



MANAGEMENT DISCUSSION AND ANALYSIS

2022 FINANCIAL YEAR

For the financial year ended 30 June 2022



This discussion and analysis (this “MD&A”) is management’s assessment of the results and financial condition of SolGold plc (“SolGold” or the “Company”) and its controlled subsidiaries (the “Group”) and should be read in conjunction with the Group’s audited consolidated financial statements for the years ended 30 June 2022 and 2021 and the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”).

Management is responsible for the preparation of the financial statements and this MD&A. Unless otherwise stated, all amounts discussed in this MD&A are denominated in United States dollars.

Mr Jason Ward (CP, B.Sc. Geol.), Exploration Advisor to SolGold and former Head of Exploration for the Group is a “Qualified Person” as defined in NI 43-101 and has reviewed and approved the technical information in this MD&A with respect to all the Group’s properties.

The information included in this MD&A is as of 28 September 2022 and all information is current as of such date. Readers are encouraged to read the Company’s Regulatory News Service (“RNS”) announcements filed on the London Stock Exchange and on the System for Electronic Document Analysis and Retrieval (“SEDAR”) under the Company’s issuer profile.

DESCRIPTION OF BUSINESS

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 focussed on copper-gold exploration and mine development with assets in Ecuador, Solomon Islands and Australia. SolGold is a large and active concession holder in Ecuador and is aggressively 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. Alpala, SolGold’s 85% owned “World Class” (Refer to www.solgold.com.au/cautionary-notice/) flagship copper-gold porphyry project (the “Project”), is located in northern Ecuador.

SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in Exploraciones Novomining S.A. (“ENSA”) and approximately 5.57% (excluding share options and warrants) in TSX-V-listed Cornerstone Capital Resources Inc. (“Cornerstone”), which holds the remaining 15% of ENSA, the Ecuadorean registered company which holds 100% of the Cascabel concession, which includes the Alpala deposit.

RESULTS OF OPERATIONS

LEADERSHIP AND KEY ROLES

- Keith Marshall, Interim CEO stepped down from his role on 1 December 2021. Following an extensive search, Mr Darryl Cuzzubbo was appointed to CEO and Managing Director on 1 December 2021 and was elected to the Board by shareholders at the 2021 AGM. We have further strengthened our workforce during the period, bringing in further valuable technical and corporate experience to SolGold.
- Tania Cashman was appointed Chief People Officer in January 2022 and has over 20 years senior leadership experience with global organisations including BHP and Orica. Tania’s career began in human resources and since then she has worked across many geographies and led several complex, large scale transformation programs, supporting the business through significant change. Tania is responsible for all aspects of SolGold’s people strategy and its critical role in the company’s continued transformation. Tania oversees SolGold’s people agenda including culture and engagement, talent management, capability and development, remuneration as well as organisation effectiveness.
- Steven Botts was appointed to the position of President of SolGold Ecuador in August 2022 (FY2023). He has over 40 years of international mining experience in the development of mining projects, socio-environmental management, and sustainable development. Steven is a deeply experienced leader in cross cultural and international business relations with a proven ability at developing partnerships and delivering projects. Steven has extensive Latin America experience having worked in Argentina, Brazil, Colombia, Ecuador, Mexico, Panama and Peru. He is fluent in English and Spanish and holds a Master of Environmental Policy and Management.

