A strategic opportunity in copper

Annual Report 2023

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.

Contents

> Living and working in Ecuador has been both a privilege and a pleasure. Our vision remains clear: to consistently deliver value to our stakeholders."

SCOTT CALDWELL

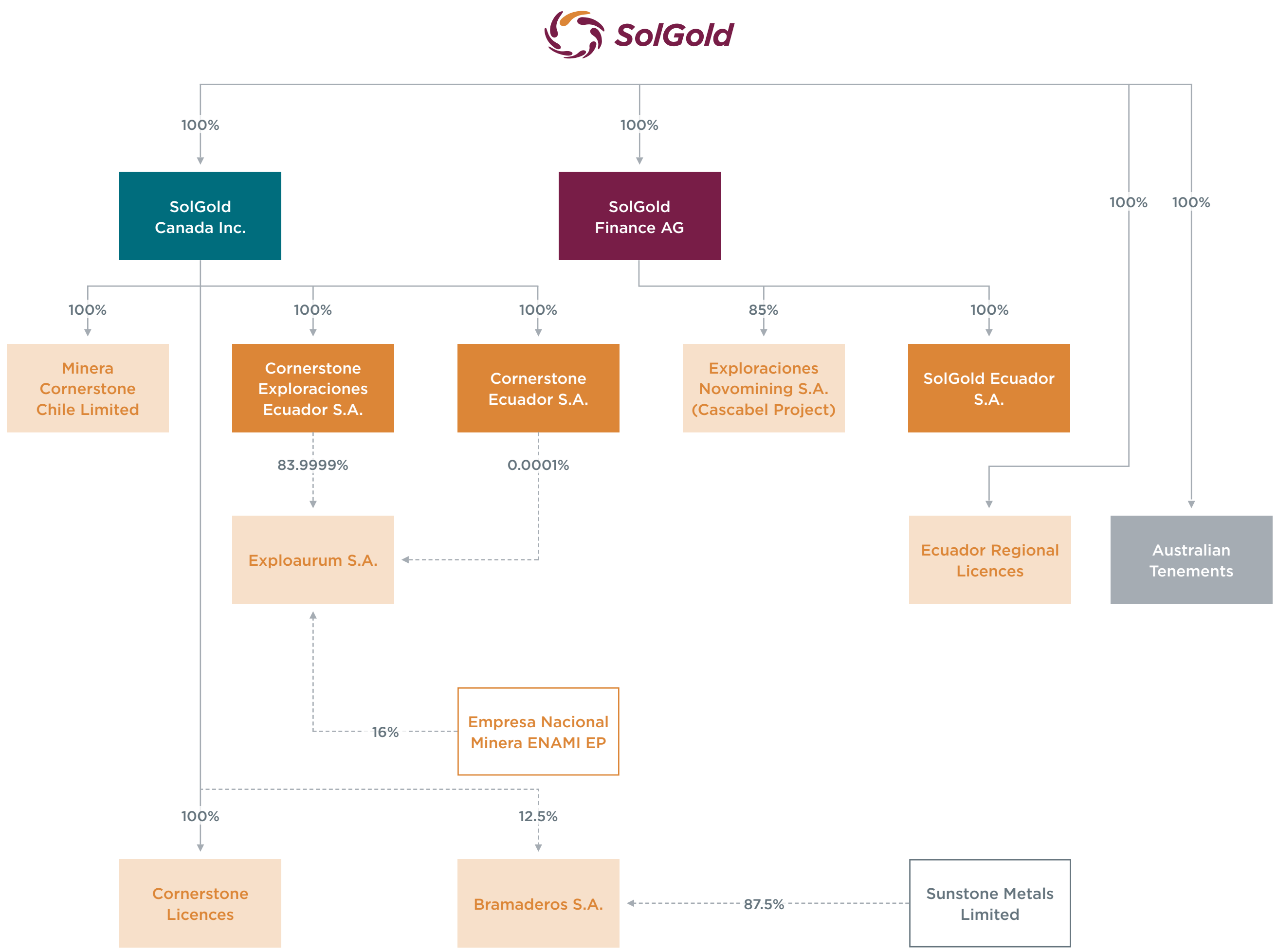
Managing Director and Chief Executive Officer

Mineral exploration and development

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, Chile and Australia. SolGold is a large and active concession holder in Ecuador 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.

SolGold Main Corporate Structure



2023

Highlights

Leadership

Appointed new Key Executives including Chief Executive Officer and Chief Financial Officer.

Investors

Issue of shares to new investor Jiangxi Copper (Hong Kong) Investment Company Limited.

Royalty Financing

New royalty financing partnership with Osisko Gold Royalties Ltd.

Mergers and Acquisitions

Acquisition with Cornerstone Capital Resources Inc. to strengthen the ability of the Group by consolidating ownership of the Cascabel Project, along with a robust portfolio of other projects primarily across Ecuador.

Environmental Incidents

ZERO incidents in 2023 (2022: zero).

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 / Maiden Mineral Resource announced at Tandayama-America deposit at Cascabel and Cacharposa deposit at Porvenir / SolGold reach US$4.5 million spend on socio-economic development

2022

Cascabel project PFS published confirming world-class Tier 1 potential / 320,553 tree saplings grown for 1 Million Trees project

2023

Completed merger with Cornerstone Capital Resources, consolidating ownership of the Cascabel Project / Appointment of Scott Caldwell as Group CEO / New royalty financing partnership with Osisko Gold Royalties Ltd

Cascabel: A Testament to Dedication and Potential

DEAR SHAREHOLDERS AND MEMBERS OF THE SOLGOLD COMMUNITY...

I'm both honoured and pleased to present to you SolGold's Annual Report. This document stands as a testament to the numerous strides our company has taken this year and symbolizes our steadfast dedication to realizing the immense potential of Cascabel's Alpala deposit, one of the world's most significant copper-gold discoveries in the past decade.

Our merger with Cornerstone Capital Resources Inc. this year was a momentous milestone. This strategic move has consolidated SolGold's ownership of our flagship project, Cascabel, at 100%. This not only underscores our deep commitment to advancing Cascabel but also grants us a more definitive direction and alignment for all stakeholders with our broader vision for its future.

Another significant achievement was the finalization of the Exploitation Agreement term sheet with the Government of Ecuador for the Cascabel Project. This document serves as a blueprint for the mine's future development and operations. Cascabel, with its vast mineral richness, is poised not only to enhance SolGold's global stature but also to bolster the economic landscape of the entire region.

The culmination of the term sheet was a result of our commitment to responsible mining, and a laser focus on maximizing stakeholder value. I extend my heartfelt appreciation to our dedicated team, whose perseverance ensured a deal aligned with SolGold's vision and strategic growth.

The leadership dynamics at SolGold has seen a refresh with the entry of Mr. Scott Caldwell, our new CEO and Director, who also presides over SolGold Ecuador as its President and has also relocated to Quito. Scott's profound mining expertise is a valuable asset, poised to shape SolGold's trajectory. Furthermore, we have bolstered our leadership team, with the addition of Mr. Chris Stackhouse, our Chief Financial Officer. Chris's financial foresight and acumen, combined with a deep-rooted understanding of the sector, promises to enhance our financial planning and execution.

While we acknowledge and thank Mrs. Elodie Grant Goodey and Mr. Kevin O'Kane for their invaluable contributions to the Board, we are pleased to welcome Dan Vujcic, whose expertise in capital markets and mergers and acquisitions is set to enrich our strategic direction.

Reflecting upon the past, it's clear we've faced our share of challenges, particularly in areas of corporate governance and financial responsibility. Addressing and rectifying these issues has been a focal point, and I can assure our stakeholders that we are on a continuous journey of improvement.

Significant financial undertakings, like the financing from Jiangxi Copper (Hong Kong) Investment Company Limited and the Osisko Gold Royalties Ltd. royalty agreement, have strengthened our foundation this year. Such partnerships echo the trust our associates have in SolGold's vision and offer us the financial resilience to further our ambitions.

This year, SolGold also embarked on a comprehensive strategic review. Its findings and insights will be pivotal in steering our strategies, ensuring that every move aligns with our long-term goals and the quest to consistently enhance stakeholder value while also engaging with potential partners and exploring innovative funding arrangements to further cement our path to success. As we look ahead, a key priority and challenge we acknowledge is securing adequate funding to realize Cascabel's true potential.

With the Cornerstone merger, we've expanded our property portfolio. We are currently in the process of evaluating these assets to discern and prioritize the most promising ventures. As SolGold refines our approach, the prospect of strategic collaborations is also on the horizon.

Today we find ourselves at a significant juncture. As the global momentum shifts towards a greener, carbon-neutral economy, the demand for copper escalates. SolGold, equipped with assets like Cascabel, and our highly prospective exploration portfolio, is uniquely positioned to play a central role in this transformation.

I must emphasize, SolGold's commitment to the creation of value for all stakeholders, maintaining good corporate governance, and looking after the communities where we operate and focus on responsible and sustainable mining.

In closing, I extend my deepest gratitude to you, our shareholders. Your unyielding support and trust serve as our beacon. With the current strategic alignments – from full ownership of Cascabel, astute financial partnerships, to a reinvigorated leadership – SolGold stands on the cusp of a promising future.

Warm regards,

LIAM TWIGGER

Chairman, SolGold Plc.

28 September 2023

Committed to the community

DEAR SHAREHOLDERS AND VALUED MEMBERS OF THE SOLGOLD COMMUNITY...

Building on the Chairman's remarks which eloquently highlighted our achievements, I wish to delve further into the year's progress, giving you a granular understanding of our operations, strategies, and vision for the future. Joining SolGold has not just been a professional commitment but a personal journey, and living and working in Ecuador has been both a privilege and a pleasure.

Firstly, I am pleased to share that our robust financial management has borne fruit. Our current cash balance is projected to support our operations through to the end of our fiscal year 2024 without necessitating further immediate external financing. This financial stability allows us the luxury of foresight and the ability to strategically plan our next steps.

This year was about evolution, transformation, and focus. As we embarked on a transformative restructuring journey, it was clear to us that in order to maximize the potential of the Cascabel Project, we needed to hone our operational efficacy and streamline our processes. Our team took bold decisions to cut non-essential costs, ensuring that every resource is allocated judiciously, making SolGold leaner yet more resilient.

Our immediate focus is the acquisition of permits for Cascabel. Our team is working diligently with the relevant authorities to ensure that all the necessary requisites are met, and we are optimistic about obtaining these permits within the coming year. The cooperative and supportive regulatory environment in Ecuador is evidenced by the recent 33-year renewal of the Cascabel tenements and the Exploitation Agreement Term Sheet negotiations and agreement.

Another significant development is the initiation of a revision of the Preliminary Feasibility Study (PFS) for Cascabel, targeted to be complete by first calendar quarter of 2024. Following an internal study, reviewing feedback, evolving mining methodologies, and taking the dynamic global market into consideration, we are examining a staged approach to developing the mine. This revised approach prioritizes mining high-grade ore initially at a lower tonnage, thereby reducing initial capital requirements. The subsequent expansions, envisioned to further harness the mine's potential, will be funded out of operational cash flows. If successful, this strategy would significantly reduce the initial capital requirements and the development risk, which we believe increases the ability for the Company to finance the development itself, and increases the number of interested parties capable of developing a lower capital-intensive project.

The synergy between living in Ecuador and overseeing our projects here has given me unmatched insight. Ecuador, with its rich mineral deposits and a supportive governmental framework, offers an unparalleled opportunity for growth in the mining sector. We are deeply committed to ensuring that our operations not only contribute positively to Ecuador's economy but also set the benchmark for responsible and sustainable mining practices.

Our prime focus is to ensure that our projects, while promising, are fundamentally sound and de-risked for the future. It's not just about recognizing potential, but about meticulously preparing our assets for future development. The actions undertaken this year, from a comprehensive review of our operations to decisive financial partnerships, have been geared towards this goal.

To our shareholders – your steadfast support during this transformative phase has been invaluable. Restructuring and cost-cutting measures, while essential, require fortitude and vision. Your trust has emboldened us to take the necessary steps to ensure SolGold's sustainable success.

As we stride into the future, our collective vision is clearer than ever. While our Chairman focused on the larger milestones and the promising path ahead, my commitment to you is that behind these milestones is a team relentlessly working on the minutiae, ensuring that every aspect of SolGold operates at its optimum.

In conclusion, as we steer SolGold through these transformational times, our vision remains clear: to be at the forefront of the mining industry in Ecuador, to operate with integrity, and to consistently deliver value to all stakeholders. Your belief in our vision fuels our ambitions, and with the strategic undertakings in place – from an improved cash balance, anticipated permits, to a more cost-effective mining strategy – we are poised for an even more promising future.

Thank you for your continued trust and support. Here's to forging ahead, together.

Warm regards,

SCOTT CALDWELL

Chief Executive Officer

28 September 2023

"Our vision remains clear: to be at the forefront of the mining industry, to operate with integrity, and consistently deliver value to all stakeholders."

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

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 minerals deposits. We prioritize capital using an established systematic and disciplined approach to exploration, targeting grassroots opportunities to ensure low-cost entry into projects.

- COST CONTROL
- ECONOMIC DISCOVERIES
- PROJECT ADVANCEMENT
- SHARE PRICE PERFORMANCE

SHARING THE VALUE WE CREATE

LOCAL EMPLOYMENT

- 99% Ecuadorian employees

HOST COMMUNITIES

- US$764,365 invested in socioeconomic projects delivered in partnership with Local Authorities of the communities where we operate (FY2023)
- 16.4% of procurement budget spent locally in the communities where we operate (FY2023)

TRUSTED PARTNER

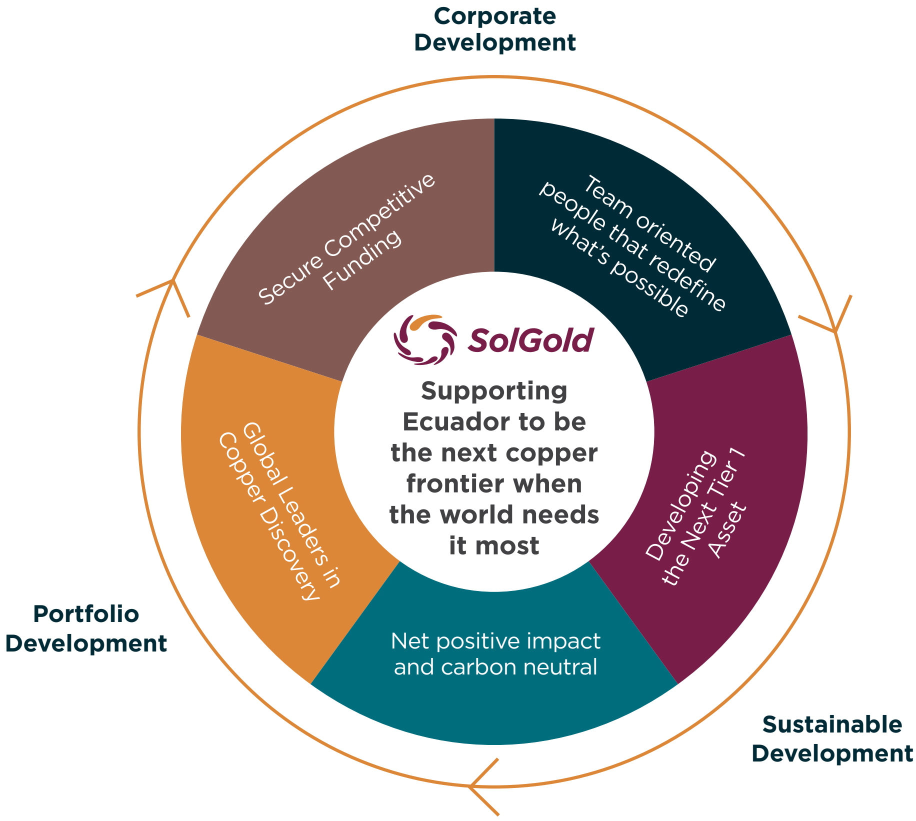
- US$900,000 investment in partnership with Franco-Nevada to deliver a waste and recycling infrastructure for the local parishes of Lita and La Carolina in the Imbabura province of Northern Ecuador

The exploration for copper and gold is core to our business model

"SolGold continues to pursue its strategy of unlocking value from its extensive portfolio of mineral assets."

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 grass roots 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.

OUR STRATEGIC APPROACH



Key Strategic Themes

Team orientated people that redefine what's possible	Developing the capabilities and culture that enables the development of a 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 a commercially attractive copper development
Zero harm	Commitment to eliminating all forms of harm, including injuries, illnesses, and environmental impacts, through proactive safety measures and sustainable practices
Secure competitive funding	Securing funding to continue to develop Cascabel and unlock value from our exploration portfolio

During this phase of SolGold's growth, the Directors diligently track key performance indicators related to funding risk, primarily focusing on the projected cash flows for general administrative expenses and those on a project-by-project basis.

This year, the Company has successfully secured the necessary financing for its activities, as outlined in the Financial Statements section of our Annual Report. Each mineral exploration project's performance is evaluated using measures unique to that project.

Mid-year, the Company underwent a strategic shift with the successful merger of Cornerstone Capital Resources Inc. (now known as SolGold Canada Inc.), accompanied by a reconstitution of management. Following the strategic shift, the Board has identified the following KPIs to be used to track Company performance in 2024:

1 ZERO HARM

Prioritizing the health, safety, and well-being of our employees, contractors, communities, and the environment. Actively work to minimize our environmental footprint and integrate sustainable practices throughout all operations, while ensuring the safety and wellness of all stakeholders. Consistently monitor and report on both safety performance and environmental compliance to uphold the highest standards in every aspect of our work.

2 STRENGTHEN BALANCE SHEET

Aim to enhance our financial position by exploring diverse sources of liquidity, optimizing resource allocation, and managing expenditures effectively.

3 DELIVER RESULTS OF THE UPDATED PRE-FEASIBILITY STUDY

Focus on completing and presenting the results of the Preliminary Feasibility Study (PFS) for the phased approach development of Cascabel.

4 ADVANCE PERMITTING REQUIRED FOR CASCABEL

Prioritize the progression of all necessary permitting for Cascabel, working diligently with the relevant authorities to meet regulatory requirements and facilitate the project's advancement.

5 MAXIMIZE VALUE OF EXTENSIVE PORTFOLIO OF MINERAL EXPLORATION ASSETS

Leverage our diverse portfolio of mineral exploration assets to maximize value, by strategically advancing promising ventures and exploring potential collaborations and partnerships.

6 ENGAGEMENT WITH STAKEHOLDERS

Prioritize robust engagement with stakeholders, including shareholders, partners, communities, governments, and other relevant entities, to foster transparent communication, mutual understanding, and collaborative relationships. Develop and implement strategies to actively involve stakeholders in decision-making processes, address their concerns, and create shared value.

COPPER MARKET OUTLOOK

FUNDAMENTAL DRIVERS:

Global copper demand in 2022 grew to just over 22MT, just under 3% from 2021. The foundational drivers of copper demand over the past two decades have been electrification, urbanization, digitization, and industrialization, particularly in emerging economies. China has been at the forefront of this demand, with its refined copper consumption growing from 5Mt in 2000 to over 13Mt in 2022, accounting for more than half of global consumption. However, the Chinese economy has recently experienced a slowdown, leading to moderate growth in copper consumption.

RENEWABLE ENERGY TRANSITION:

As part of the Paris Agreement, a global initiative to fight climate change, signatories have agreed a need to limit the increase in global temperatures to no more than 2 degrees Celsius compared to pre-industrial levels. Achieving this target requires a rapid shift in our energy systems, known as the Accelerated Energy Transition (AET). This shift involves moving away from fossil fuels and embracing renewable energy sources like wind, solar, and electric vehicles.

The global transition towards renewable energy is emerging as a significant driver for copper demand. Copper's excellent conductivity and durability make it indispensable in renewable energy systems like solar panels, wind turbines, and electric vehicles. This transition is not only sustaining but is also expected to accelerate copper demand in the years to come.

CURRENT MACROECONOMIC FACTORS:

Rising interest rates have been a recent development affecting the global economy and, by extension, the copper market. This has led to a slowdown in economic growth, although recovery is still expected. The long-term outlook for copper remains positive despite these challenges, particularly due to recent supply deficits coming out of Latin America as a result of disruptions at various operations in the region.

MARKET VOLATILITY:

The copper market has seen significant fluctuations, influenced by geopolitical tensions, such as the Russia-Ukraine war, and the ongoing Covid-19 restrictions in China. Despite these challenges, low visible inventories and ongoing copper mine supply disruptions are expected to offer some support to prices.

SUPPLY SIDE:

McKinsey forecasts a copper supply gap of 6.5 million tonnes by 2031. These projections suggest that without new mining projects, there could be a substantial shortfall in copper supply, jeopardizing the transition to renewable energy and other green technologies.

FUTURE OUTLOOK:

Global refined copper consumption is projected to grow by 2.2% in 2023. Over the medium to long term, copper is expected to benefit from an economic recovery increasingly focused on green end-use sectors. This is anticipated to support an above-average annual global refined consumption growth of 30% from 2023 to 2031, and continuing to grow reaching an estimated demand of 53Mt of refined copper by 2050.

CASCABEL STRATEGIC POSITIONING:

The Alpala deposit at Cascabel, with 9.9Mt million tonnes of copper in the Measured plus Indicated resource category, is strategically positioned to benefit from this structural shift and the long-term demand for copper, particularly in the renewable energy sector.

GOLD MARKET OUTLOOK

In today's complex economic landscape, gold continues to be a resilient asset, offering a hedge against various risks including geopolitical tensions and economic uncertainties. While rising interest rates have traditionally put pressure on gold prices, the current softening of U.S. economic data suggests that the Federal Reserve may pause its rate hikes. This scenario is bolstering gold's role as a safe haven, attracting both individual and institutional investors through ETFs. For those invested in gold development projects like SolGold, this is particularly good news.

SolGold's Alpala deposit boasts a substantial 21.7 million ounces of gold in the Measured plus Indicated resource category, making it a promising source of gold production for years to come. In summary, the multi-faceted drivers of the gold market make it a compelling investment, especially for those looking to diversify their portfolio and hedge against future uncertainties.

ECUADOR'S UNTAPPED MINERAL WEALTH

Ecuador is emerging as a global hotspot for copper exploration, underscored by the groundbreaking discoveries made in recent years. Located at the northern end of the prolific Andean Copper Belt, which is home to some of the world's largest copper mines, Ecuador offers untapped geological potential. SolGold, a leader in the field, has been at the forefront of these developments with its experienced team of Ecuadorian geologists who have discovered significant mineral wealth. The Company's flagship project, Cascabel, is home to the Alpala deposit, one of the most significant copper and gold discoveries of the past decade. While Ecuador's mining sector is still in its nascent stages, with only a few large-scale mines currently in operation, the landscape is rapidly changing. High-profile development projects are advancing through feasibility studies, and with continued investment, the number of operational mines is expected to grow. Importantly, SolGold's operations are situated in regions that are not impacted by the recent environmental concerns, allowing the Company to maintain strong relationships with the government and local communities. This positions SolGold and its Alpala deposit as a cornerstone for Ecuador's burgeoning mining industry.

The Alpala deposit is the main target in the Cascabel concession, SolGold's flagship project

Ecuador

Cascabel Project

Location: Imbabura province, Northern Ecuador

Ownership: 100%

Tenement Area: 50km^2

Primary Targets: Copper-gold porphyry

Over the reporting period, SolGold underwent significant organizational changes, including the completion of a merger with Cornerstone Resources Inc, restructuring of the executive management team, and the right-sizing of operations around the globe. With significantly reduced overheads, the Company is focused on managing capital and heavily focused on continuing to de-risk the Cascabel Project.

The Cascabel project will continue to move forward efficiently and cost-effectively. The following activities will focus on continuing to advance and "de-risk" the project:

- Updated pre-feasibility study incorporating a staged development mine plan.
- Securing the property required for essential infrastructure such as the tails deposition site, the concentrate and tails pipeline route, etc.
- Securing the critical path permits required for development.

Exploration Programme – Ecuador

The Company is currently prioritizing capital to advance the Cascabel Project. Due to capital constraints, all technical and field work was suspended during the period. Given the extensive and highly prospective land package held by SolGold, it continues to keep all concessions in good standing.

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.

Outlook FY2024

Corporate

1. Corporate Restructuring and Liquidity

In the latter half of FY2023, SolGold embarked on a corporate reorganization initiative aimed at optimizing costs, reducing headcount, and refining capital allocation strategies. This transformation is underpinned by our commitment to financial sustainability and de-risking the pivotal Cascabel Project. With restructuring largely concluded at both corporate and local levels, our current financial assessments project that our cash reserves will support operations into mid 2024. As we usher the Cascabel project further into the technical evaluation and permitting stages, we remain optimistic about continued robust investment interest, reminiscent of past trends.

2. Strategic Review and its Potential: Charting a Sustainable Future

In our commitment to upholding transparency and forward-thinking, the ongoing strategic review represents not just an internal reflection but also a comprehensive examination of external opportunities and partnerships. Here's what this review aims to achieve for SolGold:

- **Optimization and Alignment:** At its core, the strategic review is an exercise in refining our direction. We're delving into each facet of our operations to ensure optimal resource allocation and that every venture resonates with our overarching vision.
- **Unlocking Value & Funding Potential:** Beyond internal appraisal, the review encompasses a broad outlook on potential partnerships, funding arrangements, and other strategic alliances. We believe SolGold harbours untapped avenues of value and growth potential. By considering potential collaborations or even divestments, we aim to realize and amplify this inherent value for our shareholders.
- **Risk Management:** Identifying and addressing potential risks allows us to chart a course that's both ambitious and grounded. Our objective remains to ensure that SolGold's growth is resilient, sustainable, and in the best interests of all stakeholders.

- **Futureproofing with Partnerships:** The mining industry, shaped by global events, technological shifts, and market dynamics, is ever-evolving. Our strategic review isn't just about adapting to change but leading it. By identifying and fostering relationships with potential partners, we aim to ensure SolGold remains at the forefront of industry innovation and growth.
- **Funding Flexibility:** As part of the review, we are exploring a diverse range of funding arrangements. Whether it's equity, debt, partnerships, or other innovative financial solutions, our goal is to secure the best arrangements that provide us with the liquidity and financial flexibility to drive our ambitious plans.

In conclusion, the strategic review is a holistic endeavour, one that combines introspection with a keen eye on external opportunities. It's about ensuring SolGold is poised for sustainable success, and we remain excited to share its outcomes with our stakeholders as we solidify our path forward.

Cascabel Project

1. Phased Development Study

SolGold is actively engaged in devising a phased development plan for the Cascabel Project's mine and concentrator components. The results of this initiative will be encapsulated in a revised pre-feasibility study technical report. The overarching aim of this study is to establish the technical and financial viability of a phased Cascabel development. Should the findings be favourable, it would notably mitigate development risk, streamline timelines, and reduce initial capital expenditures. Decisions concerning Cascabel's progression will be tethered to this study's insights.

2. Permitting

- **Exploration Permit ("Early Works"):** The permit application has been submitted, and its approval will catalyze the inauguration of initial site undertakings, predominately the development drifts leading to the ore body. Anticipations are set on acquiring the Exploration Permit before 2023 concludes.
- **Other Key Permits:** Further pivotal permit milestones and developments will be communicated as they crystallize in the upcoming months.

Exploration

SolGold's exploration endeavors outside of Cascabel are currently undergoing a review, in line with our corporate restructuring measures. In tandem, efforts to identify potential JV/earn-in collaborators are in motion. Beyond essential expenditures required to maintain property compliance, we do not currently anticipate significant work agendas for these explorations in FY2024.

Summary

The previous year was foundational for SolGold; it was a period of introspection, re-evaluation, and restructuring. We took the time to refine our vision, reassess our assets, and realign our strategies to better position ourselves in the evolving landscape of the mining industry. As we pivot to the current year, our focus shifts from restructuring to strategic progression. We are poised to harness the opportunities that lie ahead, with the advancement of Cascabel at the centre of our endeavors. Drawing from our strengthened foundation, we anticipate a year of dynamic growth, collaboration, and tangible progress ahead.

Qualified Person:

Information in this report relating to the exploration results is based on data reviewed by Mr. Santiago Vaca (M.Sc.P.Geo.). Santiago joined SolGold in 2014 as Chief Geologist for the Cascabel project and is an Ecuadorian geologist with over 18 years of experience in mineral exploration and research. Mr. Vaca holds a Professional Geoscientist Certification (P.Geo) granted by the Association of Professional Engineers and Geoscientists of Alberta (APEGA) in Canada and is a Qualified Person for the purposes of the relevant LSE and TSX Rules. Mr. Santiago 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 2023. These have helped to progress the development of SolGold, in particular the development of the Cascabel project and have included:

- Successful placing of 180,000,000 ordinary shares to new investors, generating aggregate gross proceeds of US$36,000,000;
- The receipt of US$50,000,000 net smelter returns ("NSR") royalty financing from Osisko Gold Royalties Ltd ("Osisko") from the Cascabel licence area;
- The merger with Cornerstone Capital Resources Inc. (now renamed to SolGold Canada Inc.) to consolidate 100% ownership of the Cascabel project along with a robust portfolio of other Ecuadorian projects;
- Exploration and evaluation expenditure of US$43,420,485 for the year (2022: US$66,066,237) (refer Note 13);
- Continued acquisition of US$1,904,767 (2022: US$3,836,561) in landholdings in the Cascabel project area in anticipation of infrastructure requirements for project development;
- Operating loss after tax of US$50,439,745 (2022: US$1,701,565); and
- Cash balance of US$32,481,606 (2022: US$26,102,133) at 30 June 2023.

Results

The Group incurred a loss after tax of US$50,439,745 (2022: US$1,701,565). The increase in the loss after tax is due to US$16,054,495 in acquisition costs related to the Cornerstone merger and remeasurement gain of the NSR financial liability of US$35,003,704, which occurred in the prior financial year. Overall administrative expenses remained consistent from 2022, although there are some noteworthy costs.

