way of equity, debt or otherwise
- Make recommendations to the Chair of the Board as to whether any shareholder-nominated Director may have an actual or potential conflict of interest

Recommendations and outcomes

As outlined in my Chair review, the Company, and in particular, the Committee, has monitored the current economic situation regarding inflation and the Company's ability to access the necessary capital required to achieve the Company's full potential. The Committee has reviewed and considered several opportunities to accelerate institutional and corporate funding and has built an expansive network of investors and strategic partnerships. The Committee plays an essential role in addressing uncertainty within the current economic climate whilst factoring in the continued impacts of Covid-19. The Committee has continued to evaluate plausible future scenarios to provide written and verbal reports to the Board, enabling decisions to be made regarding the way forward.

I look forward to the continued implementation of the agreed strategic direction of the Group.

LIAM TWIGGER
Chair – Strategy Committee
28 September 2022

KEVIN O'KANE
Chair – Remuneration Committee

Remuneration committee membership

The members of the Remuneration Committee are set out below:

MEMBER	ATTENDANCE
Kevin O'Kane: Chair	5/5
Liam Twigger	5/5
Elodie Grant Goodey	5/5

A statement to shareholders from the Chair of the Remuneration Committee.

Dear Shareholders,

I am pleased to present the Annual Remuneration Report for the financial year ending 30 June 2022.

The Report has been prepared by the Remuneration Committee on behalf of the Board in accordance with the requirements of the Listing Rules of the FCA, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013, 2018 and 2019) and the UK Corporate Governance Code. The elements subject to audit are highlighted throughout.

Application of the remuneration policy

The Committee operated under its terms of reference without conflicts of interest and was pleased that shareholders approved the Directors' Remuneration Policy put forward for consideration at the EGM held on 30 June 2022. However, the Committee recognised that a meaningful proportion of shareholders did not support one of the resolutions on the Directors' Policy Remuneration that received 69.2% of votes in favour. Together with the Chair, Liam Twigger, and the CEO, Mr Darryl Cuzzubbo we sought shareholders' feedback.

In accordance with Provision 4 of 2018 UK Corporate Governance Code, the Board is providing an update in response to the Directors' Remuneration Policy resolution put to the EGM that received less than 80% of votes in favour. Feedback was received that the votes received against the resolution were influenced by certain investors objecting to the CEO remuneration framework in comparison to peer companies. The Remuneration Committee conducted a thorough benchmarking exercise against peer companies to set a CEO remuneration package that would be competitive and attract a high calibre individual to lead the Company through the challenging transition from explorer to developer and ultimately producer. This benchmarking was shared with certain investors that voted against the resolution.

In line with its commitment to good corporate governance, the Committee will continue to receive shareholder feedback and monitor developments in best practices and market trends on executive remuneration. The Board is committed to long-term, sustainable value creation for our shareholders.

SolGold's remuneration approach is focused on ensuring we can continue to attract, motivate and retain exceptional people across the global markets in which we operate. SolGold's remuneration framework aims to:

- Attract, retain and motivate the right calibre of talent for the Company
- Facilitate the achievement of the Company's short- and long-term objectives without rewarding conduct that is contrary to the Company's values or risk appetite
- Provide appropriate incentives for delivery against agreed-upon measurable objectives
- Reflect good corporate governance and creates value for shareholders
- Be robust, transparent and simple to understand and administer.

Members of the Remuneration Committee are independent Non-Executive Directors compromising: Myself (as Chair), Mr Liam Twigger and Mrs Elodie Grant Goodey. The Remuneration Committee's composition provides a proper balance with different views, both from a geographical and historical perspective.

The Committee has a mandate in the area of remuneration to analyse, formulate and periodically review the remuneration policy has operated as intended in terms of company performance and quantum. The Committee is also responsible for designing new remuneration plans that enable the Company to attract, retain and motivate the most outstanding professionals, bringing their interests into line with the strategic objectives of the Company. For this purpose, the Remuneration Committee meets periodically, as convened by its Chair.

Key activities of the committee

The Committee's overall objective this year has been to ensure that the remuneration structure supports the delivery of the Company's long-term strategy, alignment with the interests of shareholders while delivering market competitive remuneration to employees, enabling SolGold to attract, incentivise and retain the best talents. Specific activities have included:

- Providing recommendations to the Board regarding the new CEO's remuneration
- Review and alignment of remuneration for newly appointed Executive Committee members
- Review and update to SolGold's Directors' Remuneration Policy, as approved by Shareholders at the EGM on 30 June 2022
- Review and update to SolGold's employee incentive schemes, as approved by Shareholders at the EGM on 30 June 2022
- Inclusion of a "Malus and Clawback" clause in Executive Director Employment Agreements
- Improved disclosure of executive remuneration in the integrated annual report, in a bid for greater transparency
- Reviewing and updating the Committee's Terms of Reference
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent, and that our offering is compelling, fair and responsible.

Appointment of new CEO

Mr Keith Marshall returned to his role as a Non-Executive Director, effective from 1 December 2021, after leading the business as interim-CEO. Keith resigned as a member of the Board on 12 August 2022. Following an extensive search, Mr Darryl Cuzzubbo was appointed to CEO/Managing Director on 1 December 2021 and was elected to the Board by shareholders at the 2021 AGM. The Committee carefully considered the terms of our new CEO's remuneration arrangements and exercised their discretion to award Mr Cuzzubbo a market-competitive base salary. A remuneration consultant was not appointed to assist in the matter of the CEO's salary.

In designing a competitive remuneration package, the Committee focused on current market benchmarks, and took into account long-term incentive and performance bonus opportunities subject to performance objectives to ensure that it was appropriate to motivate and incentivise Mr Cuzzubbo with the Company's purpose and values as well as the interests of the shareholders.

Conclusion

Shareholders will be asked to approve the Annual Remuneration Report as an ordinary resolution at the AGM in December 2022. The resolution of the general meeting on the Remuneration report is advisory. I hope that you find this report to be informative and our shareholders remain supportive of our approach to executive and director pay at SolGold and vote in favour of the resolution.

The Committee welcomes all input on remuneration matters, and if you have any comments or questions on any element of the Remuneration Report, please do not hesitate to contact me at info@solgold.com.au.

KEVIN O'KANE
Chair – Remuneration Committee
28 September 2022

This report outlines how the SolGold Director's Remuneration Policy will be implemented over the next financial year and provides details regarding remuneration paid to the Executive Director during FY2022. A copy of the Remuneration Policy can be found on the Company's website.

The current Directors' Remuneration Policy was part of the meeting materials at the EGM in held on 30 June 2022. This Policy was approved with 69.2% support. The Policy shall be presented to the general meeting every three years unless a revised policy is presented to the general meeting before that. The Board's Remuneration Committee shall review the appropriateness of the Policy at least annually.

The Remuneration Committee met 5 times during the year with all required Directors attending.

Remuneration policy alignment with the UK code

When developing the Director's Remuneration Policy, the Committee includes the following principles during their decision-making process:

UK CODE PRINCIPLE	APPLICATION
Clarity	Targets for incentives that are aligned with the implementation of the strategy are monitored through corporate and individual scorecards, which include a list of KPIs specific to each participant. This provides clarity to stakeholders and shareholders on the association between the successful delivery of the Company's strategy and remuneration paid.
Simplicity	The structure of incentive is clear to both participants and shareholders through simple and straightforward language, so all stakeholders are clear on the underlying award principles and the way award outcomes are determined.
Risk	Malus and clawback provisions apply to all awards to ensure that inappropriate risk-taking is not encouraged and will not be rewarded through employee incentives.
Predictability	Employee incentive plans are subject to performance objectives as listed in the participants' individual and corporate scorecard. All Executive Management and Executive Directors are invited to participate in the incentive plans at the beginning of each financial year with their scorecard KPIs.
Proportionality	The Committee takes care to exercise its discretion to ensure that remuneration outcomes are aligned with Company performance.
Alignment to Culture	The Committee reviews overall pay and conditions for employees across the Company when determining performance objectives and award outcomes. The individual and corporate scorecards will include non-financial KPIs linked to the Company's overall culture.

AUDITED INFORMATION – DIRECTORS' REMUNERATION

Single Total Figure of Remuneration

The detailed emoluments received by the Executive and Non-Executive Directors during the financial years ended 30 June 2022 and 30 June 2021 are detailed below:

	TOTAL SALARY AND FEES US$	TAXABLE BENEFITS US$	BONUS US$	PENSIONS US$	TOTAL FIXED REMUNERATION US$	TOTAL VARIABLE REMUNERATION US$	TOTAL US$
Chairperson							
Liam Twigger							
2022	118,931	–	–	11,893	130,824	–	130,824
2021	93,075	–	–	8,972	102,047	–	102,047
Non-Executive Directors							
Keith Marshall[1]							
2022	46,617	–	–	–	46,617	–	46,617
2021	16,080	–	–	–	16,080	–	16,080
Nicholas Mather[2]							
2022	72,205	–	–	–	72,205	–	72,205
2021	19,218	–	–	–	19,218	–	19,218

	TOTAL SALARY AND FEES US$	TAXABLE BENEFITS US$	BONUS US$	PENSIONS US$	TOTAL FIXED REMUNERATION US$	TOTAL VARIABLE REMUNERATION US$	TOTAL US$
Brian Moller[4]							
2022	33,255	–	–	–	33,255	–	33,255
2021	64,628	–	–	–	64,628	–	64,628
James Clare							
2022	72,305	–	–	–	72,305	–	72,305
2021	61,824	–	–	–	61,824	–	61,824
Elodie Grant Goodey							
2022	85,965	–	–	–	85,965	–	85,965
2021	71,756	–	–	–	71,756	–	71,756
Kevin O'Kane							
2022	79,331	–	–	–	79,331	–	79,331
2021	51,202	–	–	–	51,202	–	51,202
María Amparo Albán							
2022	72,423	–	–	–	72,423	–	72,423
2021	47,326	–	–	–	47,326	–	47,326
Robert Weinberg[5]							
2022	–	–	–	–	–	–	–
2021	23,506	–	–	–	23,506	–	23,506
Executive Director							
Jason Ward[3]							
2022	334,653	–	–	–	334,653	–	334,653
2021	304,352	–	–	–	304,352	–	304,352
Total							
2022	**915,685**	**–**	**–**	**11,893**	**927 668**	**–**	**927 668**
2021	**752,967**	**–**	**–**	**8,972**	**761,939**	**–**	**761,939**
Chief Executive Officer							
Darryl Cuzzubbo[6]							
2022	514,261	–	638,528	10,951	525,212	638,528	1,163,740
2021	–	–	–	–	–	–	–
Keith Marshall[1]							
2022	211,932	–	117 982	–	211,932	117,982	329,914
2021	196,065	–	–	–	196,065	–	196,065
Nicholas Mather							
2022	–	–	–	–	–	–	–
2021	330,292	–	–	–	330,292	–	330,292
Grand Total							
2022	**1,641,878**	**–**	**756,510**	**22,844**	**1 664 812**	**756,510**	**2,421,322**
2021	**1,279,324**	**–**	**–**	**8,972**	**1,288,296**	**–**	**1,288,296**

1 Keith Marshall salary and fees split between his role as interim CEO and Non-Executive Director.

2 Nicholas Mather salary and fees for 2021 split between his role as CEO and Non-Executive Director. Variable remuneration in 2021 relates to a loss of office payment.

3 Jason Ward resigned as Executive Director on 13 May 2022 and salary and fees includes total remuneration paid for the year.

4 Brian Moller was not re-elected to the Board on 15 December 2021.

5 Robert Weinberg resigned as Non-Executive Director on 17 December 2020.

6 Darryl Cuzzubbo's sign on bonus of restricted stock units in the Company vested on 1 July 2022, refer to Remuneration Structure for the Current CEO. Whilst Darryl's scorecard has been assessed no bonuses have been paid for the year ended 30 June 2022. These numbers have been translated with the average exchange rate detailed in Note 1 (d).

Share option schemes – Audited

The Employee Share Option Plan (the "ESOP") of the Company was adopted by the Board in July 2017 and approved by shareholders at the Annual General Meeting held on 28 July 2017. The ESOP is no longer available and has been replaced with the Long-Term Incentive Plan Rules ("LTIP") and the Performance Bonus Plan ("PBP"). All options awarded under the ESOP will continue to be governed by this scheme unless exercised or become expired.

As of 30 June 2022, the following options previously issued to Directors under the ESOP (no performance conditions) which are fully vested have now all lapsed and been cancelled:

	BALANCE AT 30 JUNE 2021	GRANTED AS REMUNERATION	EXERCISED	FORFEITED / LAPSED	BALANCE AT 30 JUNE 2022	EXERCISE PRICE	EXERCISE PERIOD
Nicholas Mather	5,000,000	–	–	(5,000,000)	–	60p	20/12/18-20/12/21
Jason Ward	5,000,000	–	–	(5,000,000)	–	60p	06/11/18-06/11/21
Total	**10,000,000**	**–**	**–**	**(10,000,000)**	**–**	**–**	**–**

Payments to past directors – Audited

No payments were made to past Directors in the year ended 30 June 2022.

Payments for loss of office – Audited

No payments were made for loss of office in the year ended 30 June 2022 (2021: Nick Mather received a severance pay-out of US$477,871 upon retiring from the position of CEO).

Statement of Directors' shareholding and share interest – Audited

Directors' interests

The interests of the Directors in the shares of the Company, including family and trustee holdings where appropriate, at 30 June 2022 were as follows:

	BENEFICIAL		NON-BENEFICIAL*	
	30 JUNE 2022	30 JUNE 2021	30 JUNE 2022	30 JUNE 2021
Chair				
Liam Twigger	392,156	392,156	–	–
Non-Executive Directors				
Keith Marshall	98,039	98,039	–	–
Nicholas Mather	84,266,052	84,266,052	6,060,658	6,460,658
Elodie Grant Goodey	19,607	19,607	–	–
María Amparo Albán	51,676	51,676	–	–
James Clare	143,137	143,137	–	–
Kevin O'Kane	392,156	392,156	–	–
Former Directors				
Brian Moller	5,267,552	5,267,552	–	–
Jason Ward	10,094,860	10,094,860	–	–
Total	**100,725,235**	**100,725,235**	**6,060,658**	**6,460,658**
Chief Executive Officer				
Darryl Cuzzubbo	–	–	–	–
Grand total	**100,725,235**	**100,725,235**	**6,060,658**	**6,460,658**

* The Non-Beneficial holding of Nicholas Mather are the shares held in the "Mather Foundation" a trust established for the purpose of providing donations to charitable organisations.

The Mather Foundation, an organisation associated with Nicholas Mather, sold 400,000 shares in June 2022.

There are no requirements or restrictions on Non-Executive Directors to hold shares in the Company. The Directors' Remuneration Policy does outline guidelines that each Executive Director is to maintain a shareholding the Company equivalent to 200% of base salary to drive a long-term focus and alignment with shareholders.

Relationship between remuneration and Company performance – Non-audited information

During the financial year, the Company has generated losses as its principal activity was mineral exploration.

The following table show the share price at the end of the financial year for the Company for the past five years:

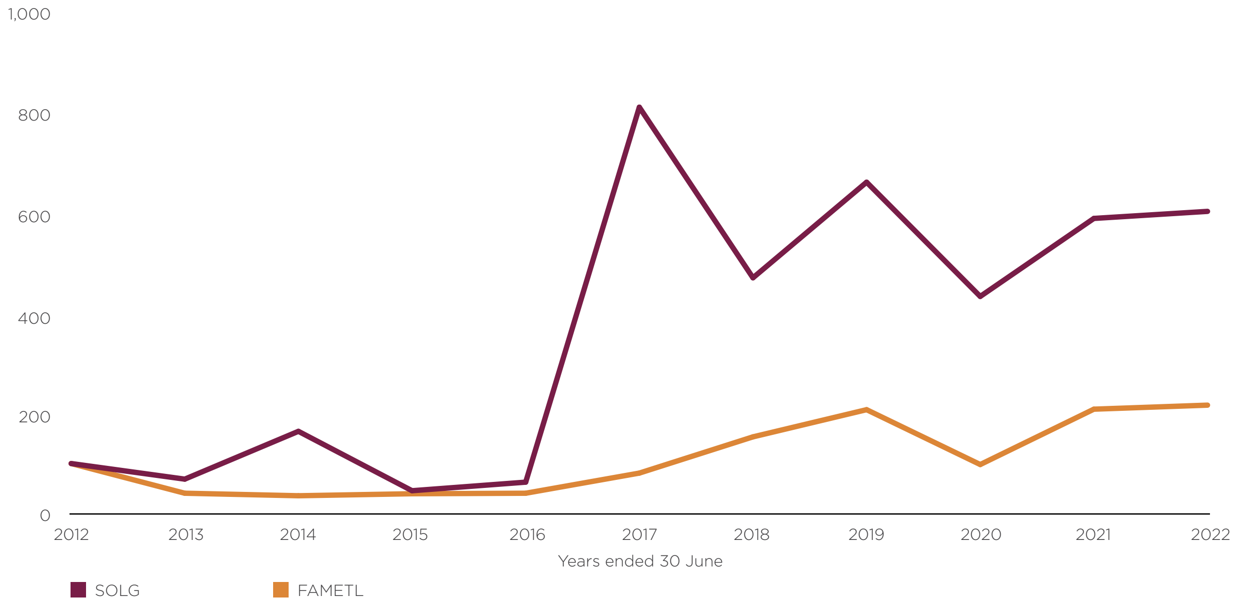
	30 JUNE 2018	30 JUNE 2019	30 JUNE 2020	30 JUNE 2021	30 JUNE 2022
Share price at year end	£0.2280	£0.3200	£0.2100	£0.2850	£0.2920
Loss per share (cents)	(0.9)	(1.8)	(0.7)	(1.1)	(1.4)

There were no dividends paid during the year ended 30 June 2022, and the previous five years.

10-year Total Shareholder Return ("TSR")

The graph below shows SolGold's TSR against the performance of the FTSE All Share Industrial Metals and Mining Index ("FAMETL") over the same 10-year period. The indices shown in the graph were chosen as they include Companies within the mining sector.

Value of £100 invested over the 10-year period to 30 June 2022



CEO total remuneration

EXECUTIVE OFFICER	FINANCIAL YEAR	SINGLE TOTAL FIGURE OF REMUNERATION, US$	ANNUAL BONUS (STI) (% OF MAXIMUM)	LTIP (% OF MAXIMUM)
Darryl Cuzzubbo	2022	1,163,740	40%	–
Keith Marshall	2022	376,531	90%	–
(Interim)	2021	212,145	–	–
Nicholas Mather	2021	330 292	–	–
	2020	400,162	–	–
	2019	539,422	100%	–
	2018	307,480	–	–
	2017	314,382[1]	–	–
	2016	109,252[1]	–	–
	2015	15,716[1]	–	–
Alan Martin	2015	268,756[1]	–	–
	2014	312,370[1]	–	–
	2013	37,168[1]	–	–
Malcolm Norris	2013	338,090[1]	–	–
	2012	258,871[1]	–	–

1 Annual average historical rates from Reserve Bank of Australia ("RBA") were used to convert AUD to USD.

Remuneration of the executive director

The Company aims to reward the CEO with a level and mix of remuneration commensurate with their position and responsibilities within the Company, and to:

- Demonstrate a clear relationship between individual performance and remuneration
- Ability to attract, engage and retain talented executives and directors
- Link rewards to the creation of value to shareholders
- Comply with all relevant local, legal requirements.

More information can be found in the Directors' Remuneration Policy.

Remuneration structure for the current CEO – Audited

Fixed Salary: Darryl Cuzzubbo receives an annual base salary of AUD$1,200,000, payable fortnightly, for the performance of executive duties at the Company.

Short-Term Incentive: 100/150% (Target/Stretch respectively of base salary AUD$1,200,000). Payable in 1/3 cash and 2/3 shares in Company.

Long-Term Incentive: 10,000,000 options over shares in the share capital of the Company, subsequently granted and issued 1 July 2022, which will vest under the following terms:

i) The exercise price of the first tranche of 4,000,000 options granted at £0.292, being the closing price of an ordinary share on 30 June 2022. Options will vest on 1 December 2022 and expire on 1 December 2025.

ii) The exercise price of the second tranche of 3,000,000 options granted at £0.35, which was above the closing price of an ordinary share on 30 June 2022. Options will vest on 1 December 2023 and expire on 1 December 2026.

iii) The exercise price of the third tranche of 3,000,000 options granted at £0.50, which was above the closing price of an ordinary share on 30 June 2022. Options will vest on 1 December 2024 and expire on 1 December 2027.

These options creates a direct alignment with Shareholder interests, and acts as incentive to place value on increasing the Company's share price.

Recruitment Inducement (Sign-on Bonus): Sign-on bonuses are payable based on Remuneration Committee discretion and recommendations to the Board to a maximum of 100% of base salary. A Sign-on Bonus of Restricted Stock Units in the Company were issued to Darryl Cuzzubbo to the value of AU$600,000, priced as per the share price at the time of the Employment Commencement Date on 1 December 2021 (at £0.241 per share) and vesting over a two-year period in 8 equal tranches. The Exchange rate on 7 December 2021 was 1 AUD: 0.5367 GBP. A total of 1,336,182 Restricted Stock Units are subject to time condition vesting. 334,046 shares vested on 1 July 2022, with the remaining shares vesting in instalments of 167,023 shares each quarter until 1 December 2024. The Restricted Stock Units were issued on 1 July 2022.

CEO performance and outcomes – Audited

The performance assessment of Darryl Cuzzubbo considers overall company performance against a scorecard with a further qualitative assessment and final determination by the Remuneration Committee and the Board.

The Board assessed Mr. Cuzzubbo's performance for year ended 30 June 2022 against the key performance indicators in the following table, and thanks him for his leadership since he joined SolGold in December 2021. The 2022 Short-Term Incentive is pro-rated based on the days of service provided for the year ended 30 June 2022.

The table below shows the key performance measures for Mr. Cuzzubbo's and the Board's assessment of his performance against those measures. The measures were selected to best reflect and support the Group strategy. The 2022 Company Scorecard consisted of three categories of measures, health and safety, value creation, and ESG.

The Board considers that the CEO, and senior executives of the Company have performed well and are building momentum.

Achieving target for all of the metrics would result in 100% and achieving stretch for all of the metrics would result in 150%. The outcome for the CEO's scorecard, from the table below, was 80%.

Upon further review by the Committee and the Board, considering company performance and market conditions, the outcome of the CEO's performance was modified by 50%, to a 40% result.

The Committee and Board will consider the possibility of recovery of this reduction during FY2023, should performance and conditions warrant.

Darryl Cuzzubbo

	MEASURE	WEIGHTING	PERFORMANCE AGAINST TARGET	MEASURE OUTCOME
Health & Safety	No major health and safety events (including no fatalities). Reduction in reportable injuries during the year. Completion of fatal risks assessment in the Corporate Risk Register.	15%	There were no fatalities and no major events. Recordable injuries have reduced, and fatal risks complete in the Corporate Risk Register.	Achieved target (17%)
Value Creation	Priority activities that drive value creation including, Cost Control, Cascabel Project Delivery, and Exploration Programme delivery Share price improvement.	70%	Actual spend significantly under budget. Cascabel optimised PFS delivered April 2022. Exploration Programme complete to Board approved plan. Share price slightly improved but not to full expectation.	Partly Achieved (48%)
ESG	Successful delivery of targeted ESG Board approved programmes: • Social and Community • Environment. Also includes compliance with the UK Governance Code by June 2022.	15%	ESG Programmes complete to Board approved plan. No recordable community or environment incidents. Substantial progress towards compliance with UK code and full compliance planned with new CEO.	Achieved (15%)

Remuneration structure for the interim CEO

Mr Keith Marshall took the role as Interim CEO when co-founder Nicholas Mather stood down as CEO in early 2021. The remuneration figures for the interim CEO are listed in the table above, Single Total Figure of Remuneration. Mr Marshall was paid a base salary and included a short-term incentive of an annual maximum bonus of £100,000. The table below shows the key performance measures for Mr Marshall and the Board's assessment of his performance against those measures. The Board agreed that Mr Marshall achieved 90% of his STI targets and was awarded £90,000.