- Harold 'Bernie' Loyer was appointed to the position of Vice President Projects of Ecuador in July 2022 (FY2023). He has over 35 years of international mining experience including over 20 years in Latin America, having worked in Peru, Mexico, Chile and Argentina. He has a proven track record delivering large scale mining projects including Goldcorp's Penasquito Project in Zacatecas, Mexico, Goldcorp's Cerro Negro Project in Santa Cruz, Argentina and Torex Gold's Morelos Project in Guerrero, Mexico. Bernie spent five years at FLSmidth Minerals based in Copenhagen serving as Vice President, Minerals Technology and Chief Product Officer where he was responsible for all global process technology, manufacturing and material handling. Prior to that he served 15 years with BHP, spending the last 10 years in Peru and Chile where he held operational leadership positions. Bernie is a mechanical engineer, fluent in English and Spanish, and holds multiple patents for the design of process and material handling equipment.
- Rufus Gandhi was appointed to the position of General Counsel and Company Secretary in August 2022 (FY2023). He previously worked at Gladstone Ports Corporation where he held the role as the first General Counsel & Company Secretary. In addition to several years as a private practice lawyer with leading law firms, King & Wood Mallesons, O'Melveny & Myers LLP and Slaughter and May LLP, Rufus has previously been Senior Legal Counsel at APA Group and ConocoPhillips (U.K.) Limited. Rufus has over twenty years of legal, company secretarial and corporate governance experience working in multiple jurisdictions including in Australia, UK, Singapore and the US. He was admitted as a solicitor in England and Wales in 2002, admitted as a solicitor in the Supreme Court of Victoria and received a Practising Certificate from Queensland Law Society in 2018.
- Keith Pollocks was appointed Interim Group Chief Financial Officer in August 2022 (FY2023). Keith has extensive international experience leading global finance functions for a range of public and private multinational companies predominantly across banking, infrastructure, resources, and mining. Throughout his career he has held various senior finance and commercial management roles in Australia, Europe, US and Asia and specialised in capital raising, mergers and acquisitions, financial risk management, investor relations and strategic transformation. Keith started his career with Shell International and has recently held CFO roles at Victory Offices (ASX: VOL), Kasbah Resources Limited (ASX: KAS) and Newcastle Coal Infrastructure Group. He is a Chartered Corporate Treasurer and Certified Practising Accountant.
- Luis Mario Sanchez was appointed Finance Director in Ecuador and Luz Castellanos as Human Resources Director in Ecuador.

BOARD CHANGES DURING FY2022

- Darryl Cuzzubbo was appointed Executive Director on 16 November 2021 and CEO and Managing Director of the Company on 1 December 2022.
- Brian Moller was not re-elected to the Board on 15 December 2021.
- Jason Ward resigned from the Board on 13 May 2022.
- Keith Marshall stepped down from his role as Interim CEO on 1 December 2021 and resigned from the Board on 12 August 2022 (FY2023).

EXPLORATION HIGHLIGHTS

The Company continues to pursue its strategy as an integrated explorer and developer, aiming to create maximum value for all shareholders. The Company is applying its exploration blueprint of systematically evaluating its exploration assets across Ecuador, which are held by four wholly owned subsidiaries that are exploring throughout the country. SolGold has identified several high priority copper and gold resource targets, some of which the Company believes have the potential to reach resource definition and feasibility levels in close succession.

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

SolGold's regional exploration programme in Ecuador coordinates multiple highly skilled field teams systematically exploring its concessions throughout the country. The Company's regional concessions are located along the prolific Andean Copper Belt which is renowned as the production base for a significant portion of the world's copper and gold resources. The regional exploration programme currently focusses on a number of high priority projects identified for targeted exploration, of which several are considered core targets that are drill ready.

SolGold has regulatory licencing approvals for scout drilling at five projects including Porvenir and Rio Amarillo. This has been made possible with the government recognising and approving the need, in the Initial Exploration phase, for initial drilling to identify any potential deposit. During the period the Company obtained authorisation to collect water for the Rio Amarillo project.

During the period, SolGold has focused on completing the critical study work and data collection for the Preliminary Feasibility Study ("PFS") at its Cascabel project, which is based on the Alpala deposit containing 9.9Mt Cu, 21.7Moz Au and 92.2Moz Ag. The results of the PFS were announced on 20 April 2022 (see summary results on p.16). The Company also concentrated on continuing to uncover the value in the Company's vast regional exploration portfolio throughout Ecuador and announced the Mineral Resource Estimates ("MRE") for the Tandayama-America deposit at Cascabel and the Cacharposa deposit at the Porvenir project.