Employment expenses increased by US$5,188,037 as a result of one-time redundancies for staff terminated in the Brisbane and London offices. Additionally, legal fees increased by US$1,362,099.

The Group recognised a total other comprehensive profit of US$820,283 (2022: loss of $1,742,845) for the financial year ended 30 June 2023. A loss of US$69,627 (2022: US$1,205,636) was recognised representing the mark-to-market adjustment on the Company's investment in Cornerstone Capital Resources Inc. prior to acquisition. For the financial year ended 30 June 2023 the Group recognised a loss of US$283,344 (2022: US$702,938) on translation of foreign operations. The Group also recognised a decrease in Ecuadorian post-employment benefits of US$1,173,254.

Statement of financial position

Total assets at 30 June 2023 were US$478,339,250 compared to US$429,162,612 at 30 June 2022 representing an increase of US$49,176,639.

Current assets overall increased by US$7,103,845, which was mainly due to an increase in cash and cash equivalents.

Non-current assets increased by US$42,072,794 mainly due to increases in exploration and evaluation assets, classified as intangible assets. Exploration assets increased predominantly due to the exploration expenditure incurred at Cascabel (US$30,542,275) and the various regional projects US$18,043,530, net of impairments and impairment reversals. Property, plant and equipment increased by US$1,584,890 primarily due to strategic land purchases.

Total liabilities at 30 June 2023 were US$165,413,461 compared to US$97,914,105 at 30 June 2022 representing an increase of US$67,499,356, including the effect of receipt of NSR royalty financing from Osisko.

Current liabilities at 30 June 2023 were US$13,784,848 compared to US$6,924,210 at 30 June 2022, representing an increase of US$6,860,638. Trade and other payables increased by US$6,180,361 due to the timing of payments post 30 June 2023.

Non-current liabilities increased by US$60,638,718, due to the receipt of US$50,000,000 royalty financing from Osisko and interest of US$13,148,231 accrued on NSR arrangements. This was offset by a decrease of $2,147,000 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 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.

Cash flow

Cash expenditure (before financing activities) for the year ended 30 June 2023 was US$77,585,941 (2022: US$82,658,324). Most of this cash spend relates to cash expenditure on the Group's exploration expenditure overwhelmingly in Ecuador (US$43,297,918) and property, plant and equipment and strategic land purchases (US$1,670,405).

During the financial year ended 30 June 2023, US$36,000,000 cash was received from the issue of shares via private placements (2022: US$nil) and US$50,000,000 cash was received from royalty financing (2022: US$nil). Accordingly, the net cash inflow of the Group for the year ended 30 June 2023 was US$6,528,739 (2022: outflow of US$83,143,710).

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.

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 overview of the Group's internal financial controls and financial risk management systems.

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, former Chief Executive Officer and Managing Director in relation to his sign-on bonus. These shares had restrictions placed on their tradability in accordance with the vesting schedule for the shares.

On 12 December 2022, the Company successfully placed 180,000,000 ordinary shares to investors including Jiangxi Copper (Hong Kong) Investment Company Limited, Maxit Capital LP, Mr. Scott Caldwell, Chief Executive Officer and Mr. James Clare, Non-Executive Director.

On 24 February 2023, the Company completed its merger with Cornerstone Capital Resources Inc., resulting in the issue of 525,954,360 shares to former shareholders of Cornerstone Capital Resources Inc. As part of the acquisition, 33,778,125 replacement options were granted to former option holders of Cornerstone Capital Resources Inc.

On 17 March 2023, the Company issued a total of 30,000,000 share options over ordinary shares of the Company to Mr. Scott Caldwell, Chief Executive Officer.

On 18 April 2023, the Company issued a total of 6,000,000 share options over ordinary shares of the Company to Mr. Chris Stackhouse, Chief Financial Officer.

A total of 7,000,000 share options expired during the financial year ended 30 June 2023.

At year end the Company had a total of 3,001,106,975 fully paid ordinary shares and 95,028,125 options in issue. At the date of this report the Company had a total of 3,001,106,975 fully paid ordinary shares and 95,225,000 options on issue, the difference from year end being 10,500,000 share options over ordinary shares of the Company being issued to employees.

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.

Enterprise risk management

The Company continues to invest time and resources to continuously improve the Company's risk management systems.

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 revised PFS is underway evaluating further upsides and optimisations. As part of the PFS, the study team 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 industry. There is no certainty that the investments made by the Group 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 Group 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 principal risks to which the Group and Company may be exposed from time to time:

KPIs:

1 Zero harm
2 Strengthen balance sheet
3 Deliver results of the updated Pre-Feasibility Study
4 Advance permitting required for Cascabel
5 Maximize value of Extensive Portfolio of Mineral Exploration Assets
6 Engagement with Stakeholders

Trend:

Increased | Constant | Reduced

Risk: Health & Safety

KPIs: 1 **Trend:** Constant

DESCRIPTION

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 in previous years. The Group has adapted the way it conducts its business in response to the pandemic and follows mandates of various and relevant government bodies as well as responding to the concerns of local communities in Ecuador.

KEY MITIGATORS

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.

Risk: Social Licence to Operate

KPIs: 1 3 4 6 **Trend:** Increased

DESCRIPTION

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.

KEY MITIGATORS

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, government bodies 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 has increased during the current year.

Risk: People and Leadership Risk	KPIs: 2 3	Trend: ^

DESCRIPTION

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.

The Company continues to develop its governance across the business to ensure best practices and transparency.

KEY MITIGATORS

SolGold actively minimises this risk 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.

This risk increased during the current year.

Risk: Geopolitical, Regulatory and Sovereign	KPIs: 3 4 6	Trend: ^

DESCRIPTION

SolGold's exploration tenements are located in Ecuador, Australia and Chile 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.

The 2023 elections in Ecuador have heightened geopolitical risk due to uncertainties around regime changes potential impacts on policy and regulatory environment. Despite these challenges, the Company remains optimistic, believing that regardless of the election outcome, investor confidence in Ecuador will endure.

KEY MITIGATORS

SolGold has a successful track record of operating in Ecuador, Australia and Chile 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.

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.

Risk: Concession Title	KPIs: 3 4	Trend: Reduced

DESCRIPTION	KEY MITIGATORS
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 Chile. 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.

Risk: Environmental	KPIs: 1	Trend: Reduced

DESCRIPTION	KEY MITIGATORS
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 personnel and the utilisation of third-party consultants to audit compliance with the Environmental Management Plan. To date, the Group has been fully compliant. This risk remained constant during the current year.

KPIs:

1 Zero harm
2 Strengthen balance sheet
3 Deliver results of the updated Pre-Feasibility Study
4 Advance permitting required for Cascabel
5 Maximize value of Extensive Portfolio of Mineral Exploration Assets
6 Engagement with Stakeholders

Trend:

Increased Constant Reduced

Risk: Land Access, Permitting and Surface Rights	KPIs: 3 4 6 Trend: ‹›
DESCRIPTION	**KEY MITIGATORS**
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, government bodies 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.

Risk: Project Development	KPIs: 3 4 5 6 Trend: ‹›
DESCRIPTION	**KEY MITIGATORS**
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.

Risk: Funding

KPIs: 3 5 6 | Trend: Increased

DESCRIPTION	KEY MITIGATORS
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 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 of the Financial Statements.

Risk: Financial Reporting and Control

KPIs: 5 6 | Trend: Reduced

DESCRIPTION	KEY MITIGATORS
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 continues to strengthen its internal financial capabilities and internal controls addressing numerous deficiencies that have been identified in prior years.	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 Corporate and Local Finance organisations and hiring several roles locally that will help strengthen our processes and improve our control culture. • Improvement and tightening of payment controls, enhancing controls and improving procure-to-pay processes. • Annual sign-off of key governance policies by Board and Management, including: – Code of Conduct – Whistleblower Policy – Anti-Bribery and Corruption Policy – Code of Conduct – Securities Dealing Policy As found on the Company's website under: https://solgold.com.au/about-us/corporate-governance/ This risk has reduced during the current period reflecting the Group's strengthened internal financial capabilities and internal control framework.

KPIs:

1 Zero harm
2 Strengthen balance sheet
3 Deliver results of the updated Pre-Feasibility Study
4 Advance permitting required for Cascabel
5 Maximize value of Extensive Portfolio of Mineral Exploration Assets
6 Engagement with Stakeholders

Trend:

Increased | Constant | Reduced

Risk: Mineral Reserve and Resource Estimates

KPIs: 3 5 **Trend:**

DESCRIPTION	KEY MITIGATORS
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 occur 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.

Risk: General Exploration and Extraction

KPIs: 5 **Trend:**

DESCRIPTION	KEY MITIGATORS
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.

Risk: Climate

KPIs: 1 **Trend:**

DESCRIPTION	KEY MITIGATORS
Climate risks for the business is an emerging risk as our current operations do not have a significant impact on the climate and vice versa. As the Company develops the Cascabel Project, considerations will need to be given to potential climate change on the business, particularly in respect to hydroelectric power and flooding events.	No specific mitigation activities have been undertaken in respect to this risk during the year. This risk remained constant during the current year.

KPIs:

1 Zero harm
2 Strengthen balance sheet
3 Deliver results of the updated Pre-Feasibility Study
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5 Maximize value of Extensive Portfolio of Mineral Exploration Assets
6 Engagement with Stakeholders

Trend:

Increased Constant Reduced

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 towards 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 reviews cash flow forecasts on a monthly basis and updates from time to time to account for changes in plan, as required.

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 through mid 2024 without applying any mitigating actions. Additional mitigating actions would include further reductions to headcount and overhead costs. Additionally, the Company continues to explore various traditional and non-traditional sources of finance and liquidity. Given the Company's significant recent restructuring, and the Group's successful history of raising significant amounts from the sale of net smelter return royalties, there is reasonable basis to believe Cascabel will continue to generate investment interest at prevailing market terms.

The Group had cash on hand of US$32.5 million and net current assets of US$27.7 million as at 30 June 2023 (2022: US$21.0 million, US$23.4 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. 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 2023 financial year totalling approximately US$86 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) funding through to project execution and early works in 2024; and (2) 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 could 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 two 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 provisions outlined in Section 172 of the Companies Act 2006 (referred to as the "Act"), the Board of Directors at SolGold is committed to considering the interests of all our stakeholders when formulating strategic decisions and charting the course of the Group's strategy and objectives. This deliberate approach, rooted in a comprehensive understanding of our stakeholders, empowers the Board to meticulously evaluate the potential enduring implications of strategic choices on our diverse stakeholder groups.

The Board of Directors of SolGold plc upholds an unwavering commitment to act with the utmost integrity and to drive the prosperity of the Company, benefiting not only our esteemed shareholders but also embracing the broader welfare of our stakeholders.

We hold a deep appreciation for the enduring ramifications of our choices and are cognizant of the imperative to nurture robust affiliations with every stakeholder, including our dedicated employees, invaluable community partners, and the environment we inhabit. An integral aspect of our mission revolves around minimizing our ecological impact, signifying a pivotal cornerstone of our operations.

Contained within the Strategic Report of this Annual Report, the Company elaborates on its near to long-term strategic priorities, accompanied by a delineation of the strategies in place to ensure their realization. Throughout the expanse of this Annual Report, we have thoughtfully demonstrated how the tenets of section 172 have been diligently integrated into our activities over the past year, elucidating our concerted engagement with pivotal stakeholder segments.

Integral to the Company's decision-making protocol, the Board and its Committees systematically evaluate the potential reverberations of decisions on pertinent stakeholders. SolGold plc sustains an ongoing rapport with a spectrum of stakeholders that significantly underpin our achievements. This spectrum encompasses equity investors, debt and alternative finance providers, the dedicated workforce, governmental entities, the local community, and our valued suppliers. Our steadfast endeavor is to attain an optimal equilibrium between interactive engagement and efficacious communication. In addition, we judiciously navigate the parameters governing the disclosure of information, ensuring that we strike a balance between fostering transparency and safeguarding the confidentiality of market-sensitive or commercially classified data. We present a delineation of our principal stakeholder groups and elaborate on the measures through which we have fostered connections with them.

INVESTORS

WHY THEY MATTER TO US

- In this phase, our attention remains keenly focused on acknowledging the pivotal role that our shareholders play in driving our ongoing growth trajectory.
- As we navigate the dynamic landscape, we are acutely aware of the crucial support and collaboration stemming from our investor community.
- Positioned in the investment phase, actively unlocking the potential of our projects, our shareholders stand as linchpins in advancing the strategic aspirations of our Company.
- Anchored by our resolute commitment to establishing a robust foundation for sustainable mining operations, we are resolutely building and nurturing an investor base that seamlessly aligns with our future-forward vision.
- This symbiotic partnership, established even before the dawn of revenue generation, continues to underscore our unwavering dedication to enduring success.
- Throughout the year, our paramount focus has centered on propelling the Alpala project into its development phase including de-risking the project, all while fostering deep engagement with both existing stakeholders and new potential investors.

HOW WE HAVE ENGAGED WITH THEM

- Our engagement initiatives consistently revolve around discussions pertaining to strategy, governance, project advancements, and performance.
- Notably, during the financial year concluded on 30 June 2023, the CEO, CFO, and other members of the senior management team engaged with a tally of over 600 investors (primarily through web forums). This marks a substantial increase from the preceding year's interactions, which numbered over 350.
- To extend our reach and inclusivity, the CEO conducted live presentations through digital platforms such as InvestorMeetCompany and 6ix.com. These insightful presentations were open to all investors and interested parties, fostering an environment of accessibility. Attendees also enjoyed the privilege of engaging in interactive question and answer sessions during these web-based presentations.
- The aftermath of these meetings spurs passionate conversations at our Board meetings, where active feedback garnered from stakeholders plays a pivotal role in shaping our strategies.

INVESTORS CONTINUED

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• In concert with our abiding commitment to generating sustainable long-term value, we have diligently curated a portfolio of significant projects, including a pipeline of 90 concessions in Ecuador—a nation brimming with untapped mining opportunities. • The expectations of our shareholders, driving us toward continuous value creation, necessitate the upholding of rigorous governance standards, comprehensive risk management, and unwavering operational excellence. • This multifaceted approach reflects our dedication to not only meeting their aspirations but also catalyzing the momentum of our ongoing growth narrative.	• Throughout the year, the Board actively consulted with an array of corporate and institutional shareholders, delving into an expansive gamut of pertinent matters. This inclusive approach not only informs decision-making but also propels our unwavering commitment to attaining compliance with the UK Corporate Governance Code. • A vivid illustration of our engagement impact can be found within our Strategic Report, where we underscore the pivotal role of copper in the energy transition, coupled with the enduring allure of gold as a store of wealth. In our one-on-one interactions with investors, we diligently educate them on the attractiveness of our forthcoming copper-gold concentrate. • To enhance the interactive aspect of our Annual General Meeting, we are diligently incorporating investor feedback to elevate this crucial event to new levels of engagement. • Demonstrating our dedication to transparency, we frequently update both our Company presentation and website, ensuring investors remain abreast of the latest developments. • Our commitment to seamless communication is further bolstered by the regular dissemination of news and project updates, in addition to the dissemination of valuable material through prominent social media channels, including LinkedIn, X (@SolGold), and YouTube. Views of SolGold's presentations over various platforms totalled more than 6,000 in 2023.

EMPLOYEES

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• 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 2023 the Group employed 371 people across Ecuador, Canada, the United States of America and the United Kingdom. 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. 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. • Supporting our growing employee development programme, we hold monthly induction courses for all new staff. • We provide support through grievance mechanisms and a whistleblowing 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 2023, 17% of the workforce in Ecuador was female. Equally, at a leadership level we are also working towards improving diversity with 17% of Board members being women as at 30 June 2023.

GOVERNMENT

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• Central to our ethos is the aspiration to establish a sustainable mining enterprise that resonates positively with all Ecuadorians and fosters an enduring, inclusive mining industry, thereby reaping mutual benefits for every stakeholder. • The trajectory of our operations within Ecuador entails close management of our licence to operate, with unwavering dedication to our key projects. This involves a comprehensive consideration of the project lifecycle, spanning from discovery and permitting through development and operations to the far-reaching implications of closure and rehabilitation. • The evolving landscape of Ecuador's socio-economic progress and the pursuit of enhanced governance over natural resources, including engagement with initiatives like the Extractive Industries Transparency Initiative (EITI), underscore the significance of our role. We are acutely aware of our potential to contribute international expertise that substantially bolsters the nation's aspirations for heightened accountability and transparency in the domain of resource development. Our collaboration stands as a testament to our commitment to shared ambitions and the responsible growth of the industry.	• SolGold has maintained robust government engagement, reflecting the Company's proactive stance in navigating the evolving landscape of Ecuador's mining sector. • Our efforts continue to foster productive relations with various government bodies, reflecting our commitment to open dialogue and cooperative progress. • SolGold was engaged in pivotal negotiations with the government of Ecuador for a comprehensive term sheet agreement for the Cascabel project. • Upholding our non-partisan stance, we continue to actively engage with government stakeholders regardless of political affiliations, fostering an environment of collaboration and shared goals. • Our interactions extend to various levels of government in Quito and encompass agencies across provinces, including Imbabura, demonstrating our commitment to fostering local cooperation and understanding. • We are deeply engaged in discussions with the Ecuadorian government, particularly concerning matters tied to the Cascabel project and the infrastructure outlined in the Preliminary Feasibility Study (PFS) necessary for its advancement. Notably, these high-level dialogues have garnered government cooperation, underscoring the significance of our collaboration.

COMMUNITIES

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• Central to our core values is the establishment of robust trust and meaningful partnerships with the communities we work alongside, underpinning both our operational approach and local impact. Our dedicated team of professionals is wholly committed to facilitating face-to-face community interactions across all our projects. • Recognizing the intrinsic value of community engagement, we understand that such interactions significantly enrich our decision-making processes and uphold the collective interests of SolGold and its diverse stakeholders. Cementing the community's trust serves as a cornerstone that enhances our ability to address potential concerns and navigate them effectively. It also contributes to a harmonious alignment of our strategies with the community's expectations. • Our developmental focus has been directed towards Ecuador, driven by our unwavering commitment to fostering a national mining industry. This commitment reflects our eagerness to play a pivotal role in nurturing an emerging sector that holds transformative potential for the entire nation.	• Our commitment to community engagement is exemplified through our consistent interactions, occurring at least weekly, aimed at nurturing sustainable initiatives that resonate with the communities we operate within. Particularly for the Cascabel project, we maintain an open dialogue encompassing the Provincial Government, the Municipal Government of Ibarra, the parish governments of Lita and La Carolina, and influential community leaders. These dialogues focus on fostering holistic project development. • Information sessions, conducted as an ongoing initiative, serve as a crucial platform for communities within the immediate influence area. These sessions foster coordination of local activities, while significantly enhancing our social presence. They also serve as a conduit for identifying evolving concerns, thereby nurturing a culture of trust. A meticulous mapping effort covers communities within both our direct and indirect zones of influence, along with external interest groups.

COMMUNITIES CONTINUED

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• In the vicinity of our flagship Cascabel Project, the communities within its sphere of influence actively contribute as employees and integral participants in our supply chain. This symbiotic relationship is pivotal to the project's vitality and success. • As Ecuador's enduring partner, our engagement spans across local and indigenous communities enveloping all areas impacted by our projects. We steadfastly adhere to international treaties and Ecuadorian law, ensuring that our discussions pertaining to permitting and developments resonate harmoniously with the legal framework and the aspirations of the communities we serve.	• Our collaborations extend to partnerships with local and national universities across Ecuador, amplifying our commitment to education and regional development. These partnerships extend to initiatives fostering environmental stewardship and responsible mining practices, thereby nurturing a culture of shared progress. • Throughout the year, we have prioritized engagement with local communities through direct involvement with local businesses, such as bakeries, coffee plantations, chicken farms, plant nurseries, hardware stores, and more. This active participation helps us gain insights into the aspirations for heightened local economic activity, thereby fostering mutual growth. A well-defined local grievance mechanism ensures that we are responsive to community claims and complaints. This mechanism maintains a transparent process where all claims and complaints are logged, and formal resolutions are provided in writing, adhering to a process respected by both parties involved.

SUPPLIERS

WHY THEY MATTER TO US	HOW WE HAVE ENGAGED WITH THEM
• At the core of our operational framework lies the establishment of enduring partnerships that seamlessly augment our in-house proficiency. We remain acutely aware of the benefit that steams from fostering steadfast relationships with our trusted suppliers. • Our evolution from being solely an exploration enterprise to one engaged in project development underscores the pivotal significance of our supplier partners. They stand as linchpins that ensure we cultivate a business of the highest standards, underpinned by sustainability. The journey towards project construction and operations necessitates critical new resources that our supplier alliances play a key role in providing. This symbiotic collaboration is instrumental in propelling our ventures towards success.	• Our steadfast commitment to community growth is evident through our endeavors to engage local vendors on smaller scales, empowering them to oversee essential Company initiatives and requisite services. • The close collaboration between our management team and consultants remains an integral facet of our operations. This partnership is instrumental in fulfilling the deliverables associated with the comprehensive Cascabel project studies, marking a crucial step in our journey. • Our pledge towards responsible resource management is evident in the meticulous procedures and practices we implement. This spans the judicious use of water, energy, and other vital resources. In our pursuit of excellence, we consistently conduct training sessions that ensure our Company standards are upheld across the board and seek out suppliers with similar values and standards. • Upholding our commitment to integrity, we have established an Anti-Bribery policy, which is currently undergoing a review process. Once finalized, this policy will be made available to the public on our Company's website. This principled stance against bribery and corruption is thoroughly addressed during employee induction and training sessions, ensuring that all staff members and site visitors are well-versed in our expectations. Going forward, SolGold remains dedicated to fostering the significance of this policy across our supplier network, thereby bolstering a culture of ethical conduct.

Sustainability is embedded in our operations

This Sustainability Report aims to highlight how sustainability is embedded within our operations and to provide details of our sustainability performance over the period 1 July 2022 to 30 June 2023. The Report also contains our climate-related financial disclosures consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures.

Through our exploration, discovery and development of copper and gold deposits in Ecuador, we work in close proximity to local communities and in some of the world's most significant natural environments. Our sustainability approach is rooted in a deep understanding of the potential environmental and socio-economic impacts of our activities, and our commitment to respecting and protecting our natural resources and communities. The core pillars of this approach are:

Our core pillars:

- THE ENVIRONMENT
- OUR PEOPLE
- HEALTH & SAFETY
- OUR COMMUNITIES

We demonstrate our commitment to operating sustainably through our set of UN-aligned goals which we have developed with reference to ten fundamental principles across the areas of human rights, labour, environment and anti-corruption that we have committed to as a signatory of the UN Global Compact. These goals are integrated through our operations, strategy and culture enabling us to drive sustainable innovations and adapt to evolving global sustainability challenges.

Our commitments:

- INJURY AND INCIDENT FREE WORKPLACE
- EQUAL OPPORTUNITIES FOR ALL EMPLOYEES
- PROACTIVE CONTRIBUTION TO LOCAL COMMUNITIES
- PROACTIVE CONTRIBUTION TO LOCAL COMMUNITIES
- REHABILITATION AND REFORESTATION OF LAND
- RESPONSIBLE USE OF ENERGY, WATER AND WASTE

Our climate related financial disclosures

As a mineral exploration and development company, we understand the critical role we will play in the world's transition to a lower carbon economy and are aware of the opportunities that arise for us in this position. We also understand the impacts and risks that are present in this transition, as well as the potential and actual impacts that our operations and climate change have on our environment, our people and our communities.

To ensure that we are transparently reporting the impacts of climate change on our operations and how we are responding, we have applied the recommendations of the Task Force on Climate-Related Financial Disclosures as is required for all UK listed companies. This is the first time we have prepared specific TCFD disclosures, and this section of the report provides an overview of the existing governance of climate-related risks and opportunities at SolGold and the impacts of those on our business. We also outline our existing and planned processes for the management and mitigation of risks and opportunities, the strategies, and the metrics and targets for the ongoing management of climate-related risks and opportunities.

With further international requirements having been released for sustainability and climate-related disclosures in 2023, we are striving to continuously improve our systems and processes related to the ongoing management of climate-related risks and opportunities to in turn improve our climate-related disclosures in future years. We expect our strategies for the management of climate-related risks and opportunities to evolve and adapt based on differences in our operations in the years to come.

Governance

Governance of climate-related risks and opportunities

As a result of the major impacts of climate change on the mining industry and our core business, climate-related risks and opportunities are overseen at Board-level and managed by our Management team.

The Board's Oversight

The Board of Directors are ultimately responsible for the oversight of climate-related risks and opportunities impacting SolGold, however, the Board delegates the management of climate-related risks and opportunities to the ESG Committee (formerly the Health, Safety, Environment and Community (HSEC) Committee).

The ESG Committee at SolGold plays an important role in incorporating climate considerations into SolGold's strategic and operational decisions. Its primary function is to provide oversight on the policies and initiatives related to the environment, health, safety, community engagement, and governance, including those related to climate change. The specific responsibilities assigned to the ESG Committee on climate-related matters include identifying and assessing climate-related risks that could impact SolGold's operations or financial performance. This involves monitoring emerging risks associated with climate change and advising the Board on appropriate risk management strategies. The Committee also monitors progress in achieving its climate-related goals, providing quarterly reports to the Board on climate-related and other ESG matters. In the event that major operational changes or incidents occur the ESG Committee develops strategies for climate change mitigation and provides guidance on the transition to low-carbon technologies, ways to improve energy efficiency, and investigates renewable energy opportunities.

Management's Role

To assist the Board and ESG Committee in the ongoing management of climate-related risks and opportunities, SolGold has considered ESG more broadly in terms of the assessment of our CEO's performance. These programmes are designed to improve overarching ESG and sustainability performance with climate-related considerations in mind.

Management will also have a vital role with respect to the comprehensive climate risk assessment process that is planned to be conducted in the future. They will be responsible for identifying, evaluating and developing management strategies for risks, and the ongoing management and monitoring of risks and the implementation of response/management strategies to the extent of its strategic exploration activities.

Our Next Steps

Efforts and actions to be implemented to enhance the governance of climate-related risks and opportunities within our business include:

- Making improvements to the framework for the management of climate-related risks and opportunities including amending the roles and responsibilities for the Committee and their reporting processes; and
- Building capacity and capability of the ESG Committee through additional training and support surrounding the assessment of climate-related risks and opportunities and requirements under international and national reporting climate and sustainability-related reporting frameworks as they are released.

Strategy

Climate-Related Risks and Opportunities

SolGold recognises that as a copper-gold mining company, we are exposed to various climate-related risks which have the potential to impact our operations, assets, and business model. Whilst our current strategy focuses on the preliminary exploration of copper and gold, we have lesser impacts to our surrounding environments and are exposed to different risks than if we were conducting full mining operations; however we recognise that there are future implications that climate-related risks and opportunities may have on our strategy and operations.

Based on the nature of the industry, our current business activities and our locations, in addition to regulatory and policy landscapes globally as they relate to climate change, we have considered that there are key physical and transition risks to which we will be exposed over the short, medium and long-term, but also that there are opportunities that arise out of the transition to a low-carbon world. As such, we have identified the following climate-related risks and opportunities which we foresee may become material to SolGold in the future.

	Climate-Related Risks	Climate-Related Opportunities
Short-term (1 – 3 years)	• Risks associated with extreme weather events and natural disasters • Risks arising out of regulatory changes & requirements	• Energy efficiency improvements • Use of renewable energy • Market opportunities associated with changing customer demands and regulatory changes
Medium-term (3 – 10 years)	• Risks arising from future climate policy changes • Risks associated with investor expectations • Risks arising from longer term and chronic climate change impacts (water stress, rising sea levels, sustained higher temperatures)	• Utilisation and investment in lower-carbon technologies • Continued changes in customer preferences in a shift to renewable energy, adoption of electric vehicles, and demand on manufactures for sustainably sourced raw materials
Long-term (10+ years)	• Risks associated with investor expectations • Risks arising from long term chronic climate change impacts (water stress, rising sea levels, sustained higher temperatures)	• Development of strategic partnerships and innovating projects in sustainable mining practices

Impacts on our Business, Strategy & Financial Planning (including consideration of transition scenarios)

To meet the needs of our investors, the market and other stakeholders, we intend to disclose more detailed information on the climate-related risks and opportunities that are material to our business in future periods. We understand the need for us to fully consider and assess the impacts of our material risks on our strategy, operations, and financial planning. To build on the higher-level risks and opportunities noted and provide more in-depth descriptions and impacts, we plan to conduct a comprehensive climate-risk identification process. In doing so, we are seeking to establish a process that will be embedded as part of our broader risk management framework to ensure the ongoing identification, assessment and management of climate-related risks and opportunities.

To date, we have considered the impacts of risks associated with changing regulatory requirements and policy changes to assist with the transition to a low carbon economy on our business. Examples being:

- Failure to comply with environmental regulations could impact SolGold's ability to exercise its exploration rights and continue its operations, including receiving damages for non-compliance, clean-up costs or penalties for environmental discharges.
- Based on an Accelerated Energy Transition (AET), the demand for copper will increase due to the economic recovery focused on green end-use sectors, and SolGold is well-positioned to capitalise on the projected increase in demand.
- Leveraging new technological innovations, SolGold can use low-cost hydropower, low energy intensive block cave mining technology and fully electric mining fleets to deliver low carbon footprint projects.

We are yet to extend our analysis to consider other climate scenarios or to assess the resilience of our strategy against the different scenarios. However, we intend to conduct scenario analyses to evaluate the potential impacts of climate-related risks on our business and financial performance, as we look to shift our business model from exploration to mine planning and development. Climate scenario analysis will be used to assess the impacts across various climate scenarios and develop plans accordingly. Further, SolGold intends to integrate scenario analysis (to assess the impacts of climate-related risks) into the Climate-Related Risk Management Framework, and overall strategic and financial planning processes.

Our Next Steps

Efforts and actions to be implemented to improve how we assess the impacts of climate change and the associated risks and opportunities on our strategy and financial performance include:

- Integration of the impacts of climate-related risks and opportunities into our strategic planning processes and using other accepted climate scenarios to assess the resilience of our strategy.