Keith Marshall (Interim CEO)

	MEASURE	WEIGHTING	PERFORMANCE AGAINST TARGET	MEASURE OUTCOME
Health & Safety	No major health and safety events (including no fatalities). Reduction in reportable injuries during the year.	15%	There were no fatalities and no major events. Recordable injuries were reduced.	Achieved target (15%)
Value Creation	Priority activities that drive value creation including, Cost Control/ Land Sales/Material Discovery/ Cascabel Project Delivery/Share Price/Fund Raising.	70%	Actual spend at budget. Land sales proceeded to plan. Material discovery exceeded expectation. Cascabel PFS was partly delivered with further work planned to align the Board. Share Price had slight improvement. Fund raising exceeded expectation.	Partly Achieved (65%)
ESG	Successful delivery of targeted ESG Board approved Social, Community and Environment programmes: Also includes compliance with the UK Governance Code.	15%	ESG Programmes complete to Board approved plan. No recordable community or environment incidents. Compliance to UK code planned with new CEO.	Partly Achieved (10%)

Non-executive director fees

The Remuneration Committee conducts a regular benchmarking exercise to ascertain whether the fees for Non-Executive Directors (“NEDs”) are competitive, fair and reasonable. The committee is informed by the external market when reviewing the fee structure and levels for our Non-Executive Directors.

The Articles of Association state at clause 21 that Directors are entitled to receive a fee for their services. This aggregate of fees cannot exceed £600,000 per annum, unless the shareholders pass a resolution at the Annual General Meeting to amend this. An individual Director may not be involved in determining their own remuneration but may, in their capacity as a member of the Remuneration Committee, be involved in setting as a ‘benchmark’ the appropriate level of remuneration for Directors generally.

Effective 1 January 2021, the Director’s fee was modified to AUD$100,000 (from AUD$70,000), in line with similar companies. The Chair receives an additional fee of AUD$80,000 for the additional time commitment needed. Annual fees of AUD$10,000 are also paid to Directors who Chair the following committees:

- Audit & Risk Committee
- Health, Safety, Environment Community Committee
- Remuneration Committee.

Other payments may include (and as outlined in the Articles of Association):

- Travel expenses in accordance with the Company’s travel policy
- Reimbursement of any taxable or other expenses incurred in performing their role as well as any related tax cost on such reimbursement.

The Company will reimburse the Director for all reasonable expenses properly, wholly, and necessarily incurred in the performance of their duties on production of all relevant receipts.

Non-Executive Directors are not eligible to participate in the Company’s incentive programme(s).

Changes in director's remuneration

The table below sets out the percentage change in remuneration for the CEO's and Non-Executive Directors:

	2022			2021			2020		
	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE
CEO									
Darryl Cuzzubbo	–	–	–	–	–	–	–	–	–
Keith Marshall[3]	68%	–	100%	–	–	–	–	–	–
Nicholas Mather[4]	(91%)	–	–	102%	–	–	(6%)	(100%)	(100%)
Non-Executive Directors									
Liam Twigger	28%	–	–	117%	(100%)	–	–	–	–
Keith Marshall	190%[5]	–	–	–	–	–	–	–	–
Nicholas Mather	276%[5]	–	–	–	–	–	–	–	–
Elodie Grant Goodey	20%	–	–	–	–	–	–	–	–
María Amparo Albán	53%[6]	–	–	–	–	–	–	–	–
James Clare	17%	–	–	32%	–	–	–	–	–
Kevin O'Kane	55%[6]	–	–	–	–	–	–	–	–
Brian Moller[1]	(49%)	–	–	(12%)	–	–	(6%)	(100%)	–
Jason Ward[2]	10%	–	–	(6%)	–	–	24%	(100%)	(100%)
Robert Weinberg	(100%)	–	–	(50%)	–	–	(6%)	(100%)	–

1 Brian Moller was not re-elected to the Board on 15 December 2021.

2 Jason Ward resigned as an Executive Director on 13 May 2022.

3 Keith Marshall was remunerated as an Interim CEO for 9 months and the remaining period as a Non-Executive Director.

4 Nicholas Mather resigned as CEO in 2021.

5 Keith Marshall and Nicholas Mather are distorted as these individuals had executive roles, as well as non-executive roles, within this period, with different remuneration packages attached. As disclosed in the 'Single total figure remuneration' table above.

6 María Amparo Albán and Kevin O'Kane are distorted as theses individuals were not elected until October 2021, and therefore this was their first full year as Non-Executive Directors.

* Note – None of the above percentages are presented on an annualized basis.

Pay ratios table

We have not included a CEO pay ratio in this report, as the Company has only five employees based in the UK, and any resulting ratios would not be meaningful.

Relative importance of spend on pay

The table below shows the remuneration paid to all employees in the Group, including the Executive Director (refer Note 4). The figures have been calculated in accordance with the Group Accounting Policies and drawn from either the Company's Consolidated Statement of Comprehensive Income on page 133, or its Consolidated Statement of Cash Flows on page 140.

	2022	2021	DIFFERENCE IN SPEND BETWEEN YEARS	DIFFERENCE IN SPEND BETWEEN YEARS %
Total employee remuneration	27,161,319	24,073,170	3,088,149	12.828%
Expenditure of exploration and evaluation	66,294,083	77,508,612	11,214,529	14.468%

Included within total staff costs is US$21,844,082 (2021: US$20,176,654) which has been capitalised as part of deferred exploration costs. In accordance with Group Accounting Policies all costs associated with the concessions are capitalised.

Shareholder support for the remuneration policy and 2021 directors' remuneration committee report

The Company received shareholder approval of its Directors' Remuneration Policy at the 2022 EGM on 30 June 2022 to cover a period of three years. The Policy applied from the date of approval. The Directors' annual Remuneration Committee Report was put to an advisory shareholder vote at the 2021 AGM of the Company on 15 December 2021. The table below shows full details of the voting outcomes.

	VOTES FOR	VOTES AGAINST	VOTES WITHHELD
Remuneration Policy (at the 2022 EGM)	1,122,761,146 (69.24%)	498,769,699 (30.76%)	1,924,635
Remuneration report for the year ended 30 June 2021 (at the 2021 AGM)	1,291,897,411 (82.66%)	271,079,992 (17.34%)	3,648,273

The Board notes that the Directors' Remuneration Policy Resolution at the 2022 EGM received more than 20% of the vote against the policy and has engaged with shareholders to address their concerns that resulted in this outcome. See above in the Remuneration Report on page 103 for details regarding shareholder feedback and responses.

Summary of directors' terms

NON-EXECUTIVE DIRECTOR	APPOINTMENT DATE	NOTICE PERIOD
Liam Twigger	17 June 2019 Chair from 5 August 2020	3 months' notice
Nicholas Mather	11 May 2005	3 months' notice
Elodie Grant Goodey	17 July 2020	3 months' notice
Kevin O'Kane	21 October 2020	3 months' notice
Keith Marshall	21 October 2020	3 months' notice
Maria Amparo Alban	21 October 2020	3 months' notice
James Clare	1 May 2018	3 months' notice

EXECUTIVE DIRECTOR	APPOINTMENT DATE	NOTICE PERIOD
Darryl Cuzzubbo	16 November 2021	12 months' notice

Remuneration policies and practices

The responsibility for determining remuneration arrangements for the CEO, Executive and Non-Executive Directors, as well as oversight over all aspects of workforce remuneration, has been delegated to the Remuneration Committee.

The Directors' Remuneration Policy was amended and approved by shareholders at the recent June 2022 EGM. The details of the Directors' Remuneration Policy and all Directors' remuneration are detailed in the report on remuneration on pages 103-113. No Director is involved in deciding their own remuneration outcomes.

Developing directors' remuneration policy

Five meetings of the Remuneration Committee took place up until 30 June 2022 where reviews of Executive KPIs were conducted to ensure remuneration is aligned with the Company's purpose and values. The Directors' Remuneration Policy links executive pay to the underlying strength and performance of the Company through performance objectives. Financial and Non-Financial KPIs in the form of an individual and corporate scorecard are established with stretching targets to measure performance against our strategy.

Remuneration outcomes and independent judgement

The Remuneration Committee is chaired by an Independent Non-Executive Director and all members are Independent Non-Executive Directors. To ensure independent judgement is applied during any decision making or review, the Remuneration Committee considers a variety of internal and external data and consults with other Board Committees to ensure performance objectives are beyond what is normally expected within the role and are genuine stretching targets.

IMPLEMENTATION OF NEW DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy approved by Shareholders on 20 December 2018 did not provide sufficient framework to support and incentivise Executive Directors to achieve the Company's strategy and required changes to the performance measures. There were very limited performance objectives and was subsequently replaced by the new Directors' Remuneration Policy ("2022 Remuneration Policy") approved by Shareholders on 30 June 2022. The new Directors' Remuneration Policy is available on the Company's website under the Notice of Meetings 30 June 2022 (https://www.solgold.com.au/notice-of-meetings/)

The 2022 Directors' Remuneration Policy supports the long-term development and strategy of the Company, while aiming to fulfil all stakeholders' requirements and maintaining an acceptable risk profile. It also incorporates good corporate governance and adheres to the UK Code with the introduction of malus and clawback provisions.

The 2022 Directors' Remuneration Policy formed part of the meeting materials at the EGM in June 2022. The Policy took effect from 1 July 2022 and will remain in place, with voting to approve its continuation taking place by 30 June 2025, with other changes brought up in a timely manner, as deemed necessary by the Remuneration Committee.

The Directors' 2022 Remuneration Policy is designed to enable SolGold to attract, motivate and retain qualified industry professionals in order to define and achieve our strategic goals. The Policy acknowledges the internal and external context as well as our business needs and long-term strategy. The Policy encourages behaviour that is focused on long-term value creation and the long-term interests and sustainability of SolGold, while adopting the highest standards of good corporate governance.

Directors' remuneration policy table

The 2022 Directors' Remuneration Policy for the Executive Director is based on the following key principles:

- A significant proportion of remuneration should be tied to the achievement of specific performance conditions that align remuneration with the creation of shareholder value and the delivery of the Company's strategic plans
- There should be a focus on sustained long-term performance, with performance measured over clearly specified timescales, encouraging executives to take action in line with the Company's strategic plan, using good business management principles and taking well considered risks
- Executive remuneration should support the values and culture of the Group. Pay should be simple and easy to understand, with all aspects clear and openly communicated to stakeholders and with alignment with pay philosophies across the Group.

The Directors' Remuneration Policy table below is an extract of the Group's 2022 Directors' Remuneration Policy and sets out the principles for Executive Directors' remuneration. The 2022 Directors' Remuneration Policy is also used as a guideline for the remuneration of the Executive Management. Following the approval by shareholders of the Directors' Remuneration Policy on 30 June 2022, the Remuneration Committee will engage with the workforce to explain how executive remuneration aligns with wider Company pay policy.

Further detail on the variable remuneration elements – Short and Long-Term Incentives can be found below the table.

COMPONENT	LINK TO COMPANY STRATEGY	POLICY SUMMARY
Base Salary	To attract, retain and motivate the Company's Executive Director(s), and reward the position-holder's ability to carry out the responsibilities of the role.	Base salary and statutory required superannuation/ pension obligations. Paid in cash or a portion of base salary in shares of the Company. The share price value is determined by the average of the closing prices for a number of dealing days within a period not exceeding 30 days immediately before that date, as determined by the Remuneration Committee. There is no supplementary pension or retirement plan. Only basic salary is pensionable.
Benefits	Benefits are offered to complement base salary to attract and retain Executive Directors.	Certain allowances, which may include a lump sum relocation allowance, medical insurance, the use of a Company car, personal security, and legal fees (subject to restrictions).

COMPONENT	LINK TO COMPANY STRATEGY	POLICY SUMMARY
Annual Bonus / Short-Term Incentive ("STI")	To incentivise participants to focus on outcomes that are a strategic target for the Company in the financial year and commitment to operating responsibly. The STI reflects performance during the financial year, the STI measures outcomes that are within Director's control.	The amount of STI payable will be based upon the percentage STI opportunity indicated in the employee's contract of employment (and not exceeding the percentage stated in this table). STI will be paid as a lump sum, in cash, or as an allocation of shares at the discretion of the Remuneration Committee (shares immediately vest). The Remuneration Committee reviews metrics annually to ensure they remain appropriate and reflect the future strategic direction of the Company. Targets for each performance measure are set by the Remuneration Committee with reference to internal plans and external expectations.
Long-Term Incentive Plan ("LTI")	To directly incentivise sustained shareholder value through delivery of long-term performance objectives and to retain high calibre Executive Directors by providing an attractive equity-based incentive that builds an ownership mindset.	Offers to join a LTI are made annually, in the form of shares, options, or in exceptional circumstances, cash. LTI payments have a performance and vesting period of at least 3 years, subject to the meeting of objective performance conditions and continued employment. At a holding period on no less than 2 years, save that Directors may sell sufficient shares to pay taxes due related to the LTIs if required, during this period.

Specific targets are not disclosed considering they are commercially sensitive.

Short-term incentive plan ("STI") implementation

The Remuneration Committee believes that a simple and transparent scheme for the annual bonus/STI, with sufficiently stretching targets, ensures that the Executive Directors and Executive Management are focused on the delivery of sustainable business performance. The Performance Bonus Plan ("PBP") was approved by Shareholders on 30 June 2022. The PBP is a discretionary plan that provides for the grant of performance bonus awards to both Executive Directors and Executive Management of the Group in order to retain and motivate them. Awards can be paid in the form of cash or shares, or a combination of both where performance objectives in both the individual and corporate scorecards are reached.

The Corporate and Individual Scorecard ("Scorecard"), as recommended by management, endorsed by the Remuneration Committee, and approved by the Board, determines the specific Key Performance Indicators ("KPI") that the participant must achieve over a period of 12 months to receive an award. The annual performance cycle is 1 July to 30 June. The Scorecards include a balanced range of measures that consider both financial and non-financial KPIs within the Health & Safety, Value Creation and ESG categories. The Board is provided with the discretion to modify the STI outcomes in extenuating circumstances.

The Scorecards are based on three pillars within SolGold:

1) Health, Safety and People

2) Value Creation

3) Environment, Social and Governance ("ESG").

Each Pillar contains a list of KPIs, specific to the participant and within their executive control, with various performance levels to measure the level of performance and ultimate award outcome (if any).

Achievement and performance against each participants Scorecard is assessed annually as part of the Company's broader performance review process. As soon as practicable after the Company's financial results becoming available following the end of each Performance Period, the Board shall:

1) review the Group's, and, if applicable, any relevant Group Company's performance and the Participant's performance during the Performance Period and determine whether and to what extent the Performance Conditions have been satisfied

2) determine the total value of the Bonus Award payable to each Participant

3) if any proportion of the total value of the Bonus Award is to be paid in cash, determine the amount of the Cash Award

4) if any proportion of the total value of the Bonus Award is to be settled in Bonus Shares, determine the number of Bonus Shares by reference to the Market Value on the date of determination.

Long-term incentive plan ("LTIP") implementation

The Remuneration Committee believes in setting demanding objectives, which reward progressive growth, in order to incentivise and encourage long-term growth and enhance shareholder value.

The Long-Term Incentive Plan ("LTIP") is operated in conjunction with the Long-Term Incentive Plan Rules ("LTIP Rules") approved by Shareholders on 30 June 2022 and will be implemented in the 2023 financial year. Performance conditions, including non-financial metrics, are relevant, stretching and designed to promote the long-term success of the Company. The LTIP's purpose is to encourage employee retention and to incentivise the creation of long-term value for shareholders by the Executive Director and Executive Management.

The LTIP rules includes if a participant: (i) ceases to be a Director of the Company and of the designated affiliates of the Company (and is not or does not continue to be an employee thereof) for any reason (other than death); or (ii) ceases to be employed by, or provide services to, the Company or the designated affiliates of the Company (and is not or does not continue to be a Director or officer thereof), or any corporation engaged to provide services to the Company or the designated affiliates of the Company, for any reason (other than death) or receives notice from the Company or any designated affiliate of the Company of the termination of his or her employment contract, except as otherwise provided in any employment contract or the terms and conditions of any Option, in situations of termination not for cause, such participant will have 90 days (unless extended by the Board) following termination to exercise his or her Options to the extent that such participant was entitled to exercise such Options at the date of termination, and, in situations other than a termination not for cause, any Options held by such participant on the date of such termination shall be forfeited and cancelled as of that date. Notwithstanding the foregoing or any employment contract, in no event may such right extend beyond the Option period.

The LTIP opportunity level reflects the capacity of the participant to influence long-term sustainable growth and performance.

The Directors present the Annual Report of SolGold plc together with the audited financial statements for the year ended 30 June 2022.

In accordance with section 415 of the Companies Act 2006, the Directors present their report which incorporates the management report required under the Disclosure Guidance and Transparency Rules sourcebook ("DTRs") of the United Kingdom's Financial Conduct Authority, for listed companies and the audited accounts for the year ended 30 June 2022 as set out on pages 133-140.

Principal activities

SolGold plc (SolGold or the Company) is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK incorporated public limited company with the registration number 5449516 and registered address 1 King Street, London, EC2V 8AU. SolGold is dual LSE and TSX-listed (SOLG on both exchanges) and has a leading exploration and project team focused on copper-gold exploration and mine development with assets in Ecuador, Solomon Islands and Australia.

Review of business

A review of the current and future development of the Group's business is given in the Strategic Report on pages 6-75 which forms part of, and by reference is incorporated in, this Directors' Report. The Board is very pleased to confirm the successful release of the PFS of the Cascabel project with more information regarding this found on pages 24-26 and the appointment of new CEO and Managing Director, Darryl Cuzzubbo, who has extensive experience in both the resources and manufacturing sectors.

Financial risk management has been assessed within Note 24 to the financial statements.

Results and dividends

The Directors do not recommend the payment of a dividend (2021: nil). The results for the year are set out in the consolidated financial statements for the year ended 30 June 2022.

Share capital

Details of the issued share capital of the Company, including details of ordinary shares issued during the year, is set out in Note 18 of the financial statements.

As at the date of this report the Company's issued share capital consisted of 2,296,051,501 ordinary shares of 1p each. The Company does not hold any shares in Treasury. The Company has one class of ordinary share, with the rights set out in the Articles of Association. All issued shares are fully paid, and each share has the right to one vote at the Company's general meeting. There are no specific restrictions either on the size of a holding or on the transfer of shares, which are both governed by our Articles of Association. There are no special rights attached to the control of the Company or special rights attached to shares under any employee share scheme.

The Directors may only issue shares to the extent authorised by the shareholders in a general meeting, unless an exemption applies, such as Section 613(c) of the TSX Company Manual (an exemption for remuneration for recruitment inducement purposes) or under a shareholder approval Employee Incentive Plan.

Details of the Company's Employee Incentive Plans, including the Incentive Plans recently approved by shareholders at the EGM on 30 June 2022 are set out in Note 23. No votes are cast in respect of the options under the Incentive Plans until such time the options are converted to shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. At 30 June 2022, there were 13,000,000 unlisted options outstanding for the issue of ordinary shares under the superseded Employee Incentive Plan approved in 2017.

The current power to allot shares was granted by shareholder resolution at the 2021 AGM and a new authority is being sought at the 2022 AGM within the limits set out in the notice of meeting.

Directors and directors' interests

The Directors of the Company who held office during the year were as follows:

	APPOINTED	RESIGNED	NOT RE-ELECTED
Liam Twigger	17 June 2019 Chair: 5 August 2020		
Darryl Cuzzubbo	CEO: 1 December 2021 Director: 16 November 2021		
Elodie Grant Goodey	17 July 2020		
Maria Alban Amparo	21 October 2020		
Kevin O'Kane	21 October 2020		
Keith Marshall	21 October 2020 Interim CEO: 1 Apr 2021 – 1 Dec 2021	12 August 2022	
Nicholas Mather	11 May 2005 CEO: May 05 – Mar 2021		
James Clare	1 May 2018		
Jason Ward	17 June 2019	13 May 2022	
Brian Moller	11 May 2005		15 December 2021

Further details about the current Directors and their roles within the Company are available in the Directors' biographies on pages 82-84. Details of the remuneration of the Directors, and their interests in the shares of the Company are contained in the Annual Report on Remuneration on pages 105-113.

The Board has the power at any time to elect any person to be a Director, but the number of Directors must not exceed the maximum number determined by the Articles of Association. The Board will continue to regularly review and monitor its composition and performance having regard to the evolving complexity of the Company's activities and operations and make changes as appropriate. Under the Company's Articles of Association, each Director submits himself or herself for re-election by shareholders at least every three (3) years. However, all Directors intend to stand for re-election at the 2022 AGM to be held later this year in accordance with The Boards' decision to voluntary comply with the Code.

Directors' interests

Before each Board meeting, all Directors are to disclose whether they hold any interests in any matters to be reviewed at the Board meeting. The Company Secretary is notified promptly of any changes to those reported interests. Information on Directors' interests in shares of the Company is set out in the Annual Report on Remuneration on page 120.

Directors' indemnity

The Company has maintained Directors' and Officers' insurance during the year. Such provisions remain in force at the date of this report.

The Company has entered into deeds of indemnity with each of the Directors and which were in force as at the date of this Directors' Report.

Substantial shareholding

At 30 June 2022, the Company has been notified or is aware of the following interests in the Shares of the Company of 3% or more of the Company's total issued share capital.

	NO. OF SHARES	% OF VOTING RIGHTS
BHP Group PLC	310,965,736	13.55
Newcrest International Pty Ltd	309,309,996	13.48
DGR Global Ltd	204,151,800	8.90
Cornerstone Capital Resources	157,141,000	6.85
Black Rock Inc.	126,702,684	5.52
Tenstar Trading Limited	107,877,393	4.70
NBIM	90,608,173	3.95
Nicholas Mather[1]	90,326,710	3.94

1 Includes Mr Mather's beneficial and non-beneficial holdings.

Corporate governance

The Governance Report can be found on pages 77-79 for a description of the Company's Corporate Governance structure and policies. The Board has made a concerted effort to ensure the Company's governance practices and policies are current and implemented within the business of the Company. The Governance Report forms part of this Directors' Report and is incorporated by cross reference.

Whistle-blower reports

Up to 30 June 2022, we received five (5) reports to our dedicated confidential whistle-blower hotline: 1 report is still under investigation, while all others, after substantial internal investigation were determined to be unrelated to business ethics and instead were resolved under the Grievance, Disputes and Complaints Policy. The Whistle-blowing Policy is available on the Company's website and all reports are individually investigated both internally and, in some instances, completing an external third party investigation. The introduction of the whistle-blower hotline allows both employees and stakeholders to raise concerns with a guarantee that the matter will be investigated.

Equal opportunities/employees with disabilities

SolGold values diversity and aims to make the best use of everyone's skills and abilities. We have given full and fair consideration to applications for employment by the Company made by disabled persons, having regard to their particular aptitudes and abilities.

If any employees of the Company become disabled while they work for us, where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

Employees

Employees receive regular briefings and updates via periodic internal communications concerning specific events, and announcements and presentations by the CEO and Executive Management to inform them of the performance of the business and issues affecting the business. All communications are written in both English and Spanish.

Branches

For purposes of Chapter 3 of the Companies House 2006, the Company is headquartered in Australia.

Financial instruments

The Company does not undertake financial instrument transactions that are speculative or unrelated to the Company's or Group's activities. The Group's financial instruments consist of deposits with banks, accounts payable, other financial liabilities in the form of the Franco-Nevada NSR Financing Agreement, and derivative liabilities associated with the option issued to BHP in December 2019. The loans provided to employees under the Company Funded Loan Plan ("CFLP") will expire on 31 December 2022 if not repaid earlier, see Note 14. In addition to the Group's financial instruments, the Company's financial instruments also include its loans to subsidiaries.

Further details of financial risk management objectives and policies, and exposure of the Company to financial risks are provided in Note 24 in the financial statements.