Figure 1 - Overview of Priority Projects and drill ready Core Targets from SolGold's Regional Exploration portfolio in Ecuador

Subsidiary	Priority Project	Priority Targets	Core Targets
Carnegie Ridge Resources S.A.	Chical	Esperanza, Espinosa	Further work required
Carnegie Ridge Resources S.A.	Rio Amarillo*	Varela, Palomar, Chalanes	Varela
Valle Rico Resources S.A.	Salinas	Target #1	Further work required
Cruz Del Sol S.A.	Cisne Victoria	Victoria	Further work required
Cruz Del Sol S.A.	Coangos	Further work required	Further work required
Cruz Del Sol S.A.	Helipuerto	Tinkimints, Marbela, San Vicente, Cazador	Further work required
Green Rock Resources S.A.	Chillanes	Central Chillanes	Further work required
Green Rock Resources S.A.	Cisne Loja	Celen	Celen
Green Rock Resources S.A.	Porvenir*	Cacharposa, Eudis, Balmore, Bartolo, Merino	Cacharposa
Green Rock Resources S.A.	Timbara	Tunantza	Further work required

* Received regulatory licencing approvals for scout drilling



Figure 2 - SolGold actual drilling across Ecuador (metres drilled)

PROJECT	PROSPECT	FY21 Total	FY22 Q1	FY22 Q2	FY22 Q3	FY22 Q4	FY22 Total	Grand Total
Cascabel	Alpala	28,273	604	-	-	-	604	244,842
	Tandayama-America	12,640	9,127	8,180	1,159	768	19,234	31,874
	Moran	-	-	-	-	1,400	1,400	1,400
	Aguinaga	2,319	-	-	-	-	-	9,577
	Other	-	-	-	-	-	-	4,722
Porvenir	Cacharposa	15,224	4,073	2,867	263	-	7,203	22,427
	Mula Muerte	-	-	1,974	144	-	2,118	2,118
Rio Amarillo	Varela	-	1,062	2,164	517	-	3,743	3,743
Blanca	Cielito	-	-	-	-	-	-	800
	Cerro Quiroz	1,774	601	-	-	-	601	2,375
La Hueca	Target #6	1,558	-	-	-	-	-	1,558
Sharug	Santa Martha	-	1,463	1,010	-	-	2,473	2,473
	Quillosisa	-	-	421	-	-	421	421
Grand Total		61,788	16,930	16,615	2,083	2,168	37,796	328,380

COVID-19

During this period, the PTC-COVID-18 protocol on "progressive and safe return to work activities" was updated in April, bringing into effect a requirement for the 3rd dose of Covid-19 vaccination for all personnel entering SolGold operations. Changes in this protocol were developed such as the suspension of PCR tests as a requirement for staff to enter the camp, except for specific cases, and the use of antigen tests to detect Covid cases in symptomatic staff was introduced.

The decision to suspend PCR testing was made due to the drop in Covid-19 cases nationwide including in the communities where SolGold operates. However, through the use of antigen tests, cases of workers who showed symptoms were monitored. In the event that a worker tested positive for antigens, this worker was evacuated to avoid further contagion. To verify that the result of the antigen test is positive, the worker has to check with an RT-PCR test after leaving the camp. During this period, few cases of Covid-19 have been confirmed and the downward trend has been significant.

The occupational health survey is required from everyone before entering the projects and is tracked in reports through Google Forms that is maintained as a control record. The medical team regularly review and remind staff of biosafety measures: use of a mask, hand washing and disinfection, social distancing, disinfection of work environments, ventilation of areas.

Finally, the medical and social teams promote the administration of the third dose of the Covid-19 vaccine in the communities around the projects.



HUMAN RESOURCES

SolGold remains committed to establishing and implementing sustainable practices and building the foundations for a positive legacy for all stakeholders. Providing equal opportunities and having a largely local workforce makes SolGold a strong contributor to the local economy.

In June 2022, SolGold commissioned an independent organisation to conduct a Culture Review to ensure we are on the right path to success as a business and a team. The aim of the Review was to identify what is working well within our business so that we can build on those strengths; and identify the areas in which we need to improve. We are committed to learning from this Review to continue to build a strong culture, based on shared values that we can all be proud of as we move into our next stage.

SolGold recognises that the development, retention and wellness of our employees is a fundamental pillar to SolGold's success, sustainability as a business and growth of Ecuador's mining industry. Our people are incredibly important to us, and we strive to consistently and fairly provide mentorship, empowerment and encouragement in each role for each employee to reach their full potential. We believe constant growth, internal opportunities and development programmes improve employee morale, productivity and career satisfaction which ultimately contributes to the Company's overall success. The total number of individuals trained in FY2022 was 286 and the average hours of training per year per employee was 10.48 hours.