Risk management

Our Climate-Related Risk Management Framework

SolGold has developed a Climate-Related Risk Management Framework to help identify, assess, manage and report on climate risks and opportunities that have the potential to impact our operations, financial performance, and reputation. The framework creates a process to guide management in making informed decisions, evaluating and responding to risks and taking advantage of opportunities that may arise as we transition to a low-carbon economy.

Step 1: Climate Risk Identification

Identification of potential climate-related risks and opportunities. This will include both physical and transition risks arising from societal and economic shifts toward a low-carbon economy. A risk evaluation is undertaken to understand the potential impact and likelihood of each identified risk and opportunity.

Step 2: Integration with Corporate Strategy

Integration of climate-related risks and opportunities into SolGold's overall corporate strategy. Strategic decisions at the corporate level will be made with an understanding of their potential climate-related implications.

Step 3: Mitigation & Adaption Strategies

Development of mitigation strategies to reduce the likelihood and/or consequences of the risk event. For identified opportunities, design systems to utilise opportunities e.g., investing in renewable energy sources or developing more resilient infrastructure.

Step 4: Implementation & Execution

Implementation of the mitigation and adaption strategies across the organisation, including changes to operational processes, engagement with suppliers and partners, or investments in new technologies.

Step 5: Monitoring & Reporting

Monitoring and reporting progress of implementation of strategies, with results reported to internal and external stakeholders.

Ongoing: Review & Update

Given the evolving nature of climate-related risks and opportunities, the risk management framework is regularly reviewed and updated to ensure that it remains aligned with SolGold's commitments, current best practices, emerging trends and to respond to changes in the external environment, regulatory landscape and stakeholder expectations.

Ongoing: Continuous Improvement

The risk management process will be continuously improved based on performance monitoring and stakeholder feedback. This cycle ensures that the process remains effective and relevant in changing climatic conditions and societal expectations.

Risk management continued

Our Climate-Related Risk Management Framework covers exposures from both physical and transition climate-related risks and their respective opportunities and financial impacts. In addition, an evaluation will be carried out to understand the potential impact and likelihood of each identified risk and opportunity. Although this framework has been developed, we have yet to identify and assess our climate-related risks and opportunities. Following the initial climate risk identification process, SolGold will conduct a more extensive climate-related risk and opportunity assessment and strategy development process.

Our Next Steps

Efforts and actions to be implemented to enhance the processes for identifying, assessing and managing of climate-related risks and opportunities within our business include:

- Embedding this climate-related risk identification, assessment and management process across our business through our existing Enterprise Risk Management processes, once the initial climate risk identification process has been completed.

Metrics and targets

Current Metrics & Targets to Assess Climate-Related Risks and Opportunities

We currently have overarching metrics in place for key ESG and sustainability data including climate change, environmental stewardship, responsible consumption, human capital, zero harm and social opportunities in line with the UN Sustainable Development Goals specific to our exploration activities. However, SolGold understands the need for detailed metrics and targets to be developed to assess and manage our material climate-related risks and opportunities. As such, SolGold will look to develop specific metrics and targets related to the material climate-related risks and opportunities identified as part of our comprehensive climate risk identification process.

Our Emissions Profile

SolGold currently monitors its Scope 1 and Scope 2 emissions, as well as the total energy consumed and the intensity of our consumption. We have yet to establish specific metrics and targets related to emissions reduction, however, once we have conducted a detailed risk identification and assessment of climate-related risks and opportunities, forward-looking metrics and targets will be developed to address our contribution to the global transition to a low-carbon economy.

Methodology

SolGold measures and calculates our GHG emissions in line with the GHG Protocol methodology to allow for aggregation and comparability across organisations and jurisdictions, as recommended by the TCFD.

EMISSIONS SOURCES	2023	2022
Scope 1 Emissions (tCO_2-e): Cascabel	807	2,128
Scope 2 Emissions (tCO_2-e): Cascabel	199	52
Scope 1 Emissions (tCO_2-e): Regional	93	824
Scope 2 Emissions (tCO_2-e): Regional	18	10

Environment

Our exploration operations are located in some of the most naturally diverse and ecologically rich environments, and our environmental management approach reflects this context.

GHG Emissions and Energy

As per our climate-related disclosures, SolGold has measured and calculated Scope 1 and 2 emissions based on the GHG Protocol methodology. In 2023, energy consumption from our operations totaled 16,861.87 GJ, and our total emissions were 1,116.7 tCO_2-e. The primary source of energy consumption and our Scope 1 emissions was from diesel used in our exploration plant, machinery and vehicles.

With respect to our Scope 1 and 2 emissions, we have seen a decrease of 46% when compared to last year's total emissions which is attributable to our reduction of exploration drilling.

ENERGY SOURCE	ANNUAL ENERGY CONSUMPTION (GJ)
Diesel	12,458
LPG	1,238
Electricity	2,641
Gasoline	525
Total	**16,862**

EMISSIONS SOURCE	2023	2022
Scope 1 Emissions (tCO_2-e): Cascabel	807	1,304
Scope 1 Emissions (tCO_2-e): Regional	93	824
Total Scope 1 Emissions (tCO_2-e)	**900**	**2,128**
Scope 2 Emissions (tCO_2-e): Cascabel	199	42
Scope 2 Emissions (tCO_2-e): Regional	18	10
Total Scope 2 Emissions (tCO_2-e)	**217**	**52**

EMISSIONS INTENSITY	2023	2022
GHG Emissions Intensity: Cascabel	0.11	0.06
GHG Emissions Intensity: Regional	n/a*	0.17
GHG Emissions Intensity Unit	tCO_2-e per metre drilled	

* No drilling occurred at our Regional sites in the reporting period, therefore these sites don't have a reported emissions intensity.

As we look to respond to climate change through planned efforts to conduct a detailed climate-risk identification and assessment, we will in turn develop strategies to manage those risks and opportunities. This aligns with our commitment to transition towards a low-carbon economy by joining the Zero Carbon Ecuador Program ("PECC"), an initiative promoted by the Ministry of the Environment, Water and Ecological Transition, which aims to promote active participation of the industry to achieve the climate goals and objectives and encourage projects that conserve, restore and generate the reduction of GHG emissions in Ecuador.

Water and Waste Management

As an exploration and development mining operation, responsible water and waste management are paramount. We are dedicated to minimising water usage and implementing waste reduction strategies to minimise our environmental footprint and contribute to a sustainable future.

Environment continued

Water Management

Our approach to water management is outlined in our Environmental Policy and is guided by national environmental regulations applicable in the countries of our operations. We aim to use water as efficiently as possible to reduce usage of this critical natural resource in our exploration operations.

To achieve these aims and comply with requirements relating to water quality, we have established specific guidelines which are centred around treatment of drilling fluids and wastewater, water quality monitoring, suitability of products for preparation of drilling fluids and cleaning activities at camps, water flow control at collection points and water training programmes for our communities.

In 2023, the total water withdrawn for our activities was 29,159m^3, and water discharge amounted to 14,716m^3. This represents a decrease from our water discharge and withdrawal levels when compared to 2022. Surface water was the primary source of water withdrawal and discharge.

WATER WITHDRAWN (M^3)	2023	2022
Surface Water	29,032	30,690
Groundwater	0	0
Seawater	0	0
Produced Water	0	0
Third-party Water (bottled water for human consumption)	127	150
Total Water Withdrawn (m^3)	**29,159**	**30,840**

WATER DISCHARGE (M^3)	2023	2022
Surface Water	14,716	17,420
Groundwater	0	0
Seawater	0	0
Produced Water (water reused as part of the recirculation process)	6	0
Third-party Water	0	0
Total Water Discharge (m^3)	**14,722**	**17,420**

Waste Management

We prioritise responsible waste management, through recycling, waste reduction and responsible disposal practices. Distinguishing between hazardous and non-hazardous waste ensures our waste is appropriately managed throughout its entire lifecycle, with the aim of bringing zero hazardous waste to landfill. Our overall commitment to responsible waste management is outlined within our Waste Minimisation Plan.

In our efforts to reduce waste in our managed operations, in 2023 we recycled and reused a total of 15,475kg of hazardous waste and diverted a total of 6,457kg of non-hazardous waste from landfill. All hazardous and non-hazardous waste that is recycled is done so by a third party accredited by the Ministry of the Environment of Ecuador. Organic waste generated is processed on-site for transformation into compost.

	AMOUNT OF WASTE GENERATED AND SENT TO LANDFILL		
WASTE CATEGORY	2023	2022	UNIT
Non-Hazardous Waste	16,615	50,540	kg
Hazardous Waste	0	0	kg
Process Waste	N/A	N/A	N/A

	AMOUNT OF WASTE GENERATED AND RECYCLED/REUSED		
WASTE CATEGORY	2023	2022	UNIT
Non-Hazardous Waste	6,457	50,540	kg
Hazardous Waste	15,475	4,800	kg
Process Waste	13,786	N/A	N/A

Biodiversity and Landscape Restoration

Our exploration activities are located in Ecuador, in some of the world's most biologically rich and ecologically significant regions in the world. We understand the importance of protecting and enhancing the ecosystems and landscapes in which we operate. Through responsible mining practices, we have a unique opportunity to drive the restoration and rehabilitation of the ecosystems in these areas, to ensure we leave a positive legacy for our environment and community.

Restoration

Our environmental surveys are conducted to identify and understand the ecological makeup of the regions where we conduct our activities. We use the International Union for Nature Conservation (IUCN) to identify Red List species of flora and fauna present in these areas. We conduct surveys on new and existing exploration projects, to actively monitor and mitigate impacts to ecosystems and threatened species.

IUCN RED LIST SPECIES NAME	NUMBER OF SPECIES REGISTERED IN BIOTIC STUDIES AND MONITORING	NUMBER OF SPECIES IN IUCN RED LIST SPECIES VULNERABILITY CATEGORIES	
Flora	18	Almost threatened	0
		Vulnerable	8
		Endangered	8
		Critically endangered	2
Mammals	2	Almost threatened	0
		Vulnerable	1
		Endangered	1
		Critically endangered	0
Birds	5	Almost threatened	0
		Vulnerable	4
		Endangered	1
		Critically endangered	0
Amphibian	13	Almost threatened	0
		Vulnerable	6
		Endangered	7
		Critically endangered	0
Reptiles	6	Almost threatened	0
		Vulnerable	2
		Endangered	4
		Critically endangered	0

Rehabilitation

Our rehabilitation efforts are focused on restoring and rehabilitating landscapes disturbed by mining to a functional state. Our commitment and approach to rehabilitation is founded upon mitigating the long-term environmental impacts of our exploration and drilling activities. In 2023, we rehabilitated a total of 0.51 hectares of land.

TOTAL LAND REHABILITATED	2023	2022
Area Rehabilitated (ha)	0.51	0.34

Further to our rehabilitation activities, through SolGold's One Million Trees Programme designed to address deforestation through the rehabilitation and reforestation of areas that have been impacted by historical agricultural activities, we planted a total of 25,549 native plants, covering a total area of 23.01 hectares in 2023. The total number of plantings since the beginning of the program until 30 June 2023, is now 224,520 plants, with a total area of 170.50 hectares.

Our people

At SolGold, our commitment to sustainability extends beyond environmental considerations; it encompasses the well-being of our employees and communities. Our approach to looking after people is underpinned by our rigorous health and safety framework, engagement with, and support of our local communities, and providing educational, health, and socioeconomic opportunities within these communities.

Our Workforce

We understand the importance of supporting our employees and fostering a local, inclusive and diverse workplace, empowering a range of people to contribute their unique skills and perspectives in the participation of our workforce. To achieve this, we have been focusing on actively working towards increasing female participation in our workforce and promoting employment for women in the broader community. At the end of the 2023 reporting period, 16.99% of our workforce was female. Our employees also represent all age groups, to reflect the diverse communities that make up our workforce.

EMPLOYMENT TYPE	MALE	FEMALE	OTHER	TOTAL
Permanent Employees	280	55	0	335
Temporary Employees	2	0	0	2
Non-guaranteed hours employees	11	5	0	16
Total	293	60	0	353

EMPLOYMENT TYPE	UNDER 30	30-50 YEARS OLD	OVER 50 YEARS OLD	TOTAL
Permanent Employees	67	220	48	335
Temporary Employees	0	0	2	2
Non-guaranteed hours employees	10	5	0	15
Total	77	225	50	352

Health and Safety

Safeguarding the health, safety and wellbeing of our workforce and our communities is an integral component of our sustainability framework. A sustainable future relies not only on responsible environmental stewardship, but also on protecting and improving human health and fostering a culture of safety. Health and safety commitments and building a skilled workforce through targeted training and development are embedded in our core values and are a driving force behind our operations and a key factor in our overall success.

In 2023, we are proud to announce that we had zero fatalities, and our TRIFR was 4.19 for the reporting period. This represents a slight decrease from our 2022 TRIFR of 4.33. We are committed to continuously reviewing, revising, and implementing new health and safety procedures to strengthen this performance, to achieve our goal of an injury and incident free workplace.

INCIDENTS	2023	2022
Number of Fatalities	0	0
Lost Time Injury ("LTI")	2	4
Restricted Work Injury ("RWI")	2	–
Medical Treatment Injury ("MTI")	1	3
First Aid Injury	3	–
Hours Worked	1,191,195	1,615,430
Total Recordable Injury Frequency Rate* ("TRIFR")	4.19	4.33

* TRIFR is the number of fatalities, lost time injuries, alternate work and other injuries requiring medical treatment.

Our Communities

We believe that building strong relationships with our communities is fundamental to creating safe, sustainable and successful operations. An important aspect of our business is to strive to invest in and create opportunities that positively impact the communities in which we operate. The relations we develop with our host communities are guided by our Community Relations Policy, which focuses on understanding local communities and acknowledging and respecting their culture. In doing so, we seek to generate mutual trust which we build upon through continuous dialogue with our communities.

SolGold invests in its local communities through various socioeconomic development initiatives and partnerships with the aim of promoting social, economic, and environmental wellbeing of the communities. The primary areas of focus for our investment include:

- Education and training
- Health care
- Socioeconomic investment
- Social, cultural and sporting activities in partnership with local governments of our communities

Local Procurement & Community Employment and Training Opportunities

Efforts to create positive economic impacts include procuring goods and services locally and offering or creating employment opportunities. Where possible, we preference local businesses and the main goods and services we procure include:

- Goods: Food and beverages, hardware supplies, agricultural and livestock supplies, bedding and linens.
- Services: Transportation of personnel, transportation of parcels and waste, rental of vans, construction contractors and construction finishes (welding, carpentry, masonry), maintenance of gardens and nurseries, community dining rooms and bakery, accommodation, community promoters and for the lease of land for pits and platforms, roads, or facilities necessary for the operation.

In the 2023 reporting period, we spent US$2,786,967 in our local communities which represents 16.4% of our total expenditure.

We know that providing our local community with the skills and knowledge to obtain meaningful employment either within our own operations, within the community or more broadly is an important factor in sustainable development. Throughout 2023, we continued to provide opportunities to community members through direct job opportunities within our business as technicians or employment at local community organisations.

	2022-2023	2021-2022
Community Workers	229	395
Technicians	31	56

COMMUNITY INVESTMENT ACTIVITY	2023 (US$)	2022 (US$)
Community Grants and Sponsorship	764,365	820,265
Community Infrastructure and Services Investment (including payment of mining easements and permits)	1,708,373	809,301

Our people continued

Key training and employment opportunities continued during 2023, within our local communities in Ecuador and included:

- Generation of employment through the establishment of an organisation to provide garden maintenance services at the ENSA camp;
- Generation of employment through the establishment of an organisation that provides plot maintenance services for ENSA's 1M reforestation project;
- Ongoing employment and training of women from the communities of Santa Cecilia and Nuevo Rocafuerte through the Cascabel Community Bakery and the Rocafuerte Community Dining Room; and
- Training of families from the communities of Getzemaní, Cachaco, Santa Cecilia, Rocafuerte and San Pedro in beekeeping and the maintenance of apiaries and hives.

In planning for our future workforce to continue activities associated with our Cascabel Project, we are also investing in the next generation through the provision of university scholarships through our *Mi future en Cascabel Programme*. This Programme has provided 28 students with access to higher education, whereby courses have included areas across science, technology and humanities, since commencement.

Community Engagement

We strive to promote the participation and engagement of the local community in all of our activities. We consider it of vital importance that the community is adequately informed, consulted and involved in our business activities, and any potential impacts they might have. Across our operations, we held 383 community meetings and events in the 2023 reporting period, involving 6,092 members of the community. The outcomes of this consultation are to be incorporated into our environmental and social planning and programs.

To minimise the negative impacts of our operations on our local communities, we also provide ongoing formal and informal communication channels for members of the community to raise complaints and provide feedback. We consider it a priority to address and resolve any grievances, to build trust, establish long-term relationships and minimise our negative impacts. Our formal grievance mechanism for complaints, claims and requests for information is accessible to local community members and other concerned stakeholders. During June 2022 to July 2023, we had a total of 25 registered grievances, of which 21 were resolved in a timely manner, and four that are currently in the process of reaching a resolution.

TCFD Index

The following Index provides an overview of SolGold's climate-related risks and opportunities disclosures, as recommended by the Taskforce on Climate-related Financial Disclosures (TCFD), for the reporting period 1 July 2022 to 30 June 2023.

TCFD RECOMMENDED DISCLOSURES	SUMMARY OF DISCLOSURE	DISCLOSURE	RELEVANT SECTION OF ANNUAL REPORT
GOVERNANCE			
a) Describe the board's oversight of climate-related risks and opportunities	The Board of Directors are ultimately responsible for the oversight of climate-related risks and opportunities impacting SolGold, however, the board delegates management of climate-related risks and opportunities to the ESG Committee.	Full	Our Climate Related Financial Disclosures – Governance Refer to page 35
b) Describe management's role in assessing and managing climate-related risks and opportunities	SolGold's CEO's performance is assessed against a scorecard with an ESG element, which is designed to improve overarching ESG and sustainability performance accounting for climate-related considerations. Management will also play a key role during the climate risk assessment process.	Partial	Our Climate Related Financial Disclosures – Governance Refer to page 35
STRATEGY			
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Whilst SolGold's current business activities (exploration) have limited exposure to climate-related risks, we have considered examples of key physical and transition risks to which we will be exposed to over short, medium and long-term. However, we are yet to conduct a full climate-risk identification and assessment process.	Partial	Our Climate Related Financial Disclosures – Strategy Refer to page 36
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	SolGold is yet to assess the impact of climate-related risks and opportunities on our businesses, strategy, and financial planning. However, a Climate-Related Risk Framework has been developed, and the impacts of climate-related risks and opportunities will be determined as part of a comprehensive climate-risk identification and assessment process.	Partial	Our Climate Related Financial Disclosures – Strategy Refer to page 36
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	SolGold is yet to assess the resilience of our strategy against various climate scenarios. However, we intend to conduct scenario analysis to evaluate the potential impacts of climate-related risks on our business and financial performance and to assess the resilience of our strategy.	Omitted	N/A

TCFD Index continued

TCFD RECOMMENDED DISCLOSURES	SUMMARY OF DISCLOSURE	DISCLOSURE	RELEVANT SECTION OF ANNUAL REPORT
RISK MANAGEMENT			
a) Describe the organisation's processes for identifying and assessing climate-related risks	SolGold has developed a Climate-Related Risk Management Framework to help identify, assess, manage and report on climate risks and opportunities.	Full	Our Climate Related Financial Disclosures – Risk Management Refer to page 37
b) Describe the organisation's processes for managing climate-related risks	A Climate-Related Risk Management Framework has been developed, however, we have yet to identify and assess the specific climate-related risks and opportunities that are relevant to our business and operations. SolGold plans to conduct a comprehensive climate risk identification and assessment process, which will guide and determine the processes that we will employ for managing climate-related risks.	Partial	Our Climate Related Financial Disclosures – Risk Management Refer to page 37
c) Describe the processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	SolGold has yet to embed its climate-related risk identification, assessment and management process within our overall enterprise risk management. Once the initial climate risk identification and assessment process has been completed, we aim to integrate the Climate-Related Risk Management Framework we have developed into our existing Enterprise Risk Management processes.	Omitted	N/A
METRICS AND DATA			
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SolGold has yet to establish metrics to assess climate-related risks and opportunities, specific metrics will be developed once we have conducted a comprehensive climate-related risk identification and assessment process.	Omitted	Our Climate Related Financial Disclosures – Metrics and Targets Refer to page 38
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks	Scope 1 and Scope 2 emissions are currently measured and reported. However, Scope 3 emissions have yet to be quantified, and relevant assessments have not been conducted.	Partial	Environment Refer to page 38
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	SolGold has yet to establish targets to assess and manage climate-related risks and opportunities, specific targets will be developed once we have conducted a comprehensive climate-related risk identification and assessment process.	Omitted	N/A

NON-FINANCIAL INFORMATION STATEMENT

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 40
Employees	Code of Conduct	This policy outlines the governance of the conduct of our employees, contractors and suppliers	Page 58
	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 or religion	
	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	
	Grievance, Complaints & Disputes	Procedure for dealing with complaints, claims and requests for information by employees and host communities	
Social Matters	Procurement Policy	To be developed	
Human Rights	Code of Conduct	This policy outlines the governance of the conduct of our employees, contractors and suppliers	Page 58
	Grievance, Complaints & Disputes	Procedure for dealing with complaints, claims and requests for information by employees and host communities	
	Human Rights Policy	To be developed	
	Modern Slavery Statement	To be developed	
	Supplier Code of Conduct	To be developed	
Anti-Bribery and Anti-Corruption	Anti-Bribery and Anti-Corruption Policy	This policy highlights our zero-tolerance approach to bribery and corruption	Page 58
	Whistle-blower Policy	This policy emphasises our commitment to compliance with laws, regulations, and the Company's own business and ethics policies	Page 58
	Code of Conduct		Page 58
	Supplier Code of Conduct (currently in draft)	This policy outlines the governance of the conduct of our employees, contractors and suppliers	
Description of principal risks relating to matters above		Risk management	Page 22
Description of business model		Business model	Page 10

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 2024.

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

LIAM TWIGGER

Chair

28 September 2023

Leadership and Focus on Corporate Governance

Dear Shareholders, I am pleased to present the Corporate Governance Report for the financial year ending 30 June 2023.

Overseeing governance at SolGold is my responsibility as Chair and I continue to work towards the Company becoming compliant with the U.K. Corporate Governance Code (the "Code"). The year under review saw difficulties for the Board to progress compliance due to the loss of Independent Non-Executives, significant turnover in the executive management team and ensuing restructuring of the corporate function across the organization. However, with the new executive management team in place and our intention to appoint new Independent Non-Executive Directors, I am sure we will continue to progress on this front in the upcoming year.

U.K. Corporate Governance Code

Since my last review in the 2022 Annual Report, SolGold continues to work towards compliance with the provisions of the Code. I note that we are still on our road to compliance as noted on pages 50 to 51.

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

During the period under review, there has been a reset at the Board level with the resignation of Non-Executive Directors Keith Marshall, Elodie Grant Goodey and Kevin O'Kane from the Company and we wish them well in their future endeavours. Following the successful acquisition of Cornerstone Capital Resources Inc., Scott Caldwell and Dan Vujcic joined the Board. Scott and Dan bring extensive geological, operations, corporate and financial experience between them.

In November 2022, Darryl Cuzzubbo departed as CEO and as a Director. Upon Darryl's departure Scott Caldwell took the reigns as Interim CEO and in March 2023 was appointed permanent CEO. Scott's experience in South America in developing mining companies has proven to be invaluable and the Board is thankful that Scott is taking the lead in taking SolGold forward.

Committees

The Board Committees have provided great input to the Board over the course of the year and the current composition of the Board has meant that the vast majority of the workload is being undertaken by the Board as a whole. As we move forward, with the addition of Scott Caldwell and Dan Vujcic to the Board, our committees will once again be in a position to drive forward the progress of the Company.

Conclusion

I thank all our shareholders for their ongoing support and 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 2023

SHAREHOLDERS

Board of Directors

- Audit & Risk Committee
- Remuneration Committee
- Nomination Committee
- Strategy Committee
- Environment, Social and Governance Committee

EXECUTIVE MANAGEMENT

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://solgold.com.au/about-us/corporate-governance/.

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 quarterly reporting of KPIs to the Environmental, Social, and Governance Committee
- Monitoring investor sentiment regularly and engaging frequently with the Group's major shareholders
- Approval of treasury policy and significant financing arrangements
- Approval of 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

- Acquisition of Cornerstone Capital Resources Inc.
- Entering into of a Net Smelter Royalty with Osisko Gold Royalties Ltd
- Capital Raise with a new strategic investor – Jiangxi Copper (Hong Kong) Investment Company Limited
- Termination of CEO and appointment of new CEO
- Change of Company Secretary
- Restructuring of management across the business to focus key employees in time zones aligned with the Cascabel Project

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 ("Code").

As SolGold has 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. The Board has made a commitment to voluntarily meet the principles of the Code expected of a premium listing to continue 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

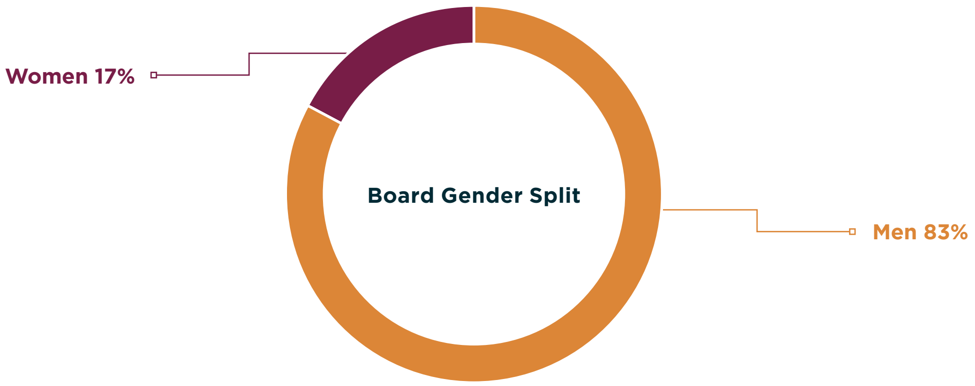
As a Company with a standard listing on the London Stock Exchange, SolGold plc is not required under the FCA Listing Rules to apply the Principles and comply with the provisions of the Code. However, the Company decided to voluntarily adopt the Code in FY21 to adhere to the highest standards of corporate governance. Prior to reporting according to the 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 also subject to Canadian National Policy 58-201 – Corporate Governance Guidelines through the financial period to 30 June 2023 by virtue of its listing on the TSX and is in compliance with the guidelines. For the period up to 30 June 2023, the Company was compliant with the 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 Code.	The Board has currently not specified one of the three methods of engagement with the workforce set out in the Code. The Board engages with the workforce in a number of ways, in particular by having the CEO based in Ecuador and regularly spending time with employees at the worksites. Key stakeholder interests and matters set out in s172 of the Companies Act 2006 are considered in Board discussions and decision making.	Relationship dynamics between the Board and workforce are considered during decision-making at Board and Committee levels.
Provision 11: **At least half the Board, excluding the chair, should be Non-Executive Directors whom the Board considers to be independent.**	The Board composition does not currently comply with this requirement.	Following the resignation of Independent Non-Executive Directors, the Board make up does not comply.	The Board will look to bring on additional Independent Non-Executive Directors.
Provision 12: **The Board should appoint one of the independent Non-Executive Directors to be the senior independent Director to provide a sounding Board for the chair and serve as an intermediary for the other Directors and shareholders. Led by the senior independent Director, the Non-Executive Directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary.**	The Board does not currently have a designated Senior Independent Director.	Following the resignation of the previous Senior Independent Director, the role has not been replaced.	As further Independent Non-Executive Directors are added to the Board, this position will be revisited.

PROVISION OF THE CODE (INCLUDING REFERENCE NUMBER)	NON-COMPLIANCE	REASON FOR NON-COMPLIANCE	COMPLIANCE OR PROGRESS TOWARDS COMPLIANCE
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 the year, a majority of the members were not Independent Non-Executive Directors.	The current Board composition does not lend to having a majority of Independent Non-Executive Director members (excluding the Chair).	The Board will review the balance of the Nomination Committee in FY2024.
Provision 20: Open advertising and/or an external search consultancy should generally be used for the appointment of the Chair and Non-Executive Directors. If an external search consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual Directors.	During the recruitment of recent Non-Executive Directors, the positions were not filled via open advertising or the use of an external search consultancy.	The Board determined that there were sufficient prospective candidates with the requisite knowledge and experience from the Board's wider networks.	Upon the appointment of further Non-Executive Directors or the Chair, the Board will consider the use of open advertising or external search consultancies.
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 planning process for the Board.	Consideration around Board succession planning is underway.	The Company will review a succession planning process for the Board in FY2024.
Provision 24: The Board should establish an audit committee of independent Non-Executive Directors, with a minimum membership of three, or in the case of smaller companies, two. The chair of the Board should not be a member. The Board should satisfy itself that at least one member has recent and relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates.	The current composition of the Audit and Risk Committee does not have the requisite numbers of independent Non-Executive Directors.	The current composition of the Board does not have sufficient numbers of Independent Non-Executive Directors to meet this requirement.	The Board intends to appoint additional Independent Non-Executive Directors in order to fulfil this requirement.
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 FY2024 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 2024 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.	Dan Vujcic is the Chair of the Remuneration Committee but did not serve at least 12 months prior to his appointment on a Remuneration Committee.	The current composition of the Board does not provide for a chair of the Remuneration Committee that has the requisite experience.	The Company will review the structure of the Remuneration Committee in FY2024 following the appointment of additional Non-Executive Directors.
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.	The number of employees in management positions is limited and analysis of pay ratios and pay gaps would not yield meaningful results.	The Board will provide an update on its actions to address this Provision in FY2024.