Political donations

No political donations were made during the year.

Going concern

Information on the business environment in which SolGold operates is included in the Strategic Report. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Company has not generated revenues from operations, and in common with many exploration companies, the Company raises capital for its exploration and appraisal activities in discrete tranches. As such, the ability of the Group to continue as a going concern depends on its ability to secure additional financing. While this situation gives rise to a material uncertainty and there can be no assurance the Company will be able to raise required financing in the future, the Directors consider it appropriate to prepare the financial statements on a going concern basis given the Group's historical ability to raise necessary funding (refer Note 1(b)(ii).

Further details of the Company's cash balances and borrowings are included in Notes 17 and 21 in the Financial Statements from page 133.

Performance in relation to environmental regulation

Carbon reporting

Streamlined Energy and Carbon Reporting ("SECR") regulations came into effect on 1 April 2019. The Company must report energy consumption and resultant carbon emissions as well as a suitable intensity ratio in its Directors' Report. The Company applies the practice of "reduce, reuse and recycle" and is considerate of the resources used as well as the direct and indirect impact our operations may have. Furthermore, the Company now has a roadmap to build the world's first large scale carbon neutral copper mine at Cascabel.

Methodology

The methodology used for the calculation of emissions was the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard (revised edition to 2015). The standard covers the accounting and reporting of seven greenhouse gases: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PCFs"), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3), and it covers the Company's operational boundaries.

Scope 1 emissions from direct activities of the operation, included: 1) the use of vehicles owned by the Company for transportation of machinery, material and personnel, operation of machinery for perforation, the use of generators for electricity in the camps, Liquefied Petroleum Gas ("LPG") in camps, composting activities and the treatment of wastewater from the camps and water used for drilling operations. Methane calculations were made separately for both wastewater sources, and N_2O generation was only calculated for wastewater from camps. These calculations were made using GHG Protocol for Cities ("GPC") methodology.

Scope 2 emissions from activities of the operation associated with the consumption and purchase of electricity from the grid for the camps.

Reported annual emissions are presented in tons of carbon dioxide equivalent CO_2eq. Regarding the emissions factors, for energy and fuel, the updated emissions factors provided by the Government of Ecuador were used and the IPCC emissions factors were used for the waste sector.

Third party consultant Samana produced SolGold's emission reports. The Company reported on all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports). The Company does not have responsibility for any emission sources that are not included in its consolidated statements.

Intensity ratio

In order to express the GHG emissions in relation to a quantifiable factor associated with the Company's activities, drilling metres were chosen as a normalisation factor. This will allow comparison of the Company's performance over time, as well as with other companies in the sector.

For the year ended 30 June 2022, the intensity ratio for the Cascabel and regional exploration operations was 0.08mtCO_2e/metre drilled (2021: 0.09mtCO_2e/metre drilled).

For further details on the Company's emissions report and details refer to page 57.

Currency

The functional currency of the subsidiaries in Australia is considered to be Australian Dollars ("AUD$"). The functional currency of the subsidiaries in Solomon Islands is considered to be Solomon Islands Dollars ("SBD$"). The functional currency of the subsidiaries in Ecuador is considered to be United States Dollars ("US$"). The presentational currency of the Company and the Group is United States Dollars and all amounts presented in the Directors' Report and financial statements are presented in United States Dollars unless otherwise indicated.

Takeover

There are no significant agreements that take effect, alter or terminate on change of control of the Company following a takeover. Certain employees may receive compensation on a change of control of the Company following a takeover, subject to the discretion of the Board regarding their Employee Share Incentive Plans.

Furthermore, under the Directors' Remuneration Policy approved on 30 June 2022, Directors are not provided with compensation for loss of office or employment that occurs because of a takeover bid.

Related party transactions

Details of related party transactions for the Group and Company are given in Note 26. Key management personnel remuneration disclosures are given in Note 5.

Auditors

PricewaterhouseCoopers LLP ("PwC") were successful in the audit tender process held during the year and have audited the 30 June 2022.

Subsequent events

Details of significant events since the balance sheet date are contained in Note 28 to the financial statements.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the reporting date that would have a material impact on the consolidated or Company financial statements.

Section 172 statement

A statement of how the Board has performed in its duties under section 172 of the Companies Act 2006 (the "Act") can be found on page 48 of the Strategic Report.

In accordance with the Companies Act 2006 ("Companies Act"), the following items have been reported in other sections of the Annual Report and are included in this Directors' Report by reference in the Details of stakeholder engagement (page 90).

A separate communication will be sent to shareholders and published on the Company's website regarding the Company's 2022 AGM, which is likely to be held by December.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Articles of association

The Company's amended Articles of Association were adopted by shareholders at the Company's EGM held on 30 June 2022. Any amendment to the Articles requires the approval of shareholders by a special resolution at a general meeting of the Company.

Disclosure of audit information

In the case of each person who is a Director of the Company at the date when this report is approved confirms that, so far as they are individually aware, there is no relevant audit information of which the Company's auditors are unaware, and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of the information.

On behalf of the Board,

R Gandhi

RUFUS GANDHI
Company Secretary and
Group General Counsel
Registered Number 5449516
SolGold plc
Level 27, 111 Eagle Street
Brisbane QLD 4000
Australia
28 September 2022

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards. In preparing the Group and Company financial statements, the Directors have also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board ("IFRSs as issued by IASB").

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted international accounting standards and IFRSs issued by IASB have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in Annual Report and the financial statements confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards and IFRSs issued by IASB, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the loss of the Group
- the Annual Report and the financial statements include a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

Board Approval 21 September 2022.

By order of the Board,

LIAM TWIGGER
Chair
SolGold plc
28 September 2022

Report on the audit of the financial statements

Opinion

In our opinion, SolGold plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2022 and of the Group's profit and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 30 June 2022; the Consolidated Statement of Profit and Loss and Other Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, the Group, in addition to applying UK-adopted international accounting standards, has also applied international financial reporting standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

In our opinion, the Group financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Group's and the Company's ability to continue as a going concern. The Group has not generated revenues from operations and management's cashflow forecasts show that the Group and the Company need to secure additional funding to continue their exploration and development programme and in order to continue to meet their obligations and liabilities as they fall due. Management are currently exploring options for obtaining this additional funding, as outlined in note 1, but no firm commitments have been received at the date of approval of these financial statements. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and the Company were unable to continue as a going concern.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the Group's board-approved cashflow forecasts for the going concern period covering 18 months to 31 March 2024, including both the base case and severe but plausible downside scenarios, challenging and evaluating management's assumptions used and verifying that these assumptions are consistent with our knowledge and understanding of the business;
- Assessing management's ability to take mitigating actions, including securing additional funding, delaying capital expenditure and reducing costs, and verifying that the Group is able to meet its exploration and working capital commitments within the going concern period under the scenario where it is able to secure additional funding;
- Discussions with management, and their advisers, around their plans for securing the additional funding;
- Testing the cashflow forecast model for mathematical accuracy; and
- Assessing the completeness and adequacy of management's going concern disclosures provided in note 1 to the financial statements.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, other than the material uncertainty identified in note 1 to the financial statements, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting, or in respect of the Directors' identification in the financial statements of any other material uncertainties to the Group's and the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Our audit approach

Context

This is our first year as external auditors of the Group. As part of our audit transition, together with our component audit teams, we performed specific procedures over opening balances by reviewing the predecessor auditors' working papers in the UK, Ecuador and Switzerland, and re-evaluating the predecessor auditors' conclusions in respect of key accounting judgements in the opening balance sheet at 1 July 2021. We performed audit procedures in advance of the year-end, together with our component audit team in Ecuador, the objective of which was to enable early consideration of as many key accounting judgements as possible and to identify any specific areas where additional audit attention might be required at the year-end. The audit transition and early audit procedures were important in determining our final 2022 Group audit scope and areas of focus. As we undertook each phase of this first year audit, we regularly updated our risk assessment to reflect audit findings, including our assessment of the Group's control environment and the impact on our planned audit approach. Our response to management's discovery of the misappropriation of funds in Ecuador also influenced the determination of our final 2022 Group audit scope and areas of focus.

Overview

Audit scope

- The Group's assets and operations are primarily located in Ecuador. We conducted a full scope audit over three components of the Group, namely Exploraciones Novomining S.A ("ENSA"), SolGold Ecuador S.A and the Company, SolGold plc. In addition, we performed specified procedures over other components: SolGold Finance AG, Green Rock S.A., Carnegie S.A. and Cruz del Sol S.A.
- Financial reporting is undertaken for the consolidated Group at the head office in Brisbane, Australia and in London, UK. Our scope enabled us to obtain 97% coverage of the Group's consolidated total assets and 92% coverage of the Group's consolidated profit before tax.

Key audit matters

- Material uncertainty related to going concern (Group) – refer to Material uncertainty related to going concern section above
- Misappropriation of funds (Group)
- Carrying value of intangible assets (Group)
- Carrying value of Investments in subsidiaries and Intercompany Loans with Subsidiaries (Company).

Materiality

- Overall Group materiality: US$4.3million based on 1% of Total Assets
- Overall Company materiality: US$3.7million based on 1% of Total Assets
- Performance materiality: US$2.1million (Group) and US$1.9million (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to going concern, described in the Material uncertainty related to going concern section above, we determined the matters described below to be the key audit matters to be communicated in our report. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Misappropriation of funds (Group)	
In late 2021, management discovered a misappropriation of funds in Ecuador. As a result of this discovery, the Board commissioned a forensic investigation by third party forensic investigators into the misappropriation of funds, reporting to the Chair of the Audit and Risk Committee, as described in the Audit and Risk Committee's Report and in notes 1 and 13. The forensic investigation revealed that during the calendar years 2017 to 2021, US$4.6 million was misappropriated, resulting in the overstatement of the Group's deferred exploration assets. Management concluded that it was appropriate to restate the financial statements by writing-down the value of the deferred exploration assets by US$4.6 million. Management's response to the findings of the investigation, including the associated control deficiencies that were identified, is set out in the Audit and Risk Committee's Report. The forensic investigation, and its results and findings, was a key area of focus for us.	Our audit focused on understanding and reviewing the findings of the external forensic investigation and on evaluating the impact on the financial statements. In particular, we assessed where additional audit procedures were required to be performed, including in Ecuador specifically. We instructed our component team in Ecuador to perform additional procedures to respond to the risk of fraud, including increasing the sample sizes for our substantive audit procedures over certain financial statement lines items, such as capitalised deferred exploration costs and operating expenses. We also considered the impact of the investigation on management's internal control environment both in Ecuador and in other locations, and evaluated the risk of further misappropriation having been committed. Consistent with our original audit plan, we instructed our component audit team in Ecuador to perform a full scope audit on ENSA's complete financial information, incorporating the additional procedures referred to above. We also requested them to perform specified procedures over additional entities (Green Rock S.A., Carnegie S.A. and Cruz del Sol S.A.). We evaluated the component team's work, including performing a significant level of oversight, with senior members of the Group audit team spending time in Ecuador during the interim and year end phases of the component audit. We engaged our internal forensic experts to support the audit team in evaluating the scope and findings of the investigation. This included a review of the scope, reading the final report and findings, assessing and challenging the evidence identified to support the transactions underlying the misappropriation, such as the email searches and transcripts of interviews, and challenging whether further procedures needed to be undertaken. We also assessed the competence, capabilities and objectivity of the third party forensic investigators used by management.

Key audit matter	How our audit addressed the key audit matter
Misappropriation of funds (Group) continued	As a result of our work, we satisfied ourselves that the adjustments posted by management in relation to the misappropriation of funds, including to the opening balance sheet, following the investigation, are materially appropriate. We also considered the appropriateness of the disclosures made by management in note 1 to the financial statements and in the Audit and Risk Committee's Report and determined that they provided an adequate explanation of the issue and the results of management's investigation.
Carrying value of intangible assets (Group) Refer to Note 13 (intangible assets). As at 30 June 2022, the Group has intangible assets of US$365.6 million, relating to deferred exploration costs. Under IAS 36, 'Impairment of Assets', management is required to undertake an impairment assessment of the carrying value of the Group's intangible assets and other non-financial assets where there are indicators of impairment. It is important to note that although IAS 36 applies to the accounting for the impairment of Exploration and Evaluation assets ("E&E"), IFRS 6 "Exploration for and Evaluation of Mineral Resources" modifies the requirements in IAS 36 with respect to: • the indications of impairment; and • the level at which impairment is tested. Impairment assessments require significant judgement and there is a risk that the carrying value of the assets may not be supported by their recoverable amount. As such this was a key area of focus for our audit due to the material nature of intangible assets, the significant judgement involved and the fact that this was our first year as auditors. At 30 June 2022, management's impairment trigger assessment considered factors such as: • whether the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed; • whether substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned; • whether exploration for, and evaluation of, mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and	We evaluated management's assessment of potential indicators of impairment of the intangible assets, being the deferred exploration costs. We undertook the following procedures in our evaluation of management's impairment indicator assessment: • Understood and evaluated management's accounting policies for exploration assets; • Obtained management's exploration expenditure forecasts, supporting their assessment of indicators of impairment, along with their plans for future expenditure to meet minimum licence requirements; • Assessed whether the Group has retained the right of tenure for all its exploration licence areas by obtaining licence status records from relevant state government online databases, verification of licence status to supporting documentation and through discussion with external lawyers, in order to confirm legal title; • Discussed the results of the recently-published Pre-Feasibility Study relating to the Alpala project and understood management's plans for the next stage of this development; and • Reviewed the adequacy of the disclosures in the financial statements. As a result of our work, we determined that the impairment charges recorded are appropriate, that no other indicators of impairment were identified for the remaining intangible assets and that adequate disclosures have been made in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Carrying value of intangible assets (Group) continued • whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full by successful development or by sale. As a result of their impairment assessment, management has recognised an impairment of US$3.6 million, relating to concessions in Ecuador that the board decided to relinquish. Management did not identify any other impairments relating to the other intangible assets.	
Carrying value of Investments in subsidiaries and Intercompany Loans with Subsidiaries (Company) Refer to Note 9 (Investment in subsidiaries), Note 10 (Intercompany Loans with Subsidiaries). As at 30 June 2022, the Company holds Investments in subsidiaries amounting to US$153 million, as well as Loans with Subsidiaries of US$186 million. In assessing the carrying value of these assets, management considered whether the underlying net assets of the investments support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be indicative of impairment. Management also performed an assessment of the expected credit losses on the loans with subsidiaries. Management concluded that no impairment is required in relation to the carrying value of investments in subsidiaries and loans with subsidiaries and concluded that no expected credit losses against the loans with subsidiaries are required. The carrying value of investments in subsidiaries and loans with subsidiaries was included as a key audit matter given that this is an area of focus for the audit of the Company due to the size of the balances.	In respect of the Company's investments in subsidiaries and loans with subsidiaries, we evaluated and challenged management's assessment of the carrying values. We independently performed an assessment of internal and external factors, including considering the market capitalisation of the Group with reference to the carrying value of the Company's investments in subsidiaries and loans with subsidiaries to identify other possible impairment indicators. As a result of our work, we are satisfied that the carrying value of the Company's investments in subsidiaries and loans with subsidiaries are appropriate at 30 June 2022.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's assets and operations are primarily located in Ecuador. In establishing the overall approach to the Group audit, we determined the type of work required to be performed for the consolidated financial statements by the Group audit team, or through involvement of our component auditors in Ecuador and Switzerland. We identified three significant components which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics. This included the two main operating subsidiaries in Ecuador, namely Exploraciones Novomining S.A ("ENSA") and SolGold Ecuador S.A, and the Parent Company, SolGold plc. In addition, we performed specified procedures over other components: SolGold Finance AG., Green Rock S.A., Carnegie S.A. and Cruz del Sol S.A..

Our component audit teams, under the Group team's direction and supervision, performed walkthroughs to understand and evaluate the key financial processes and controls across the Group. Where work was performed by our component auditors in Ecuador and Switzerland, we determined the level of our involvement in the audit work for the consolidated Group in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

As part of our year end audit, we spent time with our component audit team in Quito, Ecuador, during the interim and year end phases of the audit. In addition to these site visits, we conducted oversight of our component audit teams through regular dialogue via conference calls, video conferencing and email communication as considered necessary. We performed remote and in-person working paper reviews to satisfy ourselves as to the appropriateness of audit work performed by our component audit teams. We also attended key meetings virtually and in person with Group and local management. Further specific audit procedures over the Group consolidation and review procedures over the Annual Report and audit of the financial information disclosures were directly performed by the Group audit team. These procedures gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	US$4.3million	US$3.7million
How we determined it	1% of Total Assets	1% of Total Assets
Rationale for benchmark applied	We considered total assets to be an appropriate benchmark for the Group, given the Group's current focus on the exploration of its assets. In addition, the Directors use this measure as a key performance indicator for the Group.	We have assessed that the most appropriate benchmark for the Company, which is primarily a holding company, and holds material investments in subsidiary undertakings, is total assets.

For each component in the scope of our Group audit, we allocated a materiality that was less than our overall Group materiality. The range of materiality allocated across components was US$0.5million to US$3.7million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 50% of overall materiality, amounting to US$2.1million for the Group financial statements and US$1.9million for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the fact that this was our first year as auditors and our risk assessment and aggregation risk – and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above US$214,000 (Group audit) and US$185,000 (Company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

ISAs (UK) require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and, except for the matters reported in the section headed 'Material uncertainty related to going concern', we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with the London Stock Exchange and TSX Listing Rules, environmental regulations, health and safety regulations, and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and applicable tax legislation in the jurisdictions in which the Group has material operations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Enquiries of Directors, management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Examination of management's responses to whistle-blowing allegations made during the year;
- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Identifying and testing journal entries based on our risk assessment, in particular any journal entries posted with unusual account combinations that could be used to manipulate the results;
- Responding to the discovery by management of the misappropriation of funds in Ecuador, as explained in the key audit matter above;
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias; and
- Review of related work performed by the component audit teams, including their responses to risks related to management override of controls.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 11 November 2021 to audit the financial statements for the year ended 30 June 2022 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ("ESEF RTS"). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 September 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	GROUP 2022 US$	GROUP 2021 US$ RESTATED[1]
Expenses			
Exploration costs written-off	13	(3,858,024)	(884,330)
Administrative expenses	3	(17,569,179)	(12,860,193)
Operating loss	**3**	**(21,427,203)**	**(13,744,523)**
Other income		454,077	344,565
Finance income	6	839,140	454,575
Finance costs	6	(12,570,180)	(10,061,787)
Movement in fair value of derivative liability	22	539,000	(613,746)
Remeasurement of amortised cost of financial liability	21	35,003,704	–
Profit / (loss) before tax		**2,838,538**	**(23,620,916)**
Tax expense	7	(4,540,103)	(151,173)
Loss for the year		**(1,701,565)**	**(23,772,089)**
Other comprehensive (loss)/profit			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(702,938)	670,049
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefits		165,729	(50,378)
Change in fair value of financial assets, net of tax	11a/15/7	(1,205,636)	1,198,986
Other comprehensive (loss)/profit, net of tax		**(1,742,845)**	**1,818,657**
Total comprehensive loss for the year		**(3,444,410)**	**(21,953,432)**
Loss for the year attributable to:			
Owners of the parent company		(1,587,497)	(23,558,390)
Non-controlling interest		(114,068)	(213,699)
		(1,701,565)	**(23,772,089)**
Total comprehensive loss for the year attributable to:			
Owners of the parent company		(3,330,342)	(21,739,733)
Non-controlling interest		(114,068)	(213,699)
		(3,444,410)	**(21,953,432)**
Loss per share		CENTS PER SHARE	CENTS PER SHARE
Basic loss per share	8	(0.1)	(1.1)
Diluted loss per share	8	(0.1)	(1.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

1 Refer Note 1(b)(i).

AS AT 30 JUNE 2022

SOLGOLD PLC
REGISTERED NUMBER 5449516

	NOTES	GROUP 2022 US$	GROUP 2021 US$ RESTATED[1]
Assets			
Intangible assets	13	365,579,484	303,839,893
Property, plant and equipment	12	22,084,490	18,823,098
Financial assets held at fair value through OCI	11(a)	5,351,844	6,825,042
Financial assets at amortised cost	14	1,749,213	1,457,324
Total non-current assets		**394,765,031**	**330,945,357**
Other receivables and prepayments	16	4,742,156	5,551,948
Loans receivable and other current assets	14	3,553,291	6,495,930
Cash and cash equivalents	17	26,102,133	109,562,103
Total current assets		**34,397,580**	**121,609,981**
Total assets		**429,162,611**	**452,555,338**
Equity			
Share capital	18	32,350,699	32,350,699
Share premium	18	426,793,240	426,819,162
Other reserves	18	10,931,758	19,412,591
Accumulated loss		(132,587,252)	(138,895,017)
Foreign currency translation reserve		(5,048,767)	(4,345,829)
Equity attributable to owners of the parent company		**332,439,678**	**335,341,606**
Non-controlling interest		(1,191,172)	(1,077,104)
Total equity		**331,248,506**	**334,264,502**
Liabilities			
Trade and other payables	19	6,509,078	7,847,656
Lease liability	20	415,132	335,749
Total current liabilities		**6,924,210**	**8,183,405**
Lease liability	20	326,374	607,214
Other financial liabilities	22	2,387,000	2,926,000
Deferred tax liabilities	15	4,200,444	–
Borrowings	21	84,076,077	106,574,217
Total non-current liabilities		**90,989,895**	**110,107,431**
Total liabilities		**97,914,105**	**118,290,836**
Total equity and liabilities		**429,162,611**	**452,555,338**

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

1 Refer Note 1(b)(i).

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 September 2022.

DARRYL CUZZUBBO
Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

SOLGOLD PLC
REGISTERED NUMBER 5449516

	NOTES	COMPANY 2022 US$	COMPANY 2021 US$ RESTATED[1]
Assets			
Property, plant and equipment	12	598,919	958,850
Investment in subsidiaries	9	152,964,303	120,045,844
Loans with subsidiaries	10	185,599,916	167,399,767
Financial assets held at fair value through OCI	11(a)	5,346,323	6,819,046
Financial assets at amortised cost	14	756,332	756,332
Total non-current assets		**345,265,793**	**295,979,839**
Other receivables and prepayments	16	1,061,583	1,938,616
Loans receivable and other current assets	14	3,553,291	6,495,930
Cash and cash equivalents	17	21,032,524	72,918,016
Total current assets		**25,647,398**	**81,352,562**
Total assets		**370,913,191**	**377,332,401**
Equity			
Share capital	18	32,350,699	32,350,699
Share premium	18	426,793,240	426,819,162
Other reserves	18	11,398,063	20,044,625
Accumulated loss		(99,567,549)	(102,203,496)
Foreign currency translation reserve		(5,006,473)	(5,006,473)
Equity attributable to owners of the parent company		365,967,980	372,004,517
Total equity		**365,967,980**	**372,004,517**
Liabilities			
Trade and other payables	19	1,944,970	1,475,395
Lease liability	20	309,668	319,275
Total current liabilities		**2,254,638**	**1,794,670**
Lease liability	20	303,573	607,214
Other financial liabilities	22	2,387,000	2,926,000
Total non-current liabilities		**2,690,573**	**3,533,214**
Total liabilities		**4,945,211**	**5,327,884**
Total equity and liabilities		**370,913,191**	**377,332,401**

The above Company Statements of Financial Position should be read in conjunction with the accompanying notes.