As at 30 June 2022, SolGold employed 894 employees of whom 99% are Ecuadorean and 15% of the total workforce in Ecuador are female. Additionally, SolGold employs a minimum of 2.7% employees registered with the Ecuadorean Government as disabled. SolGold employs 12 people in Australia, 4 in the United Kingdom and 1 in Switzerland. 57 Ecuadorean employees have a science degree in geology, giving SolGold a significant advantage exploring this highly prospective and gold-rich section of the Andean Copper Belt.

HEALTH AND SAFETY

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

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

In the reporting period, there were a total of four (4) Lost Time Incidents ("LTI") and only minor accidents that did not generate any extensive harm. These accidents were taken care of with first aid and medical treatment. The Total Recordable Injury Frequency Rate per one million hours worked ("TRIFR") was: 4.33.

ENVIRONMENT

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

Environmental supervision is carried out by a team that includes field workers, environmental supervisors, and the senior management. This ensures the activities of the Company are aligned with sustainable development. As part of the Pre-

Feasibility Study completed in April for the Cascabel project, SolGold followed international environmental standards such as the International Finance Corporation (“IFC”) principles to ensure environmental compliance is met. As a measure of our commitment to ensuring good stewardship of the environment, we have increased our total environmental spend in the reporting period under review. The total environment spend in FY2022 was US\$2.06 million. The environmental spend included all expenses generated by the environmental department, (but not limited to) grey water treatment, plant nurseries, waste management & inspections, rehabilitation, emergency response, environmental monitoring, audit reports, and other miscellaneous expenses. This year’s environmental spend represents an all-time high for SolGold’s total environmental spend as we move closer to becoming a development company.

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

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

For the year ended 30 June 2022, the intensity ratio for the Cascabel and regional exploration operations was 0.08mtCO₂e/metre drilled. The total carbon emissions for Scope 1 and Scope 2 emissions for Cascabel and regional exploration operations was 2,133 MtCO₂e.

COMMUNITY

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

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

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

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

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

The key to acquiring and maintaining a social licence to operate is through communication, engagement, consultation, and education with local stakeholders. SolGold is continuously engaging with communities to resolve conflict and improve external relationships. Dialogue is a constant learning process through which the Company reports on developments and

welcomes suggestions of the communities as long as they are framed in the law and are environmentally and socially acceptable. To this end, the grievance mechanism for complaints, claims and requests for information has been developed, among others, which is available through various means for our communities and other stakeholders. As at 30 June 2022, 1,660 stakeholder meetings were held with community members and a total of 9 grievances were reported by the community in the year, all of which were successfully resolved.

As at 30 June 2022 the total spending on socioeconomic development projects was US\$820,256.

FINANCE

At 30 June 2022, the Group had cash and cash deposits of US\$26,102,133.

SUBSEQUENT EVENTS

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

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

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

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

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

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.

OPERATING RESULTS

The Group incurred a loss after tax of US\$1,701,565 and a loss per share of 0.1 cents per share for the financial year ended 30 June 2022 compared to a loss after tax of US\$23,772,089 (restated) and loss per share of 1.1 cents per share for the financial year ended 30 June 2021. Expenses incurred during the financial year ended 30 June 2022 were US\$21,427,203 compared to US\$13,743,264 (restated) for the financial year ended 30 June 2021. The movement in administrative expenses over the prior year was due to a number of factors, the most notable of which are:

Exploration costs written-off were US\$3,858,024 for the financial year ended 30 June 2022 compared to US\$884,330 for the financial year ended 30 June 2021. Exploration costs written off during the financial year ended 30 June 2022 represent USD\$227,846 of incorrectly capitalised costs associated with the misappropriation of funds and USD\$3,630,178 of exploration costs.