Diversity and Inclusion Targets

In accordance with the disclosure requirements under FCA Listing Rules 14.3.33, as at 30 June 2023, 17% of the individuals on the Board are women, being below the recommended 40%. Currently a woman does not hold any of the senior positions of Chair, Senior Independent Director, CEO, or CFO. There is one member of the Board who is from a minority ethnic background. The Company has not met the identified targets of women representation on the Board and women holding senior positions due to the resignation of Non-Executive Directors, the vacancies of which have not yet been filled. The Board is looking to bring further women onto the Board.



Gender identity reporting (at 30 June 2023)

	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	83%	2	2	80%
Women	1	17%	0	0	0%

Ethnic background reporting (at 30 June 2023)

	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)	5	83%	2	2	100%
Mixed/Multiple Ethnic groups	1	17%	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic groups, 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 FY2022/23 • 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 57 and 58**

Division of Responsibilities	
• Leadership responsibilities from the Chair and effectiveness • Board Composition – the Board notes that further appointments to the Board are needed to have the appropriate balance of Executive and Non-Executives and to demonstrate 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 • Board has a sufficient combination of skills, experience and knowledge • Evaluation of the Board to ensure strategic objectives met	**Pages 60 to 62**

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 63**

Remuneration	
• Remuneration of the Board was last reviewed on 1 January 2021 and the remuneration of the CEO is designed to support the 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 72 to 80**

The Company operates an Equity, Diversity and Inclusion Policy emphasising the commitment to developing a workplace culture which embraces workforce Equity, Diversity and Inclusion across the organisation. Due to the policy being in its initial stages of development, it is not appropriate to apply for the purposes of reporting under the FCA Disclosure and Transparency Rules 7.8.2AR.

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 six (6) Directors, two (2) of whom are considered independent, excluding the Chair, and five (5) of whom are Non-Executive under the Code.

LIAM TWIGGER

Grad Dip Bus, BEc, CPA

Chair

Appointment: June 2019
Nationality: Australian
Age: 60

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.

Skills and Expertise

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

External Appointments

- Lunnon Metals Ltd
- Argonaut Ltd
- Australia-Ecuador Business Council

SCOTT CALDWELL

BSc (Mine Engineering)

Executive Director CEO/MD

Appointment: November 2022
Nationality: Canadian
Age: 66

Career

Mr. Caldwell is a mining engineer with over 40 years' experience in the global mining industry having held a number of senior executive roles including Chief Executive Officer at both Guyana Goldfields Inc and Allied Nevada Gold Corp., as well as Chief Operating Officer at Kinross Gold Corp.

Prior to those roles, Mr. Caldwell held a number of senior operating roles and has experience building and operating gold and base metal mines worldwide, including in the USA, Canada, Russia, Zimbabwe, Chile, and Indonesia. Mr. Caldwell was previously a Non-Executive Director of SolGold between 2016–17.

Skills and Expertise

Strategy and Leadership, Corporate Strategy.

External Appointments

- Stella Minerals Canada ULC

NICHOLAS MATHER

BSc (Geology)(Hons)

Non-Executive Director

Appointment: May 2005
Nationality: Australian
Age: 66

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.

Skills and Expertise

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

External Appointments

- DGR Limited (ASX)
- Armour Energy Limited (ASX)
- New Peak Metals Limited (ASX)
- Clara Resources Limited (ASX)
- First Tin plc (LSE-AIM)
- Lakes Blue Energy NL (ASX)
- Conjugate Energy Limited

COMMITTEE MEMBERSHIP

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

MARÍA AMPARO ALBÁN

JD, MEcLaw, SIPA, Cert. Business Excellence

Independent Non-Executive Director

Appointment: October 2020
Nationality: Ecuadorian
Age: 54

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.

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
Nationality: Canadian
Age: 47

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.

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

SLOBODAN (DAN) VUJCIC

B. Bus (Hons), CA

Independent Non-Executive Director

Appointment: October 2022
Nationality: Australian
Age: 44

Career

Mr. Vujcic is currently the Chief Development Officer of Metals Acquisition Limited, an NYSE listed Special Purpose Acquisition Vehicle which acquired the CSA Copper Mine from Glencore AG. Prior to this he was an investment banker with almost two decades of experience in global capital markets. Over his career, Mr. Vujcic has advised clients of several investment banks in a diverse range of commodities across numerous jurisdictions, including raising capital in both equity and debt markets globally, supporting the growth ambitions of emerging miners, and attaining a significant presence in the industry.

Skills and Expertise

Client Coverage, Business Development Acquisitions, APAC, Investment Banking.

External Appointments

- Metals Acquisition Limited

Board changes during FY2023

- Mr. Keith Marshall resigned from the Board on 12 August 2022.
- Mr. Scott Caldwell was appointed to the Board as an Independent Non-Executive Director on 24 October 2022, then Interim CEO on 10 November 2022 and permanent CEO on 17 March 2023.
- Mr. Dan Vujcic was appointed to the Board as an Independent Non-Executive Director on 24 October 2022.
- Mr. Darryl Cuzzubbo was terminated from his role as Managing Director and CEO on 10 November 2022.
- Mr. Kevin O'Kane and Mrs Elodie Grant Goodey resigned on 22 December 2022.

SCOTT CALDWELL

BSc (Mine Engineering)

Executive Director CEO/MD

Career

Mr. Caldwell is a mining engineer with over 40 years' experience in the global mining industry having held a number of senior executive roles including Chief Executive Officer at both Guyana Goldfields Inc and Allied Nevada Gold Corp., as well as Chief Operating Officer at Kinross Gold Corp.

Prior to those roles, Mr. Caldwell held a number of senior operating roles and has experience building and operating gold and base metal mines worldwide, including in the USA, Canada, Russia, Zimbabwe, Chile, and Indonesia. Mr. Caldwell was previously a Non-Executive Director of SolGold between 2016–17.

CHRIS STACKHOUSE

BBA (Hons), CPA, CA

Group Chief Financial Officer

Career

Mr. Stackhouse is an accomplished finance professional with over 15 years of experience successfully managing development stage assets through operations with extensive experience living and working in South America.

Mr. Stackhouse spent seven years with Guyana Goldfields Inc. (acquired by Zijin Mining Group), holding various senior finance roles, including interim CFO.

He was instrumental in the development and operation of the Aurora Gold Mine, including the finalization of the feasibility study and project financing.

Mr. Stackhouse obtained his CPA, CA, as an Audit Manager with PricewaterhouseCoopers, where he worked and lived for three years in Chile, South America.

More recently, Mr. Stackhouse has served as CFO of Rockcliff Metals (CSE: RCLF) and VP Finance for Generation Mining (TSX: GENM).

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.

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 10 to 13 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.

During the year, the Board along with the support of management and the assistance of an external consultant assessed the culture of the Company.

Board activity during the year

SolGold over the past year witnessed substantial change to the business, from the significant changes in Board composition and the Executive Management to the acquisition of Cornerstone Capital Resources Inc., to consolidate ownership of the Cascabel Project. Those changes are reflected in the intensity of Board activity.

The Board has been heavily focused on the demands of integrating Cornerstone Capital Resources Inc. into the Group and the restructure of our management team. Performance in some areas, such as the further development of Governance Policies has been impacted whilst the Board focuses on resetting the Group to ensure a great foundation upon which future progress is based. A summary of the Board's activities is available in the below table.

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.	• Acquisition of Cornerstone Capital Resources Inc. to consolidate ownership 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 at Board Meetings, 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.	• Termination of Darryl Cuzzubbo's position of CEO in November 2022 • Appointment of Scott Caldwell as permanent CEO in March 2023 • Implementation of the Directors' Remuneration Policy • Voluntary compliance with the UK Corporate Governance Code • Reviews of Directors' conflicts of interest and independence of Non-Executive Directors
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 2022 Annual Report and Accounts, the 2023 Half-Yearly Report and quarterly MD&A as required for the Company's listings on the LSE and TSX • Review of the Group's ongoing financial position • Review and approval of planned capital expenditure • Review and approval of the 2023-24 budget

BOARD RESPONSIBILITIES	ACTIVITIES
Employee and Stakeholder Engagement Engagement with both our workforce and local communities.	• Received updates from the ESG Committee regarding the work carried out for local communities and environments • 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

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 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 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

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.

Please click here for SolGold's Whistle-blower Policy.

Please click here for SolGold's Anti-bribery & Corruption Policy.

Please click here for SolGold's Code of Conduct.

Enabling a fluid channel of communication with shareholders and stakeholders stands as a paramount objective for the Board. We are dedicated to comprehending and incorporating their perspectives into our decision-making processes.

Workforce Engagement:
Empowering Through Collaboration

- Recognizing that employee engagement is a collective responsibility, the Board aims to enhance our approach in 2024. Presently, the Board engages with employees through on-site visits and extends invitations to key personnel for Board meetings. Moreover, under the purview of the ESG mandate, the Board is attuned to prevailing social dynamics that impact the Company. Our vigilance over the Group's culture and its workforce is fostered through ongoing engagement, encompassing site visits and participation in quarterly townhalls with Senior Management. To gauge sentiments and workplace culture, the Board periodically reviews the outcomes of employee surveys. In 2022, a comprehensive culture review was executed by an external third party to further develop and sustain the Company's values and affirmative ethos.

Stakeholder Engagement:
Fostering Strong Connections

- SolGold maintains consistent dialogue with major corporate and institutional shareholders, actively participating in resource conventions and pertinent industry events. Insights garnered from these interactions hold pivotal significance and are deliberated at both Executive and Board levels to ensure sustained alignment with investor expectations. Investor events and webinars are part of our outreach, offering direct avenues for engagement and query resolution. The management team remains accessible to all investors, diligently addressing inquiries.
- Our commitment to transparency is evident through the dissemination of contact points in our market releases. Our online platform encompasses conference presentations, investor materials, and videos, available on our website. Social media channels, including LinkedIn and X facilitate real-time updates and engagement with interested parties.

Accessibility and Disclosure:
Empowering Stakeholder Participation

- Our website serves as an inclusive repository of information, catering to shareholders, potential investors, and interested stakeholders. A comprehensive array of resources, including Key Securityholder Information, Constitutional documents, Corporate Policies, and Meeting Materials from the Company's last five Annual General Meetings, are readily accessible. The outcomes of each shareholder meeting are promptly released to the market, underscoring our commitment to transparency.

Annual General Meeting:
A Platform for Interaction

- The AGM serves as an annual engagement for shareholders and Directors, enabling dialogue about the Company's strategy and business trajectory. Ahead of the AGM, shareholders can pose questions via email or telephone.
- For 2023, a hybrid AGM is anticipated, embracing both physical and digital participation. The notice of AGM, dispatched at least 21 working days prior, encompasses distinct resolutions on substantial matters, and voting is conducted through a poll mechanism, reflecting our commitment to democratic representation. Results of votes cast are disclosed on the London Stock Exchange and prominently displayed on our website.

Stakeholder Feedback and Responsiveness:
A Commitment to Growth

- The 2022 AGM revealed shareholder concerns. Acknowledging this input, CEO Scott Caldwell engaged with corporate and institutional shareholders to comprehend their concerns. The Board continues to progress towards compliance with the Code, including the transition to half the Board, excluding the Chair, being Non-Executive Directors deemed independent. Compliance with Provision 18, mandating annual re-election for all Directors from the 2023 AGM, underscores our commitment to robust governance. We also embrace the principles of pre-emption to protect shareholders' rights.
- A comprehensive engagement extends to wider stakeholder groups, including the workforce, where Section 172 on page 35 delves into further details of our inclusive decision-making approach.

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.

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

Scott Caldwell, our Executive Director and CEO, who took on the responsibilities as CEO on 10 November 2022, reports to the Chair and to the Board directly and is responsible for all Executive Management matters of the Group. Mr. Caldwell 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. Caldwell 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. Caldwell 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.

Board composition, independence, and division of responsibilities

The composition of the Board is set out on pages 54 and 55. The Board composition is currently comprised of six (6) Directors, of whom two (2), excluding the Chair, are considered, by the Board, to be of independent judgement and character. The Board considers that the joining of additional Independent Non-Executive Directors will be required to ensure that there is a combination of Executive and Non-Executive Directors to advocate shareholder interests and oversee Executive Management practices. On 12 August 2022 Mr. Keith Marshall stepped down from the Board. On 10 November 2022, the Board terminated the services of Mr. Darryl Cuzzubbo and Scott Caldwell assumed the role as Interim CEO and Executive Director.

At the AGM of the Company held on 22 December 2022, Elodie Grant Goodey and Kevin O'Kane did not stand for re-election and subsequently stepped down as Directors. Following the departure of Ms. Grant Goodey and Mr. O'Kane, the Board composition did not fulfil Provision 10 of the Code – that being at least half of the Board were considered by the Board to be Independent Non-Executive Directors. Further information regarding the division of responsibilities can be found on the SolGold website in Matters for the Board at https://solgold.com.au/documents/matters-reserved-for-the-board-of-directors/.

Director independence

The Board currently comprises of two (2) Independent Non-Executive Directors, excluding the Chair, (2) two non-independent Non-Executive Directors and (1) one Executive Director. 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.

INDEPENDENT DIRECTORS	NON-INDEPENDENT
Maria Alban Amparo	Liam Twigger (Chair)*
Dan Vujcic	Scott Caldwell
	Nicholas Mather
	James Clare

The Board reviews the independence of its Non-Executive Directors on an ongoing basis and determine the independent Non-Executive Directors (currently Mrs. Amparo and Mr. Vujcic) 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, notwithstanding under the Code Mr. Twigger as Chair holds a position that could impair a Director's independence.

The Board notes that the behaviours and characteristics that Mr. Twigger, and the Independent Non-Executive Directors illustrate, 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 the Independent Non-Executive Directors are capable of acting in the best interests of the Company and shareholders and are capable of exercising independent judgement.

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 2.99% and a shareholding of 6.8% 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. Following the departure of Ms. Grant Goodey and Mr. O'Kane, the Company was not in compliance with this requirement. 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
- Environment, Social, and Governance
- 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 2022 to 30 June 2023, there were 20 Board meetings. Directors' attendance at Board and Committee meetings which they were eligible to attend during this period was as follows:

	BOARD (20)	AUDIT AND RISK COMMITTEE (5)	REMUNERATION COMMITTEE (4)	NOMINATION COMMITTEE (3)	ESG COMMITTEE (3)	STRATEGY COMMITTEE (1)
Liam Twigger	20/20		4/4	3/3		1/1
Darryl Cuzzubbo[1]	9/9					1/1
Keith Marshall[2]	2/2					
Scott Caldwell[3]	13/13				3/3	
Nicholas Mather	20/20			3/3		1/1
James Clare	18/20	1/2				1/1
María Amparo Albán	19/20	4/5	1/1	2/3	3/3	
Dan Vujcic[4]	13/13	3/3	1/1		1/2	
Elodie Grant Goodey[5]	10/12	3/3	2/3		1/1	
Kevin O'Kane[6]	10/12	3/3	3/3	3/3	1/1	1/1

1 Darryl Cuzzubbo's position as director ceased on 10 November 2022.

2 Keith Marshall resigned from the Board on 12 August 2022. Kevin O'Kane is an Interim member of the ARC since Keith Marshall's resignation.

3 Scott Caldwell joined the Board on 24 October 2022.

4 Dan Vujcic joined the Board on 24 October 2022.

5 Elodie Grant Goodey did not stand for re-election at the AGM held on 22 December 2022.

6 Kevin O'Kane did not stand for re-election at the AGM held on 22 December 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.

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. As the appointment of Scott Caldwell and Dan Vujcic to the Board were nominees of the shareholders of Cornerstone Capital Resources Inc., in accordance with the acquisition of that Company, no public advertisements were made, or external third-party recruitment agents were engaged to seek potential candidates.

Senior independent Director

Upon the resignation of Elodie Grant Goodey on 22 December 2022, the Board has not had a formal Senior Independent Director.

Company secretary

During the year under review, the Company had three Company Secretaries. Rufus Gandhi joined the Company on 1 August 2022 as both General Counsel and Company Secretary, replacing Dennis Wilkins as Company Secretary. As part of the management restructure undertaken in early 2023, Ryan Wilson took over the role as Company Secretary from Mr. Gandhi. Mr. Wilson in his career has experience in Company Secretarial matters. The Company Secretary 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. In August 2023, post year end, Mr. Wilson resigned as Company Secretary and Steven Wood and James Doyle were appointed as Joint (and several) Company Secretaries. This change allows Mr. Wilson to focus on other aspects of his role within the Company.

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 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, and during the year under review met three times. In addition, the Company had an independent internal auditor for some of the year under review who provided 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 risks, mitigate them 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, include:

- 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 whistleblowing policy, with an external third-party whistleblowing 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 an 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 23 to 28.

Nomination Committee membership*

The members of the Nomination Committee are set out below:

MEMBER	ATTENDANCE
Liam Twigger: Chair	3/3
Nicholas Mather	3/3
María Amparo Albán	2/3
Kevin O'Kane (until 22 December 2022)	3/3

* Please refer to pages 50 and 51 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 2023.

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 and Chief Financial Officer) to the extent that the Company has or requires such positions. The Committee Terms of Reference were updated in 2022, and a copy is available on the Company's website.

Objectives and achievements in 2023

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.

Board changes

Effective 12 August 2022, Mr. Keith Marshall tended his resignation to the Board. As part of the acquisition of Cornerstone Capital Resources Inc. the shareholders of Cornerstone Capital Resources Inc. had the right to nominate two Directors to the Board of the Company. The nominations of Scott Caldwell and Dan Vujcic were reviewed by the Committee and a recommendation was given to the Board to accept these nominations. As discussed below, Darryl Cuzzubbo's position on the Board was terminated in November 2022. Elodie Grant Goodey and Kevin O'Kane tendered their resignations to the Board and communicated that they did not wish to be put up for re-election at the AGM held in 2022. Following the departure of Ms. Grant Goodey and Mr. O'Kane, the current membership of the Board stands at six Directors.

Post year end the Committee met to consider the appointment of additional Independent Non-Executive Directors.

Leadership succession – CEO and senior executive search

During the 2022 Financial Year, the Committee led the recruitment process for the role of the Chief Executive Officer resulting in the appointment of Mr. Darryl Cuzzubbo on 1 December 2021. As has been notified, the Board determined to terminate Mr. Cuzzubbo's appointment as CEO in November 2022. The Company was fortunate in that Scott Caldwell, recently appointed as a Director, has a significant amount of experience in running mining companies and stepped up to hold the role of Interim CEO. Following discussion with the Directors and reviewing the plans that Mr. Caldwell had for the Company, the Board formalised Mr. Caldwell's appointment as permanent CEO on 17 March 2023.

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 one third of the Nomination Committee were independent Non-Executive Directors, excluding the Chair.

Key objectives for 2024

Following the changes to the Board and Executive Management over the past 12 months, the Committee will look to reassess the current skills matrix and identify gaps against future needs. As the Company de-risks the Cascabel Project and moves closer to project development, it is clear that future changes, whether that be through addition of further Directors or education of the current membership, will be needed. Consideration of increasing gender and other diversity considerations will be a key part of this process.

LIAM TWIGGER

Chair – Nomination Committee

28 September 2023

Audit and Risk Committee membership

The members of the ARC committee are set out below:

MEMBER	ATTENDANCE
Dan Vujcic: Chair	3/3
María Amparo Albán	4/5
James Clare	1/2
Kevin O'Kane (until 22 December 2022)	3/3
Elodie Grant Goodey (until 22 December 2022)	3/3
Keith Marshall (until 12 August 2022)	0/0

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 2023.

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.

In the year under review, management was specifically challenged on finalising the misappropriation investigation and then on reducing costs across the Group.

The CEO, CFO, 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 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 in August 2022, Mr. Kevin O'Kane was appointed as an interim member of the Audit and Risk Committee until his own resignation in December 2022. James Clare took the position of Mr. O'Kane and I took the place of Elodie Grant Goodey on her resignation.

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 auditors and making recommendations to the Board in respect of the same
- Monitoring and reviewing the external auditors' 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 2023

The Committee met five times during the year ended 30 June 2023. The ARC paid particular attention to internal controls, fraud and bribery prevention, financial planning, reporting and controls and the Group's liquidity position. Over the second half of the financial year, the ARC reverted to key decisions being made by the Board as the small Board was better suited to ensuring timely management and discussion of key issues as a whole. 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 Code.

System of internal control

Review of internal controls Reviewing the Company's internal financial controls	The Committee oversaw a forensic investigation into money misappropriation during 2022 and finalised the investigation. 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. Primarily, control of funds is being closely monitored by the CFO who has increased his presence in Ecuador over previous CFOs. 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.

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 2023 plan	The ARC agreed on an annual audit plan focusing on enterprise risks. The Chair of the Committee held regular 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 reviewed and approved the 2023 Audit Plan. PwC has been the Group's Auditors since its appointment on 11 November 2021 following a competitive tender process. The period of total uninterrupted engagement is two years.

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 2023 and the unaudited results for the six months ended 31 December 2022 as well as the quarterly financial statements (Q1 and Q3) 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 ARC reviewed the significant judgments associated with the fiscal 2023 financial statements, including "key audit matters", and also reviewed the supporting evidence for the Group being a going concern. The ARC is comfortable that the overall disclosures in the Annual Report are fair, balanced and understandable, when taken as a whole. The ARC 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 ARC 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.

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 the restructuring of the management of the business, this has presented an opportunity to review past practices and to assess those areas which need further development. This is a key control item for 2024.

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 External Auditor provided services as part of the acquisition of Cornerstone Capital Resources Inc. Those services included providing assurance over the pro forma statements for the combined Group for the Prospectus issued by the Company in February 2023 and the Business Acquisition Report filed in May 2023. The ARC has satisfied itself that the external auditors' independence was not impaired with the provision of these services.

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.

DAN VUJCIC

Chair – Audit and Risk Committee

28 September 2023

Environment, Social and Governance Committee membership

The members of the ESG Committee are set out below:

MEMBER	ATTENDANCE
María Amparo Albán: Chair	3/3
Scott Caldwell	3/3
Dan Vujcic	1/2
Elodie Grant Goodey (resigned 22 December 2022)	1/1
Kevin O'Kane (resigned 22 December 2022)	1/1
Darryl Cuzzubbo (terminated 11 November 2022)	0/0

A statement to shareholders from the Chair of the Environment, Social and Governance Committee

Dear Shareholders,

I am pleased to present the Environmental, Social and Governance Committee ("ESG") Report for 2023. The ESG 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. On 20 June 2023, the Board resolved to rename the committee the ESG Committee.

The ESG Committee's Terms of Reference were reviewed and updated in 2022 and are available to view on the Company's website.

Committee discussions in 2023

The Committee met three times during the year ended 30 June 2023. The following matters were discussed:

- Safety, Environment, Community Relations, Security
- Land acquisition and potential resettlement
- Establishment of a Biodiversity Fund
- Climate change risks

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

MARÍA AMPARO ALBÁN

Chair – ESG Committee

28 September 2023

Strategy Committee membership

The members of the Strategy Committee are set out below:

MEMBER	ATTENDANCE
Liam Twigger: Chair	1/1
Nicholas Mather	1/1
James Clare	1/1
Dan Vujcic	0/0
Kevin O'Kane (resigned 22 December 2022)	1/1
Darryl Cuzzubbo (terminated 10 November 2022)	1/1

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 once 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. The acquisition of Cornerstone Capital Resources Inc. was the major item for discussion during the year.

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

The Committee met on a number of occasions during the 2022 financial year and once during the current financial year with the sole purpose of reviewing and considering the terms of the acquisition of Cornerstone Capital Resources Inc. I was pleased following months of negotiations, that we were able to recommend the acquisition to the Board which was approved and completed in February 2023.

LIAM TWIGGER

Chair – Strategy Committee

28 September 2023

Remuneration Committee membership

The members of the Remuneration Committee are set out below:

MEMBER	ATTENDANCE
Dan Vujcic: Chair	1/1
Liam Twigger	4/4
María Amparo Albán	1/1
Kevin O'Kane (resigned 22 December 2022)	3/3
Elodie Grant Goodey (resigned 22 December 2022)	2/3

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 2023.

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' Remuneration Policy that received 69.2% of votes in favour. Together with the Chair, Liam Twigger, and the previous CEO, Mr. Darryl Cuzzubbo, we sought shareholders' feedback.

In accordance with Provision 4 of the 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. Against votes were also influenced by certain investors who had a preference for the CEO remuneration framework to be more closely tied to the sale of the Company.

SolGold's primary objective is to discover, define and develop world-class copper-gold deposits and the Company is building the capability to advance this strategy, through which it is expected to maximise shareholder value and the potential attractiveness of the Company.

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: Myself (as Chair) and Ms. Maria Amparo Alban; along with SolGold Group Chair Mr. Liam Twigger. 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 framework applicable to Directors and Senior Executives and of 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. The Committee has been assisted by independent remuneration advisers who provide advice, market trends and benchmark data where appropriate. Internal departments or independent third parties can also assist the Committee to measure the level of achievement of the targets set in the Annual Bonuses or Long-Term Incentives. The Committee has had input into remuneration of other senior management to ensure it aligns with the Executive Director's remuneration. As noted in the Remuneration Report, general pay across the Group has increased relative to the Executive.

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 background to the Board regarding the new CEO's remuneration
- Review and alignment of remuneration for newly appointed Executive Committee members
- Review SolGold's Directors' Remuneration Policy, as approved by Shareholders at the EGM on 30 June 2022
- Provide input to the Board on Share Incentives for Employees
- Review and update SolGold's employee incentive schemes
- 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. Scott Caldwell was appointed interim CEO (following the termination of Mr. Darryl Cuzzubbo), followed by his permanent appointment on 17 March 2023. The Committee carefully considered the terms of our new CEO's remuneration arrangements and exercised their discretion to advise the Board on awarding Mr. Caldwell's remuneration package.

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. Caldwell in line with the Company's purpose and values as well as the interests of the shareholders. It is noted that the base remuneration for Mr. Caldwell is below what would be considered 'market' for his role, and the incentive plan developed for Mr. Caldwell aligns with his lower base remuneration.

Conclusion

Shareholders will be asked to approve the Annual Remuneration Report as an ordinary resolution at the AGM in December 2023. 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.

DAN VUJCIC

Chair – Remuneration Committee

28 September 2023

This report outlines how the SolGold Remuneration Policy will be implemented over the next financial year and provides details regarding remuneration paid to the Executive Director during FY23. A copy of the Directors' Remuneration Policy can be found on the Company's website.

The current Directors' Remuneration Policy was part of the meeting materials at the EGM held on 30 June 2022. This policy was approved with 69.2% support. A Remuneration 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 determining executive 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.

Directors' remuneration

Single Total Figure of Remuneration – Audited

The detailed emoluments received by the Executive and Non-Executive Directors during the financial years ended 30 June 2023 and 30 June 2022 are detailed below:

	TOTAL SALARY AND FEES US$	TAXABLE BENEFITS US$	PENSIONS US$	TOTAL FIXED REMUNERATION US$	BONUS US$	LONG TERM INCENTIVE AWARDS US$	TOTAL VARIABLE REMUNERATION US$	TOTAL US$
Chair								
Liam Twigger								
2023	114,697	–	12,029	126,726	–	–	–	126,726
2022	118,931	–	11,893	130,824	–	–	–	130,824
Executive Director								
Jason Ward[1]								
2023	–	–	–	–	–	–	–	–
2022	334,653	–	–	334,653	–	–	–	334,653

	TOTAL SALARY AND FEES US$	TAXABLE BENEFITS US$	PENSIONS US$	TOTAL FIXED REMUNERATION US$	BONUS US$	LONG TERM INCENTIVE AWARDS US$	TOTAL VARIABLE REMUNERATION US$	TOTAL US$
Non-Executive Directors								
Keith Marshall[2]								
2023	9,636	–	–	9,636	–	–	–	9,636
2022	46,617	–	–	46,617	–	–	–	46,617
Nicholas Mather								
2023	67,049	–	–	67,049	–	–	–	67,049
2022	72,205	–	–	72,205	–	–	–	72,205
Brian Moller[3]								
2023	–	–	–	–	–	–	–	–
2022	33,255	–	–	33,255	–	–	–	33,255
James Clare								
2023	67,057	–	–	67,057	–	–	–	67,057
2022	72,305	–	–	72,305	–	–	–	72,305
Elodie Grant-Goodey[4]								
2023	38,538	–	–	38,538	–	–	–	38,538
2022	85,965	–	–	85,965	–	–	–	85,965
Kevin O'Kane[5]								
2023	34,909	–	–	34,909	–	–	–	34,909
2022	79,331	–	–	79,331	–	–	–	79,331
María Amparo Albán								
2023	70,508	–	–	70,508	–	–	–	70,508
2022	72,423	–	–	72,423	–	–	–	72,423
Dan Vujcic								
2023	46,664	–	4,262	50,926	–	–	–	50,926
2022	–	–	–	–	–	–	–	–
Total								
2023	449,058	–	16,291	465,349	–	–	–	465,349
2022	915,685	–	11,893	927,578	–	–	–	927,578

Directors' remuneration continued

	TOTAL SALARY AND FEES US$	TAXABLE BENEFITS US$	PENSIONS US$	TOTAL FIXED REMUNERATION US$	BONUS US$	LONG TERM INCENTIVE AWARDS US$	TOTAL VARIABLE REMUNERATION US$	TOTAL US$
Chief Executive Officer								
Scott Caldwell								
2023	125,000	–	–	125,000	106,250	263,012	369,262	494,262
2022	–	–	–	–	–	–	–	–
Darryl Cuzzubbo								
2023	544,136	–	8,323	552,459	–	399,417	399,417	951,876
2022	514,261	–	10,951	525,212	638,528	–	638,528	1,163,740
Keith Marshall[1]								
2023	–	–	–	–	–	–	–	–
2022	211,932	–	–	211,932	117,982	–	117,982	329,914
Grand Total								
2023	1,118,194	–	24,614	1,142,808	106,250	662,429	768,679	1,911,487
2022	1,641,878	–	22,844	1,664,722	756,510		756,510	2,421,232

1 Jason Ward resigned as Executive Director on 13 May 2022 and salary and fees includes total remuneration paid for the year ended 30 June 2022 as an employee and Director.