1 Refer Note 1(b)(i).

A separate statement of comprehensive income for the parent company has not been presented as permitted by section 408 of the Companies Act 2006. The Company's loss for the year was US$5,259,315 (2021: US$4,147,229).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	SHARE CAPITAL US$	SHARE PREMIUM US$	FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME US$
Balance at 30 June 2020		**29,281,511**	**353,220,481**	**2,054,043**
Adjustment to retained earnings (Note 1)		–	–	–
Balance 1 July 2020 restated		**29,281,511**	**353,220,481**	**2,054,043**
Loss for the year		–	–	–
Other comprehensive income		–	–	1,198,986
Total comprehensive loss for the year		**–**	**–**	**1,198,986**
New share capital subscribed		3,048,487	75,695,147	–
Options exercised		20,701	496,834	–
Share issue costs (net of deferred tax)		–	(2,593,300)	–
Options expired		–	–	–
Value of shares and options issued to Directors, employees and consultants		–	–	–
Other		–	–	–
Balance at 30 June 2021 restated		**32,350,699**	**426,819,162**	**3,253,029**
Loss for the year		–	–	–
Other comprehensive loss		–	–	(1,205,636)
Total comprehensive loss for the year		**–**	**–**	**(1,205,636)**
New share capital subscribed	18	–	–	–
Options exercised	18	–	–	–
Share issue costs (net of deferred tax)	18	–	(25,922)	–
Options expired		–	–	–
Value of shares and options issued to Directors, employees and consultants	23	–	–	–
Balance at 30 June 2022		**32,350,699**	**426,793,240**	**2,047,393**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SHARE BASED PAYMENT RESERVE US$	OTHER RESERVES US$	ACCUMULATED LOSS US$	FOREIGN CURRENCY TRANSLATION RESERVE US$	TOTAL US$	NON-CONTROLLING INTERESTS US$	TOTAL EQUITY US$
36,859,263	**(581,656)**	**(133,331,591)**	**(5,015,878)**	**282,486,173**	**(498,139)**	**281,988,034**
(7,213,338)	–	4,099,833	–	(3,113,505)	(365,612)	(3,479,117)
29,645,925	**(581,656)**	**(129,231,758)**	**(5,015,878)**	**279,372,668**	**(863,751)**	**278,508,917**
–	–	(23,558,390)	–	(23,558,390)	(213,699)	(23,772,089)
–	(50,378)	–	670,049	1,818,657	–	1,818,657
–	**(50,378)**	**(23,558,390)**	**670,049**	**(21,739,733)**	**(213,699)**	**(21,953,432)**
–	–	–	–	78,743,634	–	78,743,634
–	–	–	–	517,535	–	517,535
–	–	–	–	(2,593,300)	–	(2,593,300)
(13,169,765)	–	13,169,765	–	–	–	–
315,436	–	–	–	315,436	–	315,436
–	–	725,366	–	725,366	346	725,712
16,791,596	**(632,034)**	**(138,895,017)**	**(4,345,829)**	**335,341,606**	**(1,077,104)**	**334,264,502**
–	–	(1,587,497)	–	(1,587,497)	(114,068)	(1,701,565)
–	165,729	–	(702,938)	(1,742,845)	–	(1,742,845)
–	**165,729**	**(1,587,497)**	**(702,938)**	**(3,330,342)**	**(114,068)**	**(3,444,410)**
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	–	–	–	(25,922)	–	(25,922)
(7,895,262)	–	7,895,262	–	–	–	–
454,336	–	–	–	454,336	–	454,336
9,350,670	**(466,305)**	**(132,587,252)**	**(5,048,767)**	**332,439,678**	**(1,191,172)**	**331,248,506**

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES
Balance at 1 July 2020	
Adjustment to retained earnings (Note 1)	
Balance at 1 July 2020 restated	
Loss for the year	
Other comprehensive income	
Total comprehensive loss for the year	
New share capital subscribed	
Options exercised	
Share issue costs (net of deferred tax)	
Options expired	
Value of shares and options issued to Directors, employees and consultants	
Adjustment to retained earnings	
Balance at 30 June 2021 restated	
Loss for the year	
Other comprehensive loss	
Total comprehensive loss for the year	
New share capital subscribed	18
Options exercised	18
Share issue costs (net of deferred tax)	18
Options expired	
Value of shares and options issued to Directors, employees and consultants	23
Balance at 30 June 2022	

The above statement of changes in equity should be read in conjunction with the accompanying notes.

SHARE CAPITAL US$	SHARE PREMIUM US$	FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME US$	SHARE-BASED PAYMENT RESERVE US$	ACCUMULATED LOSS US$	FOREIGN CURRENCY TRANSLATION RESERVE US$	TOTAL US$
29,281,511	**353,220,481**	**2,054,043**	**36,859,263**	**(119,164,736)**	**(5,006,473)**	**297,244,089**
–	–	–	(7,213,338)	7,213,338	–	–
29,281,511	**353,220,481**	**2,054,043**	**29,645,925**	**(111,951,398)**	**(5,006,473)**	**297,244,089**
–	–	–	–	(4,147,229)	–	(4,147,229)
–	–	1,198,986	–	–	–	1,198,986
–	**–**	**1,198,986**	**–**	**(4,147,229)**	**–**	**(2,948,243)**
3,048,487	75,695,147	–	–	–	–	78,743,634
20,701	496,834	–	–	–	–	517,535
–	(2,593,300)	–	–	–	–	(2,593,300)
–	–	–	(13,169,765)	13,169,765	–	–
–	–		315,436	–	–	315,436
–	–		–	725,366	–	725,366
32,350,699	**426,819,162**	**3,253,029**	**16,791,596**	**(102,203,496)**	**(5,006,473)**	**372,004,517**
–	–	–	–	(5,259,315)	–	(5,259,315)
–	–	(1,205,636)	–	–	–	(1,205,636)
–	**–**	**(1,205,636)**	**–**	**(5,259,315)**	**–**	**(6,464,951)**
–	–	–	–	–	–	–
–	–	–	–	–	–	–
–	(25,922)	–	–	–	–	(25,922)
–	–	–	(7,895,262)	7,895,262	–	–
–	–	–	454,336	–	–	454,336
32,350,699	**426,793,240**	**2,047,393**	**9,350,670**	**(99,567,549)**	**(5,006,473)**	**365,967,980**

FOR THE YEAR ENDED 30 JUNE 2022

	NOTES	GROUP 2022 US$	GROUP 2021 US$ RESTATED	COMPANY 2022 US$	COMPANY 2021 US$
Cash flows from operating activities					
Loss for the year		(1,701,565)	(23,772,089)	(5,259,315)	(4,147,229)
Depreciation	12	619,048	582,026	314,071	341,626
Interest on lease liability	20	64,325	67,730	57,907	62,787
Interest on bridging loan	21	–	371,275	–	371,275
Interest on NSR	21	12,505,564	9,619,242	–	–
Interest on loan to SolGold Finance AG	10	–	–	(5,694,637)	(4,519,889)
Share based payment expense	5 / 23	454,336	315,436	454,336	315,436
Write-off of exploration expenditure	13	3,858,024	884,330	–	–
Foreign exchange loss / (gain)		965,386	(1,790,028)	938,423	(1,797,341)
Movement in fair value of derivative liability	22	(539,000)	613,746	(539,000)	613,746
Remeasurement of amortised cost of financial liability	21	(35,003,704)	–	–	–
Tax expense	7	4,540,103	151,173	278,198	64,375
Non-cash employee benefit expense – company funded loan plan	14	669,211	–	669,211	–
Accretion of interest – company funded loan plan	14	(789,946)	(449,613)	(789,946)	(449,613)
Decrease in other receivables and prepayments		2,978,509	175,544	3,449,370	1,211,109
Increase / (decrease) in trade and other payables		373,238	124,682	469,369	(1,028,881)
Net cash outflow from operating activities		**(11,006,471)**	**(13,106,546)**	**(5,652,013)**	**(8,962,599)**
Cash flows from investing activities					
Exercise of Cornerstone Capital Resources warrants	11(a)	–	(813,927)	–	(813,927)
Acquisition of property, plant and equipment		(2,195,892)	(6,280,482)	(13,726)	(18,255)
Acquisition of exploration and evaluation assets		(69,455,961)	(75,611,280)	–	–
Loans advanced to subsidiaries		–	–	(12,505,512)	(5,001,463)
Advances in investment in subsidiaries		–	–	(33,082,285)	(34,155,941)
Net cash outflow from investing activities		**(71,651,853)**	**(82,705,689)**	**(45,601,523)**	**(39,989,586)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	18	–	76,113,126	–	76,113,126
Payment of issue costs		(37,033)	(333,629)	(37,033)	(333,629)
Net proceeds from NSR financing	21	–	84,380,422	–	–
Payment of NSR costs	20	–	(2,318,598)	–	–
Repayments of lease liability		(448,353)	(439,116)	(310,503)	(348,912)
Net cash (outflow)/inflow from financing activities		**(485,386)**	**157,402,205**	**(347,536)**	**75,430,585**
Net (decrease)/increase in cash and cash equivalents		**(83,143,710)**	**61,589,970**	**(51,601,072)**	**26,478,400**
Cash and cash equivalents at beginning of year	17	109,562,103	46,895,243	72,918,016	45,356,423
Effect of foreign exchange on cash and cash equivalents		(316,260)	1,076,890	(284,420)	1,083,193
Cash and cash equivalents at end of year	17	**26,102,133**	**109,562,103**	**21,032,524**	**72,918,016**

The above statements of cash flows should be read in conjunction with the accompanying notes.

NOTE 1 ACCOUNTING POLICIES

SolGold Plc ("the Company" or "SolGold") and its subsidiaries (the "Group") is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK incorporated (on 11 May 2005), public company limited by shares, with the company registration number 05449516. SolGold is dual listed on the London Stock Exchange and the Toronto Stock Exchange. The address of the Company's registered office is 1 King Street, London EC2V 8AU, United Kingdom.

(a) Statement of compliance

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. SolGold plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 July 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the year reported as a result of the change in framework.

The consolidated financial statements and company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), in accordance with UK adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements also comply with IFRS as issued by the IASB, as is required as a result of the Company's listing on the TSX in Canada. The accounting policies set out below have been applied consistently throughout these consolidated financial statements.

The preparation of the Group Financial Statements in compliance with IFRS requires management to make estimates and exercise judgement in applying the Group's accounting policies. In preparing the Group Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in Note 1(v).

(b) Basis of preparation of financial statements and going concern

The consolidated and company financial statements are presented in United States dollars ("US$"), rounded to the nearest dollar. Refer to Note 1 (d) for further details relating to the foreign exchange translation.

The Company was incorporated on 11 May 2005. From incorporation the Group has prepared the annual consolidated financial statements in accordance with IFRS.

(I) PRIOR YEAR RESTATEMENTS AND RECLASSIFICATIONS

INVESTIGATION INTO ECUADORIAN BUSINESS

During the year the investigation into the Ecuadorian business identified a misappropriation of funds. The effect of the prior years' misappropriation on the balance sheet is set out in note 13. The Company instructed EY Ecuador to commence a forensic investigation into the alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation, and the ARC oversaw the entire process. In total the forensic investigation identified a misappropriation that amounted to US$4.6 million during the years 2017 to 2021.

This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in line with SolGold's accounting policy. SolGold concluded that it was appropriate to write down the value of these assets accordingly and restate our financial statements. The profit and loss impact for the year ended 30 June 2022 amounted to US$227,846 (2021: US$879,977, 2017-2020: US$3,479,117), reflecting the fact that most losses were incurred in prior years. Though the misstatements are material to the quantum of exploration assets, the Company does not consider the misstatements to be material to the financial statements as a whole, either on an individual or cumulative basis. The overstatement of the exploration assets is cumulative and is made up of smaller annual misstatements that were not material in the respective years.

RECLASSIFICATION OF LAND DEPOSITS

During the 2022 audit, it was identified that US$3.1 million of land deposits had been booked as of 30 June 2021 in 'Other receivables and prepayments', when these should have been considered as Land and disclosed as part of Property, plant and equipment. Management concluded that it was appropriate to reclassify this figure and have restated the balance accordingly, impacting these two financial statement line items.

RECLASSIFICATION OF SHARE BASED PAYMENT RESERVE

During the 2022 audit, it was identified that US$7.2 million of options which had expired prior to 30 June 2020, had not been transferred to Accumulated Losses from the Share-based payment reserve in line with the Group's accounting policies. The opening balance of the Share-based payment reserve has been reduced by US$7.2 million.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(b) Basis of preparation of financial statements and going concern continued

(I) PRIOR YEAR REVISIONS AND RECLASSIFICATIONS CONTINUED

RECLASSIFICATION OF SHARE BASED PAYMENT RESERVE CONTINUED

Detail of adjustments and impact in the comparative periods:

BALANCE SHEET (EXTRACT)	30 JUNE 2020 US$	INCREASE/ (DECREASE) US$	30 JUNE 2020 US$ RESTATED	30 JUNE 2021 US$	INCREASE/ (DECREASE) US$	30 JUNE 2021 US$ RESTATED
Intangible assets	230,256,153	(3,479,117)	226,777,036	308,432,012	(4,592,119)	303,839,893
Property, plant and equipment	–	–	–	15,682,120	3,140,978	18,823,098
Total non-current assets	257,019,289	(3,479,117)	253,540,172	332,396,498	(1,451,141)	330,945,357
Other receivables and prepayments	–	–	–	8,458,494	(2,906,546)	5,551,948
Total current assets	–	–	–	124,516,527	(2,906,546)	121,609,981
Total assets	306,798,448	(3,479,117)	303,319,331	456,913,025	(4,357,687)	452,555,338
Net assets	281,988,034	(3, 479,117)	278,508,917	338,622,195	(4,357,693)	334,264,502

PROFIT AND LOSS (EXTRACT)	30 JUNE 2021 US$	INCREASE/ (DECREASE) US$	30 JUNE 2021 US$ RESTATED
Exploration costs written-off	(4,353)	(879,977)	(884,330)
Administration expenses	(12,861,248)	1,055	(12,860,193)
Operating loss	(12,865,601	(878,922)	(13,744,523)
Loss before tax	(22,741,994)	(878,922)	(23,620,916)
Loss for the year	(22,893,167)	(878,922)	(23,772,089)

CASHFLOW (EXTRACT)	30 JUNE 2021 US$	INCREASES / (DECREASE) US$	30 JUNE 2021 US$ RESTATED
Cashflows from operating activities			
Loss for the year	(22,893,167)	(878,922)	(23,772,089)
Exploration costs written-off	4,353	879,977	884,330
Decrease / (increase) in other receivables	(765,607)	941,151	175,544
Net cash outflow from operating activities	(14,048,752)	942,206	(13,106,546)
Cashflows from investing activities			
Security deposits (payments)/refunds	(126,407)	126,407	–
Acquisition of exploration and evaluation assets	(75,607,912)	(3,368)	(75,611,280)
Proceeds from payment of company funded loan plan	1,065,245	(1,065,245)	–
Net cash outflow from investing activities	(81,763,483)	(942,206)	(82,705,689)

(II) GOING CONCERN

At the year end, the Group has cash on hand of US$26.1 million and net current assets of US$27.47 million. The Directors have reviewed the cash position of the Group and the Company for the period to 31 December 2023 and consider it appropriate that the Group and the Company financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business, for the reasons set out below.

The Group has not generated revenues from operations in its history and, in common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. As such, the ability of the Group to continue as a going concern depends on its ability to secure this additional financing.

Management continues to monitor and manage its liquidity risks closely and regularly produces cash flow forecasts. Under the base case scenario, the Group would have sufficient funds until December 2022 without applying any of the mitigating actions that have included within the severe but plausible scenario outlined below. SolGold's severe but plausible scenario considers no access to financial markets, caused by a continued inflationary environment and ensuing recession that is not

NOTE 1 ACCOUNTING POLICIES CONTINUED

(b) Basis of preparation of financial statements and going concern continued

(II) GOING CONCERN CONTINUED

conducive to further capital raises when necessary. In such a situation the Company would cease all exploration activities, terminate most technical services and dramatically reduce overheads to reduce costs. Under its severe but plausible scenario, the Group would have sufficient funds at least until January 2023, although there would be a significant impact on the Group's operations.

Together with their brokers and financial advisers, the Directors and Management continuously monitor the conditions in the relevant capital markets and regularly consider various forms of financing available to SolGold. The Directors and Management are in regular touch with equity investors and actively participate in investor conferences and other forms of investor engagements as there is a need to secure further funding to meet their exploration and working capital commitments.

The Company has a proven ability to execute equity and other financings successfully as demonstrated by the equity placings and royalty agreement completed in the 2020-21 financial years, totalling approximately US$240 million in gross proceeds. Accordingly, the Directors have a reasonable expectation that the Group will be able to raise funds when necessary and, as has been the case previously, the Directors expect that future funding will likely be provided by equity investors, debt funding or via other strategic arrangements.

In the event that the Company is unable to secure sufficient funding, it may not be able to fully develop its projects, and this may have a consequential impact on the carrying value of the related exploration assets and the investment of the parent company in its subsidiaries as well as the going concern status of the Group and the Company. Given the nature of the Group's current activities, it will remain dependent on equity and/or debt funding or other strategic arrangements until such time as the Group becomes self-financing from the commercial production of its mineral resources. Should raising additional finance prove challenging, the Company has alternative options such as the acceleration of cost reductions, farm-outs or the relinquishment of licences across Ecuador, Australia and the Solomon Islands.

Given that the Company will need to secure further funding to meet the Group's future exploration and working capital commitments, and no firm funding commitments have been received at the date of approval of these financial statements, the situation gives rise to a material uncertainty as there can be no assurance the Company will be able to raise the required financing in the future. This material uncertainty may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Notwithstanding this material uncertainty, the Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the financial statements given the Company's proven ability to raise necessary funding. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

(III) HISTORICAL COST CONVENTION

The consolidated financial statements have been prepared on a historical cost base modified by revaluation of financial assets held at fair value through OCI and financial liabilities at fair value through profit or loss.

(c) Basis of consolidation

(I) SUBSIDIARIES

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group.

Non-controlling interests are allocated their share of net profit after tax and share of other comprehensive income in the statement of profit or loss and comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

(II) TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(d) Foreign currency

TRANSLATION INTO THE FUNCTIONAL CURRENCY

Transactions entered into by Group entities in a currency other than the currencies of the primary economic environment in which they operate (the "functional currency") are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated into the functional currency at the foreign exchange rate ruling as of that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the historical foreign exchange rate. Any resultant foreign exchange currency translation amount is taken to the profit and loss.

Management reconsiders the functional currency where there is a change in events or conditions used in initial determination. Where the assessment indicates that a change in functional currency is required, the change is applied prospectively from the date it is deemed to have occurred.

The functional currency of the Company and subsidiaries of the Group are detailed in the table below:

	FUNCTIONAL CURRENCY 2022	FUNCTIONAL CURRENCY 2021	EXCHANGE RATE AT 30 JUNE 2022 USED IN PREPARATION OF FINANCIALS	EXCHANGE RATE AT 30 JUNE 2021 USED IN PREPARATION OF FINANCIALS	AVERAGE EXCHANGE RATE FOR THE YEAR ENDED 30 JUNE 2022	AVERAGE EXCHANGE RATE FOR THE YEAR ENDED 30 JUNE 2021
SolGold Plc	US$	US$	n/a	n/a	n/a	n/a
Australian Resource Management ("ARM") Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Acapulco Mining Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Central Minerals Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Solomon Operations Ltd	SBD$	SBD$	0.1785	0.1245	0.1709	0.1245
Honiara Holdings Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Guadalcanal Exploration Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
SolGold Finance AG	US$	US$	n/a	n/a	n/a	n/a
SolGold Canadian Callco Corp.	CAD$	CAD$	0.7768	0.8067	0.7902	0.7804
SolGold Canadian Exchangeco Corp.	CAD$	CAD$	0.7768	0.8067	0.7902	0.7804
Exploraciones Novomining S.A.	US$	US$	n/a	n/a	n/a	n/a
Carnegie Ridge Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Green Rock Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Valle Rico Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Cruz del Sol S.A.	US$	US$	n/a	n/a	n/a	n/a
SolGold Ecuador S.A.	US$	US$	n/a	n/a	n/a	n/a
Novoproyectos-Sustentables S.A.	US$	US$	n/a	n/a	n/a	n/a

TRANSLATION INTO PRESENTATION CURRENCY

The assets and liabilities of the entities are translated into the Group presentation currency being the US$ at rates of exchange ruling at the reporting date. Income and expense items are translated at average rates for the period. Any resultant foreign exchange currency translation amount is taken to other comprehensive income. On disposal of an entity, cumulative exchange differences are recognised in the income statement as part of the profit or loss on sale. Exchange differences recognised in profit or loss in Group entities' separate financial statements, on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned, are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation. Considering that these relate to loans and receivables that are not expected to be settled in the foreseeable future they have been included as Investments in Subsidiaries in the Company, see section (v).

(e) Property, plant and equipment

(I) OWNED ASSETS

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (h) on page 145).

(II) LEASED ASSETS

Items of property, plant and equipment that are accounted for under IFRS 16 Leases are recognised when contracts are entered into at an amount equal to the corresponding lease liability (see accounting policy (q) on page 148).

NOTE 1 ACCOUNTING POLICIES CONTINUED

(e) Property, plant and equipment continued

(III) SUBSEQUENT COSTS

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other costs are recognised in the statement of profit or loss as an expense as incurred.

(IV) DEPRECIATION

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment used in corporate and administrative operations. Depreciation is capitalised to exploration on a straight-line basis over the estimated useful lives of each item of property, plant and equipment used in exploration operations included within Intangible Assets. The estimated useful lives of all categories of assets are:

Office Equipment	3 years
Furniture and Fittings	5 years
Motor Vehicles	5 years
Plant and Equipment	5 years
Buildings	12 years
Land	Not depreciated

Depreciation charged on leased assets is charged to the statement of profit or loss on a straight-line basis over the term of the lease where it relates to corporate leases and capitalised to exploration when used in exploration operations.

The residual values and useful lives are assessed annually. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in the statement of profit or loss.

(f) Intangible assets (as per IFRS 6 – Exploration for and Evaluation of Mineral Resources)

Costs incurred in relation to the acquisition of, or application for, a tenement area are capitalised where there is a reasonable expectation that the tenement will be acquired or granted. Where the Group is unsuccessful in acquiring or being granted a tenement area, any such costs are immediately expensed.

All other costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis as exploration and evaluation assets, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads. Exploration and evaluation assets are carried at historical cost less any impairment losses recognised.

Once the work completed to date on an area of interest is sufficient such that the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be an evaluated mineral property.

Following determination of the technical feasibility and commercial viability of a mineral resource, the relevant expenditure is transferred from exploration and evaluation assets to evaluated mineral property.

Further development costs are capitalised to evaluated mineral properties, if and only if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost can be measured reliably. Cost is defined as the purchase price and directly attributable costs. Once the asset is considered to be capable of operating in a manner intended by management, commercial production is declared, and the relevant costs are amortised. Evaluated mineral property is carried at cost less accumulated amortisation and accumulated impairment losses.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Impairment of non-financial assets

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable the asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(h) Impairment of non-financial assets continued

Impairment reviews for deferred exploration costs are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. As the material value of the Group's property, plant and equipment is associated with the exploration and evaluation these are also considered within the impairment review. An impairment review is undertaken when indicators of impairment arise, typically when one of the following circumstances apply:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(i) Share capital

(I) ORDINARY SHARE CAPITAL

The Company's ordinary shares are classified as equity.

(II) SHARES ISSUED TO SETTLE LIABILITIES

The Group from time to time settles financial liabilities by issuing shares. The Group considers these equity instruments as 'consideration paid' and accordingly derecognises the financial liability.

The equity instruments issued are measured at fair value, with the difference being taken to the statement of profit or loss, unless the creditor is also a direct or indirect shareholder and is acting in their capacity as direct or indirect shareholder. When the creditor is acting in their capacity as a direct or indirect shareholder the value of shares issued is deemed to be the carrying value of the liability.

(j) Employee benefits

(I) SHARE BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Share based payments to non-employees are measured at the fair value of goods or services rendered or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 23.

(II) RETIREMENT BENEFITS

For the employees of subsidiaries in Ecuador, the Group operates a long-term benefit for years of service plan which represents the accrued benefits to be paid to employees (in accordance with the Ecuadorian labour code), that have completed twenty-five years of service. This is paid in the form of a special remuneration equivalent to the monthly salary in the month that the year of service conditions are met.