Administrative and consulting expenses were US\$17,569,179 for the financial year ended 30 June 2022 compared to US\$12,858,934 for the financial year ended 30 June 2021. Overall administrative expenses have increased from 2021, including the following noteworthy costs:

- Employee benefit expenses of US\$5,112,716 (2021: US\$3,182,529) were incurred during the financial year ended 30 June 2022. The increase in employee benefit expenses is attributable to the strategic employment of new senior management in both Australia and the UK and the payment of annual bonuses.
- Insurance costs of US\$3,215,136 (2021: US\$3,464,139) representing a decrease over the prior year as a result of the cancellation of the Company's Political Risk Insurance policy across all subsidiaries in Ecuador in 2022.
- Unrealised foreign exchange loss of US\$965,591 (2021: gain US\$1,790,057) resulted from the United States dollar strengthening against both the AUD and GBP, of which the Group holds a portion of its treasury in. As the Group holds most of its cash and cash equivalents in US dollars the foreign exchange exposure on these funds has been mitigated.
- Share based payments expense of US\$454,336 (2021: US\$315,436) represents the fair value of 3,000,000 unlisted share options granted during the financial year which vested immediately. The share-based payments expense is also impacted by the valuation assumptions used to fair value the options on the date of grant.

Derivative liabilities in the financial year ended 30 June 2022 were measured at fair value as a gain of US\$539,000 compared to a loss of US\$613,746 for the financial year ended 30 June 2021. The movement represents the fair value remeasurement of the options granted to BHP as part of the December 2019 placement, measured at 30 June 2022. Since the options issued to BHP were not granted in exchange for goods or services and were exercisable in a currency other than the functional currency, the options were treated as a derivative financial liability measured at fair value on the date of grant and are remeasured at each reporting period.

Financial liabilities in the financial year ended 30 June 2022 were remeasured at amortised cost and resulted in a gain of US\$35,003,704. The movement represents the amortised remeasurement on the NSR due to the change in the underlying model on which the initial recognition was based. The initial model was based on the PEA and in April 2021 when the PFS was finalised, the financial liability was remeasured.

Finance costs for the financial year ended 30 June 2022 were US\$12,570,180 compared to US\$10,061,787 for the year ended 30 June 2021. The predominate increase in finance costs relates to the effective interest charge calculated on the NSR Financing Agreement, of US\$12,505,564, a non-cash item, which was only amortised for 8.5 months for the year ended 30 June 2021. Payments under the NSR are due in either late 2028 or when production begins, whichever is earlier.

Finance income was US\$839,140 for the financial year ended 30 June 2022 compared to US\$454,575 for the financial year ended 30 June 2021. The interest income comprises US\$49,194 received from Banking Institutions on short term deposits and US\$789,946 from the accretion of interest on the Company Funded Loan Plan.

Other income was US\$454,077 for the financial year ended 30 June 2022 compared to US\$344,565 for the financial year ended 30 June 2021. Other income represents US\$184,710 rent received from the subletting of office space at 111 Eagle Street Brisbane, US\$254,748 representing previous foreign exchange gains not recorded, and a gain on disposal of PP&E of US\$14,619.

The operating variances for the period were:

For the financial year ended 30 June	2022 US\$	2021 US\$ restated	Variance US\$
Expenses			
Exploration costs written-off	(3,858,027)	(884,330)	(2,973,694)
Administrative expenses	(17,569,179)	(12,860,193)	(4,708,986)
Operating loss	(21,427,203)	(13,744,523)	(7,682,680)
Other income	454,077	344,565	109,512
Finance income	839,140	454,575	384,565
Finance costs	(12,570,180)	(10,061,787)	(2,508,393)
Movement in fair value of derivative liability	539,000	(613,746)	1,152,746
Remeasurement of amortised cost of financial liability	35,003,704	-	35,003,704
Gain / (loss) before tax	2,838,538	(23,620,916)	26,459,454
Tax (expense) / benefit	(4,540,103)	(151,173)	(4,691,276)
Gain / (loss) for the period	(1,701,565)	(23,772,089)	22,070,524
Other comprehensive profit / (loss)			
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations	(702,938)	670,049	(1,372,987)
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post-employment benefits ¹	165,729	(50,378)	216,107
Change in fair value of financial assets net of tax	(1,205,636)	1,198,986	(2,404,622)
Other Comprehensive (loss) / profit, net of tax	(1,742,845)	1,818,657	(3,561,502)
Total comprehensive (loss) / income for the period	(3,444,410)	(21,953,432)	18,509,022

¹ Remeasurement of Ecuadorian post-employment benefits

FINANCIAL POSITION

Total assets at 30 June 2022 were US\$429,162,611 compared to US\$452,553,028 (restated) at 30 June 2021, representing a decrease of US\$23,390,417.