2 Keith Marshall salary and fees includes total remuneration paid as interim CEO and Director.

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

4 Elodie Grant Goodey resigned as a Non-Executive Director on 23 December 2022.

5 Kevin O'Kane resigned as a Non-Executive Director on 23 December 2022.

Share option schemes – Audited

On 30 June 2022, the shareholders approved two incentive plans for Directors, being the Long-Term Incentive Plan (LTIP) and the Performance Bonus Plan (PBP). Under the terms of the LTIP, the following options have granted and their status as at 30 June 2023 is as follows:

	BALANCE AT 30 JUNE 2022	GRANTED AS REMUNERATION	EXERCISED	FORFEITED / LAPSED	BALANCE AT 30 JUNE 2023	EXERCISE PRICE	EXERCISE PERIOD
Darryl Cuzzubbo	–	10,000,000	–	10,000,000	–	37p	01/07/22-1/12/27
Scott Caldwell	–	30,000,000	–	–	30,000,000	17p	17/03/26-17/03/33
Total	–	40,000,000	–	10,000,000	30,000,000	–	–

Payments to past Directors – Audited

Payments of US$336,612 where made to Jason Ward, previously an Executive Director of the Company in the year ended 30 June 2023. Payments of US$44,473 were made to Darryl Cuzzubbo, previously the Chief Executive Officer of the Company in the year ended 30 June 2023.

Payments for loss of office – Audited

No payments were made for loss of office in the year ended 30 June 2023.

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 2023 were as follows:

	BENEFICIAL		NON-BENEFICIAL	
	30 JUNE 2023	30 JUNE 2022	30 JUNE 2023	30 JUNE 2022
Chair				
Liam Twigger	392,156	392,156	–	–
Non-Executive Directors				
Nicholas Mather*	84,266,052	84,266,052	5,480,658	6,060,658
María Amparo Albán	51,676	51,676	–	–
James Clare	1,143,137	143,137	–	–
Dan Vujcic	–	–	–	–
Former Directors				
Keith Marshall	–	98,039	–	–
Elodie Grant Goodey	–	19,607	–	–
Kevin O'Kane	–	392,156	–	–
Jason Ward	–	10,094,860	–	–
Brian Moller		5,267,552	–	–
Darryl Cuzzubbo	–	–	–	–
Total	85,853,021	100,725,235	5,480,658	6,060,658
Chief Executive Officer				
Scott Caldwell	18,617,244	–	–	–
GRAND TOTAL	104,470,265	100,725,235	5,480,658	6,060,658

* 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 600,000 shares in the 2023 financial year.

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

Relationship between remuneration and Company performance (Unaudited)

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

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

	30 JUNE 2019	30 JUNE 2020	30 JUNE 2021	30 JUNE 2022	30 JUNE 2023
Share price at year end	£0.3200	£0.2100	£0.2850	£0.2920	£0.1590
Loss per share (US cents)	(1.8)	(0.7)	(1.1)	(1.4)	(2.8)

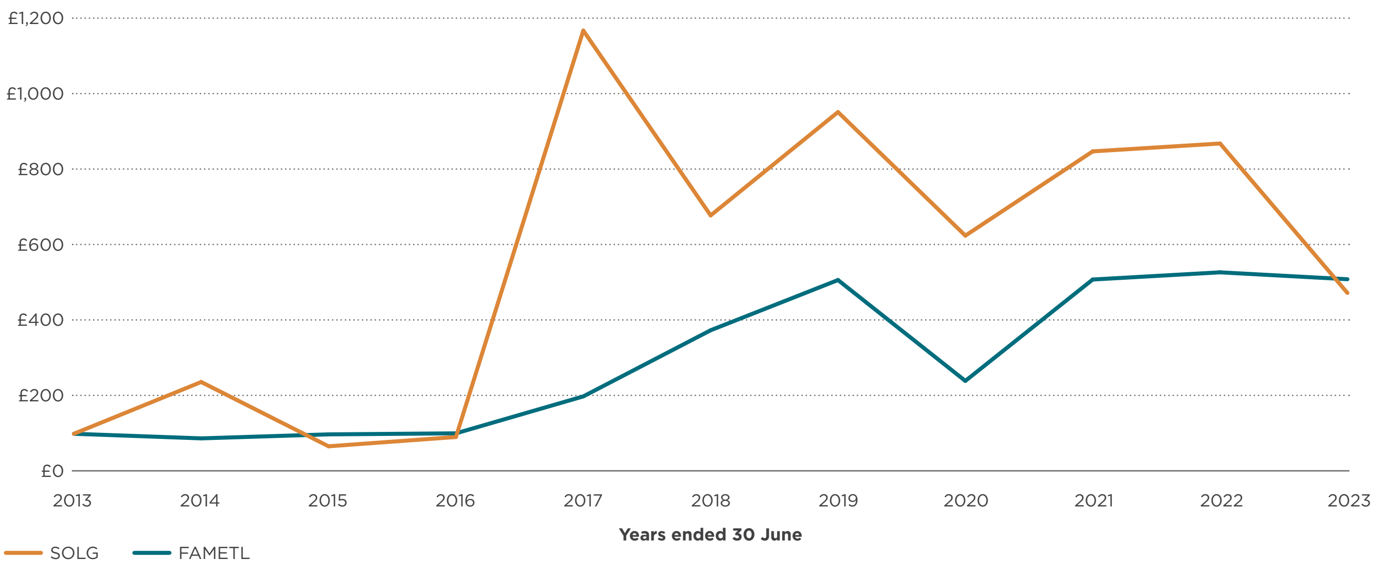
There were no dividends paid during the year ended 30 June 2023, and the previous five years.

Directors' remuneration continued

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 2023



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.
- Link rewards to the creation of value to shareholders.
- Comply with all relevant local, legal requirements.

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.

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

Remuneration structure for the current CEO

Fixed Salary: The CEO receives an annual base salary of US$200,000, payable monthly, for the performance of executive duties at the Company.

Short-Term Incentive: 50/100/150% (Threshold/Target/Stretch respectively of base salary US$200,000). Payable in 50% cash and 50% shares in Company.

Long-Term Incentive: The maximum long-term incentive is up to 200% of base salary (currently US$200,000) in each financial year (starting with the financial year beginning 1 July 2024).

Recruitment Inducement (Sign-on Bonus): A Sign-on Bonus of US$200,000 payable over the first 12 months of employment. In addition, to secure his appointment and for retention purposes, Mr. Caldwell has been granted (on 17 March 2023) an exceptional award of 30,000,000 options over ordinary shares in the Company, with an exercise price of £0.17 which will vest and be exercisable subject to the below performance conditions:

AVERAGE SHARE PRICE	PERCENTAGE OF MAXIMUM NUMBER OF SHARES SUBJECT TO OPTION THAT VEST
Below Threshold – Average daily price per Share is less than £0.25 pence over three years from grant date	0%
Threshold – Average daily price per Share is equal to £0.25 pence over three years from grant date	50%
Target – Average daily price per Share is equal to or higher than £0.35 pence over three years from grant date	100%

CEO performance and outcomes

The performance assessment of the CEO considers overall Company performance against a scorecard with a further qualitative and quantitative assessment of his individual contribution including consideration of risk management and behavioural outcomes. Criteria against which the CEO will be assessed include, ESG targets, cost reductions, share price performance and business development. The first period for consideration is 1 January 2023 until 1 January 2024 and as such no determination has yet been made.

CEO total remuneration

EXECUTIVE OFFICER	FINANCIAL YEAR	SINGLE TOTAL FIGURE OF REMUNERATION, US$	ANNUAL BONUS (STI) (% OF MAXIMUM)	LTIP (% OF MAXIMUM)
Scott Caldwell	2023	234,005	0%	–
Darryl Cuzzubbo	2023	951,876	–[2]	–
	2022	1,163,740	–	–
Keith Marshall	2022	376,531	90%	–
	2021	212,145	–	–
Nicholas Mather	2021	827,381*	–	–
	2020	400,162	–	–
	2019	539,422	100%	100%[1]
	2018	307,480	–	100%[1]
	2017	314,382	–	–
	2016	109,252	–	–
	2015	15,716	–	–
Alan Martin	2015	268,756	–	–
	2014	312,370	–	–
	2013	37,168	–	–
Malcom Norris	2013	338,090	–	–

* This figure includes an AU$600,000 loss of office payment.

1 Options granted at an exercise price of £0.60, which subsequently expired and were not converted.

2 Considering the terms of the termination of Darryl Cuzzubbo, the Board has determined that his bonus payment for the year ended 30 June 2023 is not payable.

Changes in Directors' Remuneration

The table below sets out the percentage change in remuneration for the CEOs and Non-Executive Directors.

	2023			2022		
	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE
CEO						
Scott Caldwell	–	–	–	–	–	–
Darryl Cuzzubbo	14%	–	–	–	–	–
Keith Marshall[3]	–	–	–	68%	–	100%
Nicholas Mather[4]	–	–	–	(91%)	–	–
Non-Executive Directors						
Liam Twigger	(21%)	–	–	28%	–	–
Keith Marshall	(79%)	–	–	190%	–	–
Nicholas Mather	(22%)	–	–	276%	–	–
Elodie Grant Goodey[5]	(53%)	–	–	20%	–	–
María Amparo Albán	(20%)	–	–	53%	–	–
James Clare	(22%)	–	–	17%	–	–
Kevin O'Kane[6]	(56%)	–	–	55%	–	–
Brian Moller[1]	(100%)	–	–	(49%)	–	–
Jason Ward[2]	(100%)	–	–	10%	–	–
Robert Weinberg	–	–	–	(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 resigned as a Non-Executive Director on 12 August 2022.
4 Nicholas Mather resigned as CEO in 2021.
5 Elodie Grant Goodey resigned as a Non-Executive Director on 22 December 2022.
6 Kevin O'Kane resigned as a Non-Executive Director on 22 December 2022.

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

- Audit & Risk Committee
- Environmental, Social and Governance (ESG) 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

2021			2020		
BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE	BASE SALARY/ FEES % CHANGE	BENEFITS % CHANGE	STI % CHANGE
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
102%	–	–	(6%)	(100%)	(100%)
117%	(100%)	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
32%	–	–	–	–	–
–	–	–	–	–	–
(12%)	–	–	(6%)	(100%)	–
(6%)	–	–	24%	(100%)	–
(50%)	–	–	(6%)	(100%)	–

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 program(s).

Pay Ratios Table

We have not included a CEO pay ratio in this report, as the Company has only one employee 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. The figures have been calculated in accordance with the Group Accounting Policies and drawn from Note 5 and Note 13 in the Group's Consolidated Annual Financial Statements.

	2023 US$	2022 US$	DIFFERENCE IN SPEND BETWEEN YEARS	DIFFERENCE IN SPEND BETWEEN YEARS (%)
Total Employee Remuneration	22,882,467	27,161,319	-4,278,852	-16%
Expenditure of exploration and evaluation	43,420,485	66,294,083	-22,873,598	-35%

Shareholder support for the Remuneration Policy and 2021 Directors' Remuneration Committee Report

The Company received shareholder approval of its 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 2022 AGM of the Company on 22 December 2023. The table below shows full details of the voting outcomes.

	VOTES FOR	VOTES AGAINST	ABSTAIN
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 2022 (at the 2022 AGM)	1,703,343,678 (90.07%)	187,721,574 (9.93%)	878,024

The Board notes that the 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 pages 70 and 71 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
María Amparo Albán	21 October 2020	3 months' notice
James Clare	1 May 2018	3 months' notice
Dan Vujcic	24 October 2022	3 months' notice

EXECUTIVE DIRECTOR	APPOINTMENT DATE	NOTICE PERIOD
Scott Caldwell	10 November 2022 (Non-Executive from 24 October 2022 until appointment as CEO)	12 months' notice

Notice periods in a Director's contract may be paid out in lieu of notice.

Copies of the Director's service contract are available for inspection at the Company's Registered Office.

Directors' Remuneration Policy

Statement of implementation of remuneration policy

The 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.

The Remuneration Committee notes that changes are planned to be made to the 2022 Remuneration Policy in order to improve the ability to attract, motivate and retain qualified industry professionals with incentives consistent with industry standards, reflect the Company's performance, and aim to drive success for all stakeholders. In particular, it is intended that changes will be sought at the upcoming AGM in order to amend the policy so that any equity-based remuneration will vest automatically on a change of control of the Company.

Executive remuneration policy table

The 2022 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 Remuneration Policy table below is an extract of the Group's 2022 Remuneration Policy and sets out the principles for the Executive Director's remuneration. The 2022 Remuneration Policy is also used as a guideline for the remuneration of the Executive Management.

Further detail on the variable remuneration elements - Short and Long-Term Incentive 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.
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).
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 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).

Executive remuneration policy table continued

COMPONENT	LINK TO COMPANY STRATEGY	POLICY SUMMARY
Long-Term Incentive Plan ('LTIP')	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 LTIP are made annually, in the form of shares, options, or in exceptional circumstances, cash. LTIP payments have a performance and vesting period of at least 3 years, subject to the meeting of objective performance conditions and continued employment.

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 Remuneration Committee ensures and has ensured that the incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behaviour.

The Board is provided with the discretion to modify the STI outcomes in extenuating circumstances.

Achievement and performance against each participant's 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; and
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. 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 opportunity level reflects the capacity of the participant to influence long-term sustainable growth and performance.

The Directors' Remuneration Report has been approved by the Board and signed on behalf of the Board by:

DAN VUJCIC

Director
Remuneration Committee Chair

The Directors present the Annual Report of SolGold plc together with the audited financial statements for the year ended 30 June 2023.

In accordance with section 415 of the Companies Act 2006 (UK), 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 2023 as set out on pages 96 to 153.

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 05449516 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, Australia and Chile.

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 to 45 which forms part of, and by reference is incorporated in, this Directors' Report.

Financial risk management has been assessed within Note 24 to the financial statements which forms part of, and by reference is incorporated in, this Directors' Report.

Results and dividends

The Directors do not recommend the payment of a dividend (2022: nil). The results for the year are set out in the consolidated financial statements for the year ended 30 June 2023.

Share capital

Details of the issued share capital of the Company, including details of ordinary shares issued during the year, those acquired by the Company under Section 659 of the Companies Act 2006 and cancelled under Section 662 of the Companies Act 2006 is set out in Note 18 of the financial statements which forms part of, and by reference is incorporated in, this Directors' Report.

As at the date of this report, the Company's issued share capital consisted of 3,001,106,975 ordinary shares of £0.01 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. A fully owned subsidiary of the Company holds 157,141,000 shares in the Company. These shares were acquired as part of the acquisition of Cornerstone Capital Resources Inc. They are available to be sold by the Company in its full discretion.

The Directors may only issue shares to the extent authorised by the shareholders in a general meeting, unless an exemption applies.

Details of the Company's Employee Incentive Plans, including the Incentive Plans recently approved by shareholders at the General Meeting on 30 June 2022 and by the Directors on 17 March 2023, 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 2023, there were 42,000,000 options outstanding for the issue of ordinary shares under the current and superseded employee incentive plans. In addition at 30 June 2023, there were 53,028,125 options outstanding for the issue of ordinary shares outside of current and superseded employee incentive plans.

The current power to allot shares was granted by shareholder resolution at the 2022 AGM and a new authority will be sought at the 2023 AGM within the limits set out in the notice of meeting for the 2023 AGM.

Directors and Directors' interests

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

	APPOINTED	RESIGNED	TERMINATED
Liam Twigger	17 June 2019		
Darryl Cuzzubbo	16 November 2021		10 November 2022
Elodie Grant Goodey	17 July 2020	22 December 2022	
María Alban Ampáro	21 October 2020		
Kevin O'Kane	21 October 2020	22 December 2022	
Keith Marshall	21 October 2020	12 August 2022	
Nicholas Mather	11 May 2005		
James Clare	1 May 2018		
Scott Caldwell	24 October 2022		
Slobodan (Dan) Vujcic	24 October 2022		

Further details about the current Directors and their roles within the Company are available in the Directors' biographies on pages 54 to 55. 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 72 to 80.

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 2023 AGM to be held later this year in accordance with the Board's 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 75.

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 2023, 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.

Name	NUMBER	% OF ISC
BHP Billiton Holdings Limited	310,965,736	10.36
Newcrest International Pty Ltd	309,309,996	10.31
DGR Global Ltd	204,151,800	6.80
Jiangxi Copper (Hong Kong) Investment Company Limited	180,753,608	6.02
SolGold Canada Inc.	157,141,000	5.24
Maxit Capital LP	153,366,663	5.11
Tenstar Trading Limited	107,877,393	3.59
Norges Bank Investment Management	91,526,468	3.05

Corporate governance

The Governance Report can be found on pages 49 to 53 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

The Company's Whistleblowing 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 internal communications concerning specific events, and announcements and presentations by the CEO to inform them of the performance of the business and issues affecting the business. Communications are tailored to location and delivered in the local language.

Branches

For purposes of Chapter 3 of the Companies Act 2006 (UK), 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 Osisko 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 by 21 December 2023 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 (including to non-UK political parties) 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 pages 136 and 139.

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.

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 (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3), 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.

A third party consultant, Felipe Castillo, produced SolGold's emission reports. The Company reported on all of the emission sources required under the Companies Act 2006.

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 2023, the intensity ratio for the Cascabel and regional exploration operations was 0.11mtCO_2 e/metre drilled (2022: 0.08mtCO_2 e/metre drilled).

For further details on the Company's emissions report and details refer to page 39.

Currency

The functional currency of the subsidiaries in Australia is considered to be Australian Dollars (AU$). The functional currency of the subsidiaries in Solomon Islands is considered to be Solomon Islands Dollars (SBD). The functional currency of the subsidiaries in Ecuador is considered to be United States Dollars (US$). The functional currency of the subsidiaries in Canada is considered to be Canadian Dollars (CAD). The functional currency of the subsidiaries in Chile is considered to be Chilean Peso (CLP). 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 2023, 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.

Subsequent events

Details of significant events since the balance sheet date are contained in Note 5 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 (UK) can be found on pages 30 to 33 of the Strategic Report.

In accordance with the Companies Act 2006 (UK), other section 172 considerations 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 59).

A separate communication will be sent to shareholders and published on the Company's website regarding the Company's 2023 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.

The Group's Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with section 489 of the Act, a resolution for their reappointment will be put to the 2023 AGM.

On behalf of the Board

STEVEN WOOD AND JAMES DOYLE

Joint Company Secretaries

Level 27, 111 Eagle Street
Brisbane QLD 4000
Australia

28 September 2023

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 28 September 2023

By order of the Board,

LIAM TWIGGER

Chair

SolGold plc

28 September 2023

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 2023 and of the Group's loss 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 as applied in accordance with the provisions of the Companies Act 2006; 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 2023 (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 30 June 2023; the Consolidated Statement of Profit or 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 and Company, in addition to applying UK-adopted international accounting standards, have also applied international financial reporting standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the Group and Company 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.

Other than those disclosed in Note 3, 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 is 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 15 months to 31 December 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 the reasonableness of management's assessment, evaluating the assumptions used, and assessing management's ability to take mitigating actions, including securing additional funding, delaying exploration expenditure, reducing costs and verifying that the Group is able to meet its exploration and working capital commitments within the going concern period under this scenario;
- Discussions with management 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 second year as external auditors of the Group. We performed audit procedures in advance of the year-end, together with our component audit teams, 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. Our response to management's discovery of the misappropriation of funds in Ecuador, identified in the prior year, also influenced the determination of our final 2023 Group audit scope.

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 four other components: SolGold Finance AG, Green Rock Resources GRR S.A., Carnegie Ridge Resources S.A. and Cruz del Sol CSSA S.A.
- Financial reporting is undertaken for the consolidated Group at the head office in Brisbane, Australia and in Toronto, Canada. Our scope enabled us to obtain 97% coverage of the Group's consolidated total assets and 92% coverage of the Group's consolidated loss before tax.

Key audit matters

- Material uncertainty related to going concern (Group) – refer to Material uncertainty related to Going Concern section above.
- Carrying value of intangible assets (Group).
- Acquisition of Cornerstone Capital Resources Inc (Group).
- Carrying value of Investments in Subsidiaries and Intercompany Loans with Subsidiaries (Company).

Materiality

- Overall Group materiality: US$4.8 million (Prior year: US$4.3 million) based on 1% of Total Assets.
- Overall Company materiality: US$3.9 million (Prior year: US$3.7 million) based on 1% of Total Assets.
- Performance materiality: US$2.4 million (Prior year: US$2.1 million) (Group) and US$1.9 million (Prior year: US$1.9 million) (Company).

OUR AUDIT APPROACH CONTINUED

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.

Acquisition of Cornerstone Capital Resources Inc (Group) is a new key audit matter this year. Misappropriation of funds (Group), which was a key audit matter last year, is no longer included because of the identified historical frauds no longer being a focus area as no further fraudulent expenses were identified this year. Otherwise, the key audit matters below are consistent with last year.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Carrying value of intangible assets (Group)	
As at 30 June 2023, the Group has intangible assets of US$411.4 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 indicators of impairment are identified. While 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. At 30 June 2023, 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 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.	We evaluated management's assessment of potential indicators of impairment and impairment reversal of the intangible assets, being the deferred exploration costs. We undertook the following procedures in our evaluation of management's impairment indicator assessment: • Obtained management's committed exploration spend, the timing thereof and the legality implications of not meeting the committed spend in the agreed term, 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; • Obtained management's assessment of the viability of the future economic benefits of the concessions in each region. 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. We evaluated management's reversal of impairment assessment and as a result of our work, we determined that the impairment reversal recorded is appropriate 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)	
As a result of their impairment assessment, management has recognised an impairment of US$1.06 million which reflects the Board's decision to relinquish 3 concessions held in the Solomon Islands. The impairment of these concessions reflects the expiry of the underlying licences. Management did not identify any other impairments relating to the other intangible assets. As part of the impairment trigger review, management identified 10 concessions that had been impaired in the prior year based on the Board's strategy at that time. However, under the Board's current, revised strategy, these concessions have been re-assessed and it has been determined that these concessions have value to the Company; and accordingly the licences have been maintained. The reversal of the impairment of the nine properties equated to US$3.78 million. 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 there were changes to the Board's strategy during the financial year.	
Acquisition of Cornerstone Capital Resources Inc (Group)	
As disclosed in Note 28 of the financial statements, during the year the Group acquired all of the remaining issued share capital of Cornerstone Capital Resources Inc ("Cornerstone") through an issue of 85 million new SolGold shares to the shareholders of Cornerstone. The transaction is considered to be a business combination under IFRS 3. Accounting for business combinations is complex and involves judgement in the determination of the fair value of consideration paid and payable, and the assessment of the fair value of assets and liabilities acquired and the elements of consideration relating to pre-existing relationships. Management engaged external accounting experts to assess the transaction and concluded that there were multiple transactions taking place concurrently alongside the acquisition that were required to be separated from the IFRS 3 acquisition. These included the purchase of the marketable securities held by Cornerstone in SolGold (the own shares), the purchase of the long-term investment held by Cornerstone (representative of 15% of the value of ENSA), which was considered to be a purchase of the non-controlling interest, and the step acquisition of the remaining Cornerstone assets and liabilities. Given the significance of the transaction and the complexity around the associated judgements and estimates, this is a key audit matter.	We obtained and read the assessment of the acquisition of Cornerstone, and the accounting implications, performed by management's experts and considered the assessment to be consistent with IFRS 3. We obtained, read and understood the sale and purchase agreements to gain an understanding of the assets acquired, liabilities assumed and the overall nature of the transaction. We obtained management's calculations of the consideration paid and the replacement option elements, and we assessed the appropriateness of the calculations. We evaluated management's judgement on whether this was a single transaction or whether it contained multiple elements. We note that the purchase of the own shares and of the non-controlling interest are not transactions which are included in the scope of IFRS 3. On this basis, we consider management's conclusion that these transactions were not in the scope of IFRS 3 to be reasonable. For the assets and liabilities acquired, we reviewed the working papers of Cornerstone's auditors. There were no matters arising. Based on our audit procedures performed, we consider the accounting for the acquisition and the related valuation of the assets acquired, and liabilities assumed, to be reasonable. We also reviewed the related disclosures in the notes to the financial statements for compliance with accounting standards and consistency with the results of our work, with no matters arising.

OUR AUDIT APPROACH CONTINUED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
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 2023, the Company holds Investments in Subsidiaries amounting to US$261 million, as well as Intercompany Loans with Subsidiaries of US$181.5 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 Intercompany 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 Intercompany Loans with Subsidiaries are required. The carrying value of Investments in Subsidiaries and Intercompany 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 Intercompany 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 to identify other possible impairment indicators and evaluated the ability of the subsidiaries to repay the loan balances. As a result of our work, we are satisfied that the carrying value of the Company's Investments in Subsidiaries and Intercompany Loans with Subsidiaries are appropriate at 30 June 2023.

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 four other components: SolGold Finance AG., Green Rock Resources GRR S.A., Carnegie Ridge Resources S.A. and Cruz del Sol CSSA 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.

We spent time with our component audit team in Quito, Ecuador, during the year-end phase of the audit. In addition to the site visit, 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.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

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$4.8 million (Prior year: US$4.3 million).	US$3.9 million (Prior year: US$3.7 million).
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 considered total assets to be the most appropriate benchmark for the Company, as it is primarily a holding company, and holds material investments in subsidiary undertakings.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was US$0.5 million to US$4.5 million. 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% (Prior year: 50%) of overall materiality, amounting to US$2.4 million (Prior year: US$2.1 million) for the Group financial statements and US$1.9 million (Prior year: US$1.9 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – 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$238,500 (Group audit) (Prior year: US$214,000) and US$192,950 (Company audit) (Prior year: US$185,000) 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.

REPORTING ON OTHER INFORMATION CONTINUED

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 2023 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 and Company 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 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 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 and utilised an anomaly detection tool to identify unusual journals based on the analysis of trends and patterns of journal entries;
- 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.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT CONTINUED

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. The period of total uninterrupted engagement is two years, covering the years ended 30 June 2022 and 30 June 2023.

OTHER MATTER

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements will 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 will be 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 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

	NOTES	GROUP YEAR ENDED 30 JUNE 2023 US$	GROUP YEAR ENDED 30 JUNE 2022 US$
Expenses			
Exploration costs written-off	13	(1,059,317)	(3,858,024)
Reversal of exploration costs written-off	13	3,780,099	–
Administrative expenses	3	(41,198,678)	(17,569,179)
Operating loss		**(38,477,896)**	**(21,427,203)**
Other income		122,443	454,077
Finance income	6	94,056	839,140
Finance costs	6	(13,194,858)	(12,570,180)
Movement in fair value of derivative liability	22	2,147,000	539,000
Remeasurement of amortised cost of financial liability	21	–	35,003,704
(Loss)/profit before tax		**(49,309,255)**	**2,838,538**
Tax expense	7	(1,130,490)	(4,540,103)
Loss for the year		**(50,439,745)**	**(1,701,565)**
Other comprehensive (loss)/profit			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(283,344)	(702,938)
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefits		1,173,254	165,729
Change in fair value of financial assets, net of tax	11a/15/7	(69,627)	(1,205,636)
Other comprehensive profit/(loss), net of tax		**820,283**	**(1,742,845)**
Total comprehensive loss for the year		**(49,619,462)**	**(3,444,410)**
Loss for the year attributable to:			
Owners of the parent company		(50,336,363)	(1,587,497)
Non-controlling interest		(103,382)	(114,068)
		(50,439,745)	**(1,701,565)**
Total comprehensive loss for the year attributable to:			
Owners of the parent company		(49,516,080)	(3,330,342)
Non-controlling interest		(103,382)	(114,068)
		(49,619,462)	**(3,444,410)**

LOSS PER SHARE		CENTS PER SHARE	CENTS PER SHARE
Basic loss per share	8	(2.0)	(0.1)
Diluted loss per share	8	(2.0)	(0.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023
Registered Number 5449516

	NOTES	GROUP AS AT 30 JUNE 2023 US$	GROUP AS AT 30 JUNE 2022 US$
Assets			
Intangible assets	13	411,434,084	365,579,484
Property, plant and equipment	12	23,669,380	22,084,490
Financial assets held at fair value through OCI	11(a)	5,328	5,351,844
Financial assets at amortised cost	14	1,729,033	1,749,213
Total non-current assets		**436,837,825**	**394,765,031**
Other receivables and prepayments	16	6,920,292	4,742,156
Loans receivable and other current assets	14	2,099,527	3,553,291
Cash and cash equivalents	17	32,481,606	26,102,133
Total current assets		**41,501,425**	**34,397,580**
Total assets		**478,339,250**	**429,162,611**
Equity			
Share capital	18	40,452,643	32,350,699
Share premium	18	459,986,179	426,793,240
Own shares reserve	18	(25,389,208)	-
Merger relief reserve	18	78,692,861	-
Other reserves	18	11,612,697	10,931,758
Accumulated loss		(247,097,272)	(132,587,252)
Foreign currency translation reserve		(5,332,111)	(5,048,767)
Equity attributable to owners of the parent company		**312,925,789**	**332,439,678**
Non-controlling interest		-	(1,191,172)
Total equity		**312,925,789**	**331,248,506**
Liabilities			
Trade and other payables	19	12,689,439	6,509,078
Lease liabilities	20	379,239	415,132
Provisions		716,170	-
Total current liabilities		**13,784,848**	**6,924,210**
Lease liabilities	20	169,457	326,374
Other financial liabilities	22	240,000	2,387,000
Deferred tax liabilities	15	4,200,444	4,200,444
Borrowings	21	147,018,712	84,076,077
Total non-current liabilities		**151,628,613**	**90,989,895**
Total liabilities		**165,413,461**	**97,914,105**
Total equity and liabilities		**478,339,250**	**429,162,611**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The consolidated financial statements were approved by the Board of Directors on 28 September 2023 and signed on its behalf by Scott Caldwell, Chief Executive Officer.