The cost of providing this benefit is recognised as a liability and an expense over the period in which the employee's services are received. The cost is determined using the projected unit credit method and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

Remeasurement changes comprise actuarial gains and losses, and are recognised immediately in other comprehensive income in the period in which they occur.

(III) COMPANY FUNDED LOAN PLAN

The Group has put in place a Company Funded Loan Plan ("CFLP") to provide financial assistance to employees in exercising share options. The financial assistance provided to employees is by way of a full recourse interest free loan. The CFLP is secured by the SolGold shares issued upon the exercise of share options under the CFLP to that employee. These shares are held in custody by the Company's broker.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(j) Employee benefits continued

(III) COMPANY FUNDED LOAN PLAN CONTINUED

CFLP loans to employees are initially recognised at fair value, which is determined by discounting loans to their net present value using the risk-free interest rate at the time the loan is granted and an estimated repayment schedule. Following initial recognition, they are carried at amortised cost using the effective interest rate method. Changes in the carrying value of the CFLP loans are recognised within interest income in the profit or loss. The cost of providing the benefit to employees is recognised as an employee expense in the statement of profit or loss on a straight-line basis over the expected life of the CFLP loan.

Further details on the CFLP are disclosed in Note 14.

(IV) DERIVATIVE FINANCIAL INSTRUMENTS

The options issued to BHP as part of the share subscription on 2 December 2019 fall outside the scope of IFRS 2. As such these options are treated as derivative liabilities which are measured initially at fair value and gains or losses on subsequent remeasurement are recorded in the profit or loss. This subsequent remeasurement is valued using the Monte Carlo method.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain. A contingent liability is not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

(l) Trade and other payables

Trade and other payables are not interest bearing and are stated at amortised cost, unless settled with shares as per (i) above. The effect of discounting is immaterial.

(m) Financing costs and income

(I) FINANCING COSTS

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method.

(II) FINANCE INCOME

Interest income is recognised in the statement of profit or loss as it accrues, using the effective interest method.

(n) Taxation

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has US$69,682,242 (2021: US$73,362,323 restated) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on taxes are disclosed in Note 7.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(o) Segment reporting

The Group determines and presents operating segments based on information that is internally provided to the Board of Directors, which is the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results and asset position are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate office assets, head office expenses, and income tax assets and liabilities.

(p) Project Financing

The Group, from time to time, enters into funding arrangements with third parties in order to progress specific projects. The Group financial statements accounted for the related exploration costs in line with the terms of the specific agreement. Costs incurred by SolGold plc are recognised as intangible assets within the financial statements. Costs incurred by third parties are not recognised by SolGold plc.

(q) Leases

For any contracts entered into, the Group considers whether the contract is or contains a lease. For those contracts that fall within the exemptions of IFRS 16 and are classified as short term, these are charged as expenses on a straight-line basis over the period of the lease. For all other leases, the Group recognises a right-of-use asset ("ROUA") and a lease liability on the balance sheet.

The ROUA is measured at cost at an amount equal to the lease liability. The process to adopt this approach can be summarised as follows:

- Calculate the lease liability at commencement date of the lease. At the initial adoption of the standard this was calculated as at the date on initial application of IFRS 16.
- Set the ROUA as an amount equal to the lease liability in line with the above dates.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the implicit interest rate in the lease. Where the implicit rate cannot be easily determined the Group's incremental borrowing rate is used instead. As there is no implicit rate in the leases the Group has chosen to use 8% per the discount rate used in the historic economic project studies. For new leases entered into this rate will be reassessed to reflect the current economic project studies.

The Group depreciates the ROUA on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. The liability is remeasured to reflect any reassessment or modification. Where the lease liability is remeasured, the corresponding adjustment is reflected in the profit and loss if the ROUA is already reduced to zero.

In the statement of financial position, ROUA have been included in property, plant and equipment and lease liabilities have been included in both current and non-current liabilities, under Lease Liability.

(r) Financial Instruments

RECOGNITION AND INITIAL MEASUREMENT

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Group statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and consolidated statement of profit or loss when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(r) Financial Instruments continued

RECOGNITION AND INITIAL MEASUREMENT CONTINUED

Financial instruments are generally measured at initial recognition at fair value and adjusted for transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was issued and its characteristics. All purchases and/or sales of financial assets are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial asset. Unless otherwise indicated the carrying amounts of the Group's financial assets approximate to their fair values.

FINANCIAL ASSETS AT AMORTISED COST

Financial assets are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised costs are subsequently measured using the effective interest ("EIR") method and are subject to an impairment assessment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OCI WITH NO RECYCLING OF CUMULATIVE GAINS AND LOSSES UPON DERECOGNITION (EQUITY INSTRUMENTS)

Upon initial recognition SolGold can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

SolGold elected to classify irrevocably 'Investments in equity excluding subsidiaries' under this category.

IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost or fair value through other comprehensive income (when these are not equity instruments). The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Please refer to Note 14 for the CFLP.

FINANCIAL LIABILITIES

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

FINANCIAL LIABILITIES MEASURED SUBSEQUENTLY AT AMORTISED COST

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated at FVTPL, are measured subsequently at amortised cost. The Group's financial liabilities comprise of trade and other payables, current and non-current lease liabilities and borrowings (Franco-Nevada NSR Financing Agreement, refer Note 21) which are measured at amortised cost.

FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities that are (i) held for trading, or (ii) designated by the entity as being at FVTPL are measured at fair value through profit or loss. The Group's financial liabilities at FVTPL comprise of the Derivative Liability associated with the share issuance to BHP in December 2019.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(r) Financial Instruments continued

FINANCIAL LIABILITIES CONTINUED

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- SolGold has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) SolGold has transferred substantially all the risks and rewards of the asset, or (b) SolGold has neither transferred nor retained substantially all the risks and rewards of the asset; but has transferred control of the asset.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of profit or loss.

(s) Accounting policies for the Company

The accounting policies applied to the Company are consistent with those adopted by the Group with the exception of the following:

(I) SUBSIDIARY INVESTMENTS

Investments in subsidiary undertakings are stated at cost less impairment losses. Expenditure incurred by the Company on behalf of a subsidiary, and where the subsidiary does not reimburse the Company for assets that could be capitalised in accordance with IFRS 6, is recorded within investments in subsidiary undertakings. Where investments are passed down into the underlying operating subsidiaries where no reimbursement is expected this is recorded as an investment in subsidiary undertakings. Within Investments in subsidiaries we also include Loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

(II) INTERCOMPANY LOANS

Intercompany loans with its subsidiary undertakings are measured in line with the Group's policy mentioned in (r) Financial instruments above. That is at amortised cost, with all subsequent measures using the effective interest method and subject to an impairment assessment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Refer Note 1(v).

(t) Nature and purpose of reserves

(I) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE RESERVE

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as financial assets at fair value through OCI, are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(II) SHARE-BASED PAYMENT RESERVE

The share-based payment reserve is used to recognise:

- the grant date fair value of options issued to employees that have vested but not been exercised; and
- the grant date fair value of shares issued to employees.

(III) FOREIGN CURRENCY TRANSLATION RESERVE

Exchange differences arising on translation of foreign controlled entities where the functional currency differs from the presentational currency are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

At a Company level the foreign currency translation reserve relates to the change in presentational currency performed in previous periods.

(IV) OTHER RESERVES

This reserve is used to both adjust the actuarial assessed fair value for the defined benefit pension obligation linked to the Group's employees in Ecuador and to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(u) Changes in accounting policies

NEW STANDARDS AND AMENDMENTS IN THE YEAR

The Group has adopted the following revised and amended standards. The list below includes only standards and interpretations that could have an impact on the Consolidated Financial Statements of the Group.

EFFECTIVE PERIOD COMMENCING ON OR AFTER		
IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16	Interest Rate Benchmark Reform Phase 2	1 Jan 2021

Details of the impact that these standards had is detailed below. Other new and amended standards and interpretations issued by the IASB do not impact the Group or Company as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies. Details of the impact that these standards had is detailed below. Other new and amended standards and Interpretations issued by the IASB do not impact the Group or Company as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16: INTEREST RATE BENCHMARK REFORM PHASE 2

In September 2020, the International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) finalising its response to the ongoing reform of interest rate benchmarks around the world. The amendments aim to assist reporting entities to provide investors with useful information about the effects of the reform on their financial statements.

Many IBORs are expected to be replaced by new benchmark Risk-Free-Rates in future reporting periods. This second set of amendments focuses on issues arising post replacement, ie, when the existing interest rate benchmark is actually replaced with alternative benchmark rates. The main amendments in this second stage are as follows:

- Highly probable requirement and prospective assessments of hedge effectiveness
- Designating a component of an item as the hedged item

The amendment is effective for periods beginning on or after 1 January 2021 with early application permitted. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

As at year end, the following amendments to the standards that could be applicable to the Group had been issued but were not mandatory for the reporting period ended 30 June 2022:

IAS 16: Property, Plant and Equipment – proceeds before intended use: The proposed amends the standard to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective for periods beginning on or after 1 January 2022 with early application permitted.

Management has made a preliminary assessment to not apply this change early considering the stage of the projects.

(v) Critical Accounting Estimates and Judgements

In application of the Group's accounting policies, described in Note 1, the Directors have made the following judgements and estimates which may have a significant effect on the amounts recognised in the Group and Company Financial Statements.

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

ACCOUNTING ESTIMATES

NSR ROYALTY INTEREST – GROUP

The NSR royalty has been valued using the amortised cost basis. IFRS 9 requires that amortised cost is calculated using the effective interest method, which allocates interest expense at a constant rate over the term of the instrument. The effective interest rate of a financial liability is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows through the expected life of the financial liability, based on the then current mine plan and project development study assumptions.

In the case of the Franco Nevada NSR royalty, the Company arrived at an effective interest rate ("EIR") of 11.84%. Total interest for the financial year is estimated at US$12,505,564 (2021: US$9,619,242), see Note 6. Should there be a 2% increase in the EIR this would have an impact on the accounts and increase the finance expenses by US$2,372,846.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(v) Critical Accounting Estimates and Judgements continued

ACCOUNTING JUDGEMENTS

EXPLORATION AND EVALUATION EXPENDITURE – GROUP

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Group considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supported the carrying value of the project.

The Directors have carried out an assessment of the carrying values of exploration and evaluation expenditure and indicators of impairment. No triggers of impairment were identified at 30 June 2022, apart from the decision to relinquish 10 concessions as detailed in Note 13.

INTERCOMPANY LOAN – COMPANY

Management has made a judgement relating to those loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future and it has considered those loans as Investments in subsidiaries.

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Company considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supported the carrying value of the project.

No triggers of impairment were identified at 30 June 2022 on the carrying values of the Cascabel exploration and evaluation asset, which is directly linked to the repayment of the loan from SolGold Finance AG. All recovery strategies indicate that the loan will be fully recovered, therefore no loss allowances have been made.

NOTE 2 SEGMENT REPORTING

The Group determines and separately reports operating segments based on information that is internally provided to the Board of Directors, which is the Group's chief operating decision maker. The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

The Group has outlined below the separately reportable operating segments, having regard to the quantitative threshold tests provided in IFRS 8, namely that the relative asset or profit / (loss) position of the operating segment equates to 10% or more of the Group's respective total. The Group reports information to the Board of Directors along these project category lines. The financial information of the other projects that do not exceed the thresholds outlined above, and is therefore not reported separately, is aggregated as Other Projects.

30 JUNE 2022	FINANCE INCOME US$	DEPRECIATION US$	IMPAIRMENT OF E&E US$	LOSS FOR THE YEAR US$	ASSETS US$	LIABILITIES US$	SHARE BASED PAYMENTS US$	NON-CURRENT ASSET ADDITIONS US$
Cascabel project*	–	140,989	227,847	(1,014,326)	270,791,351	2,411,948	–	35,308,857
Other Ecuadorian projects	48,581	163,834	3,466,350	(5,272,198)	114,262,932	1,793,313	–	33,907,523
Other projects	30	24	–	(20,273)	10,463,708	390	–	259,717
Corporate	790,529	314,201	163,827	4,605,232	33,644,619	93,708,453	454,336	8,174
Total	**839,140**	**619,048**	**3,858,024**[1]	**(1,701,565)**	**429,162,611**	**97,914,105**	**454,336**	**69,484,271**

NOTE 2 SEGMENT REPORTING CONTINUED

30 JUNE 2021 RESTATED	FINANCE INCOME US$	DEPRECIATION US$	IMPAIRMENT OF E&E US$	LOSS FOR THE YEAR US$	ASSETS US$	LIABILITIES US$	SHARE BASED PAYMENTS US$	NON-CURRENT ASSET ADDITIONS US$
Cascabel project*	–	104,200	879,608	(1,423,604)	233,169,906	3,153,211	–	43,129,562
Other Ecuadorian projects	–	136,175	4,722	(1,525,682)	89,212,722	1,968,707	–	29,245,227
Other projects	246	25	–	(16,907)	10,502,442	20,513	–	255,325
Corporate	454,329	341,626	–	(20,805,896)	119,670,268	113,148,405	315,436	–
Total	**454,575**	**582,026**	**884,330[1]**	**(23,772,089)**	**452,555,338**	**118,290,836**	**315,436**	**72,630,114**

* The Cascabel project is held by the subsidiary Exploraciones Novomining S.A. which is 15% owned by a non-controlling interest. See further details of the subsidiary in Note 9.

1 Includes written-off exploration expenditure due to the misappropriation of funds. Please refer note 13.

Geographical information

NON-CURRENT ASSETS	2022 US$	2021 US$ RESTATED
Switzerland	8,174	–
Australia	12,540,078	16,285,847
Solomon Islands	599,559	433,708
Ecuador	381,617,220	314,225,802
	394,765,031	330,945,357

The Group had no revenue during the current and prior year.

NOTE 3 OPERATING LOSS

	GROUP 2022 US$	GROUP 2021 US$
The operating loss is stated after charging (crediting)		
Auditors' remuneration:		
Amounts received or due and receivable by Group auditors for the audit of the Company and Group's annual accounts[1]	773,363	–
Amounts received or due and receivable by Group auditors for the audit of the Company and Group's annual accounts BDO	80,987	347,165
Other non-audit services		
– Agreed upon procedures on quarterly and half year financial statements	–	103,686
– Translation services	–	27,585
– Incorporation of SolGold Finance AG	–	18,130
– Tax compliance – Ecuador	–	5,000
Employee expenses	5,112,716	3,182,529
Insurance (largely political risk)	3,215,136	3,464,139
Director fees	1,373,471	1,490,282
Consultancy fees	1,369,647	1,059,336
Legal fees	765,599	746,590
Regulatory and compliance	612,459	637,808
Depreciation	619,048	582,026
Foreign exchange losses /(gains)	965,591	(1,790,028)
Share based payments (Note 23)	454,336	315,436

1 PricewaterhouseCoopers LLP were appointed as auditors on 11 November 2021.

NOTE 4 STAFF NUMBERS AND COSTS (MONTHLY AVERAGES FOR THE YEAR)

	GROUP 2022	GROUP 2021	COMPANY 2022	COMPANY 2021
Finance and administration	33	37	11	14
Technical – permanent	497	456	8	7
Technical – temporary	364	329	–	–
	894	**822**	**19**	**21**

The aggregate payroll costs of employees were:

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Wages and salaries	26,464,580	23,566,670	5,758,733	5,020,454
Contributions to superannuation	242,403	191,064	242,403	191,064
Share based payments	454,336	315,436	454,336	315,436
Total staff costs	**27,161,319**	**24,073,170**	**6,455,472**	**5,526,954**

Included within total staff costs is US$21,844,082 (2021: US$20,176,654) which has been capitalised as part of deferred exploration costs.

NOTE 5 REMUNERATION OF KEY MANAGEMENT PERSONNEL

	BASIC ANNUAL SALARY US$	BONUS US$	OTHER BENEFITS[1] US$	PENSIONS US$	TOTAL REMUNERATION US$
2022					
Directors					
Darryl Cuzzubbo[2]	260,301	–	–	10,951	271,252
Keith Marshall[3]	258,549	117,982	–	–	376,531
Nicholas Mather	72,205	–	–	–	72,205
Jason Ward[4]	334,653	–	–	–	334,653
Brian Moller[5]	33,255	–	–	–	33,255
James Clare	72,305	–	–	–	72,305
Liam Twigger	118,931	–	–	11,893	130,824
Elodie Grant Goodey	85,965	–	–	–	85,965
Kevin O'Kane	79,331	–	–	–	79,331
Maria Amparo Alban	72,423	–	–	–	72,423
Other key management personnel[6]	1,694,266	336,436	–	80,335	2,111,037
Total paid to key management personnel	**3,082,184**	**454,418**	**–**	**103,179**	**3,639,781**
Other staff and contractors	22,578,392	349,587	454,336	139,225	23,521,540
Total	**25,660,576**	**804,005**	**454,336**	**242,404**	**27,161,321**

1 Other Benefits represents the fair value of the share options granted during the year based on the Black-Scholes model considering the effects of the vesting conditions.

2 Darryl Cuzzubbo was appointed as CEO and Managing Director effective 1 December 2021.

3 Keith Marshall acted as interim CEO until 1 December 2021.

4 Jason Ward's Basic Annual Consultancy Fees includes total remuneration paid for the year including payments post his resignation as an Executive Director on 13 May 2022. Payments post resignation were US$33,352.

5 Brian Moller was not re-elected to the Board on 15 December 2021.

6 Other key management personnel consist of the aggregated remuneration of Dennis Wilkins (Company Secretary), Ayten Saridas (Chief Financial Officer, appointed May 2022, resigned July 2022), Benn Whistler (Technical Services Manager-resigned), Chris Connell (Regional Exploration Manager, resigned February 2022), Peter Holmes (Director of Studies-resigned), Ingo Hofmaier (Interim Chief Financial Officer to May 2022, Executive General Manager Projects and Corporate Finance-resigned) Tania Cashman (Chief Human Resources Officer, appointed January 2022), and Geoff Woodcroft (Chief Human Resources Officer, resigned 29 October 2021).

NOTE 5 REMUNERATION OF KEY MANAGEMENT PERSONNEL CONTINUED

	BASIC ANNUAL SALARY US$	BONUS US$	OTHER BENEFITS[1] US$	PENSIONS US$	TOTAL REMUNERATION US$
2021					
Directors					
Keith Marshall[4]	212,145	–	–	–	212,145
Nicholas Mather (highest paid director)[6]	827,381	–	–	–	827,381
Brian Moller	64,628	–	–	–	64,628
Robert Weinberg[2]	23,506	–	–	–	23,506
James Clare	61,824	–	–	–	61,824
Jason Ward[3]	304,352	–	–	–	304,352
Liam Twigger	93,075	–	–	8,972	102,047
Elodie Grant Goodey[4]	71,756	–	–	–	71,756
Kevin O'Kane[4]	51,202	–	–	–	51,202
Maria Amparo Alban[4]	47,326	–	–	–	47,326
Other key management personnel[5]	1,745,060	193,739	–	111,021	2,049,820
Total paid to key management personnel	**3,502,255**	**193,739**	**–**	**119,993**	**3,815,987**
Other staff and contractors	19,778,314	92,363	315,436	71,071	20,257,184
Total	**23,280,569**	**286,102**	**315,436**	**191,064**	**24,073,171**

1 Other Benefits represents the fair value of the share options granted during the year based on the Black-Scholes model considering the effects of the vesting conditions.

2 Robert Weinberg resigned as a Director effective 17 December 2020.

3 Jason Ward's Basic Annual Consultancy Fees includes total remuneration paid for the year including payments prior to Director appointment.

4 Elodie Grant Goodey was appointed as a non-executive Director on 17 July 2020. Keith Marshall, Kevin O'Kane and Maria Amparo Alban were all appointed as non-executive Directors on 21 October 2020.

5 Other key management personnel consist of the aggregated remuneration of Karl Schlobohm (Company Secretary, retired in June 2021), Priy Jayasuriya (Chief Financial Officer, resigned in November 2020), Benn Whistler (Technical Services Manager), Chris Connell (Regional Exploration Manager), Peter Holmes (Director of Studies), Ingo Hofmaier (Interim Chief Financial Officer, Executive General Manager Projects and Corporate Finance), Nadine Dennison (Chief Human Resources Officer, resigned in March 2021), Peter Holmes (Director of Studies), Steve Belohlawek (General Manager Underground Development and Mining, resigned in October 2020) and Eduardo Valenzuela (Executive General Manager of Studies, deceased).

6 Nick Mather received a severance pay-out during the year ended 30 June 2021 upon retiring from the position of CEO, of US$477,871 (AUD$600,000).

NOTE 6 FINANCE INCOME AND COSTS

	GROUP 2022 US$	GROUP 2021 US$
Interest income	49,194	4,962
Accretion of Interest on company funded loan plan (Note 14)	789,946	449,613
Finance income	**839,140**	**454,575**

	GROUP 2022 US$	GROUP 2021 US$
General interest	291	3,540
Interest on lease liability	64,325	67,730
Interest on bridging loan	–	371,275
Interest on NSR (Note 21)	12,505,564	9,619,242
Finance costs	**12,570,180**	**10,061,787**

NOTE 7 TAX EXPENSE

Factors affecting the tax charge for the current year

SolGold's headquarters is in Australia and as the Company has its central management and control in Australia, the applicable tax rates are Australian. The tax profit for the year is higher than the credit resulting from the application of the standard rate of corporation tax in Australia of 30% (2021: 30%) being applied to the profit before tax arising during the year. The differences are explained below.

	GROUP 2022 US$	GROUP 2021 US$ RESTATED
Tax reconciliation		
Profit / (loss) before tax[1]	2,838,538	(23,620,916)
Tax at 30% (2021: 30%)	851,561	(7,086,275)
Add / (less) tax effect of:		
Permanent differences	917,878	737,930
Derecognise current year tax losses	–	4,483,039
(Recognise) / derecognise prior year losses	(215,502)	7,879,110
Prior year tax expense attributable to Ecuador	–	6,504
Current year tax expense attributable to Ecuador	61,460	80,294
Prior period adjustments to true-up tax return	2,921	10,979
Other	19,600	7,448
Impact of tax rate differences	(3,417,092)	2,500,519
Temporary differences not recognised	6,319,277	(8,468,375)
Income tax expense on loss	**4,540,103**	**151,173**
Components of tax (expense) / benefit on other comprehensive income comprise of:		
Tax on valuation (loss) / gain on investments held at fair value through OCI (see note 15)	(267,087)	692,474
Income tax (expense) / benefit on other comprehensive income	**(267,087)**	**692,474**
Amounts recognised directly in equity		
Attributable to prior periods	–	11,695
Net deferred tax credited directly to equity	(11,111)	(768,544)
Income tax (expense) recognised directly in equity	**(11,111)**	**(756,849)**

1 Impacted by the restatement as detailed in Note 1.

Deferred tax assets are recognised only to the extent of deferred tax liabilities. Where deferred tax assets exceed deferred tax liabilities, deferred tax assets on carried forward tax losses are derecognised in the first instance considering their recoverability.

Factors that may affect future tax charges

The Group has carried forward gross tax losses of approximately US$100.0 million (2021: US$88.8 million restated). These losses may be deductible against future taxable income dependent upon the ongoing satisfaction by the relevant Group Company of various tax integrity measures applicable in the jurisdiction in which the tax loss has been incurred. The jurisdictions in which tax losses have been incurred include Australia, Ecuador, Switzerland and the Solomon Islands. Tax losses in Australia (US$69.68 million) can be carried forward indefinitely while in Ecuador (US$30.39 million), tax losses may be carried forward and offset against profits in the following five years, provided that the amount offset does not exceed 25% of the year's profits.