SCOTT CALDWELL
Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 June 2023
Registered Number 5449516

	NOTES	COMPANY AS AT 30 JUNE 2023 US$	COMPANY AS AT 30 JUNE 2022 US$
Assets			
Property, plant and equipment	12	299,025	598,919
Investment in subsidiaries	9	261,013,212	152,964,303
Loans with subsidiaries	10	181,525,074	185,599,916
Financial assets held at fair value through OCI	11(a)	1,425	5,346,323
Financial assets at amortised cost	14	734,248	756,332
Total non-current assets		**443,572,984**	**345,265,793**
Other receivables and prepayments	16	247,178	1,061,583
Loans receivable and other current assets	14	2,099,527	3,553,291
Cash and cash equivalents	17	29,041,499	21,032,524
Total current assets		**31,388,204**	**25,647,398**
Total assets		**474,961,188**	**370,913,191**
Equity			
Share capital	18	40,452,643	32,350,699
Share premium	18	459,975,555	426,793,240
Merger relief reserve		78,692,861	-
Other reserves	18	10,898,248	11,398,063
Accumulated loss		(116,812,665)	(99,567,549)
Foreign currency translation reserve		(5,006,473)	(5,006,473)
Equity attributable to owners of the parent company		**468,200,169**	**365,967,980**
Total equity		**468,200,169**	**365,967,980**
Liabilities			
Trade and other payables	19	5,479,091	1,944,970
Lease liability	20	299,594	309,668
Provisions		716,170	-
Total current liabilities		**6,494,855**	**2,254,638**
Lease liability	20	26,164	303,573
Other financial liabilities	22	240,000	2,387,000
Total non-current liabilities		**266,164**	**2,690,573**
Total liabilities		**6,761,019**	**4,945,211**
Total equity and liabilities		**474,961,188**	**370,913,191**

The above Company Statement of Financial Position should be read in conjunction with the accompanying notes.

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$ 20,664,167 (2022: US$5,259,315).

The Company financial statements were approved by the Board of Directors on 28 September 2023 and signed on its behalf by Scott Caldwell, Chief Executive Officer.

SCOTT CALDWELL
Chief Executive Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	NOTE	SHARE CAPITAL US$	SHARE PREMIUM US$	OWN SHARES RESERVE US$	MERGER RELIEF RESERVE US$	FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME US$
Balance at 30 June 2021		**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)**
Share issue costs (net of deferred tax)	18	–	(25,922)	–	–	–
Options expired	23	–	–	–	–	–
Value of share and options issued to Directors, employees and consultants	23	–	–	–	–	–
Balance at 30 June 2022		**32,350,699**	**426,793,240**	**–**	**–**	**2,047,393**
Loss for the year		–	–	–	–	–
Other comprehensive loss		–	–	–	–	(69,627)
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(69,627)**
Shares issued to Directors and employees	18	36,572	762,905	–	–	–
Shares issued to new investors	18	1,780,000	33,820,000	–	–	–
Transfer of reserve to retained earnings	28	–	–	–	–	(1,977,766)
Acquisition of remaining Cornerstone business, net of tax	28	6,285,372	–	(25,389,208)	78,692,861	–
Tax adjustments through reserves	7	–	–	–	–	–
Share issue costs	18	–	(1,389,966)	–	–	–
Options expired	23	–	–	–	–	–
Value of options issued to Directors and employees	23	–	–	–	–	–
Balance at 30 June 2023		**40,452,643**	**459,986,179**	**(25,389,208)**	**78,692,861**	**–**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

SHARE BASED PAYMENT RESERVE US$	EMPLOYEE BENEFIT RESERVE US$	ACCUMULATED LOSS US$	FOREIGN CURRENCY TRANSLATION RESERVE US$	TOTAL US$	NON-CONTROLLING INTERESTS US$	TOTAL EQUITY US$
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**
–	–	(50,336,363)	–	(50,336,363)	(103,382)	(50,439,745)
–	1,173,254	–	(283,344)	820,283	–	820,283
–	**1,173,254**	**(50,336,363)**	**(283,344)**	**(49,516,080)**	**(103,382)**	**(49,619,462)**
–	–	31,433	–	830,910	–	830,910
–	7,500	–	–	35,607,500	–	35,607,500
–	–	1,977,766	–	–	–	–
1,876,910	–	(67,688,135)	–	(6,222,200)	1,294,554	(4,927,646)
–	–	576,679	–	576,679	–	576,679
–	–	–	–	(1,389,966)	–	(1,389,966)
(928,600)	–	928,600	–	–	–	–
599,267	–	–	–	599,267	–	599,267
10,898,247	**714,450**	**(247,097,272)**	**(5,332,111)**	**312,925,789**	**–**	**312,925,789**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	NOTES	SHARE CAPITAL US$
Balance at 30 June 2021 restated		**32,350,699**
Loss for the year		–
Other comprehensive loss		–
Total comprehensive loss for the year		**–**
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		**32,350,699**
Loss for the year		–
Other comprehensive loss		–
Total comprehensive income for the period		**–**
Shares issued to Directors and employees	18	36,572
Shares issued to new investors	18	1,780,000
Transfer of reserve to retained earnings		–
Acquisition of Cornerstone Capital Resources Inc. through share issue	18	6,285,372
Share issue costs		–
Tax adjustments through reserves		–
Options expired	23	–
Value of options issued to Directors and employees	23	–
Balance at 30 June 2023		**40,452,643**

The above Company Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	SHARE PREMIUM US$	MERGER RELIEF RESERVE 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$
	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
	426,793,240	**–**	**2,047,393**	**9,350,670**	**(99,567,549)**	**(5,006,473)**	**365,967,980**
	–	–	–	–	(20,664,167)	–	(20,664,167)
	–	–	(69,627)	–	–	–	(69,627)
	–	**–**	**(69,627)**	**–**	**(20,664,167)**	**–**	**(20,733,794)**
	762,905	–	–	–	–	–	799,477
	33,820,000	–	–	–	–	–	35,600,000
	–	–	(1,977,766)	–	1,977,766	–	–
	–	78,692,861	–	1,876,910	–	–	86,855,143
	(1,400,590)	–	–	–	–	–	(1,400,590)
	–	–	–	–	512,687	–	512,687
	–	–	–	(928,598)	928,598	–	–
	–	–	–	599,266	–	–	599,266
	459,975,555	**78,692,861**	**–**	**10,898,248**	**(116,812,665)**	**(5,006,473)**	**468,200,169**

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

For the year ended 30 June 2023

	NOTES	GROUP YEAR ENDED 30 JUNE 2023 US$	GROUP YEAR ENDED 30 JUNE 2022 US$	COMPANY YEAR ENDED 30 JUNE 2023 US$	COMPANY YEAR ENDED 30 JUNE 2022 US$
Cash flows from operating activities					
Loss for the year		(50,439,745)	(1,701,565)	(20,664,167)	(5,259,315)
Depreciation	12	298,075	619,048	283,948	314,071
Interest on lease liabilities	20	46,610	64,325	34,702	57,907
Interest on NSR	21	13,148,231	12,505,564	–	–
Interest on loan to SolGold Finance AG	10	–	–	(6,430,256)	(5,694,637)
Interest on loan to SolGold Canada Inc.	10	–	–	(332,707)	–
Interest on loan from SolGold Finance AG	10	–	–	2,246,679	–
Advances to subsidiaries prior to business combination		(1,912,102)	–	–	–
Share based payment expense	5/23	998,682	454,336	998,682	454,336
Write-off of exploration expenditure	13	1,059,317	3,858,024	–	–
Reversal of exploration costs written-off	13	(3,780,099)	–	(131,314)	–
Foreign exchange loss		235,952	965,386	214,647	938,423
Expected credit loss – Company Funded Loan Plan	14	1,433,420	–	1,433,420	–
Non cash employee benefit expense – Company Funded Loan Plan	14	–	669,211	–	669,211
Accretion of interest – Company Funded Loan Plan	14	–	(789,946)	–	(789,946)
Movement in fair value of derivative liability	22	(2,147,000)	(539,000)	(2,147,000)	(539,000)
Remeasurement of amortised cost of financial liability	21	–	(35,003,704)	–	–
Tax expense	7	1,130,490	4,540,103	1,381,331	278,198
Decrease in other receivables and prepayments		601,347	2,978,509	2,731,458	3,449,370
Increase in trade and other payables		5,662,014	373,238	3,804,119	469,369
Net cash outflow from operating activities		**(33,664,808)**	**(11,006,471)**	**(16,576,458)**	**(5,652,013)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,670,405)	(2,195,892)	(2,511)	(13,726)
Acquisition of exploration and evaluation assets		(43,297,918)	(69,455,961)	–	–
Net cash acquired on business combination		1,047,190	–	–	–
Loans advanced to subsidiaries		–	–	(21,447,533)	(12,505,512)
Advances in investment in subsidiaries		–	–	(17,567,933)	(33,082,285)
Net cash outflow from investing activities		**(43,921,133)**	**(71,651,853)**	**(39,017,977)**	**(45,601,523)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	18	36,000,000	–	36,000,000	–
Payment of issue costs		(1,453,969)	(37,033)	(1,977,208)	(37,033)
Proceeds from NSR financing	21	50,000,000	–	–	–
Payment of NSR costs	21	(205,596)	–	–	–
Repayments of lease liabilities		(225,755)	(448,353)	(303,906)	(310,503)
Loans advanced from subsidiaries		–	–	49,975,286	–
Repayment of loans from subsidiaries		–	–	(19,936,627)	–
Net cash inflow/(outflow) from financing activities		**84,114,680**	**(485,386)**	**63,757,545**	**(347,536)**
Net increase/(decrease) in cash and cash equivalents		**6,528,739**	**(83,143,710)**	**8,163,111**	**(51,601,072)**
Cash and cash equivalents at the beginning of year	17	26,102,133	109,562,103	21,032,524	72,918,016
Effect of foreign exchange rate changes		(149,266)	(316,260)	(154,136)	(284,420)
Cash and cash equivalents at end of year	**17**	**32,481,606**	**26,102,133**	**29,041,499**	**21,032,524**

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 (London) incorporated (on 11 May 2005) and domiciled, 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

The consolidated financial statements and company financial statements have been prepared in accordance with UK adopted International Accounting Standards and the requirements of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdoms' Financial Conduct Authority. The consolidated and Company financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments.

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 IFRSs as issued by the International Accounting Standards Board ("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 and company financial statements.

The preparation of the Group Financial Statements in compliance with generally accepted accounting principles requires management to make estimates and exercise judgment in applying the Group's accounting policies. In preparing the Group Financial Statements, the significant judgments 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

(i) Basis of preparation

The consolidated 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.

(ii) Going concern

At the year end, the Group had cash on hand of US$32,481,606 and net current assets of US$27,716,577. The Directors have reviewed the cash position of the Group and the Company for the period to 31 December 2024 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 manage costs and secure additional financing. 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.

The Company has a proven ability to execute equity and other financings as demonstrated by the successfully completed Osisko Gold Royalty Inc. royalty agreement in November 2022 and issuance of new shares in December 2022 and the Cornerstone acquisition in February 2023. 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 portfolio of exploration 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, the relinquishment of licences across Ecuador and Australia, or the sale of the Company's own treasury shares.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(b) Basis of preparation of financial statements and going concern continued

Given that the Company will need to secure further funding to meet the Group's 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. 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 the 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.

(d) Foreign currency

(i) 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(d) Foreign currency continued

The functional currency of the Company and subsidiaries of the Group are detailed in the table below:

	FUNCTIONAL CURRENCY 2023	FUNCTIONAL CURRENCY 2022	EXCHANGE RATE AT 30 JUNE 2023 USED IN PREPARATION OF FINANCIALS	EXCHANGE RATE AT 30 JUNE 2022 USED IN PREPARATION OF FINANCIALS	AVERAGE EXCHANGE RATE FOR THE YEAR ENDED 30 JUNE 2023	AVERAGE EXCHANGE RATE FOR THE YEAR ENDED 30 JUNE 2022
SolGold Plc	US$	US$	n/a	n/a	n/a	n/a
Australian Resource Management Pty Ltd	AU$	AU$	0.6660	0.6902	0.6732	0.7256
Acapulco Mining Pty Ltd	AU$	AU$	0.6660	0.6902	0.6732	0.7256
Central Minerals Pty Ltd	AU$	AU$	0.6660	0.6902	0.6732	0.7256
Solomon Operations Ltd	SBD	SBD	0.1186	0.1785	0.1213	0.1709
Honiara Holdings Pty Ltd	AU$	AU$	0.6660	0.6902	0.6732	0.7256
Guadalcanal Exploration Pty Ltd	AU$	AU$	0.6660	0.6902	0.6732	0.7256
SolGold Finance AG	US$	US$	n/a	n/a	n/a	n/a
SolGold Canadian Callco Corp.	CAD	CAD	0.7549	0.7768	0.7467	0.7902
SolGold Canadian Exchangeco Corp.	CAD	CAD	0.7549	0.7768	0.7467	0.7902
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 GRR S.A.	US$	US$	n/a	n/a	n/a	n/a
Valle Rico Resources VRR S.A.	US$	US$	n/a	n/a	n/a	n/a
Cruz del Sol CSSA 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
SolGold Canada Inc.	CAD	n/a	0.7549	n/a	0.7467	n/a
Cornerstone Exploration Inc.	CAD	n/a	0.7549	n/a	0.7467	n/a
Gestion Minera S.A.	US$	n/a	n/a	n/a	n/a	n/a
Bellamaria Mining S.A.	US$	n/a	n/a	n/a	n/a	n/a
Canabrava Mining S.A.	US$	n/a	n/a	n/a	n/a	n/a
Exploaurum S.A.	US$	n/a	n/a	n/a	n/a	n/a
Cornerstone Ecuador S.A.	US$	n/a	n/a	n/a	n/a	n/a
Cornerstone Exploraciones Ecuador S.A.	US$	n/a	n/a	n/a	n/a	n/a
Vetasgrandes Mining S.A.	US$	n/a	n/a	n/a	n/a	n/a
Minera Cornerstone Chile Limitada	CLP	n/a	0.0012	n/a	0.0012	n/a

(ii) 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(e) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see accounting policy (h) below).

(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) below).

(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	5–10 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(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.

Impairment reviews for capitalised exploration and evaluation expenditure 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 assets, 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.

Reviews for reversal of impairment for capitalised exploration and evaluation expenditures are carried out on the same basis as impairment reviews for capitalised exploration and evaluation expenditure, with each project representing a potential single cash generating unit. An impairment reversal review is undertaken when there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased, typically when one or more of the following circumstances apply:

- The period for which the entity has the right to explore in the project area is renewed, after having previously been impaired due to an expectation that the project exploration rights would not be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the project area is planned; and
- Exploration for and evaluation of mineral resources near or geologically related to the project area have led to the discovery of commercially viable quantities of mineral resources and the entity has reasonable evidence from prior or recently completed activity to indicate that the project area is likely to become recoverable.

(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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(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, 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.

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 Administrative expenses 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. Following further changes to the scheme, the loans are carried at amortised cost less expected credit losses which takes into account the current share price and time to settle the loans.

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 re-measurement are recorded in 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(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 and lease liabilities using the incremental borrowing 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's tax 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.

(o) Segment reporting

The Group determines and presents operating segments based on information that is internally provided to the Board of Directors, who are the Group's chief operating decision makers.

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 recognise 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(q) Leases continued

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 had 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.

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.

Financial assets

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 cost 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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(r) Financial Instruments continued

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 and Osisko 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.

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.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(s) Accounting policies for the Company

The accounting policies applied to the Company are consistent with those adopted by the Group, to the extent that they are relevant to an entity (as opposed to a consolidated) set of financial statements, 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 are 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) Own shares reserve

The own shares reserve is used to recognise the outstanding shares in the Company held in SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) at amortised cost in the consolidated financial statements only.

(ii) Merger relief reserve

The merger relief reserve represents the merger relief applied under section 612 of the Companies Act 2006 when shares were issued for the acquisition of Cornerstone Capital Resource Inc.

(iii) 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.

(iv) 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.

(v) 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 in previous periods (2016).

(vi) Other reserves

This reserve is used to adjust the actuarial assessed fair value for the defined benefit pension obligation linked to the Group's employees in Ecuador.

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		
Amendments to IFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to IFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use	1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to IFRS 1	Minor Amendments	1 January 2022
Amendments to IFRS 9	First-time Adoption	1 January 2022
Amendments to IFRS 16	Illustrative Examples	1 January 2022
Amendments to IAS 41	Agriculture	1 January 2022

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 3: Reference to the Conceptual Framework

In May 2020, the International Accounting Standards Board ("IASB") amended IFRS 3 to update an outsourced reference to the Conceptual Framework without significantly changing the requirements in the standard. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IFRS 16: Covid-19-Related Rent Concessions

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IAS 16: Property, Plant and Equipment – proceeds before intended use

The amendments to the standard prohibits 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. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IAS 37: Onerous Contracts – Cost of Fulfilling a Contract

In May 2020 the amendments to IAS 37 specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IFRS 1: Minor Amendments

The amendment extends existing effects of IFRS 1 First-time Adoption of International Financial Reporting Standards. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IFRS 9: First-time Adoption

IFRS 9 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. IFRS 9 specifies how an entity should classify and measure financial assets, financial liabilities, and some contracts to buy or sell non-financial items. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IFRS 16: Illustrative Examples

The IFRS 16 Leases standard was extended to include illustrative examples Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

NOTE 1 ACCOUNTING POLICIES CONTINUED

(u) Changes in accounting policies continued

IAS 31: Agriculture

IAS 41 Agriculture sets out the accounting for the transformation of biological assets (living plants and animals) into agricultural produce. In May 2020, the International Accounting Standards Board (Board) issued an amendment to IAS 41 Agriculture as part of Annual Improvements to IFRS Standards 2018–2020. The amendment to IAS 41 removed a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

EFFECTIVE FOR ANNUAL REPORTING PERIODS COMMENCING ON OR AFTER

Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2023
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to IAS 21	Lack of Exchangeability Between Currencies	1 January 2025
Amendments to IAS 1	Non-Current Liabilities with Covenants	1 January 2024
Amendments to IAS 12	Deferred Tax Related to Costs and Liabilities Arising from a Single Transaction	1 January 2023
Amendments to IAS 1, PS 2 and IAS 8	Narrow Scope Amendments	1 January 2023
Amendments to IFRS 16	Leases on Sale and Leaseback	1 January 2024
Amendments to IFRS 17	Insurance Contracts	1 January 2023

Amendments to IAS 21 – Lack of Exchangeability Between Currencies

Issued in August 2023, the amendments specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose. The amendments also specify how an entity determines the exchange rate to apply when a currency is not exchangeable, and requires the disclosure of additional information when a currency is not exchangeable.

Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

Issued in May 2023, the amendments require an entity to disclose qualitative and quantitative information about its supplier finance programmes, such as terms and conditions – including, for example, extended payment terms and security or guarantees provided. Amongst other characteristics, IAS 7 explains that a supplier finance arrangement provides the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

Issued in May 2023, the amendments introduce an immediate temporary mandatory exception from accounting for deferred tax related to GloBE top-up tax. However, companies will be required to provide new disclosures about their potential exposure to the top-up tax at the reporting date in periods in which a tax law is enacted but the top-up tax does not yet apply. The disclosure requirements apply from December 31, 2023. No disclosures are required in interim periods ending on or before December 31, 2023.

Amendments to IAS 1 – Non-Current Liabilities with Covenants

The amendments issued in October 2022 clarify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date.

NOTE 1 ACCOUNTING POLICIES CONTINUED

Amendments to IAS 12 – Deferred Tax Related to Costs and Liabilities Arising from a Single Transaction

The amendment clarifies that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations.

Amendments to IAS 1, PS 2 and IAS 8 – Narrow Scope Amendments

The amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require a company to disclose information about these covenants in the notes to the financial statements.

Amendments to IFRS 16 – Leases on Sale and Leaseback

The amendments to IFRS 16 require a seller-lessee to apply the subsequent measurement requirements for lease liabilities unrelated to a sale and leaseback transaction to lease liabilities arising from a leaseback in a way that it recognises no amount of the gain or loss related to the right of use that it retains.

Amendments to IFRS 17 – Insurance Contracts

The amendments to IFRS 17 include a two-year deferral of the effective date and the fixed expiry date of the temporary exemption from applying IFRS 9 Financial Instruments granted to insurers meeting certain criteria.

(v) Critical Accounting Estimates and Judgements

In the application of the Group's accounting policies, described in Note 1, the Directors have made the following judgments 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 EIR of 11.84%. In the case of the Osisko NSR royalty, the Company arrived at EIR of 8.87%. Total interest for the financial year is calculated at US$13,148,231 (2022: US$12,505,564) (Note 6). Based upon cash flow forecasts, a 5% increase in the sales prices for copper, gold, and silver would decrease finance expense by approximately US$184,000, noting that the increased pricing would decrease the EIR of the Franco Nevada NSR royalty reflecting the fact that payments are subject to a minimum metal production adjustment.

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 and impairment reversal 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 as detailed in Note 13.

NOTE 1 ACCOUNTING POLICIES CONTINUED

Intercompany loan – Company

Management has made a judgement relating to the classification of loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future; it has considered these loans to be 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, the impact of any impairment reversals, and financing which supported the carrying value of the projects.

No triggers of impairment were identified at 30 June 2023 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.

Business combination – Group

Following the Cornerstone acquisition, management has made a judgement with respect to the allocation of the total consideration paid between the purchase of the Group's non-controlling interest, own shares and the assets and liabilities acquired from Cornerstone. This is detailed in Note 28.

NOTE 2 SEGMENT REPORTING

The Group determines and separately reports operating segments based on information that is internally provided to the Board of Directors, who are the Group's chief operating decision makers. 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 2023	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	42,052	(58,740)	–	(2,260,431)	303,474,003	5,425,778	–	30,590,591
Other Ecuadorian projects	46,560	53,127	478,817	(8,404,502)	131,510,493	1,800,742	–	17,829,097
Other projects	–	2,172	580,500	(601,858)	9,734,663	17,271	–	(738,538)
Corporate	5,444	301,516	–	(39,172,954)	33,620,091	158,169,670	998,682	(5,608,357)
Total	**94,056**	**298,075**	**1,059,317**	**(50,439,745)**	**478,339,250**	**165,413,461**	**998,682**	**42,072,793**

30 JUNE 2022	FINANCE INCOME US$	DEPRECIATION US$	IMPAIRMENT OF E&E US$	(LOSS)/ PROFIT 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**	**(1,701,565)**	**429,162,611**	**97,914,105**	**454,336**	**69,484,271**

NOTE 2 SEGMENT REPORTING

Geographical information

NON-CURRENT ASSETS	2023 US$	2022 US$
Switzerland	73,624	8,174
Australia	10,647,500	12,540,078
Canada	–	–
Solomon Islands	–	599,559
Chile	76,315	–
Ecuador	426,040,386	381,617,220
	436,837,825	**394,765,031**

NOTE 3 ADMINISTRATIVE EXPENSES

	GROUP 2023 US$	GROUP 2022 US$
The operating loss includes the following items:		
Administrative and consulting expenses	7,785,779	5,522,532
Auditors' remuneration	1,474,849	914,224
Insurance	488,976	3,215,136
Acquisition-related costs	16,054,495	–
Employment expenses	10,300,752	5,112,716
Expected credit loss	1,433,420	–
Depreciation	298,075	619,048
Legal fees	2,127,698	765,599
Foreign exchange losses	235,952	965,591
Share based payments	998,682	454,336
Administrative expenses, as reported	**41,198,678**	**17,569,182**

	GROUP 2023 US$	GROUP 2022 US$
Details of auditor remuneration:		
Incurred for audit of SolGold plc annual report	589,121	640,024
Incurred for audit of other services to the Group:		
Audit of Group subsidiaries	885,729	274,200
Auditors' remuneration reported in operating loss	**1,474,849**	**914,224**
Audit-related assurance services	111,021	–
Other assurance services	1,457,033	–
Total auditors' remuneration	**1,568,045**	**914,224**

NOTE 4 STAFF NUMBERS AND COSTS (MONTHLY AVERAGES FOR THE YEAR)

	GROUP STAFF NUMBER 2023	GROUP STAFF NUMBER 2022	COMPANY STAFF NUMBER 2023	COMPANY STAFF NUMBER 2022
Finance and administration	36	33	11	11
Technical – permanent	425	497	1	8
Technical – temporary	127	364	–	–
	588	**894**	**12**	**19**

The aggregate payroll costs of employees were:

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Wages and salaries	21,198,305	26,053,759	6,198,717	5,446,110
Contributions to superannuation	96,564	97,607	96,201	97,607
Share based payments	998,682	454,336	998,682	454,336
Pensions	311,598	242,403	58,429	144,796
Social security costs	277,318	313,214	273,473	312,623
Total staff costs	**22,882,467**	**27,161,319**	**7,625,502**	**6,455,472**

Included within total staff costs is US$10,503,286 (2022: US$21,844,082) which has been capitalised as part of capitalised exploration and evaluation expenditure.

NOTE 5 REMUNERATION OF KEY MANAGEMENT PERSONNEL

	BASIC ANNUAL SALARY/ DIRECTOR FEE US$	BONUS US$	OTHER BENEFITS[1] US$	PENSIONS US$	TOTAL REMUNERATION US$
2023					
Directors					
Scott Caldwell[2]	125,000	106,250	263,012	2,755	497,017
Darryl Cuzzubbo[7]	588,609	–	399,417	8,323	996,349
Keith Marshall[3]	9,636	–	–	–	9,636
Nicholas Mather	67,049	–	–	–	67,049
James Clare	67,057	–	–	–	67,057
Liam Twigger	114,697	–	–	12,029	126,726
Elodie Grant Goodey[4]	40,132	–	–	58,429	98,561
Kevin O'Kane[4]	34,909	–	–	–	34,909
María Amparo Albán	70,508	–	–	–	70,508
Dan Vujcic[5]	46,664	–	–	4,261	50,925
Other key management personnel[6]	2,526,059	69,291	336,253	54,899	2,986,502
Total paid to key management personnel	**3,690,320**	**175,541**	**998,682**	**140,696**	**5,005,239**
Other staff and contractors	17,446,810	142,952	–	267,466	17,857,228
Total staff costs	**21,137,130**	**318,493**	**998,682**	**408,162**	**22,862,467**

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 Scott Caldwell appointed as a Director on 24 October 2022, Interim Chief Executive Officer on 10 November 2022 and Chief Executive Officer on 17 March 2023.

3 Includes consultancy fees paid post resignation as an independent Non-Executive Director on 12 August 2022. Payments post resignation US$9,636.

4 Resigned from the Board on 22 December 2022.

5 Elected as an Independent Non-Executive Director on 24 October 2022.

6 Other key management personnel consist of the aggregated remuneration of Ryan Wilson (Company Secretary – until 10 August 2023), Rufus Gandhi (former Company Secretary – until 28 February 2023), Dennis Wilkins (former Company Secretary – until 31 July 2023), Chris Stackhouse (Chief Financial Officer), Keith Pollocks (former Interim Chief Financial Officer – until 31 July 2023), Ayten Saridas (former Chief Financial Officer – until 10 August 2022), Fawzi Hanano (former Head of Investor Relations – until 7 April 2023), Benn Whistler (former Technical Services Manager – until 23 August 2022), Steve Botts (former President, SolGold Ecuador – until 17 March 2023), Harold 'Bernie' Loyer (former Vice President Projects – until 28 February 2023) and Tania Cashman (former Chief Human Resources Officer – until 11 November 2022).

7 Darryl Cuzzubbo was terminated on 10 November 2022. The Company is currently in dispute with Darryl Cuzzubbo over his fees.

NOTE 5 REMUNERATION OF KEY MANAGEMENT PERSONNEL CONTINUED

	BASIC ANNUAL SALARY/ DIRECTOR FEE 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
María Amparo Albán	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 staff costs	**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 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 13 May 2022. Payments post resignation 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 – until 31 July 2022), Ayten Saridas (Chief Financial Officer, appointed May 2022, until 10 August 2022), Benn Whistler (Technical Services Manager – until 23 August 2022), Chris Connell (Regional Exploration Manager – until February 2022), Peter Holmes (Director of Studies – until 9 September 2022), Ingo Hofmaier (Interim Chief Financial Officer to May 2022, Executive General Manager Projects and Corporate Finance – until 13 August 2022), Tania Cashman (Chief Human Resources Officer, appointed January 2022 until 11 November 2022), and Geoff Woodcroft (Chief Human Resources Officer – until 29 October 2021).

NOTE 6 FINANCE INCOME AND COSTS

	GROUP 2023 US$	GROUP 2022 US$
Interest income	94,056	49,194
Accretion of Interest on company funded loan plan (Note 14)	–	789,946
Finance income	**94,056**	**839,140**

	GROUP 2023 US$	GROUP 2022 US$
General interest	17	291
Interest on lease liability	46,610	64,325
Interest on NSR (Note 21)	13,148,231	12,505,564
Finance costs	**13,194,858**	**12,570,180**

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% (2022: 30%) being applied to the profit before tax arising during the year. The differences are explained below.