NOTE 8 LOSS PER SHARE

	2022 CENTS PER SHARE	2021 CENTS PER SHARE RESTATED
Basic loss per share	(0.1)	(1.1)
Diluted loss per share	(0.1)	(1.1)

	2022 US$	2021 US$ RESTATED
(a) Loss		
Loss used to calculate basic and diluted loss per share	(1,701,565)	(23,772,089)

	NUMBER OF SHARES	NUMBER OF SHARES
(b) Weighted average number of shares		
Used in calculating basic LPS	**2,293,816,433**	**2,115,829,663**
Weighted average number of dilutive options	–	–
Weighted average number of ordinary shares and potential ordinary shares used in calculating dilutive LPS	**2,293,816,433**	**2,115,829,663**

Options granted are not included in the determination of diluted earnings per share as they are considered to be anti-dilutive. These out-of-the-money options may become dilutive in the future.

NOTE 9 INVESTMENT IN SUBSIDIARIES

REPORTING DATE IS 31 DECEMBER[1]	COUNTRY OF INCORPORATION AND OPERATION	REGISTERED ADDRESS	PRINCIPAL ACTIVITY	SOLGOLD PLC'S EFFECTIVE INTEREST 2022	SOLGOLD PLC'S EFFECTIVE INTEREST 2021
Australian Resource Management ("ARM") Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Acapulco Mining Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Central Minerals Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Solomon Operations Ltd	Solomon Islands	c/- Morris & Sojnocki Chartered Accountants 1st Floor City Centre Building, Mendana Avenue, Honiara Solomon Islands	Exploration	100%	100%
Honiara Holdings Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Guadalcanal Exploration Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Exploraciones Novomining S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	85%	85%
Carnegie Ridge Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%

NOTE 9 INVESTMENT IN SUBSIDIARIES CONTINUED

REPORTING DATE IS 31 DECEMBER[1]	COUNTRY OF INCORPORATION AND OPERATION	REGISTERED ADDRESS	PRINCIPAL ACTIVITY	SOLGOLD PLC'S EFFECTIVE INTEREST 2022	2021
Green Rock Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
Valle Rico Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
Cruz del Sol S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
SolGold Ecuador S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Services Management	100%	100%
Novoproyectos-Sustentables S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Project development	100%	100%
SolGold Canadian Callco Corp.[1]	Canada	4500, 855 – 2nd Street S.W, Calgary, Alberta T2P 4K7	Investment	100%	100%
SolGold Canadian Exchangeco Corp.	Canada	4500, 855 – 2nd Street S.W, Calgary, Alberta T2P 4K7	Investment	100%	100%
SolGold Finance AG	Switzerland	Baarerstrasse 21, 6300 Zug	Investment	100%	100%

	INVESTMENT IN SUBSIDIARY UNDERTAKINGS INVESTMENT US$
Cost	
Balance at 30 June 2020	**295,129,525**
Acquisitions and advances in the year[1]	33,592,422
Reallocation to SolGold Finance AG	(173,497,993)
Balance at 30 June 2021	**155,223,954**
Acquisitions and advances in the year	32,918,459
Balance at 30 June 2022	**188,142,413**
Amortisation and impairment losses	
Balance at 30 June 2020	**(35,178,110)**
Balance at 30 June 2021	**(35,178,110)**
Balance at 30 June 2022	**(35,178,110)**
Carrying amounts	
Balance at 30 June 2020	259,951,415
Balance at 30 June 2021	120,045,844
Balance at 30 June 2022	**152,964,303**

1 During the year ended 30 June 2021, the intercompany loans between SolGold plc and Exploraciones Novomining S.A./SolGold Ecuador S.A. were reallocated to a newly established intermediary company (SolGold Finance AG).

Included in Investments with subsidiaries there are US$126,545,135 (2021: US$94,536,862) from Loans with related parties.

NOTE 10 INTERCOMPANY LOANS WITH SUBSIDIARIES

	INTERCOMPANY LOANS WITH SUBSIDIARIES LOAN US$
Cost	
Balance at 30 June 2020	**–**
Reallocation of loans	173,497,993
BLA Offset	(15,619,579)
Advances in the year	5,001,463
Interest accrued in the year	4,519,890
Balance at 30 June 2021	**167,399,767**
Advances in the year	12,505,512
Interest accrued in the year	5,694,637
Balance at 30 June 2022	**185,599,916**
Amortisation and impairment losses	
Balance at 30 June 2020	**–**
Balance at 30 June 2021	**–**
Balance at 30 June 2022	**–**
Carrying amounts	
Balance at 30 June 2020	–
Balance at 30 June 2021	167,399,767
Balance at 30 June 2022	**185,599,916**

In September 2020 SolGold plc transferred its investments and associated intercompany loans in ENSA (85%) and SolGold Ecuador S.A. (100%) to a newly established wholly-owned subsidiary called SolGold Finance AG.

Upon the transfer of the investments and associated intercompany loans from ENSA and SolGold Ecuador S.A. to SolGold Finance AG, a new back-to-back loan agreement was implemented between SolGold plc and SolGold Finance AG. The key terms of this new back-to-back loan agreement include:

- 10 year loan maturity period
- 3.5% annual interest rate, calculated daily
- Interest accrues and is due on or before 10 years, or thereafter by agreement between the parties
- SolGold plc has the ability to call the loan for repayment at any point on or before 10 years from the date of issue
- SolGold Finance AG may prepay the whole or any part of the advances made by SolGold plc at any point without notice, penalty or bonus.

The Company has assessed the receivable and no loss allowances have been made, refer Note 1(v).

NOTE 11 INVESTMENTS

(a) Investments accounted for as financial assets held at fair value through OCI

	GROUP		COMPANY	
	2022 US$	2021 US$	2022 US$	2021 US$
Movements in financial assets				
Opening balance at 1 July	6,825,042	4,119,179	6,819,046	4,113,660
Additions	–	813,927	–	813,927
Fair value adjustment through OCI	(1,473,198)	1,891,936	(1,472,723)	1,891,459
Balance at 30 June	**5,351,844**	**6,825,042**	**5,346,323**	**6,819,046**

Financial assets comprise an investment in the ordinary issued capital of Cornerstone Capital Resources Inc., listed on the TSX Venture Exchange and an investment in the ordinary issued capital of Aus Tin Mining Ltd, a company listed on the Australian Securities Exchange.

(b) Fair value

FAIR VALUE HIERARCHY

The following table details the Group's assets, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The fair values of financial assets approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

The following table represents the Group's financial assets measured and recognised at fair value.

	US$ LEVEL 1	US$ LEVEL 2	US$ LEVEL 3	US$ TOTAL
2022				
Financial assets held at fair value through OCI	5,351,844	–	–	5,351,844
2021				
Financial assets held at fair value through OCI	6,825,042	–	–	6,825,042

The financial assets are measured based on the quoted market prices at 30 June and therefore are classified as Level 1.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

	GROUP						COMPANY TOTAL[1]
	LAND[2] US$	PROPERTY, PLANT AND EQUIPMENT US$	MOTOR VEHICLES US$	OFFICE EQUIPMENT US$	FURNITURE & FITTINGS US$	TOTAL US$	TOTAL US$
Cost							
Balance 1 July 2020	**12,399,525**	**2,904,105**	**1,104,237**	**729,314**	**264,914**	**17,402,095**	**1,644,111**
Effect of foreign exchange on opening balance	–	124,554	4,596	2,776	877	132,803	119,635
Additions (restated)	4,113,935	457,182	–	187,496	9,400	4,768,013	19,304
IFRS 16 transition additions	–	(12,645)	–	–	–	(12,645)	–
Disposals	–	–	(35,155)	–	–	(35,155)	–
Balance 30 June 2021 (restated)	**16,513,460**	**3,473,196**	**1,073,678**	**919,586**	**275,191**	**22,255,111**	**1,783,050**
Effect of foreign exchange on opening balance	–	(123,985)	(4,578)	(2,767)	(873)	(132,203)	(119,085)
Additions	3,836,561	406,964	–	80,751	5,719	4,329,995	14,772
Disposals	–	–	(38,490)	–	–	(38,490)	–
Balance 30 June 2022	**20,350,024**	**3,756,175**	**1,030,610**	**997,570**	**280,037**	**26,414,413**	**1,678,737**
Depreciation and impairment losses							
Balance 1 July 2020	–	**(995,434)**	**(712,955)**	**(577,497)**	**(175,221)**	**(2,461,107)**	**(456,920)**
Effect of foreign exchange on opening balance	–	(29,513)	(4,595)	(2,858)	(877)	(37,843)	(24,606)
Depreciation charge for the year	–	(482,064)	–	(93,615)	(6,347)	(582,026)	(341,626)
Depreciation capitalised to exploration	–	(123,839)	(188,182)	(37,907)	(36,264)	(386,192)	(1,048)
Disposals	–	–	35,155	–	–	35,155	–
Balance 30 June 2021	**–**	**(1,630,850)**	**(870,577)**	**(711,877)**	**(218,709)**	**(3,432,013)**	**(824,200)**
Effect of foreign exchange on opening balance	–	64,391	4,577	2,766	873	72,607	59,500
Depreciation charge for the year	–	(490,621)	–	(121,419)	(7,008)	(619,048)	(314,071)
Depreciation capitalised to exploration	–	(194,668)	(166,686)	(5,313)	(18,185)	(384,851)	(1,047)
Disposals	–	–	33,379	–	–	33,379	–
Balance 30 June 2022	**–**	**(2,251,748)**	**(999,307)**	**(835,843)**	**(243,029)**	**(4,329,927)**	**(1,079,818)**

1 Company assets include fixture and fittings and office equipment.

2 Includes restatement of $3,140,978 for land. See restatement in Note 1.

Carrying amounts							
At 30 June 2020	12,399,525	1,908,671	391,282	151,817	89,693	14,940,988	1,187,191
At 30 June 2021	16,513,460	1,842,346	203,101	207,709	56,482	18,823,098	958,850
At 30 June 2022	**20,350,024**	**1,504,427**	**31,303**	**161,727**	**37,008**	**22,084,490**	**598,919**

NOTE 13 INTANGIBLE ASSETS

	GROUP DEFERRED EXPLORATION COSTS (RESTATED)[1] US$
Cost	
Balance at 30 June 2020	**267,852,937**
Incorrect capitalised costs	(3,479,117)
Balance at 30 June 2020 restated[1]	**264,373,820**
Effect of foreign exchange on opening balances	434,222
Additions – expenditure	77,512,965
Incorrect capitalised costs	(879,977)
Balance at 30 June 2021 restated[1]	**341,441,030**
Effect of foreign exchange on opening balances	(696,468)
Additions – expenditure	66,294,083
Incorrect capitalised costs[2]	(227,846)
Balance at 30 June 2022	**406,810,799**
Impairment losses	
Balance at 30 June 2020	**(37,596,784)**
Impairment charge	(4,353)
Balance at 30 June 2021	**(37,601,137)**
Impairment charge	(3,630,178)
Balance at 30 June 2022	**(41,231,315)**
Carrying amounts	
At 30 June 2020 – restated	226,777,036
At 30 June 2021 – restated	303,839,893
At 30 June 2022	**365,579,484**

1 As of 30 June 2022, the Group has restated its intangible assets for the year end 30 June 2021 and 2020 as detailed in Note 1.

2 These costs were previously reported as of 31 December 2022 as additions.

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest. An impairment charge of US$3,630,178 (2021: US$4,353) was recognised in the year for exploration expenditure associated with concessions in Ecuador that the Board decided to relinquish, as per the announcement on 7 September 2021. In addition to this, US$227,846 (2021: US$879,977) was recognised in association with the misappropriation of funds (refer Note 3).

In December 2021, the Company commissioned EY Ecuador to conduct a forensic investigation into alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation, reporting directly to the Chair of the Audit & Risk Committee. The forensic investigation revealed that during the years 2017 to 2021 US$4.6 million was misappropriated.

This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in line with SolGold's accounting policy. SolGold concluded that it was appropriate to write down the value of these assets accordingly and restate our financial statements. The profit and loss impact for the year ended 30 June 2022 amounted to US$227,846, reflecting the fact that most losses were incurred in prior years.

An assessment of the carrying values of deferred exploration costs is provided below.

Cascabel project (85% Ownership)

The Alpala deposit, discovered at Cascabel, is in northern Ecuador, lying upon the gold rich section of the northern section of the prolific Andean Copper belt, renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation from the Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project is a three-hour drive north of Quito, close to water, power supply and Pacific ports.

NOTE 13 INTANGIBLE ASSETS CONTINUED

Cascabel project (85% Ownership) continued

The Alpala Porphyry Copper-Gold-Silver Deposit, at a cut-off grade of 0.21% CuEq, comprises 2,663 Mt at 0.53% CuEq in the Measured plus Indicated categories, which includes 1,192 Mt at 0.72% CuEq in the Measured category and 1,470 Mt at 0.37% CuEq in the Indicated category. The Inferred category contains an additional 544 Mt at 0.31% CuEq.

The estimate comprises a contained metal content of 9.9 Mt Cu and 21.7 Moz Au in the Measured plus Indicated categories, which includes 5.7 Mt Cu and 15 Moz Au in the Measured category, and 4.2 Mt Cu and 6.6 Moz Au in the Indicated category. The Inferred category contains an additional 1.3 Mt Cu and 1.9 Moz Au.

Based on the exploration work conducted to date at the Cascabel project, the Company:

- continues to have the right to explore in the area
- has met its expenditure commitments
- remains positive around the prospectivity of the project area, with encouraging geological results encountered to date
- is not aware of any data that would require or demand to abandon or relinquish the project.

Accordingly, management is of the opinion that the exploration and evaluation assets capitalised at 30 June 2022 are recoverable and fairly stated and that no impairment provision is required.

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$259.9 million.

SolGold 100% owned projects

REGIONAL CONCESSIONS GRANTED FOR 100% SOLGOLD ECUADOR SUBSIDIARIES

The four 100% owned subsidiary companies in Ecuador: Carnegie Ridge Resources S.A., Green Rock Resources S.A., Cruz del Sol S.A. and Valle Rico Resources S.A. hold 72 mining concessions in Ecuador for which the companies were successful in bidding as part of the auction process in 2016 and 2017.

The Company has carried out initial exploration work programmes on these concessions and delineated 10 priority projects.

The ongoing exploration programme on these projects continues to focus on:

- Drill testing targets
- Collection and interpretation of geophysical data
- Mapping and geochemical sampling of new areas.

At 30 June 2022, the capitalised exploration and evaluation costs for the Other Ecuadorian projects totalled US$95.25 million. The high priority projects consist of 41 concessions and total capitalised expenditure is US$67.86 million. The other 31 regional concessions total capitalised costs are US$27.40 million.

Based on the exploration work conducted to date at the Other Ecuadorian projects, the Company:

- continues to have the right to explore in the area
- has not lost access to any areas and is working proactively with communities to build a strong licence ahead of major field work
- has met its expenditure commitments
- remains positive around the prospectivity of the project area, with encouraging geological results encountered to date
- is of the opinion that insufficient data exists to abandon or relinquish any of these projects.

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$95.25 million.

ACAPULCO MINING PROJECTS

The main exploration project of Acapulco Mining Pty Ltd is the Mt Perry project. A comprehensive assessment of the project has identified the Upper Chinaman's Creek prospects as the highest priority high-grade opportunity.

Based on the exploration work conducted to date, the Company:

- continues to have the right to explore in the area
- has met its expenditure commitments and is now actively seeking a joint venture partner to pursue further exploration on the projects
- remains positive around the prospectivity of the project areas, with encouraging exploration results encountered to date
- is of the opinion that insufficient data exists to abandon or relinquish the project.

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$6.50 million.

NOTE 13 INTANGIBLE ASSETS CONTINUED

SolGold 100% owned projects continued

CENTRAL MINERALS PROJECTS

Central Minerals Pty Ltd holds the Rannes project where recently completed exploration activities include:

- Work on the Rannes Project focused on plate modelling of VTEM data and commencement of the integration of 3DIP, VTEM and magnetic inversion model data
- Air-photo based litho-structural geological review and interpretation.

Based on the exploration work conducted to date, the Company:

- continues to have the right to explore in the area
- has met its expenditure commitments and is now actively seeking a joint venture partner to pursue further exploration on the projects
- remains positive around the prospectivity of the project areas, with encouraging exploration results encountered to date
- is of the opinion that insufficient data exists to abandon or relinquish the project.

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$3.30 million.

NOTE 14 LOAN RECEIVABLES AND OTHER ASSETS

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Loan receivables and other current assets				
Company Funded Loan Plan Receivable	3,553,291	6,495,930	3,553,291	6,495,930
Closing balance at the end of the reporting period	**3,553,291**	**6,495,930**	**3,553,291**	**6,495,930**

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Loan receivables and other non-current assets				
Security bonds	1,749,213	1,457,324	756,332	756,332
Closing balance at the end of the reporting period	**1,749,213**	**1,457,324**	**756,332**	**756,332**
Company funded loan plan receivable				
Balance at beginning of reporting period	6,495,930	6,373,398	6,495,930	6,373,398
Proceeds received from repayment of the loans during the period	(2,408,511)	(1,065,245)	(2,408,511)	(1,065,245)
Fair value adjustment recognised as an employee benefit expense	(669,211)	–	(669,211)	–
Accretion of interest	789,946	449,613	789,946	449,613
Effect of foreign exchange	(654,863)	738,164	(654,863)	738,164
Balance at end of reporting period	**3,553,291**	**6,495,930**	**3,553,291**	**6,495,930**

The CFLP is a plan established by the Company to assist employees in exercising share options. On 29 October 2018, the Company assisted employees to exercise 19,950,000 options previously issued to employees of the Company in 2016 via the CFLP. Since inception and until 30 June 2022 repayments of US$3,473,756 have been received against the loans provided. As at 30 June 2022, 4 employees remain beneficiaries of the Plan, with 1 employee having repaid their loan in early July 2022.

The key terms of this CFLP on the date the loans were granted were as follows:

- The employee may only use a loan under the Plan to pay for the exercise of Employee Options granted by the Company
- The loan will be granted for a maximum period of 2 years (extended in the meantime)
- No interest will be charged on the loan
- The loan is secured by the shares granted on the exercise of the Employee Options
- The loans provided are full recourse.

NOTE 14 LOAN RECEIVABLES AND OTHER ASSETS CONTINUED

As the loan provided by the Company was at a favourable rate of interest for the employees, the loan receivable under the Plan was fair valued at the date of grant. The fair value of the loan was estimated based on the future cash flow and a market rate of 7%. In future reporting periods, post inception, the loan has been measured at amortised cost. The loans provided are full recourse loans. If the sale of shares does not cover the outstanding loan balance in full, repayment of the balance will be recovered from the employees. This transaction was a non-cash transaction with employees. Management have considered the likelihood of default is low and the expected credit losses under the loans will be immaterial and accordingly, no impairment has been recognised at 30 June 2022. The Company has the ability to sell the shares, and accordingly the exposure to credit risk is low.

On 24 February 2020 the maturity date for the CFLP was extended by 12 months to 29 October 2021. All other terms of the CFLP remained consistent. The 12-month extension of the loan resulted in an overall increase of US$402,082 in employee benefits expense. This fair value adjustment is represented in the above table and was recognised as an employee benefit expense.

The Board of Directors in June 2021 resolved to extend the CFLP until 31 December 2021. During the October 2021 board meeting, the Board of Directors resolved to extend the CFLP again, this time for a further six months, to 30 June 2022. This extension of the loan resulted in an overall increase of US$669,211 in employee benefits expense. This fair value adjustment is represented in the above table and was recognised as an employee benefit expense.

On 24 August 2022, it was proposed to extend the CFLP for 3 individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension will see their loan repayment terms extended until 31 December 2022.

Security bonds relate to cash security held against office premises (Level 27, 111 Eagle St, Brisbane, Queensland, Australia; 1 King Street, St Paul's, London, United Kingdom; Baarerstrasse 21, 6300 Zug, Switzerland), cash security held by the Queensland Department of Natural Resources and Mines against Queensland exploration tenements held by the Group and on cash backed bank guarantees held by the Ecuadorian Ministry of Environment against Ecuadorian exploration tenements held by the Group.

NOTE 15 DEFERRED TAXATION

Recognised deferred tax assets and liabilities

GROUP 2022	OPENING BALANCE US$	NET (CHARGED)/ CREDITED TO INCOME US$	NET (CHARGED) / CREDITED TO OTHER COMPREHENSIVE INCOME US$	NET (CHARGED) / CREDITED TO EQUITY US$	NET MOVEMENT ON UNWIND / TRANSFER US$	CLOSING BALANCE US$
Recognised deferred tax assets						
Carried forward tax losses	–	6,295,129	–	–	–	6,295,129
Accruals / provisions	1,517,126	(443,509)	–	11,111	–	1,084,728
Potential benefit	**1,517,126**	**5,851,620**	**–**	**11,111**	**–**	**7,379,857**
Recognised deferred tax liabilities						
Financial assets held at fair value through other comprehensive income	(1,201,733)	102,643	267,087	–	–	(832,003)
Derivative liabilities	43,314	(90,424)	–	–	–	(47,110)
NSR Liability (borrowings)	–	(4,200,444)	–	–	–	(4,200,444)
Exploration and evaluation assets	(2,599,253)	146,911	–	–	–	(2,452,342)
Foreign exchange gains/losses	2,518,843	(6,361,967)	–	–	–	(3,843,124)
Property, plant and equipment	–	(1,069)	–	–	–	(1,069)
IFRS 16 right of use asset	(278,297)	74,088	–	–	–	(204,209)
Potential benefit	**(1,517,126)**	**(10,330,262)**	**267,087**	**–**	**–**	**(11,580,301)**
Net deferred taxes	**–**	**(4,478,642)**	**267,087**	**11,111**	**–**	**(4,200,444)**
Deferred tax assets not recognised						
Unused tax losses	25,423,063	(4,126,551)	–	–	–	21,296,512
Temporary differences[1]	9,341,592	6,319,277	–	–	–	15,660,869
Tax benefit	**34,764,655**	**2,192,726**	**–**	**–**	**–**	**36,957,381**

1 Exploration expenditure incurred in the Solomon Islands that has been expensed. This expenditure is deductible over 5 years from when production commences.

NOTE 15 DEFERRED TAXATION CONTINUED

Recognised deferred tax assets and liabilities continued

GROUP 2021	OPENING BALANCE US$	NET (CHARGED) / CREDITED TO INCOME US$	NET (CHARGED) / CREDITED TO OTHER COMPREHENSIVE INCOME US$	NET (CHARGED) / CREDITED TO EQUITY US$	NET MOVEMENT ON UNWIND / TRANSFER US$	CLOSING BALANCE US$
Recognised deferred tax assets						
Carried forward tax losses	7,184,409	(7,184,409)	–	–	–	–
Accruals / provisions	1,431,263	(670,986)	–	756,849	–	1,517,126
Derivative liabilities	(67,340)	110,654	–	–	–	43,314
Foreign exchange gains/losses	(5,317,434)	7,836,277	–	–	–	2,518,843
Potential benefit	**3,230,898**	**91,536**	**–**	**756,849**	**–**	**4,079,283**
Recognised deferred tax liabilities						
Financial assets held at fair value through other comprehensive income	(569,295)	60,036	(692,474)	–	–	(1,201,733)
Exploration and evaluation assets	(2,302,332)	(296,921)	–	–	–	(2,599,253)
IFRS 16 right of use asset	(359,271)	80,974	–	–	–	(278,297)
Potential benefit	**(3,230,898)**	**(155,911)**	**(692,474)**	**–**	**–**	**(4,079,283)**
Net deferred tax liabilities	**–**	**(64,375)**	**(692,474)**	**756,849**	**–**	**–**
Deferred tax assets not recognised						
Unused tax losses	5,369,347	20,053,716	–	–	–	25,423,063
Temporary differences[1]	8,962,905	378,687	–	–	–	9,341,592
Tax benefit	**14,332,252**	**20,432,403**	**–**	**–**	**–**	**34,764,655**

1 Exploration expenditure incurred in the Solomon Islands that has been expensed. This expenditure is deductible over 5 years from when production commences.

NOTE 15 DEFERRED TAXATION CONTINUED

Recognised deferred tax assets and liabilities continued

COMPANY 2022	OPENING BALANCE US$	NET (CHARGED) / CREDITED TO INCOME US$	NET (CHARGED) / CREDITED TO OTHER COMPREHENSIVE INCOME US$	NET (CHARGED) / CREDITED TO EQUITY US$	CLOSING BALANCE US$
Recognised deferred tax assets					
Carried forward tax losses	–	3,847,148	–	–	3,847,148
Accruals / provisions	303,013	38,433	–	–	341,446
Capital raising costs	1,119,475	(468,570)	–	11,111	662,016
Other temporary differences	11,039	38,161	–	–	49,200
Potential benefit	**1,433,527**	**3,455,172**	**–**	**11,111**	**4,899,810**
Recognised deferred tax liabilities					
Financial assets held at fair value through other comprehensive income	(1,201,733)	102,642	267,087	–	(832,004)
Derivative liabilities	43,313	(90,424)	–	–	(47,111)
Foreign exchange gains / (losses)	–	(3,848,385)	–	–	(3,848,385)
Property, plant and equipment	–	(1,069)	–	–	(1,069)
IFRS 16 right of use asset	(275,107)	103,866	–	–	(171,241)
Potential benefit	**(1,433,527)**	**(3,733,370)**	**267,087**	**–**	**(4,899,810)**
Net deferred tax liabilities	**–**	**(278,198)**	**267,087**	**11,111**	**–**
Deferred tax assets not recognised					
Unused tax losses	22,008,697	(7,145,119)	–	–	14,863,578
Unused capital losses	–	–	–	–	–
Temporary differences	2,973,922	(2,973,922)	–	–	–
Tax benefit	**24,982,619**	**(10,119,041)**	**–**	**–**	**14,863,578**

The deferred tax asset in respect of these items has not been recognised as future taxable profit is not anticipated within the foreseeable future.

NOTE 15 DEFERRED TAXATION CONTINUED

Recognised deferred tax assets and liabilities continued

COMPANY 2021	OPENING BALANCE US$	NET (CHARGED) / CREDITED TO INCOME US$	NET (CHARGED) / CREDITED TO OTHER COMPREHENSIVE INCOME US$	NET (CHARGED) / CREDITED TO EQUITY US$	CLOSING BALANCE US$
Recognised deferred tax assets					
Carried forward tax losses	4,860,353	(4,860,353)	–	–	–
Accruals / provisions	363,929	(60,916)	–	–	303,013
Capital raising costs	977,865	(615,239)	–	756,849	1,119,475
Other temporary differences	20,083	(9,044)	–	–	11,039
Potential benefit	**6,222,230**	**(5,545,552)**	**–**	**756,849**	**1,433,527**
Recognised deferred tax liabilities					
Financial assets held at fair value through other comprehensive income	(569,295)	60,036	(692,474)	–	(1,201,733)
Derivative liabilities	–	43,313	–	–	43,313
Foreign exchange gains / (losses)	(5,317,434)	5,317,434	–	–	–
IFRS 16 right of use asset	(335,501)	60,394	–	–	(275,107)
Potential benefit	**(6,222,230)**	**5,481,177**	**(692,474)**	**–**	**(1,433,527)**
Net deferred taxes	**–**	**(64,375)**	**(692,474)**	**756,849**	**–**
Deferred tax assets not recognised					
Unused tax losses	5,347,495	16,661,202	–	–	22,008,697
Unused capital losses	–	–	–	–	–
Temporary differences	–	2,973,922	–	–	2,973,922
Tax benefit	**5,347,495**	**19,635,124**	**–**	**–**	**24,982,619**

The deferred tax asset in respect of these items has not been recognised as future taxable profit is not anticipated within the foreseeable future.

NOTE 16 OTHER RECEIVABLES AND PREPAYMENTS

	GROUP 2022 US$	GROUP 2021 (RESTATED)[1] US$	COMPANY 2022 US$	COMPANY 2021 US$
Other receivables	1,807,935	3,666,760	623,282	1,341,539
Taxes receivable	2,592,334	665,533	128,258	206,001
Prepayments	341,887	1,219,655	310,043	391,076
Other receivables and prepayments	**4,742,156**	**5,551,948**	**1,061,583**	**1,938,616**

1 See Note 1.

Other receivables represent Australian Goods and Services Tax receivable and deposits made to landowners in Ecuador for land purchases. Management have considered the expected credit loss on the deposits to landowners as immaterial and accordingly, no impairment has been recognised at 30 June 2022. As these land deposits are dependent on the Cascabel project, they are not impaired. There is no indication the Cascabel project will not go ahead.

NOTE 17 CASH AND CASH EQUIVALENTS

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Cash at bank	26,102,133	109,562,103	21,032,524	72,918,016
Cash and cash equivalents in the statement of cash flows	**26,102,133**	**109,562,103**	**21,032,524**	**72,918,016**

NOTE 18 ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES

(a) Authorised Share Capital

	2021 NO. OF SHARES	2021 NOMINAL VALUE £
At 1 July 2020 – Ordinary shares	2,905,511,333	29,055,113
Previous year's increase in authorised capital having expired	(443,750,000)	(4,437,500)
Previous year's increase in authorised capital having expired	(615,440,300)	(6,154,403)
Increase in authorised share capital of two-thirds of issued capital on 17 December 2020	1,230,880,689	12,308,807
At 30 June 2021 – Ordinary shares	**3,077,201,722**	**30,772,017**

	2022 NO. OF SHARES	2022 NOMINAL VALUE £
At 1 July 2021 – Ordinary shares	3,077,201,722	30,772,017
Previous year's increase in authorised capital having expired	(1,230,880,689)	(12,308,807)
Increase in authorised share capital of two-thirds of issued capital on 15 December 2021	1,529,211,000	15,282,110
At 30 June 2022 – Ordinary shares	**3,375,532,033**	**33,745,320**

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

(b) Changes in Allotted, Called-up and Fully Paid Share Capital and Share Premium

	NO. OF SHARES	NOMINAL VALUE US$	SHARE PREMIUM US$	TOTAL US$
Ordinary shares of 1p each at 1 July 2020	2,072,213,494	29,281,511	353,220,481	382,501,992
Shares issued at $0.42 – Valuestone 12 November 2020	11,900,000	156,579	4,843,421	5,000,000
Shares issued at £0.255 – Placing share issue 28 April 2021	204,922,643	2,846,328	69,735,022	72,581,350
Shares issued at £0.255 – Directors' share issue 28 April 2021	1,543,858	21,440	525,276	546,716
Shares issued at £0.255 – Retail Offer share issue 28 April 2021	1,736,437	24,140	591,428	615,568
Shares issued at £0.25 – Exercise of employee options 15 June 2021	1,500,000	20,701	496,834	517,535
Share issue costs charge to share premium account	–	–	(2,593,300)	(2,593,300)
Ordinary shares of 1p at 30 June 2021	**2,293,816,432**	**32,350,699**	**426,819,162**	**459,169,861**

	NO. OF SHARES	NOMINAL VALUE US$	SHARE PREMIUM US$	TOTAL US$
Ordinary shares of 1p each at 1 July 2021	2,293,816,432	32,350,699	426,819,162	459,169,861
Share issue costs charge to share premium account	–	–	(25,922)	(25,922)
Ordinary shares of 1p at 30 June 2022	**2,293,816,432**	**32,350,699**	**426,793,240**	**459,143,939**

(c) Other Reserves

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Financial assets held at fair value through other comprehensive income	2,047,393	3,253,029	2,047,393	3,253,029
Share based payment reserve	9,356,670	16,791,596	9,356,670	16,791,596
Other reserves	(466,305)	(632,034)	–	–
Total Other reserves	**10,931,758**	**19,412,591**	**11,404,063**	**20,044,625**

NOTE 18 ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES CONTINUED

(c) Other Reserves continued

CAPITAL MANAGEMENT

Management controls the capital of the Group in order to generate long-term shareholder value and ensure that the Group can fund operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include share issues and debt considerations. Given the nature of the Group's current activities the entity will remain dependant on equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

NOTE 19 TRADE AND OTHER CURRENT PAYABLES

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Current				
Trade payables	1,294,293	838,753	885,985	744,927
Other payables[1]	4,046,719	3,834,339	298,327	229,316
Accrued expenses	1,168,066	3,174,564	760,658	501,152
Trade and other current payables	**6,509,078**	**7,847,656**	**1,944,970**	**1,475,395**

1 Includes employee benefits amounting to US$1,292,407 (2021: US$1,009,212).

Trade and other payables are measured at amortised cost.

The decrease in accrued expenses for the Group mainly relates to the decrease in drilling costs for the year ended 30 June 2022.

NOTE 20 LEASES

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Current liability				
Lease liability	415,132	335,749	309,668	319,275
Balance at the end of the reporting period	**415,132**	**335,749**	**309,668**	**319,275**
Non-current liability				
Lease liability	326,374	607,214	303,573	607,214
Balance at the end of the reporting period	**326,374**	**607,214**	**303,573**	**607,214**

(a) Right-of-Use assets

	GROUP PROPERTY, PLANT & EQUIPMENT US$	COMPANY PROPERTY, PLANT & EQUIPMENT US$
At 1 July 2021	931,527	917,026
Additions	260,019	–
Depreciation	(429,280)	(286,634)
Foreign exchange movements	(59,585)	(59,585)
At 30 June 2022	**702,681**	**570,807**

NOTE 20 LEASES CONTINUED

(b) Lease liabilities

	GROUP US$	COMPANY US$
At 1 July 2021	942,963	926,489
Additions	233,566	–
Interest expense included in statement of profit and loss (note 6)	64,325	57,907
Interest expense capitalised	9,657	–
Lease payments	(448,353)	(310,503)
Foreign exchange movements	(60,652)	(60,651)
At 30 June 2022	**741,506**	**613,242**

NOTE 21 BORROWINGS

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Current liability				
Bridging loan	–	–	–	–
Accrued interest	–	–	–	–
Balance at the end of the reporting period	**–**	**–**	**–**	**–**
Bridging loan				
Balance at beginning of reporting period	–	15,248,303	–	15,248,303
Accrued interest	–	371,275	–	371,275
Repayment of loan	–	(15,619,578)	–	(15,619,578)
Balance at end of reporting period	**–**	**–**	**–**	**–**

	GROUP 2022 US$	GROUP 2021 US$	COMPANY 2022 US$	COMPANY 2021 US$
Non-current liability				
Net Smelter Royalty	84,076,077	106,574,217	–	–
Balance at the end of the reporting period	**84,076,077**	**106,574,217**	**–**	**–**
NSR Financing				
Balance at beginning of reporting period	106,574,217	–	–	–
Additions – funds received under the loan	–	84,380,422	–	–
Additions – funds utilised in repaying Bridging Loan	–	15,619,578	–	–
Transaction costs adjusted through retained earnings	–	(726,427)	–	–
Transaction costs at recognition	–	(2,318,598)	–	–
Accrued interest	12,505,564	9,619,242	–	–
Remeasurement of amortised cost	(35,003,704)	–	–	–
Balance at end of reporting period	**84,076,077**	**106,574,217**	**–**	**–**

NOTE 21 BORROWINGS CONTINUED

On 11 September 2020, Franco-Nevada advanced to SolGold US$100 million, the Royalty Purchase Price under the NSR Financing Agreement, less the amount of outstanding principal and interest under the US$15 million secured bridging loan pursuant to the Bridge Loan Agreement ("BLA") with Franco-Nevada announced on 11 May 2020. The aggregate amount owing under the BLA was repaid out of the proceeds of the NSR financing. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid.

The accounting policy disclosed within the 30 September 2020 interim financial statements noted that the NSR was classified as fair value through profit or loss ("FVTPL"). Following further analysis, Management elected not to measure the hybrid instrument at FVTPL but rather to measure the host debt at amortised cost and the embedded derivative at FVTPL.

Management also notes that US$726,427 of transaction costs were expensed in the 30 June 2020 income statement, as it was not sufficiently certain due to Covid-19 that the transaction would close. Management has recognised an adjustment to restate the prior year retained earnings to reflect this in the 30 June 2021 Consolidated Financial Statements.

In return for the royalty purchase price, Franco-Nevada has been granted a perpetual 1% royalty interest to be calculated by reference to net smelter returns from the Cascabel concession area in accordance with the terms and conditions set out in the NSR financing agreement. Financial liabilities classified at amortised costs are calculated using the effective interest method, which allocates expenses at a constant rate over the term of the investment. The effective interest rate is the internal rate of return of the liability at initial recognition through the expected life of the financial liability, which in this case is the time from the recognition until the end of the mine life of the Alpala mine.

Key terms to the financing include:

- Funding amount: US$100 million with upscale option to US$150 million
- Royalty terms: 1.0% NSR for $100 million
- Buy-back option: A 50% buy-back option exercisable at SolGold's election for six years from closing at a price delivering Franco-Nevada a 12% IRR
- Gold conversion: option in favour of Franco-Nevada to convert the NSR interest into a gold-only NSR interest (six years from year two of operations). The amount of the gold net smelter return will be calculated on a net present value neutral basis
- Proceeds to fund the costs to complete the feasibility study, with any surplus to be used for SolGold's share of the development of Alpala.

The NSR financing agreement included an upscale option at the Group's control. The option expired during the financial year.

Key inputs for the estimation of future cash flows of the effective interest rate are:

- All operating assumptions are based on the latest available development plan
- The NSR top-up and minimum annual payment are assessed based on the latest operating assumptions
- Gold price of $1,300 per ounce
- Copper price of $7,268 per tonne
- Silver price of $16 per ounce.

The EIR was calculated using the available development plan at the time of recognising the NSR and results in a discount rate of 11.84% (real).

Management has reviewed its assessment and considers that the buy-back option is not an embedded derivative which needs to be separately accounted for as it is closely related. As such, it is not required to be accounted for as a separate instrument in accordance with IFRS 9.

In previous periods Management assessed that the fair value of this embedded derivative was nil or immaterial, as there is no expectation or likelihood that the buy-back option will be exercised by SolGold.

NOTE 22 OTHER FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2022 US$	2021 US$	2022 US$	2021 US$
Movements in financial liabilities				
Balance at 1 July	2,926,000	2,312,254	2,926,000	2,312,254
Additions	–	–	–	–
Fair value adjustment through profit or loss	(539,000)	613,746	(539,000)	613,746
Balance at 30 June	**2,387,000**	**2,926,000**	**2,387,000**	**2,926,000**

The fair values of these financial liabilities approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

The following table represents the Group's financial liabilities measured and recognised at fair value.

	US$ LEVEL 1	US$ LEVEL 2	US$ LEVEL 3	US$ TOTAL
2022				
Derivative liability at fair value through profit or loss	–	–	2,387,000	2,387,000
2021				
Derivative liability at fair value through profit or loss	–	–	2,926,000	2,926,000

The derivative liability at fair value through profit or loss has been valued using the Monte Carlo Simulation method.

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS	2022 £0.37 OPTIONS 30 JUNE 2022	2021 £0.37 OPTIONS 30 JUNE 2021
Number of options (Note 23)	19,250,000	19,250,000
Share price at issue date	£0.2920	£0.2920
Exercise price	£0.370	£0.370
Expected volatility	65.700%	63.879%
Time to expiry	2.43 years	3.43 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (short-term)	1.91%	(0.16%)
Fair value	$0.124	$0.152
Valuation methodology	Monte Carlo Value	Monte Carlo Value

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022/2021	2022 US$	2021 US$
Derivative liability recognised in statement of comprehensive income loss	(539,000)	613,746

NOTE 23 SHARE OPTIONS

At 30 June 2022 the Company had 32,250,000 options outstanding for the issue of ordinary shares (2021: 106,875,000).

Options

Share options are granted to employees under the Company's Employee Share Option Plan ("ESOP"). The employee share option plan is designed to align participants' interests with those of shareholders.

Unless otherwise documented with the Company, when a participant ceases employment prior to the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately. The Company prohibits key management personnel from entering into arrangements to protect the value of unvested ESOP awards.

The contractual life of each option granted is generally two to three years. There are no cash settlement alternatives.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

NOTE 23 SHARE OPTIONS CONTINUED

Share options issued

There were 3,000,000 options granted during the year ended 30 June 2022 (2021: 3,000,000).

On 24 February 2022, the Company issued 3,000,000 unlisted share options over ordinary shares of the Company to an employee in line with an executive service agreement. The options are exercisable at £0.26 and expire on 15 June 2024.

DATE OF GRANT	EXERCISABLE FROM	EXERCISABLE TO	EXERCISE PRICE	NUMBER GRANTED	NUMBER AT 30 JUNE 2022
2 December 2019[1]	The options vested immediately and exercisable through to 2 December 2024	2 December 2024	£0.37	19,250,000	19,250,000
27 April 2020	The options vested immediately and exercisable through to 26 April 2023	26 April 2023	£0.25	7,000,000	7,000,000
2 March 2021	The options vested immediately and exercisable through to 2 March 2024	2 March 2024	£0.36	3,000,000	3,000,000
24 February 2022	The options vested immediately and exercisable through to 15 June 2024	15 June 2024	£0.26	3,000,000	3,000,000
				32,250,000	**32,250,000**

1 Options issued to BHP as part of the share subscriptions on 2 December 2019 and exercisable at £0.37 within 5 years. These options fall outside the scope of IFRS 2 and are classified as a derivative financial liability as they do not meet the fixed for fixed test.

DATE OF GRANT	EXERCISABLE FROM	EXERCISABLE TO	EXERCISE PRICES	NUMBER GRANTED	NUMBER AT 30 JUNE 2021
5 July 2018	The options vested immediately, and exercisable through to 4 July 2021	4 July 2021	£0.60	250,000	250,000
6 November 2018	The options vested immediately, and exercisable through to 6 November 2021	6 November 2021	£0.60	82,875,000	72,375,000
20 December 2018	The options vested immediately, and exercisable through to 20 December 2021	20 December 2021	£0.60	11,375,000	5,000,000
2 December 2019	The options vested immediately and exercisable through to 2 December 2024	2 December 2024	£0.37	19,250,000	19,250,000
27 April 2020	The options vested immediately and exercisable through to 26 April 2023	26 April 2023	£0.25	7,000,000	7,000,000
2 March 2021	The options vested immediately and exercisable through to 2 March 2024	2 March 2024	£0.36	3,000,000	3,000,000
				123,750,000	**106,875,000**

Share-based payments

The number and weighted average exercise price of share options are as follows:

	WEIGHTED AVERAGE EXERCISE PRICE 2022	NUMBER OF OPTIONS 2022	WEIGHTED AVERAGE EXERCISE PRICE 2021	NUMBER OF OPTIONS 2021
Outstanding at the beginning of the year	£0.53	106,875,000	£0.54	185,162,000
Exercised during the year	–	–	£0.25	1,500,000
Expired/lapsed during the year	£0.60	77,625,000	£0.60	72,062,000
Forfeited during the year	–	–	£0.60	7,725,000
Granted during the year	£0.26	3,000,000	£0.36	3,000,000
Outstanding at the end of the year	£0.32	32,250,000	£0.53	106,875,000
Exercisable at the end of the year	£0.32	32,250,000	£0.53	106,875,000

NOTE 23 SHARE OPTIONS CONTINUED

Share-based payments continued

The options outstanding at 30 June 2022 have an exercise price of £0.25, £0.26, £0.36 and £0.37 (2021: £0.25, £0.36, £0.37, £0.40 and £0.60) and a weighted average contractual life of 1.97 years (2021: 1.03 years).

Share options held by Directors are as follows:

SHARE OPTIONS HELD	AT 30 JUNE 2022	AT 30 JUNE 2021	OPTION PRICE	EXERCISE PERIOD
Nicholas Mather	–	5,000,000	60p	20/12/18 – 20/12/21
Jason Ward	–	5,000,000	60p	06/11/18 – 06/11/21

The total number of options outstanding at year end is as follows:

SHARE OPTIONS HELD AT 30 JUNE 2022	SHARE OPTIONS HELD AT 30 JUNE 2021	OPTION PRICE	EXERCISE PERIODS
–	250,000	£0.60	Exercisable through to 04/07/2021
–	72,375,000	£0.60	Exercisable through to 06/11/2021
–	5,000,000	£0.60	Exercisable through to 20/12/2021
19,250,000	19,250,000	£0.37	Exercisable through to 02/12/2024
7,000,000	7,000,000	£0.25	Exercisable through to 26/04/2023
3,000,000	3,000,000	£0.36	Exercisable through to 02/03/2024
3,000,000	–	£0.26	Exercisable through to 15/06/2024
32,250,000	**106,875,000**		

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. This estimate is based on the Black-Scholes model considering the effects of the vesting conditions, expected exercise period and the dividend policy of the Company.

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS	2022 £0.26 OPTIONS 24 FEBRUARY 2022
Number of options	3,000,000
Share price at issue date	£0.275
Exercise price	£0.26
Expected volatility	66.369%
Option life	2.31 years
Expected dividends	0.00%
Risk-free interest rate (short-term)	1.22%
Fair value	£0.113
Valuation methodology	Black-Scholes

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022	2022 US$	2021 US$
Share based payments expense recognised in statement of comprehensive income	454,336	315,436

The calculation of the volatility of the share price on the above options was based on the Company's daily closing share price over the option life period, dependent on the exercise period attributable to the tranche of options, prior to the date the options were issued.

NOTE 23 SHARE OPTIONS CONTINUED

Share-based payments continued

	2021	
FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS	£0.25 OPTIONS 27 APRIL 2020[1]	£0.36 OPTIONS 2 MARCH 2021
Number of options	1,500,000	3,000,000
Share price at issue date	£0.26	£0.223
Exercise price	£0.25	£0.36
Expected volatility	60.548%	64.407%
Option life	3.00 years	3.00 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (short-term)	0.14%	0.10%
Fair value	£0.107	£0.065
Valuation methodology	Black-Scholes	Black-Scholes

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021	US$	US$	TOTAL US$
Share based payments expense recognised in statement of comprehensive income	47,377	268,059	**315,436**

The calculation of the volatility of the share price on the above options was based on the Company's daily closing share price over the two or three-year period, dependent on the exercise period attributable to the tranche of options, prior to the date the options were issued.

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY)

Financial instruments by category (Group)

	FINANCIAL ASSETS AT AMORTISED COST		FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI	
FINANCIAL ASSETS	2022	2021	2022	2021
Cash and cash equivalents	26,102,133	109,562,103	–	–
Other receivables	1,807,935	3,666,760	–	–
Loans receivable and other non-current assets	1,749,213	1,457,324	–	–
Loans receivable and other current assets	3,553,291	6,495,930	–	–
Equity investments	–	–	5,351,844	6,825,042
Total financial assets	**33,212,572**	**121,182,117**	**5,351,844**	**6,825,042**

	FINANCIAL LIABILITIES AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
FINANCIAL LIABILITIES	2022	2021	2022	2021
Trade and other payables	6,509,078	7,847,656	–	–
Derivative liability	–	–	2,387,000	2,926,000
NSR	84,076,077	106,574,217	–	–
Bridging Loan	–	–	–	–
Lease liabilities	741,506	942,967	–	–
Total financial liabilities	**91,326,661**	**115,364,846**	**2,387,000**	**2,926,000**

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Financial instruments by category (Company)

	FINANCIAL ASSETS AT AMORTISED COST		FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI	
FINANCIAL ASSETS	2022	2021	2022	2021
Cash and cash equivalents	21,032,524	72,918,016	–	–
Other receivables	623,282	1,341,539	–	–
Loans receivable and other non-current assets	756,332	756,332	–	–
Loans receivable and other current assets	3,553,291	6,495,930	–	–
Loans with subsidiaries	185,599,916	167,399,767	–	–
Equity investments	–	–	5,346,323	6,819,046
Total financial assets	**211,565,345**	**248,911,584**	**5,346,323**	**6,819,046**

	FINANCIAL LIABILITIES AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
FINANCIAL LIABILITIES	2022	2021	2022	2021
Trade and other payables	1,646,644	1,246,080	–	–
Derivative liability	–	–	2,387,000	2,926,000
Lease liabilities	613,241	926,489	–	–
Total financial liabilities	**2,259,885**	**2,172,569**	**2,387,000**	**2,926,000**

If required, the Board of Directors determines the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign currency risk and liquidity risk, each of which is discussed below. The main credit risk is the non-collection of loans and other receivables which include refunds and tenement security deposits. There were no overdue receivables at year end, apart from the amounts owing for the CFLP (Note 14).