	GROUP 2023 US$	GROUP 2022 US$
Tax reconciliation		
Profit/(loss) before tax	(49,309,255)	2,838,538
Tax at 30% (2022: 30%)	(14,792,777)	851,561
Add/(less) tax effect of:		
Permanent differences	8,610,987	917,878
Derecognise current year tax losses	1,071,135	–
(Recognise)/derecognise prior year losses	795,731	(215,502)
Prior year tax expense attributable to Ecuador	(61,460)	–
Current year tax expense attributable to Ecuador	(189,380)	61,460
Prior period adjustments to true-up tax return	–	2,921
Other	(6,056)	19,600
Impact of tax rate differences	2,425,379	(3,417,092)
Temporary differences not recognised	3,276,930	6,319,277
Income tax expense on loss	**1,130,490**	**4,540,103**
Components of tax expense on other comprehensive income comprise of:		
Tax on valuation loss on investments held at fair value through OCI (see note 15)	(804,652)	(267,087)
Income tax expense on other comprehensive income	**(804,652)**	**(267,087)**
Amounts recognised directly in equity		
Attributable to prior periods	–	–
Net deferred tax credited directly to equity	(576,679)	(11,111)
Income tax (expense) recognised directly in equity	**(576,679)**	**(11,111)**

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$110,976,883 (2022: US$100,073,452) in Australia and Ecuador. These losses may be deductible against future taxable income dependent upon the on-going 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$80,576,525) can be carried forward indefinitely while in Ecuador (US$42,774,681), 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

	2023 CENTS PER SHARE	2022 CENTS PER SHARE
Basic loss per share	(2.0)	(0.1)
Diluted loss per share	(2.0)	(0.1)

	2023 US$	2022 US$
(a) Loss		
Loss used to calculate basic and diluted loss per share	(50,439,745)	(1,701,565)

	NUMBER OF SHARES	NUMBER OF SHARES
(b) Weighted average number of shares		
Used in calculating basic LPS	**2,576,779,125**	**2,293,816,433**
Weighted average number of dilutive options	–	–
Weighted average number of ordinary shares and potential ordinary shares used in calculating dilutive LPS	**2,576,779,125**	**2,293,816,433**

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

				SOLGOLD PLC'S EFFECTIVE INTEREST	
ENTITY	COUNTRY OF INCORPORATION AND OPERATION	REGISTERED ADDRESS	PRINCIPAL ACTIVITY	2023	2022
Australian Resource Management (ARM) Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Acapulco Mining Pty Ltd	Australia		Exploration	100%	100%
Central Minerals Pty Ltd	Australia		Exploration	100%	100%
Honiara Holdings Pty Ltd	Australia		Exploration	100%	100%
Guadalcanal Exploration Pty Ltd	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%
Exploraciones Novomining S.A.	Ecuador	Avenida La Coruna No. E25-58 y calle SAN IGNACIO Edificio: ALTANA PLAZA Número de oficina: 406 piso: 4 Quito, Ecuador	Exploration	100%	85%
Carnegie Ridge Resources S.A.	Ecuador		Exploration	100%	100%
Green Rock Resources GRR S.A.	Ecuador		Exploration	100%	100%
Valle Rico Resources VRR S.A.	Ecuador		Exploration	100%	100%
Cruz del Sol CSSA S.A.	Ecuador		Exploration	100%	100%
SolGold Ecuador S.A.	Ecuador		Services Management	100%	100%
Novoproyectos-Sustentables S.A.	Ecuador		Project development	100%	100%
SolGold Canadian Callco Corp.	Canada	4500, 855 – 2nd Street S.W, Calgary, Alberta T2P 4K7	Investment	100%	100%
SolGold Canadian Exchangeco Corp.	Canada		Investment	100%	100%
SolGold Finance AG	Switzerland	Industriestrasse 47, 6300 Zug, Switzerland	Investment	100%	100%

NOTE 9 INVESTMENT IN SUBSIDIARIES CONTINUED

ENTITY	COUNTRY OF INCORPORATION AND OPERATION	REGISTERED ADDRESS	PRINCIPAL ACTIVITY	SOLGOLD PLC'S EFFECTIVE INTEREST 2023	SOLGOLD PLC'S EFFECTIVE INTEREST 2022
SolGold Canada Inc.	Canada	c/o Bennett Jones LLP 4500, 855 – 2nd Street SW Calgary, Alberta T2P 4K7	Investment	100%	5%
Cornerstone Exploration Inc.	Canada	1730 St. Laurent Blvd., Suite 800 Ottawa, Ontario K1G 5L1	Investment	100%	0%
Gestion Minera S.A.	Ecuador	Av. 12 de Octubre N24-562 y Luis Cordero Edificio World Trade Center Quito, Ecuador	Services Management	100%	0%
Bellamaria Mining S.A.	Ecuador		Exploration	100%	0%
Canabrava Mining S.A.	Ecuador		Exploration	100%	0%
Exploaurum S.A.	Ecuador		Exploration	84%	0%
Cornerstone Ecuador S.A.	Ecuador		Exploration	100%	0%
Cornerstone Exploraciones Ecuador S.A.	Ecuador		Investment	100%	0%
Vetasgrandes Mining S.A.	Ecuador		Exploration	100%	0%
Minera Cornerstone Chile Limitada	Chile	Av. Isadora Goyenechea 3000 Piso 21, Las Condes Santiago, Chile	Exploration	100%	0%

The Company's indirect 12.5% interest in La Plata Minerales S.A. are being accounted for at fair value through other comprehensive income.

	INTERCOMPANY LOANS US$	SUBSIDIARY INVESTMENTS US$	TOTAL INVESTMENT US$
Cost			
Balance at 30 June 2021	**129,713,547**	**25,508,982**	**155,222,529**
Acquisitions and advances in the year	32,008,275	910,183	32,918,458
Balance at 30 June 2022	**161,721,822**	**26,419,165**	**188,140,987**
Reclassification	(23,675,342)	23,675,342	–
Acquisitions and advances in the year	15,463,322	92,587,013	108,050,335
Balance at 30 June 2023	**153,509,802**	**142,681,520**	**296,191,322**
Expected credit and impairment losses			
Balance at 30 June 2021	(35,178,110)	–	(35,178,110)
Balance at 30 June 2022	(35,178,110)	–	(35,178,110)
Balance at 30 June 2023	**(31,602,416)**	**(3,575,694)**	**(35,178,110)**
Carrying amounts			
Balance at 30 June 2021	94,535,437	25,508,982	120,044,419
Balance at 30 June 2022	126,543,712	26,419,165	152,962,877
Balance at 30 June 2023[1]	**121,907,386**	**139,105,826**	**261,013,212**

1 Loans which are not expected to be repaid are included in investment in subsidiaries (see Note 1 (s)).

NOTE 10 INTERCOMPANY LOANS WITH SUBSIDIARIES

	INTERCOMPANY LOANS WITH SUBSIDIARIES LOAN US$
Cost	
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**
Advances in the year	21,447,515
Borrowings in the year	(49,975,286)
Repayments in the year	19,936,627
Interest accrued in the year	6,762,963
Interest incurred in the year	(2,246,662)
Balance at 30 June 2023	**181,525,074**
Amortisation and impairment losses	
Balance at 30 June 2021	–
Balance at 30 June 2022	–
Balance at 30 June 2023	**–**
Carrying amounts	
Balance at 30 June 2021	167,399,767
Balance at 30 June 2022	185,599,916
Balance at 30 June 2023	**181,525,074**

The Company has assessed the receivable and no loss allowances have been made, refer Note 1(s).

NOTE 11 INVESTMENTS

a. Investments accounted for as financial assets held at fair value through OCI

	GROUP		COMPANY	
	2023 US$	2022 US$	2023 US$	2022 US$
Movements in financial assets				
Opening balance at 1 July	5,351,844	6,825,042	5,346,323	6,819,046
Fair value adjustment through OCI	(361,785)	(1,473,198)	(360,167)	(1,472,723)
Deemed disposal of investment on business acquisition	(4,984,731)	–	(4,984,731)	–
Balance at 30 June	**5,328**	**5,351,844**	**1,425**	**5,346,323**

In the prior year, financial assets comprised an investment in the ordinary issued capital of Cornerstone Capital Resources Inc., previously listed on the TSX Venture Exchange. On acquisition of the remaining outstanding shares of Cornerstone Capital Resources Inc., the investment was disposed. In the current year, financial assets comprised an investment in the ordinary issued capital of Clara Resources Australia Ltd, a company listed on the Australian Securities Exchange.

NOTE 11 INVESTMENTS CONTINUED

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
2023				
Financial assets held at fair value through OCI	5,328	–	–	5,328
2022				
Financial assets held at fair value through OCI	5,351,844	–	–	5,351,844

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						
	LAND US$	PLANT AND EQUIPMENT US$	MOTOR VEHICLES US$	OFFICE EQUIPMENT US$	FURNITURE & FITTINGS US$	TOTAL US$	COMPANY TOTAL[1] US$
Cost							
Balance 30 June 2021	**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	**20,350,021**	**3,756,175**	**1,030,610**	**997,570**	**280,037**	**26,414,413**	**1,678,737**
Effect of foreign exchange on opening balance	–	(20,069)	(826)	(480)	(158)	(21,533)	(25,947)
Additions	1,904,767	247,947	–	52,838	–	2,205,552	15,470
Disposals	–	(234,557)	(52,388)	(135,687)	(27,039)	(449,671)	(299,286)
Assets acquired through business combinations	–	65,059	203,621	90,300	115,131	474,111	–
Balance 30 June 2023	**22,254,788**	**3,814,555**	**1,181,017**	**1,004,541**	**367,971**	**28,622,872**	**1,368,974**

NOTE 12 PROPERTY, PLANT AND EQUIPMENT CONTINUED

	GROUP						
	LAND US$	PLANT AND EQUIPMENT US$	MOTOR VEHICLES US$	OFFICE EQUIPMENT US$	FURNITURE & FITTINGS US$	TOTAL US$	COMPANY TOTAL[1] US$
Depreciation and impairment losses							
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)	(384,852)	(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)**
Effect of foreign exchange on opening balance	–	13,038	826	480	(105)	14,239	13,252
Depreciation charge for the year	–	(208,934)	(30,597)	(47,439)	(11,105)	(298,075)	(283,948)
Depreciation capitalised to exploration	–	(436,645)	(14,100)	(66,921)	(4,386)	(522,052)	(358)
Disposals	–	227,703	52,388	122,889	26,828	429,808	280,923
Assets acquired through business combinations	–	(33,905)	(109,971)	(69,744)	(33,869)	(247,489)	–
Balance 30 June 2023	**–**	**(2,690,491)**	**(1,100,761)**	**(896,578)**	**(265,666)**	**(4,953,496)**	**(1,069,949)**
Carrying amounts							
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	20,350,021	1,504,427	31,303	161,727	37,008	22,084,486	598,919
At 30 June 2023	**22,254,788**	**1,124,064**	**80,256**	**107,963**	**102,305**	**23,669,380**	**299,025**

1 Company assets include fixture and fittings and office equipment.

The gross carrying amount of fully depreciated property, plant and equipment that is still in use is US$930,562 (2022: US$204,627).

NOTE 13 INTANGIBLE ASSETS

	CAPITALISED EXPLORATION AND EVALUATION EXPENDITURE US$
Cost	
Balance at 30 June 2021	**341,441,030**
Effect of foreign exchange on opening balances	(696,468)
Additions – expenditure	66,066,237
Balance at 30 June 2022	**406,810,799**
Effect of foreign exchange on opening balances	(286,667)
Additions – expenditure	43,420,485
Balance at 30 June 2023	**449,944,617**
Accumulated Impairment losses	
Balance at 30 June 2021	**(37,601,137)**
Impairment charge	(3,630,178)
Balance at 30 June 2022	**(41,231,315)**
Impairment charge	(1,059,317)
Reversal of exploration costs previously written-off	3,780,099
Balance at 30 June 2023	**(38,510,533)**
Carrying amounts	
At 30 June 2021	303,839,893
At 30 June 2022	365,579,484
At 30 June 2023	**411,434,084**

As capitalised exploration and evaluation expenditure are not definite lived intangible assets, they are not amortized. The accounting treatment of capitalised exploration and evaluation expenditure is described at Note 1(f).

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$1,059,317 (2022: US$3,630,178) was recognised in the year for exploration expenditure associated with concessions in Ecuador and the Solomon Islands that the board decided to relinquish.

A reversal of prior year impairment of US$3,780,099 (2022: nil) was recognised for 9 concessions in Ecuador which were previously impaired based upon the decision to relinquish these properties by prior management. Subsequently, former CEO (Darryl Cazzubbo) reversed this decision, as those properties were re-assessed and considered to have value to the company. Under direction of the current CEO (Scott Caldwell), the same evaluation was made and supported.

An assessment of the carrying values of capitalised exploration and evaluation expenditure is provided below.

Cascabel project

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. On 17 July 2023, the Company announced a 25-year term renewal (until the year 2048) for the Cascabel concession. The term renewal confirmed that Cascabel comprises 4,979 contiguous hectares and is a large-scale mining regime in accordance with Ecuador's mining regulations. The PFS for our Cascabel project was published in April 2022 including consideration of environmental, social and economic impacts. Work on a revised PFS is underway evaluating further upsides and optimisations.

NOTE 13 INTANGIBLE ASSETS CONTINUED

Cascabel project continued

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

Management have assessed that there are no indicators of impairment and therefore management is of the opinion that the exploration and evaluation assets capitalised at 30 June 2023 are recoverable and fairly stated and that no impairment provision is required.

Regional concessions granted for 100% SolGold Ecuador subsidiaries

The eight 100% owned subsidiary companies in Ecuador: Carnegie Ridge Resources S.A., Green Rock Resources GRR S.A., Cruz del Sol CSSA S.A., Valle Rico Resources VRR S.A., Cornerstone Ecuador S.A., Canabrava Mining S.A., Vetasgrandes Mining S.A., and Bellamaria Mining S.A. hold 88 mining concessions in Ecuador for which the companies were successful in bidding as part of the auction process in 2016 and 2017, inclusive of 13 mining concessions obtained through the acquisition of Cornerstone (Note 28). Initial exploration work programmes have been carried out on these concessions and a listing of priority projects has been identified. 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

Based on the exploration work conducted to date, the Company:

- continues to have the right to explore in the area
- has not lost access rights to any areas and is working pro-actively with communities to build a strong licence to operate ahead of major field work
- has met its expenditure commitments
- remains positive around the prospectivity of the projects, with encouraging geological results encountered to date
- concluded insufficient data exists to abandon or relinquish any of these projects

Accordingly, management has assessed that there are no indicators of impairment.

Acapulco Mining & Central Minerals 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. The main exploration project of Central Minerals Pty Ltd is the Cooper Consolidated project.

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
- insufficient data exists to abandon or relinquish the project

Management was notified that three of the exploration permits were not renewed due to proposed exploration activities not having been carried out, and renewal documents submitted which contained insufficient information to satisfy renewal. Management is able to renew the permits by lodging work programmes documenting how proposed exploration activities will bring the exploration permits into compliance and providing a technical commitments documents. Management is able and intends to bring the permits into compliance. Accordingly, management has assessed that there are no indicators of impairment.

NOTE 14 FINANCIAL ASSETS AT AMORTISED COST AND LOANS RECEIVABLE AND OTHER CURRENT ASSETS

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Loan receivables and other current assets				
Company Funded Loan Plan Receivable	2,099,527	3,553,291	2,099,527	3,553,291
Closing balance at the end of the reporting period	**2,099,527**	**3,553,291**	**2,099,527**	**3,553,291**

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Financial assets at amortised cost				
Security bonds	1,729,033	1,749,213	734,248	756,332
Closing balance at the end of the reporting period	**1,729,033**	**1,749,213**	**734,248**	**756,332**
Company funded loan plan receivable				
Balance at beginning of reporting period	3,553,291	6,495,930	3,553,291	6,495,930
Proceeds received from repayment of the loans during the period	(4,522)	(2,408,511)	(4,522)	(2,408,511)
Fair value adjustment recognised as an employee benefit expense	–	(669,211)	–	(669,211)
Accretion of interest	–	789,946	–	789,946
Effect of foreign exchange	(15,822)	(654,863)	(15,822)	(654,863)
Expected credit loss	(1,433,420)	–	(1,433,420)	–
Balance at end of reporting period	**2,099,527**	**3,553,291**	**2,099,527**	**3,553,291**

The Company Funded Loan Plan (the "CFLP") is a legacy 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 2023, repayments of US$3,478,278 have been received against the loans provided. As at 30 June 2023, 3 participants remain beneficiaries of the Plan.

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.

The Board of Directors in June 2021 resolved to extend the CFLP until 31 March 2022. 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, the CFLP was extended 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 saw their loan repayments terms extended by periods potentially up until 21 December 2023.

Management has considered the recoverability of the loan based on the movement in the share price over the period and has calculated an expected credit loss of USD$1,433,420 at 30 June 2023 (2022: nil). The Company has the ability to sell the shares, and accordingly the exposure to credit risk is limited to the value of the shares.

Security bonds relate to cash security held against office premises (111 Eagle Street, Brisbane QLD Australia), 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 2023	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	2,261,049	–		–	8,556,178
Accruals/provisions	1,084,728	(32,270)	–	576,679	–	1,629,137
Potential benefit	**7,379,857**	**2,228,779**	**–**	**576,679**	**–**	**10,185,315**
Recognised deferred tax liabilities						
Financial assets held at fair value through other comprehensive income	(832,003)	27,351	–	804,652	–	–
Derivative liabilities	(47,110)	(619,011)	–	–	–	(666,121)
NSR Liability (borrowings)	(4,200,444)	–	–	–	–	(4,200,444)
Exploration and evaluation assets	(2,452,342)	238,976	–	–	–	(2,213,366)
Foreign exchange gains/losses	(3,843,124)	(3,337,962)	–	–	–	(7,181,086)
Property, plant and equipment	(1,069)	893	–	–	–	(176)
IFRS 16 right of use asset	(204,209)	79,643	–	–	–	(124,567)
Potential benefit	**(11,580,301)**	**(3,610,110)**	**–**	**804,652**	**–**	**(14,385,759)**
Net deferred taxes	**(4,200,444)**	**(1,381,331)**	**–**	**1,381,331**	**–**	**(4,200,444)**
Deferred tax assets not recognised						
Unused tax losses	21,296,512	15,892,849	–	–	–	37,189,361
Unused capital losses	–	425,452	–	–	–	425,452
Temporary differences	15,660,869	–	–	–	–	15,660,869
Tax benefit	**36,957,381**	**16,318,301**	**–**	**–**	**–**	**53,275,682**

NOTE 15 DEFERRED TAXATION CONTINUED

Recognised deferred tax assets and liabilities continued

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

COMPANY 2023	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	2,501,561	–	–	6,348,709
Accruals/provisions	341,446	114,084	–	–	455,530
Capital raising costs	662,016	(391,139)	–	576,679	847,556
Other temporary differences	49,200	237,388	–	–	286,588
Potential benefit	**4,899,810**	**2,461,894**	**–**	**576,679**	**7,938,383**
Recognised deferred tax liabilities					
Financial assets held at fair value through other comprehensive income	(832,004)	832,004	–	–	–
Derivative liabilities	(47,111)	(619,011)	–	–	(666,122)
Foreign exchange gains/(losses)	(3,848,385)	(3,337,810)	–	–	(7,186,195)
Property, plant and equipment	(1,069)	893	–	–	176
IFRS 16 right of use asset	(171,241)	85,353	–	–	(85,889)
Potential benefit	**(4,899,810)**	**(3,038,573)**	**–**	**–**	**(7,938,383)**
Net deferred tax liabilities	**–**	**(576,679)**	**–**	**576,679**	**–**
Deferred tax assets not recognised					
Unused tax losses	14,863,578	753,201	–	–	15,616,779
Unused capital losses	–	–	–	–	–
Temporary differences	–	–	–	–	–
Tax benefit	**14,863,578**	**753,201**	**–**	**–**	**15,616,779**

The deferred tax asset in respect of these items has not been recognised as future taxable profit and is not anticipated within the foreseeable future.

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 and is not anticipated within the foreseeable future.

NOTE 16 OTHER RECEIVABLES AND PREPAYMENTS

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Other receivables	2,104,349	1,807,935	14,335	623,282
Taxes receivable	4,614,942	2,592,334	51,361	128,258
Prepayments	201,001	341,887	181,482	310,043
Other receivables and prepayments	**6,920,292**	**4,742,156**	**247,178**	**1,061,583**

Other receivables represent Australian Goods and Services Tax receivable and deposits made to landowners in Ecuador for land purchases. Management has considered the expected credit loss on the deposits to landowners as immaterial and accordingly, no impairment has been recognised at 30 June 2023. 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 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Cash at bank	32,481,606	26,102,133	29,041,499	21,032,524
Cash and cash equivalents in the statement of cash flows	**32,481,606**	**26,102,133**	**29,041,499**	**21,032,524**

NOTE 18 ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES

(a) Authorised Share Capital

	2022 NO. OF SHARES	2022 NOMINAL VALUE £
At 1 July 2021 – Ordinary shares	3,077,201,722	30,772,017
Previous 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**

	2023 NO. OF SHARES	2023 NOMINAL VALUE £
At 1 July 2022 – Ordinary shares	3,375,532,033	33,745,320
Previous increase in authorised capital having expired	(1,529,211,000)	(15,282,110)
Increase in authorised share capital on 22 December 2022	1,530,701,000	15,307,010
At 30 June 2023 – Ordinary shares	**3,377,022,033**	**33,770,220**

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 2021	2,293,816,433	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	**2,293,816,433**	**32,350,699**	**426,793,240**	**459,143,939**

	NO. OF SHARES	NOMINAL VALUE US$	SHARE PREMIUM US$	TOTAL US$
Ordinary shares of 1p each at 1 July 2022	2,293,816,433	32,350,699	426,793,240	459,143,939
Shares issued at £0.241 – Executive share issue	1,336,182	16,572	382,845	399,417
Shares issued at £0.274 – Executive share issue	898,886	10,602	280,439	291,041
Shares issued at $0.20 – Directors share issue 12 December 2022	2,000,000	20,000	380,000	400,000
Shares issued at $0.20 – Jiangxi share issue 12 December 2022	155,000,000	1,550,000	29,450,000	31,000,000
Shares issued at $0.20 – Maxit Capital share issue 12 December 2022	23,000,000	230,000	4,370,000	4,600,000
Shares issued on business acquisition – SolGold Canada Inc.	525,954,360	6,285,372	–	6,285,372
Shares received for nil consideration and cancelled	(898,886)	(10,602)	(280,439)	(291,041)
Share issue costs charge to share premium account	–	–	(1,389,906)	(1,389,906)
Ordinary shares of 1p at 30 June 2023	**3,001,106,975**	**40,452,643**	**459,986,179**	**500,438,822**

NOTE 18 ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES CONTINUED

(c) Other Reserves

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Own shares reserve[1]	(25,389,208)	–	–	–
Merger relief reserve[2]	78,692,861	–	78,692,861	–
Financial assets held at fair value through other comprehensive income	–	2,047,393	–	2,047,393
Share based payment reserve	10,898,248	9,356,670	10,898,248	9,350,670
Other reserves[3]	714,450	(466,305)	–	–
Total Other reserves	**90,305,559**	**10,931,758**	**89,591,109**	**11,398,063**

1 Represents outstanding shares in the Company bought back with the acquisition of Cornerstone Capital Resources Inc.

2 The Group has applied merger relief under section 612 of the Companies Act 2006 as part of the acquisition of Cornerstone Capital Resources Inc.

3 Other reserves include Share based payment reserve and Employee benefit reserve.

Capital Management

The Group's objective when managing capital is to optimise long-term shareholder value, which includes: safeguarding the Group's ability to continue as a going concern; ensuring the Group has sufficient cash available to continue exploration and development activities; and optimising its capital structure to minimize the cost of capital. Management manages share capital and borrowings as capital. Management assesses the Group's financial risks and adjusts its capital structure in response to changes in these risks and in the market and these responses include share issues and borrowing considerations. Given the nature of the Group's current activities, the entity will remain dependent on a combination of equity and borrowed funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources. Management is meeting its capital management objectives by raising sufficient cash to enable the completion of strategic milestones.

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Borrowings (Note 21)	147,018,712	84,076,077	–	–
Equity attributable to owners of the parent company	312,925,789	332,439,678	468,200,169	365,967,980
	459,944,501	**416,515,755**	**468,200,169**	**365,967,980**

NOTE 19 TRADE AND OTHER PAYABLES

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Current				
Trade payables	2,225,163	1,294,293	488,839	885,985
Accrued expenses	4,254,655	1,168,066	4,254,654	760,658
Other payables[1]	6,209,621	4,046,719	735,598	298,327
Trade and other current payables	**12,689,439**	**6,509,078**	**5,479,091**	**1,944,970**

1 Other payables include employee benefits payable and provisions for capitalised exploration and evaluation expenditure.

NOTE 20 LEASES

	GROUP 2023 US$	GROUP 2022 US$	COMPANY 2023 US$	COMPANY 2022 US$
Current liability				
Lease liability	379,239	415,132	299,594	309,668
Balance at the end of the reporting period	**379,239**	**415,132**	**299,594**	**309,668**
Non-current liability				
Lease liability	169,457	326,374	26,164	303,573
Balance at the end of the reporting period	**169,457**	**326,374**	**26,164**	**303,573**

(a) Right-of-Use assets

	GROUP PROPERTY, PLANT & EQUIPMENT US$	COMPANY PROPERTY, PLANT & EQUIPMENT US$
At 1 July 2022	702,681	570,807
Additions	236,456	–
Depreciation	(429,700)	(266,053)
Foreign exchange movements	(7,029)	(18,457)
At 30 June 2023	**502,408**	**286,297**

(b) Lease liabilities

	GROUP US$	COMPANY US$
At 1 July 2022	741,506	613,242
Additions	236,466	–
Interest expense included in statement of profit and loss (note 6)	46,610	34,702
Interest expense capitalised	185	–
Lease payments	(469,427)	(303,906)
Foreign exchange movements	(6,644)	(18,280)
At 30 June 2023	**548,696**	**325,758**

The Group's leasing activities include rental of office premises (111 Eagle Street and Industriestrasse 47), as well as the leasing of various construction equipment in Ecuador.

NOTE 21 BORROWINGS

	GROUP 2023 US$	GROUP 2022 US$
Non-current liability		
Net Smelter Royalty	147,018,712	84,076,077
Balance at the end of the reporting period	**147,018,712**	**84,076,077**
NSR Financing		
Balance at beginning of reporting period	84,076,077	106,574,217
Additions – funds received under new agreements	50,000,000	–
Transaction costs	(205,596)	–
Accrued interest	13,148,231	12,505,564
Remeasurement of amortised cost	–	(35,003,704)
Balance at end of reporting period	**147,018,712**	**84,076,077**
NSR Financing Agreements		
Franco-Nevada Corporation	94,579,463	84,076,077
Osisko Gold Royalties Ltd	52,439,249	–
Balance at end of reporting period	**147,018,712**	**84,076,077**

On 11 September 2020, Franco-Nevada paid 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 bridge loan pursuant to the Bridge Loan Agreement. 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. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid.

Key terms to the financing include:

- Funding amount: US$100 million with upscale option to US$150 million (option has expired)
- 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

Financial liabilities classified at amortised cost are calculated using the Effective Interest Method, which allocates expenses at a constant rate over the term of the investment. The Effective Interest Rate (EIR) is the internal rate of return of the liability at initial recognition through the expected life of the financial liability. 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).

For the year ended 30 June 2022, a remeasurement of US$35,003,704 was recorded against the NSR financial liability, which represented a gain. The remeasurement was triggered by Board approval in April 2022 of the Preliminary Feasibility Study 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 was a non-cash flow book entry accounting for the financial liability at amortised cost.

NOTE 21 BORROWINGS CONTINUED

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.

On 2 December 2022, Osisko Gold Royalties Ltd ("Osisko") paid SolGold US$50 million, the Royalty Purchase Price under a new Royalty Financing Agreement announced on 7 November 2022. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid.

In return for the royalty purchase price, Osisko has been granted a perpetual 0.6% 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 agreement. Financial liabilities classified at amortised cost are calculated using the Effective Interest Method, which allocates expenses at a constant rate over the term of the investment. The Effective Interest Rate (EIR) 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$50 million
- Royalty terms: 0.6% NSR for $50 million
- Buy-back option: A 33.3% buy-back option exercisable at SolGold's election for four years from closing at a price delivering Osisko a 12% IRR. The buy-back option can be exercised annually, in November, subject to the Royalty Financing Agreement.

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, which was consistent with the plan used for the Franco-Nevada NSR Financing Agreement
- Gold price of US$1,700 per ounce
- Copper price of US$7,937 per tonne
- Silver price of US$19.90 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 8.87% (real). The financial liability will be re-measured using the latest QP approved assumptions from the Technical Report.

Management has performed an assessment and considers that the buy-back option is an embedded derivative which needs to be separately accounted for as it is not closely related. However, management has assessed that the fair value of this embedded derivative is nil at 30 June 2023.

The financial liability for both NSRs will be re-measured using the latest QP approved assumptions from the Technical Report when this is materially updated.

NOTE 22 OTHER FINANCIAL LIABILITIES

	GROUP		COMPANY	
	2023 US$	2022 US$	2023 US$	2022 US$
Movements in financial liabilities				
Balance at 1 July	2,387,000	2,926,000	2,387,000	2,926,000
Additions	–	–	–	–
Fair value adjustment through profit or loss	(2,147,000)	(539,000)	(2,147,000)	(539,000)
Balance at 30 June	**240,000**	**2,387,000**	**240,000**	**2,387,000**

Other financial liabilities consist of the derivative liability for options issued to BHP as part of the share subscriptions on 2 December 2019. 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.

NOTE 22 OTHER FINANCIAL LIABILITIES CONTINUED

The following table represents the Group and Company's financial liabilities measured and recognised at fair value.

	US$ LEVEL 1	US$ LEVEL 2	US$ LEVEL 3	US$ TOTAL
2023				
Derivative liability at fair value through profit or loss	–	–	240,000	240,000
2022				
Derivative liability at fair value through profit or loss	–	–	2,387,000	2,387,000

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	2023 £0.37 OPTIONS 30 JUNE 2023	2022 £0.37 OPTIONS 30 JUNE 2022
Number of options (Note 23)	19,250,000	19,250,000
Share price at valuation date	£0.159	£0.292
Exercise price	£0.37	£0.37
Expected volatility	57.3%	65.7%
Time to expiry	1.43 years	2.43 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (short-term)	5.31%	1.91%
Fair value	$0.012	$0.124
Valuation methodology	Monte Carlo Value	Monte Carlo Value

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023/2022	2023 US$	2022 US$
Derivative liability recognised in other comprehensive profit/(loss)	(2,147,000)	(539,000)

NOTE 23 SHARE OPTIONS

At 30 June 2023 the Company had 95,028,125 options outstanding for the issue of ordinary shares (2022: 32,250,000).