For the Company, the main credit risk is the non-collection of loans made to its subsidiaries. The Directors expect to collect the loans through the successful exploration and subsequent exploitation of the subsidiaries' tenements.

There have been no changes in financial risks from the previous year. During the years ended 30 June 2022 and 2021 no trading in commodity contracts was undertaken.

Market risk

INTEREST RATE RISKS

The Group's and Company's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve months' maximum duration. The increase/decrease of 2% in interest rates will impact the Group's income statement by a gain/loss of US$522,043 and the Company's income statement by US$420,650. The Group considers that a +/- 2% movement in interest rates represents reasonable possible changes.

FOREIGN CURRENCY RISK

The Group has potential currency exposures in respect of items denominated in foreign currencies comprising:

- Transactional exposure in respect of operating costs, capital expenditures and, to a lesser extent, in currencies other than the functional currency of operations which require funds to be maintained in currencies other than the functional currency of operation; and
- Translation exposures in respect of investments in overseas operations which have functional currencies other than United States dollars.

Currency risk in respect of non-functional currency expenditure is reviewed by the Board.

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Market Risk continued

FOREIGN CURRENCY RISK CONTINUED

The table below shows the extent to which Group companies have monetary assets and liabilities in different currencies. Foreign exchange differences on retranslation of such assets and liabilities are taken to the statement of comprehensive income.

GROUP NET FINANCIAL ASSETS / (LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AUD	USD	TOTAL
2022			
Australian dollar (AUD)	35,890	4,477,773	4,513,663
Solomon Island dollar (SBD)	23	–	23
Canadian dollar (CAD)	–	1,155,292	1,155,292
Great British pound (GBP)	–	2,097,138	2,097,138
Swiss franc (CHF)	–	162,691	162,691
	35,913	**7,892,894**	**7,928,807**

GROUP NET FINANCIAL ASSETS / (LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AUD	USD	TOTAL
2021			
Australian dollar (AUD)	67,499	2,052,268	2,119,767
Solomon Island dollar (SBD)	6,302	–	6,302
Canadian dollar (CAD)	–	1,771,005	1,771,005
Great British pound (GBP)	–	3,129,986	3,129,986
Swiss franc (CHF)	–	13,988	13,988
	73,801	**6,967,247**	**7,041,048**

COMPANY NET FINANCIAL ASSETS / (LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AUD	USD	TOTAL
2022			
Australian dollar (AUD)	–	4,347,334	4,347,334
Canadian dollar (CAD)	–	1,147,090	1,147,090
Great British pound (GBP)	–	2,097,138	2,097,138
	–	**7,591,562**	**7,591,562**

COMPANY NET FINANCIAL ASSETS / (LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AUD	USD	TOTAL
2021			
Australian dollar (AUD)	–	1,960,513	1,960,513
Canadian dollar (CAD)	–	1,762,803	1,762,803
Great British pound (GBP)	–	3,129,986	3,129,986
	–	**6,853,302**	**6,853,302**

The main currency exposure relates to the effect of retranslation of the Group's assets and liabilities in Australian dollar ("AUD") and the Great British Pound ("GBP"). A 10% increase in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$734,533 (2021: US$583,305) in the Group net assets and reported earnings. A 10% decrease in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$600,981 (2021: US$477,250). The Group does not hedge foreign currency exposures and manages net exposures by buying and selling foreign currencies at spot rates where necessary. In respect of other monetary assets and liabilities held in currencies other than United States dollars, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Credit risk

The Group is exposed to credit risk primarily from the financial institutions with which it holds cash and cash deposits and loans receivable under the CFLP.

The banks and their credit ratings with which the Group had cash accounts at 30 June 2022 were US$766,083 in cash accounts with Macquarie Bank Limited (BBB) in Australia, US$20,827,794 in cash accounts with Westpac Bank (AA-) in Australia, US$3,207,398 in cash accounts with Banco Guayaquil (AAA-) in Ecuador, US$79,651 in cash accounts with Produbanco (B) in Ecuador, US$36,446 in cash accounts with Lloyds Bank (A+), US$1,171,729 in cash accounts with Credit Suisse (A-) in Switzerland, and US$13,009 in petty cash. Including other receivables, the maximum exposure to credit risk at the reporting date is the carrying value of these assets and was US$30,844,289 (2021: US$118,020,597).

The Company is also exposed to credit risk due to the cash balance it holds directly. It is also exposed to credit risk on the CFLP receivable. At 30 June 2022, the Company had US$21,032,524 in cash and cash equivalents (2021: US$72,918,016) and US$3,553,291 of CFLP receivable (2021: US$6,495,930). The maximum exposure to credit risk at the reporting date was US$24,585,815 (2021: US$79,413,946).

Credit risk is managed by dealing with banks with high credit ratings assigned by international credit rating agencies. Furthermore, funds are deposited with banks of high standing in order to obtain market interest rates. Credit risk over the Company funded loan plan is reduced due to the loan being secured by shares and the Company has full recourse to recover the loans from the employees in the event that there is a shortfall when the shares are exercised.

Liquidity risks

The Group and Company raises funds as required on the basis of budgeted expenditure for the next 12 to 24 months, dependent on a number of prevailing factors. Funds are generally raised in capital markets from a variety of eligible private, corporate and fund investors, or from interested third parties (including other exploration and mining companies) which may be interested in earning an interest in the Group's projects. The success or otherwise of such capital raisings is dependent upon a variety of factors including general equities and metals market sentiment, macro-economic outlook, project prospectivity, operational risks and other factors from time to time. When funds are sought, the Group balances the costs and benefits of equity financing versus alternate financing options. Funds are provided to local sites monthly, based on the sites' forecast expenditure.

All liabilities held by the Group and Company are contractually due and payable within 1 year, excluding the non-current lease liability payments, NSR financing agreement and derivative liabilities which are greater than 12 months as set in the table below:

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	LESS THAN 6 MONTHS	6 – 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS
As at 30 June 2022						
Trade payables	6,509,078	–	–	–	–	6,509,078
Borrowings	–	–	–	–	84,076,077	84,076,077
Lease liabilities	207,566	207,566	326,374	–	–	741,506
Derivative liabilities	–	–	–	2,387,000	–	2,387,000
Total	**6,716,644**	**207,566**	**326,374**	**2,387,000**	**84,076,077**	**93,713,661**

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES	LESS THAN 6 MONTHS	6 – 12 MONTHS	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS
As at 30 June 2021						
Trade payables	7,847,656	–	–	–	–	7,847,656
Borrowings	–	–	–	–	106,574,217	106,574,217
Lease liabilities	176,111	159,638	291,463	315,751	–	942,963
Derivative liabilities	–	–	–	2,926,000	–	2,926,000
Total	**8,023,767**	**159,638**	**291,463**	**3,241,751**	**106,574,217**	**118,290,836**

FAIR VALUES

In the Directors' opinion, there is no material difference between the book value and fair value of any of the Group's and Company's financial instruments. The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in the notes to the financial statements.

All the Group's financial assets, with the exception of investments held at fair value through other comprehensive income are categorised as other financial assets at amortised cost.

NOTE 25 COMMITMENTS

The Group also has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The combined commitments of the Group related to its granted tenement interests are as follows:

LOCATION	UP TO 12 MONTHS	13 MONTHS TO 5 YEARS	LATER THAN 5 YEARS
Ecuador	3,065,430	9,196,290	–
Solomon Islands	100,000	100,000	–
Queensland	243,599	109,024	–
	3,409,029	**9,405,314**	**-**

To keep tenements in good standing, work programmes should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm-in agreements.

NOTE 26 RELATED PARTIES

(a) Group

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

a) Transactions with Directors and Director-Related Entities

(i) The Company had a commercial agreement with Samuel Capital Pty Ltd ("Samuel") for the engagement of Nicholas Mather as Non-Executive Director of the Company. For the year ended 30 June 2022, US$72,205 was paid or payable to Samuel (2021: US$827,381). These amounts are included in Note 5 (Remuneration of Key Management Personnel). The total amount outstanding at year end is US$6,330 (2021: US$nil).

(ii) Mr Brian Moller (a Director until 15th December 2021), is a partner in the Australian firm HopgoodGanim lawyers. For the year ended 30 June 2022, HopgoodGanim were paid or payable US$8,899 (2021: US$72,456) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US$997 (2021: US$nil).

(iii) Mr James Clare (a Director), is a partner in the Canadian firm Bennett Jones lawyers. For the year ended 30 June 2022, Bennett Jones were paid or payable US$301,730 (2021: US$486,246) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US$nil (2021: US$nil).

(iv) The Company had a commercial agreement with Bayview PMF Pty Ltd ("Bayview") for the engagement of Jason Ward (Director to May 2022) and his wife (until January 2022) for managerial and administrative services. For the year ended 30 June 2022, US$369,634 was paid or payable to Bayview. The total amount outstanding at year end was US$nil.

Share and Option transactions of Directors are shown under Notes 5 and 22.

(b) Company

The Company has related party relationships with its subsidiaries (see Notes 9 and 10), Directors and other key personnel (see Notes 5 and 20).

SUBSIDIARIES

The Company has an investment in subsidiaries balance of US$152,964,303 (2021: US$120,045,844). The transactions during the year have been included in Note 9.

The Company also has an intercompany loan with SolGold Finance AG with a balance of US$185,599,916 (2021: US$167,399,767). The transactions during the year have been included in Note 10.

(c) Controlling party

In the Directors' opinion there is no ultimate controlling party.

NOTE 27 CONTINGENT ASSETS AND LIABILITIES

A 2% NSR is payable to Santa Barbara Resources Limited, who were the previous owners of the Cascabel tenements. These royalties can be bought out by paying a total of US$4 million. Fifty percent (50%) of the royalty can be purchased for US$1 million 90 days following the completion of a feasibility study and the remaining 50% of the royalty can be purchased for US$3 million 90 days following a production decision. The smelter royalty is considered to be a contingent liability as the Group has not yet completed the feasibility study at 30 June 2022, and as such there is significant uncertainty over the timing of any payments that may fall due.

SolGold elected to undertake the Optional Subscription under the terms of the Term Sheet ("Term Sheet") signed between SolGold plc and Cornerstone Capital Resources Inc. ("CGP"), CGP's subsidiary Cornerstone Ecuador S.A. ("CESA"), and Exploraciones Novomining S.A. ("ENSA"), and holds an aggregate registered and beneficial equity position in ENSA of 85% under the terms of the Term Sheet. CGP and CESA elected to obtain the benefit of the Financing Option whereby SolGold will solely fund all operations and activities of ENSA until the completion of a Feasibility Study, including CESA's contribution as the registered and beneficial holder of an aggregate equity position in ENSA of 15%. After completion and delivery of the Feasibility Study, SolGold and CESA shall jointly fund the operations and activities of ENSA based on their respective equity positions in ENSA on a proportionate basis. Furthermore, the Term Sheet allows for SolGold to be fully repaid for the financing provided, including interest at LIBOR plus 2% for the expenditures incurred by SolGold from the time CGP and CESA elected to obtain the benefit of the Financing Option and the completion of the first phase drill programme. SolGold is to be repaid out of 90% of CESA's distribution of earnings or dividends from ENSA or the Cascabel Tenement to which CESA would otherwise be entitled. If CESA does not elect to contribute and its equity stake in ENSA is diluted to below 10%, its equity stake in ENSA will be converted to a 0.5% interest in the Net Smelter Return and SolGold may acquire this interest for US$3.5 million at any time. At 30 June 2022, Cornerstone's equity interest in ENSA had not been diluted below 10%.

The amount receivable from CESA at 30 June 2022 was US$48,184,491 (2021: US$40,603,042). This has been considered as a contingent asset, as there is uncertainty as to whether ENSA will be able to distribute earnings or dividends.

There are no other material contingent assets and liabilities at 30 June 2022 (2021: nil).

NOTE 28 SUBSEQUENT EVENTS

On 5 July 2022 SolGold announced the grant of a total of 10,000,000 long term incentive employee options and the allotment and issue of 1,336,182 new ordinary shares to Mr Darryl Cuzzubbo, Chief Executive Officer and Managing Director. The Incentives were triggered by requirements within the Executive Remuneration Contract executed in January 2022, and in accordance with the Company's Directors' Remuneration Policy and Long Term Incentive Plan Rules, which were approved by shareholders on 30 June 2022. The Options will vest in three separate tranches, each with a thirty-six (36) month expiry date.

On 11 August 2022 SolGold announced that Ayten Saridas, Group CFO, resigned. The Company appointed Keith Pollocks as Interim Group CFO. The Company also announced that Jason Ward informed the Board of his decision to step down as Head of Exploration. Mr Ward will remain as an advisor to the Company to continue to help drive SolGold's exploration strategy.

Keith Marshall, independent Non-Executive Director, resigned from the Board effective from 12th August 2022. He will remain as an advisor to the Company's technical committee to oversee the Cascabel Project and to ensure a smooth transition to the new Vice President Projects, Bernie Loyer.

On 24 August it was proposed to extend the CFLP for 3 individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension will see their payment terms extend until 31 December 2022.

On 30 August 2022 SolGold announced the issue of 599,257 new ordinary shares to Mr Steve Botts, President, SolGold Ecuador and the issue of 299,629 new ordinary shares to Mr Harold 'Bernie' Loyer, Vice President Projects. SolGold announced the appointments of Mr Botts and Mr Loyer on 14 July 2022 and they assumed their roles on 1 August 2022 and 27 July 2022, respectively. These Incentives were triggered by requirements within the Executive Remuneration Contracts executed in July 2022 for recruitment inducement purposes.

The Directors are not aware of any other significant changes in the state of affairs of the Group or events after the reporting date that would have a material impact on the consolidated or Company financial statements.

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 2: General disclosures			
2-1	Organisational details	The Story of SolGold: Pages 4-5 Throughout this Annual Report 2022	
2-2	Entities included in the organisation's sustainability reporting	SolGold corporate structure: Page 2	
2-3	Reporting period, frequency and contact point	Chair's review: Pages 8-9 Chief Executive's review: Pages 10-12 Directors' report: Pages 118-121	
2-4	Restatements of information	SolGold has not made any restatements of information in the reporting period	
2-5	External assurance	Independent auditors' report to the Members of SolGold Plc: Pages 123-132	
2-6	Activities, value chain and other business relationships	Business model: Pages 14-15 Engaging with our stakeholders: Pages 48-51 Sustainability report: Pages 52-74 Corporate Governance statement: Pages 78-81 Stakeholder engagement: Page 90	
2-7	Employees	Engaging with our stakeholders: Page 49 Sustainability report: Pages 65-68	
2-8	Workers who are not employees	Engaging with our stakeholders: Page 49	
2-9	Governance structure and composition	Corporate Governance statement: Pages 78-81 Executive Management team: Pages 85-86 Board leadership and Company purpose: Pages 87-89	
2-10	Nomination and selection of the highest governance body	Risk management: Page 42 Nomination Committee Report: Page 97 Composition, succession and evaluation: Pages 94-95	
2-11	Chair of the highest governance body	Chair's review: Pages 8-9 Corporate Governance statement: Pages 78-81 Board leadership and Company purpose: Pages 87-89	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance statement: Pages 78-81 Executive Management team: Pages 85-86 Board leadership and Company purpose: Pages 87-89 Division of responsibilities: Pages 91-93 Directors' Report: Pages 118-121 Directors' Responsibility Statement: Page 122	
2-13	Delegation of responsibility for managing impacts	Executive Management team: Pages 85-86 Division of responsibilities: 91-93	
2-14	Role of the highest governance body in sustainability reporting	Health, Safety, Environment and Community Committee Report: Page 101	
2-15	Conflicts of interest	Division of responsibilities: Pages 91-93	
2-16	Communication of critical concerns	Engaging with our stakeholders: Pages 48-51 Corporate Governance statement: Pages 78-81 Stakeholder engagement: Page 90	
2-17	Collective knowledge of the highest governance body	Board leadership and Company purpose: Pages 87-89 Composition, succession and evaluation: Pages 94-95	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance statement: Pages 78-81 Stakeholder engagement: Page 90	
2-19	Remuneration policies	Directors' Remuneration Policy: Pages 115-117	
2-20	Process to determine remuneration	Directors' Remuneration Report: Pages 103-104 Annual Report on Remuneration: Pages 105-113 Remuneration at-a-glance: Page 114	
2-21	Annual total compensation ratio	Directors' Remuneration Report: Pages 103-104 Annual Report on Remuneration: Pages 105-113 Remuneration at-a-glance: Page 114	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
2-22	Statement on sustainable development strategy	Sustainability report: Page 52	
2-23	Policy commitments	Non-financial information statement: Page 75	
2-24	Embedding policy commitments	Corporate Governance statement: Pages 78-81 Executive Management team: Pages 85-86 Board leadership and Company purpose: Pages 87-89 Division of responsibilities: 91-93	
2-25	Processes to remediate negative impacts	Sustainability report: Page 70	
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Whistle-blower policy: Page 89	
2-27	Compliance with laws and regulations	Sustainability report: Pages 52-74 Corporate Governance statement: Pages 78-81	
2-28	Membership associations	Sustainability report: Page 55	
2-29	Approach to stakeholder engagement	Engaging with our stakeholders: Pages 48-51 Stakeholder engagement: Page 90	
2-30	Collective bargaining agreements	Not stated	
GRI 3: Material topics			
3-1	Process to determine material topics	Not stated	
3-2	List of material topics	Not stated	
3-3	Management of material topics	Not stated	
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	Business model: Page 15 Sustainability report: Pages 65 and 73-74	
201-2	Financial implications and other risks and opportunities due to climate change	Not stated	
201-3	Defined benefit plan obligations and other retirement plans	Notes to the financial statements: Pages 146-147	
201-4	Financial assistance received from government	SolGold did not receive any financial assistance from any government in the reporting period.	
GRI 202: Market presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Sustainability report: Page 65	
202-2	Proportion of senior management hired from the local community	Not stated	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Sustainability report: Pages 72-73	
203-2	Significant indirect economic impacts	Business model: Page 15 Sustainability report: Page 53, 58, 62, 64, 66 and 69-74	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Sustainability report: Page 73	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	Risk management: Page 45 Engaging with our stakeholders: Page 51 Audit and risk committee report: Page 98	
205-2	Communication and training about anti-corruption policies and procedures	Audit and risk committee report: Page 100 Board leadership and Company purpose: Pages 87-89	
205-3	Confirmed incidents of corruption and actions taken	Directors' report: Page 119 Independent Auditors' Report to the Members of SolGold Plc: Pages 125-126	
GRI 206: Anti-competitive behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	No legal action for anti-competitive behaviour, anti-trust, or monopoly practices were taken against SolGold in the reporting period	
GRI 207: Tax			
207-1	Approach to tax	Notes to the Financial Statements: Pages 147 and 155	
207-2	Tax governance, control, and risk management	Not stated	
207-3	Stakeholder engagement and management of concerns related to tax	Not stated	
207-4	Country-by-country reporting	Not stated	
GRI 301: Materials			
301-1	Materials used by weight or volume	Sustainability report: Page 61	
301-2	Recycled input materials used	Sustainability report: Page 61	
301-3	Reclaimed products and their packaging materials	Not stated	
GRI 302: Energy			
302-1	Energy consumption within the organisation	Sustainability report: Page 57	Samana (third-party consultant)
302-2	Energy consumption outside of the organisation	Not stated	
302-3	Energy intensity	Sustainability report: Page 57	Samana (third-party consultant)
302-4	Reduction of energy consumption	Sustainability report: Page 57	
302-5	Reductions in energy requirements of products and services	Not stated	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 303: Water and effluents			
303-1	Interactions with water as a shared resource	Sustainability report: Page 59	
303-2	Management of water discharge-related impacts	Sustainability report: Page 59	
303-3	Water withdrawal	Sustainability report: Pages 59-60	
303-4	Water discharge	Sustainability report: Page 59	
303-5	Water consumption	Sustainability report: Pages 59-60	
GRI 304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Sustainability report: Page 63	
304-2	Significant impacts of activities, products and services on biodiversity	Sustainability report: Page 63	
304-3	Habitats protected or restored	Sustainability report: Page 64	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability report: Page 63	
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability report: Page 57	Samana (third-party consultant)
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability report: Page 57	Samana (third-party consultant)
305-3	Other indirect (Scope 3) GHG emissions	Not stated	
305-4	GHG emissions intensity	Sustainability report: Page 57	Samana (third-party consultant)
305-5	Reduction of GHG emissions	Sustainability report: Page 56	Samana (third-party consultant)
305-6	Emissions of ozone-depleting substances ("ODS")	Not stated	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Sustainability report: Page 57	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Sustainability report: Page 61	
306-2	Management of significant waste-related impacts	Sustainability report: Page 61	
306-3	Waste generated	Sustainability report: Page 61	
306-4	Waste diverted from disposal	Sustainability report: Page 61	
306-5	Waste directed to disposal	Sustainability report: Page 61	
GRI 308: Supplier environmental assessment			
308-1	New suppliers that were screened using environmental criteria	Not stated	
308-2	Negative environmental impacts in the supply chain and actions taken	Not stated	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 401: Employment			
401-1	New employee hires and employee turnover	Sustainability report: Page 65	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Notes to the Financial Statements: Pages 146-147	
401-3	Parental leave	Not stated	
GRI 402: Labour/Management relations			
402-1	Minimum notice periods regarding operational changes	Not stated	
GRI 403: Occupational health and safety			
403-1	Occupational health and safety management system	Sustainability report: Page 67	
403-2	Hazard identification, risk assessment, and incident investigation	Not stated	
403-3	Occupational health services	Not stated	
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability report: Page 67	
403-5	Worker training on occupational health and safety	Sustainability report: Page 67	
403-6	Promotion of worker health	Sustainability report: Page 67	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk management: Page 41	
403-8	Workers covered by an occupational health and safety management system	Not stated	
403-9	Work-related injuries	Sustainability report: Page 67	
403-10	Work-related ill health	Sustainability report: Page 68	
GRI 404: Training and education			
404-1	Average hours of training per year per employee	Sustainability report: Page 66	
404-2	Programmes for upgrading employee skills and transition assistance programmes	Not stated	
404-3	Percentage of employees receiving regular performance and career development reviews	Not stated	
GRI 405: Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	Engaging with our stakeholders: Page 49 Sustainability report: Pages: 65, 66 and 79	
405-2	Ratio of basic salary and remuneration of women to men	Sustainability report: Page 65	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Sustainability report: Page 65	
GRI 407: Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not stated	

DISCLOSURE		COMMENTARY / SECTION AND PAGE NUMBER REFERENCES FOR THE FY2022 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 408: Child labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	Not stated	
GRI 409: Forced or compulsory labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Not stated	
GRI 410: Security practices			
410-1	Security personnel trained in human rights policies or procedures	Not stated	
GRI 411: Rights of indigenous peoples			
411-1	Incidents of violations involving rights of indigenous peoples	Not stated	
GRI 413: Local communities			
413-1	Operations with local community engagement, impact assessments, and development programmes	Sustainability report: Pages 69-74	
413-2	Operations with significant actual and potential negative impacts on local communities	Risk management: Page 41 Engaging with our stakeholders: Page 51	
GRI 414: Supplier social assessment			
414-1	New suppliers that were screened using social criteria	Not stated	
414-2	Negative social impacts in the supply chain and actions taken	Not stated	
GRI 415: Public policy			
415-1	Political contributions	Directors' Report: Page 120	
GRI 416: Customer health and safety			
416-1	Assessment of the health and safety impacts of product and service categories	Not applicable	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Not applicable	
GRI 417: Marketing and labelling			
417-1	Requirements for product and service information and labelling	Not applicable	
417-2	Incidents of non-compliance concerning product and service information and labelling	Not applicable	
417-3	Incidents of non-compliance concerning marketing communications	Not applicable	
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not applicable	

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