Options

Share options are granted to employees under the company's Employee Share Option Plan 2023 ("ESOP") and Directors under the Long-Term Incentive Plan ("LTIP"). The ESOP and LTIP 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 contractual life of each option granted is between two to ten 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 79,778,125 options granted during the year ended 30 June 2023 (2022: 3,000,000).

On 1 July 2022, the Company issued a combined total of 10,000,000 share options over ordinary shares of the company to Mr Darryl Cuzzubbo, former Chief Executive Officer and Managing Director, in accordance with the Company's Directors Remuneration Policy and Long-Term Incentive Plan Rules. The share options were subsequently forfeited on 10 November 2022.

On 24 February 2023, the Company issued a combined total of 33,778,125 replacement share options over ordinary shares of the Company to option holders of Cornerstone. In accordance with the terms of the Arrangement Agreement, 15 SolGold options were granted for every 1 Cornerstone option held by option holders as below:

- 10,303,125 options are exercisable at CAD0.29 and expire on 12 September 2023.
- 6,375,000 options are exercisable at CAD0.27 and expire on 6 August 2024.
- 7,350,000 options are exercisable at CAD0.27 and expire on 10 August 2026.
- 4,125,000 options are exercisable at CAD0.30 and expire on 29 March 2027.
- 5,625,000 options are exercisable at CAD0.22 and expire on 13 July 2027.

On 17 March 2023, the Company issued a combined total of 30,000,000 share options over ordinary shares of the company to Mr Scott Caldwell, Chief Executive Officer and Managing Director, in accordance with the Company's Directors Remuneration Policy and LTIP Rules. The options will vest in three years, subject to applicable Performance Conditions.

On 18 April 2023, the Company issued a combined total of 6,000,000 share options over ordinary shares of the company to Mr Chris Stackhouse, Chief Financial Officer, in accordance with the Company's ESOP Rules. The options will vest in three years, with exercise prices of £0.1982, £0.21 and £0.25.

DATE OF GRANT	EXERCISABLE FROM	EXERCISABLE TO	EXERCISE PRICE	NUMBER GRANTED	NUMBER AT 30 JUNE 2023
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 expired on 26 April 2023	n/a	£0.25	7,000,000	–
2 March 2021	The options vested immediately and are 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 are exercisable through to 15 June 2024	15 June 2024	£0.26	3,000,000	3,000,000
1 July 2022	The options were forfeited on 10 November 2023	n/a	£0.292	4,000,000	–
1 July 2022	The options were forfeited on 10 November 2023	n/a	£0.35	3,000,000	–
1 July 2022	The options were forfeited on 10 November 2023	n/a	£0.50	3,000,000	–
24 February 2023	The replacement options vested and are exercisable through to 12 September 2023	12 September 2023	£0.174	10,303,125	10,303,125
24 February 2023	The replacement options vested and are exercisable through to 6 August 2024	6 August 2024	£0.162	6,375,000	6,375,000
24 February 2023	The replacement options vested and are exercisable through to 10 August 2026	10 August 2026	£0.162	7,350,000	7,350,000
24 February 2023	The replacement options vested and are exercisable through to 29 March 2027	29 March 2027	£0.182	4,125,000	4,125,000
24 February 2023	The replacement options vested and are exercisable through to 13 July 2027	13 July 2027	£0.133	5,625,000	5,625,000

NOTE 23 SHARE OPTIONS CONTINUED

Share options issued continued

DATE OF GRANT	EXERCISABLE FROM	EXERCISABLE TO	EXERCISE PRICE	NUMBER GRANTED	NUMBER AT 30 JUNE 2023
17 March 2023	The options will vest in 3 years and are exercisable to 17 March 2033	17 March 2033	£0.17	30,000,000	30,000,000
18 April 2023	The options will vest in 12 months and are exercisable to 18 April 2033	18 April 2033	£0.1982	2,000,000	2,000,000
18 April 2023	The options will vest in 24 months and are exercisable to 18 April 2033	18 April 2033	£0.21	2,000,000	2,000,000
18 April 2023	The options will vest in 36 months and are exercisable to 18 April 2033	18 April 2033	£0.25	2,000,000	2,000,000
				112,028,125	**95,028,125**

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.

Share based payments

The number and weighted average exercise price of share options are as follows:

	WEIGHTED AVERAGE EXERCISE PRICE 2023	NUMBER OF OPTIONS 2023	WEIGHTED AVERAGE EXERCISE PRICE 2022	NUMBER OF OPTIONS 2022
Outstanding at the beginning of the year	£0.33	32,250,000	£0.53	106,875,000
Exercised during the year	–	–	–	–
Expired/lapsed during the year	£0.25	(7,000,000)	£0.60	(77,625,000)
Forfeited during the year	£0.37	(10,000,000)	–	–
Granted during the year	£0.20	79,778,125	£0.26	3,000,000
Outstanding at the end of the year	£0.22	95,028,125	£0.32	32,250,000
Exercisable at the end of the year	£0.25	59,028,125	£0.32	32,250,000

The options outstanding at 30 June 2023 have an exercise price of £0.133, £0.162, £0.17, £0.174, £0.182, £0.1982, £0.21, £0.25, £0.26, £0.292, £0.35, £0.36, £0.37, £0.50 (2022: £0.25, £0.26, £0.36 and £0.37) and a weighted average contractual life of 4.76 years (2022: 1.97 years).

Share options held by the following individuals are as follows:

SHARE OPTIONS HELD	AT 30 JUNE 2023	AT 30 JUNE 2022	OPTION PRICE	EXERCISE PERIOD
Scott Caldwell	30,000,000	–	£0.17	17/3/2026 – 16/3/2033
Chris Stackhouse	6,000,000	–	£0.1982 – £0.25	18/4/2024 – 17/4/2033
Former Cornerstone option holders	33,778,125	–	£0.133 – £0.182	24/2/2023 – 13/7/2027

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.

NOTE 23 SHARE OPTIONS CONTINUED

Share based payments continued

FAIR VALUE OF SHARE OPTIONS AND ASSUMPTIONS	2023 REPLACEMENT OPTIONS (WEIGHTED AVERAGE) 24 FEBRUARY 2023	2023 £0.17 OPTIONS 17 MARCH 2023	2023 £0.1982 OPTIONS 18 APRIL 2023	2023 £0.20 OPTIONS 18 APRIL 2023	2023 £0.25 OPTIONS 18 APRIL 2023
Number of options	33,778,125	30,000,000	2,000,000	2,000,000	2,000,000
Share price at issue date	£0.203	£0.1758	£0.203	£0.203	£0.203
Exercise price	£0.248	£0.17	£0.1982	£0.21	£0.25
Expected volatility	77.28%	62.887%	61.37%	60.33%	61.34%
Option life (years)	2.42	10	5.5	6.0	6.5
Expected dividends	0.00%	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate	2.56%	3.23%	3.57%	3.56%	3.56%
Fair value	£0.165	£0.073	£0.118	£0.118	£0.116
Valuation methodology	Black-Scholes	Monte Carl	Black-Scholes	Black-Scholes	Black-Scholes

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023	US$	US$	US$	US$	US$
Share based payment expense recognised in statement of statement of profit or loss and other comprehensive income	202,485	263,012	73,116	36,647	24,007

	2023	2022
Share based payment expense recognised in statement of statement of profit or loss and other comprehensive income	998,682	454,336

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY)

Financial instruments by category (Group)

	FINANCIAL ASSETS AT AMORTISED COST (US$)		FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI (US$)	
FINANCIAL ASSETS	2023	2022	2023	2022
Cash and cash equivalents	32,481,606	26,102,133	–	–
Other receivables	2,104,349	1,807,935	–	–
Financial assets at amortised cost	1,729,033	1,749,213	–	–
Loans receivable and other current assets	2,099,527	3,553,291	–	–
Equity investments	–	–	5,328	5,351,844
Total financial assets	**38,414,515**	**33,212,572**	**5,328**	**5,351,844**

	FINANCIAL LIABILITIES AT AMORTISED COST (US$)		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (US$)	
FINANCIAL LIABILITIES	2023	2022	2023	2022
Trade and other payables	6,479,818	1,864,490[1]	–	–
Derivative liability	–	–	240,000	2,387,000
NSR	147,018,712	84,076,077	–	–
Lease liabilities	548,696	741,506	–	–
Total financial liabilities	**154,047,226**	**86,682,073**	**240,000**	**2,387,000**

1 Amount previously reported included balances that were not financial liabilities.

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Financial instruments by category (Company)

	FINANCIAL ASSETS AT AMORTISED COST (US$)		FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI (US$)	
FINANCIAL ASSETS	2023	2022	2023	2022
Cash and cash equivalents	29,041,499	21,032,524	–	–
Other receivables	14,335	623,282	–	–
Financial assets at amortised cost	734,248	756,332	–	–
Loans receivable and other current assets	2,099,527	3,553,291	–	–
Loans with subsidiaries	181,525,074	185,599,916	–	–
Equity investments	–	–	–	5,346,323
Total financial assets	**213,414,683**	**211,565,345**	**–**	**5,346,323**

	FINANCIAL LIABILITIES AT AMORTISED COST (US$)		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (US$)	
FINANCIAL LIABILITIES	2023	2022	2023	2022
Trade and other payables	4,743,494	1,407,250[1]	–	–
Derivative liability	–	–	240,000	2,387,000
Lease liabilities	325,758	613,241	–	–
Total financial liabilities	**5,069,252**	**2,020,491**	**240,000**	**2,387,000**

1 Amount previously reported included balances that were not financial liabilities.

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 2023 and 2022 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 terms 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$649,630 (2022: US$522,043) and the Company's income statement by US$580,830 (2022: 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

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 AU$	US$	TOTAL
2023			
Australian dollar (AU$)	31,508	221,677	253,185
Canadian dollar (CAD)	–	139,292	139,292
Pound Sterling (GBP)	–	138,337	138,337
Swiss franc (CHF)	–	66,286	66,286
Chilean Peso (CLP)	–	13,471	13,471
	31,508	**579,063**	**610,571**

GROUP NET FINANCIAL ASSETS/(LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AU$	US$	TOTAL
2022			
Australian dollar (AU$)	35,890	4,477,773	4,513,663
Solomon Island dollar (SBD)	23	–	23
Canadian dollar (CAD)	–	1,155,292	1,155,292
Pound Sterling (GBP)	–	2,097,138	2,097,138
Swiss franc (CHF)	–	162,691	162,691
	35,913	**7,892,894**	**7,928,807**

COMPANY NET FINANCIAL ASSETS/(LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AU$	US$	TOTAL
2023			
Australian dollar (AU$)	–	95,862	95,862
Canadian dollar (CAD)	–	79,641	79,641
Pound Sterling (GBP)	–	138,337	138,337
	–	**313,840**	**313,840**

COMPANY NET FINANCIAL ASSETS/(LIABILITIES)	FUNCTIONAL CURRENCY OF ENTITY AU$	US$	TOTAL
2022			
Australian dollar (AU$)	–	4,347,334	4,347,334
Canadian dollar (CAD)	–	1,147,090	1,147,090
Pound Sterling (GBP)	–	2,097,138	2,097,138
	–	**7,591,562**	**7,591,562**

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Market risk continued

The main currency exposure relates to the effect of re-translation of the Group's assets and liabilities in Australian dollar (AUD) and the Pound Sterling (GBP). A 10% increase in the AU$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$39,152 (2022: US$734,533) in the Group's net assets and reported earnings. A 10% decrease in the AU$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$23,420 (2022: US$600,981). 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.

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. Credit risk of the CFLP is also linked to market risks due to the Company's underlying shares held as security for repayment of the CFLP.

The banks and their credit ratings with which the Group had cash accounts at 30 June 2023 were US$29,413,786 in cash accounts with Westpac Banking Corporation (A+) in Australia, US$2,645,160 in cash accounts with Banco Guayaquil (B-) in Ecuador, US$11,291 in cash accounts with Produbanco (B-) in Ecuador, US$18,914 in cash accounts with Lloyds Bank (A), US$107,548 in cash accounts with Credit Suisse (C) in Switzerland, US$197,044 in cash accounts with Banco del Pichincha (B) in Ecuador, US$13,471 in cash accounts with Banco Itau (BB) in Chile, US$63,689 in cash accounts with the Royal Bank of Canada (AA-) in Canada and US$10,602 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$39,047,192 (2022: US$30,844,289).

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 2023, the Company had US$29,041,499 in cash and cash equivalents (2022: US$21,032,524) and US$2,099,527 of CFLP receivable (2022: US$3,553,291). The maximum exposure to credit risk at the reporting date was US$31,141,026 (2022: US$24,585,815).

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 CFLP 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 or purchasing 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 perspectivity, 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.

The amounts disclosed in the table are the contractual undiscounted cash flows. 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 overleaf:

NOTE 24 FINANCIAL INSTRUMENTS (GROUP AND COMPANY) CONTINUED

Liquidity risks continued

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES (US$)	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 2023						
Trade payables	6,479,818	–	–	–	–	6,479,818
Borrowings	–	–	–	–	694,054,604	694,054,604
Lease liabilities	205,165	205,165	185,778	–	–	596,108
Derivative liabilities	–	–	240,000	–	–	240,000
Total	**6,684,983**	**205,165**	**425,778**	**–**	**694,054,604**	**701,370,530**

CONTRACTUAL MATURITIES OF FINANCIAL LIABILITIES (US$)	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[1]	–	–	–	–	694,054,604	694,054,604
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**	**694,054,604**	**703,692,188**

1 Amount previously reported at amortized cost and has been corrected to undiscounted future payments.

Fair values

In the Directors' opinion, there is no material difference between the book value and fair value of the Group's and Company's financial instruments, except Borrowings. The Group has determined that the fair value of total Borrowings at 30 June 2023 is US$147,018,712 (2022: US$84,076,077).

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 (US$)	13 MONTHS TO 5 YEARS (US$)	LATER THAN 5 YEARS (US$)
Ecuador[1]	11,957,940	–	–
Queensland	278,752	754,126	–
	12,236,692	**754,126**	**–**

1 Ecuadorian tenement area exploration commitments are made on a calendar year basis. This amount represents the calendar 2023 commitment amount.

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.

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 2023, US$74,741 was paid or owed to Samuel (2022: US$72,205). These amounts are included in Note 5 (Remuneration of Key Management Personnel). The total amount outstanding at year end is US$6,106 (2022: US$6,330).
ii. Mr James Clare (a Director), is a partner in the Canadian law firm, Bennett Jones LLP and also a shareholder in the Company. For the year ended 30 June 2023, Bennett Jones were paid or owed US$1,574,012 (2022: US$301,730) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US$nil (2022: US$nil).
iii. The Company had various commercial agreements with Maxit Capital LP, a shareholder of the Company. For the year ended 30 June 2023, US$5,182,210 was paid to Maxit Capital LP for the provision of advisory services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US$nil (2022: US$nil).
iv. D.R. Loveys and Associates Inc., a service company owned by David Loveys, a director of SolGold Canada Inc. and former Chief Financial Officer for SolGold Canada Inc., provided the Company with accounting and management consulting services. For the year ended 30 June 2023, US$54,849 was paid to D.R. Loveys and Associates Inc. for the provision of advisory services to the Company. The services were based on normal commercial terms and conditions.
v. Computershare Investor Services PLC, a shareholder of the Company provided the Company with share registry services. For the year ended 30 June 2023, US$27,657 was paid (2022: US$27,389). The services were based on normal commercial terms and conditions.
vi. Repayments totalling $US4,522 were made to the Company by former employees as beneficiaries of the of the Company Funded Loan Plan.
vii. Loyer CMS LLC, a consultancy company owned by Harold 'Bernie' Loyer, a former employee, provided management consulting services to the Group. For the year ended 30 June 2023, US$695,513 (2022: nil) was paid to Loyer CMS LLC for the provision of management services, including termination of contract costs. The services were based on normal commercial terms and conditions.

Share and Option transactions of Directors are shown under Notes 5, 18 and 23.

(b) Company

The Company has related party relationships with its subsidiaries (see Note 9 and Note 10), Directors and other key personnel (see Notes 5, 18 and 23).

Subsidiaries

The Company has an investment in subsidiaries balance of US$261,014,637 (2022: US$152,964,303). 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$181,525,074 (2022: US$185,599,916). 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% net smelter royalty 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 approximately US$4,000,000. Fifty percent (50%) of the royalty can be purchased for approximately US$1,000,000 90 days following the completion of a definitive-feasibility study and the remaining 50% of the royalty can be purchased for approximately US$3,000,000 90 days following a production decision. The smelter royalty is considered to be a contingent liability as the Group has not yet completed a definitive-feasibility study at 30 June 2023 and as such there is significant uncertainty over the timing of any payments that may fall due.

The terms of the Term Sheet ("Term Sheet") previously signed between SolGold plc, Cornerstone Capital Resources Inc. ("CGP"), CGP's subsidiary Cornerstone Ecuador S.A. ("CESA"), and Exploraciones Novomining S.A. ("ENSA") is now an internal arrangement due to the Company's acquisition of the remaining shares of CGP executed on 24 February 2023. The amount receivable from CESA and associated provision for impairment was therefore derecognised.

A provision of US$716,170 has been recognised at 30 June 2023 for legal and employee expenses.

There are no other material contingent assets and liabilities.

NOTE 28 ACQUISITION OF CORNERSTONE

On 24 February 2023, SolGold acquired all of the issued and outstanding shares of Cornerstone Capital Resources Inc. ("Cornerstone"), other than Cornerstone Shares already held, directly or indirectly, by SolGold. The acquisition is expected to significantly strengthen the ability of the Group to create value for shareholders by consolidating ownership of the Cascabel Project, along with a robust portfolio of other projects primarily across Ecuador.

Consideration for the acquisition was paid using SolGold shares and options, with Cornerstone Shareholders receiving 15 SolGold shares and options for each Cornerstone share and option (Note 24) respectively. The acquisition consisted of the repurchase of the Group's non-controlling interest in ENSA, the purchase of the Company's own shares and acquisition of Cornerstone's net identifiable assets. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

PURCHASE CONSIDERATION	$US
Cash paid	Nil
Shares issued to shareholders of Cornerstone (94.5%)	84,978,233
Replacement Options of Cornerstone options holders	1,876,910
Total consideration paid	**86,855,143**
Fair value of SolGold's existing ownership in Cornerstone (5.5%)	4,984,731
Less: Consideration for Cornerstone's existing ownership in Exploraciones Novomining S.A (15%)	(64,417,777)
Less: Fair value of Cornerstone's existing ownership in SolGold (6.3%)	(25,389,208)
Total consideration paid for the remaining business	**2,032,890**

The fair value of the 525,954,360 shares issued as part of the consideration paid for Cornerstone was based on the published share price on 24 February 2023 of £0.1352 per share. The fair value of the 33,778,125 replacement options issued was calculated using the Black–Scholes pricing model.

The assets and liabilities recognised as a result of the acquisition are as follows:

CALCULATION OF GOODWILL	$US
Cash and cash equivalents	1,047,190
Financial assets held at fair value through OCI	827
Other receivables and prepayments	1,166,756
Property, plant and equipment	226,622
Trade and other payables	(408,505)
Net identifiable assets acquired	**2,032,890**
Goodwill	**Nil**

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

NOTE 28 ACQUISITION OF CORNERSTONE CONTINUED

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Acquisition-related costs

Acquisition-related costs of US$16,054,495 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

Purchase Consideration – Cash Outflow

INFLOW/(OUTFLOW) OF CASH TO ACQUIRE SUBSIDIARY, NET OF CASH ACQUIRED	$US
Cash consideration	Nil
Less: Balances acquired	
Cash and cash equivalents	1,047,190
Net inflow of cash – investing activities	**1,047,190**

NOTE 29 SUBSEQUENT EVENTS

On 17 July 2023, the Group completed negotiations for the renewal of the mining concession for the Cascabel Project. The Northern Zonal Coordination of the Ministry of Energy and Mines issued the renewal of the Cascabel Mining Concession (Code 402288) for a period 25 years until 2048.

On 20 July 2023, the Group completed negotiations with the Government of Ecuador for the Exploitation Agreement in relation to the Cascabel Project. SolGold plc, through its wholly owned subsidiary in Exploraciones Novomining S.A. negotiated the right to develop the Cascabel Project and produce copper, gold, and silver from the contract area for 33 years, which may be renewed. The Group and the Government of Ecuador agreed to an advanced royalty payment totalling $75 million, with $25 million due upon the concentrator construction start date. The remaining two payments, each of $25 million, will be made on the first and second anniversary, respectively, from the date of the first payment. The actual royalty on net smelter revenues ranges from 3% to 8%. Revenue from the royalties collected by the government will be allocated to productive and sustainable projects through the municipal governments and parish councils of the communities of the Cascabel Project.

In July and August 2023, the Company granted 10,500,000 employee options to various members of management in accordance with the Employee Share Option Plan 2023. The options have exercise prices of £0.17, £0.21 and £0.25 and vest in 12 months, 24 months and 36 months (respectively).

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 FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 2: General disclosures			
2-1	Organisational details	The Story of SolGold: Pages 4 and 5 Throughout this Annual Report 2023	
2-2	Entities included in the organisation's sustainability reporting	SolGold Corporate Structure: Page 2 Notes to the Financial Statements: Page 107	
2-3	Reporting period, frequency and contact point	Chair's Review: Pages 6 and 7 Chief Executive's Review: Pages 8 and 9 Directors' Report: Pages 83 to 87	
2-4	Restatements of information	N/A	
2-5	External assurance	Independent Auditors' Report to the Members of SolGold Plc: Pages 90 to 98	
2-6	Activities, value chain and other business relationships	Business Model: Pages 10 and 11 Engaging with our Stakeholders: Pages 30 to 33 Sustainability Report: Pages 34 to 36 Corporate Governance statement: Pages 50 to 53 Stakeholder engagement: Page 59	
2-7	Employees	Engaging with our Stakeholders: Page 30 to 33 Sustainability Report and TCFD Disclosures: Pages 34 to 47	
2-8	Workers who are not employees	Engaging with our Stakeholders: Pages 30 to 33	
2-9	Governance structure and composition	Corporate Governance Statement: Pages 50 to 53 Executive Management Team: Page 56 Board Leadership and Company Purpose: Pages 57 and 58	
2-10	Nomination and selection of the highest governance body	Risk Management: Pages 22 to 28 Nomination Committee Report: Page 64	
2-11	Chair of the highest governance body	Chair's Review: Pages 6 and 7 Corporate Governance Statement: Pages 50 to 53 Board Leadership and Company Purpose: Pages 57 and 58	
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Statement: Pages 50 to 53 Executive Management Team: Page 56 Board Leadership and Company Purpose: Pages 57 and 58 Division of Responsibilities: Pages 60 to 62 Directors' Report: Pages 83 to 87 Directors' Responsibility Statement: Page 88	
2-13	Delegation of responsibility for managing impacts	Executive Management team: Pages 56 Division of Responsibilities: Pages 60 to 62	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 2: General disclosures continued			
2-14	Role of the highest governance body in sustainability reporting	Environmental, Social and Governance Committee Report: Page 68	
2-15	Conflicts of interest	Division of Responsibilities: Pages 60 to 62	
2-16	Communication of critical concerns	Engaging with our Stakeholders: Pages 30 to 33 Corporate Governance Statement: Pages 50 to 53 Stakeholder Engagement: Page 59	
2-17	Collective knowledge of the highest governance body	Board Leadership and Company Purpose: Pages 57 and 58	
2-18	Evaluation of the performance of the highest governance body	Corporate Governance statement: Pages 50 to 53 Stakeholder Engagement: Page 59	
2-19	Remuneration policies	Directors' Remuneration Policy: Pages 81 and 82	
2-20	Process to determine remuneration	Directors' Remuneration Report: Pages 70 and 71 Annual Report on Remuneration: Pages 72 to 80 Remuneration at-a-Glance: Pages 81 and 82	
2-21	Annual total compensation ratio	Directors' Remuneration Report: Pages 70 and 71 Annual Report on Remuneration: Pages 72 to 80 Remuneration at-a-Glance: Pages 81 and 82	
2-22	Statement on sustainable development strategy	Sustainability Report and TCFD Disclosures: Pages 34 to 47	
2-23	Policy commitments	Non-financial Information Statement: Page 47	
2-24	Embedding policy commitments	Corporate Governance Statement: Pages 50 to 53 Executive Management Team: Pages 56 Board Leadership and Company Purpose: Pages 57 and 58 Division of Responsibilities: Pages 60 to 62	
2-25	Processes to remediate negative impacts	Sustainability Report Grievance Mechanism: Page 44	
2-26	Mechanisms for seeking advice and raising concerns	Corporate Governance Whistle-blower Policy: Page 58	
2-27	Compliance with laws and regulations	Sustainability Report: Pages 34 to 46 Corporate Governance Statement: Pages 50 to 53	
2-28	Membership associations	Sustainability Report and TCFD Disclosures: Pages 34 to 47	
2-29	Approach to stakeholder engagement	Engaging with our Stakeholders: Pages 30 to 33 Stakeholder Engagement: Page 59	
2-30	Collective bargaining agreements	N/A	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 3: Material topics			
3-1	Process to determine material topics	Not available	
3-2	List of material topics	Not available	
3-3	Management of material topics	Not available	
GRI 201: Economic performance			
201-1	Direct economic value generated and distributed	Business Model: Pages 10 and 11 Sustainability Report and TCFD Disclosures: Pages 34 to 47	
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: Page 112	
201-4	Financial assistance received from government	N/A	
GRI 202: Market presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not stated	
202-2	Proportion of senior management hired from the local community	Not stated	
GRI 203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	Not stated	
203-2	Significant indirect economic impacts	Business Model: Pages 10 and 11 Sustainability Report and TCFD Disclosures: Page 43	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Not stated	
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption	Not stated	
205-2	Communication and training about anti-corruption policies and procedures	Not stated	
205-3	Confirmed incidents of corruption and actions taken	Directors' Report: Pages 83 to 87 Independent Auditors' Report to the Members of SolGold Plc: Pages 90 to 98	
GRI 206: Anti-competitive behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 207: Tax			
207-1	Approach to tax	Notes to the Financial Statements: Page 107	
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	Not stated	
301-2	Recycled input materials used	Not stated	
301-3	Reclaimed products and their packaging materials	Not stated	
GRI 302: Energy			
302-1	Energy consumption within the organisation	Sustainability Report and TCFD Disclosures: Page 39	Felipe Castillo
302-2	Energy consumption outside of the organisation	Not available	
302-3	Energy intensity	Sustainability Report: Page 39	Felipe Castillo
302-4	Reduction of energy consumption	Sustainability Report: Page 39	
302-5	Reductions in energy requirements of products and services	Not available	
GRI 303: Water and effluents			
303-1	Interactions with water as a shared resource	Sustainability Report and TCFD Disclosures: Page 40	
303-2	Management of water discharge-related impacts	Sustainability Report and TCFD Disclosures: Page 40	
303-3	Water withdrawal	Sustainability Report and TCFD Disclosures: Page 40	
303-4	Water discharge	Sustainability Report and TCFD Disclosures: Page 40	
303-5	Water consumption	Sustainability Report and TCFD Disclosures: Page 40	
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 and TCFD Disclosures: Page 41	
304-2	Significant impacts of activities, products and services on biodiversity	Sustainability Report and TCFD Disclosures: Page 41	
304-3	Habitats protected or restored	Sustainability Report and TCFD Disclosures: Page 41	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Report and TCFD Disclosures: Page 41	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Sustainability Report and TCFD Disclosures: Page 39	Felipe Castillo
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report and TCFD Disclosures: Page 39	Felipe Castillo
305-3	Other indirect (Scope 3) GHG emissions	Not stated	
305-4	GHG emissions intensity	Sustainability Report and TCFD Disclosures: Page 39	Felipe Castillo
305-5	Reduction of GHG emissions	Sustainability Report and TCFD Disclosures: Page 39	Felipe Castillo
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 and TCFD Disclosures: Page 39	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Sustainability Report and TCFD Disclosures: Page 40	
306-2	Management of significant waste-related impacts	Sustainability Report and TCFD Disclosures: Page 40	
306-3	Waste generated	Sustainability Report and TCFD Disclosures: Page 40	
306-4	Waste diverted from disposal	Sustainability Report and TCFD Disclosures: Page 40	
306-5	Waste directed to disposal	Sustainability Report and TCFD Disclosures: Page 40	
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	
GRI 401: Employment			
401-1	New employee hires and employee turnover	Not stated	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not stated	
401-3	Parental leave	Not stated	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
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 and TCFD Disclosures: Page 42	
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	Not stated	
403-5	Worker training on occupational health and safety	Not stated	
403-6	Promotion of worker health	Not stated	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk Management: Page 23	
403-8	Workers covered by an occupational health and safety management system	Not stated	
403-9	Work-related injuries	Sustainability Report: Page 42	
403-10	Work-related ill health	Not stated	
GRI 404: Training and education			
404-1	Average hours of training per year per employee	Not stated	
404-2	Programmes for upgrading employee skills and transition assistance programs	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 31	
405-2	Ratio of basic salary and remuneration of women to men	Not stated	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	Not stated	
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	
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	Not stated	
413-2	Operations with significant actual and potential negative impacts on local communities	Risk Management: Page 26 Engaging with our Stakeholders: Page 33	
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	

DISCLOSURE		COMMENTARY/SECTION AND PAGE NUMBER REFERENCES FOR THE FY2023 ANNUAL REPORT	EXTERNAL ASSURANCE
GRI 415: Public policy			
415-1	Political contributions	Directors' Report: Page 85	
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 stated	
GRI 418: Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not available	

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BRISBANE HEAD OFFICE:
Level 27, 111 Eagle Street,
Brisbane, Queensland,
Australia 4000

LONDON REGISTERED OFFICE:
1 King Street,
London, United Kingdom,
EC2V 8AU

QUITO CORPORATE OFFICE:
Avenida Coruña E2558 y San
Ignacio, Edificio Altana Plaza,
piso 4 oficina 406, Quito,
Ecuador

www.solgold.com.au