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

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

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

Current liabilities at 30 June 2022 were US\$6,924,210 compared to US\$8,183,405 at 30 June 2021 representing a decrease of US\$1,259,195. Trade and other payables decreased by US\$1,338,578.

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

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

SELECTED FINANCIAL DATA

The Company prepares its consolidated annual financial statements in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") applied in accordance with the provisions of the Companies Act 2006. The following table provides selected annual financial information derived from the most recently completed financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the periods below.

Year ended 30 June	2022 US\$	2021 US\$ restated	2020 US\$ restated
Operations			
Loss for the year after tax	(1,701,565)	(23,770,830)	(16,501,272)
Total comprehensive loss for the year			
Owners of the parent company	(1,587,497)	(23,557,131)	(16,445,497)
Non-controlling interest	(114,068)	(213,699)	(55,775)
Basic and diluted loss per share (cents per share)	(0.1)/(0.1)	(1.1)/(1.1)	(0.9)/(0.9)
Balance Sheet			
Working capital	27,888,502	113,762,325	43,718,966
Total assets	429,162,611	452,555,338	303,435,961
Total liabilities	97,914,105	118,290,836	24,810,414
Distributions or cash dividends declared per share	Nil	Nil	Nil



SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with 30 June 2022. Financial information is prepared in accordance with IFRS as issued by the IASB and is reported in United States Dollars.

Quarter ended	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
	US\$	US\$	US\$	US\$
			restated	restated
Gain / (loss) for the quarter after tax	25,399,313	(9,042,377)	(7,270,260)	(10,788,241)
Net gain / (loss) per share (cents per share)	0.8	(0.4)	(0.3)	(0.5)
Gain / (loss) for the quarter after tax attributable to the owners of the parent	25,555,688	(9,009,202)	(7,251,888)	(10,742,095)
Net gain / (loss) per share attributable to the owners of the parent (cents per share)	0.8	(0.4)	(0.3)	(0.5)

Quarter ended	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020
	US\$	US\$	US\$	US\$
	restated	restated	restated	restated
Gain / (loss) for the quarter after tax	(8,861,833)	(5,619,254)	(7,123,531)	(2,167,471)
Net gain / (loss) per share (cents per share)	(0.4)	(0.3)	(0.3)	(0.1)
Gain / (loss) for the quarter after tax attributable to the owners of the parent	(8,701,606)	(5,619,254)	(7,099,989)	(2,137,541)
Net gain / (loss) per share attributable to the owners of the parent (cents per share)	(0.4)	(0.3)	(0.3)	(0.1)

Net loss presented over the eight quarters generally reflects general and administrative costs which includes unrealised foreign exchange gains and losses, share-based payment expenses and finance costs including non-cash interest charges.

EQUITY FINANCING

During the financial year ended 30 June 2022, the Company issued the following equity:

- On 24 February 2022, the Company issued 3,000,000 unlisted share options over ordinary shares of the Company to an employee in line with an executive service agreement. The options are exercisable at £0.26 and expire on 15 June 2024.

EXPLORATION AND EVALUATION ASSETS

Total capitalised expenditures on exploration and evaluation assets at 30 June 2022 were US\$365,579,484 compared to US\$303,839,893 (restated) at 30 June 2021. Exploration expenditure of US\$66,294,083 was incurred during the financial year ended 30 June 2022 compared to US\$77,172,574 during the financial year ended 30 June 2021.

An impairment charge of US\$3,858,024 was recognised which also includes US\$227,846 associated costs that had been incorrectly capitalised due to the misappropriation (June 2021: US\$884,330, includes US\$879,977 of incorrectly capitalised costs), refer Note 1(b)(ii) in the Financial Statements.

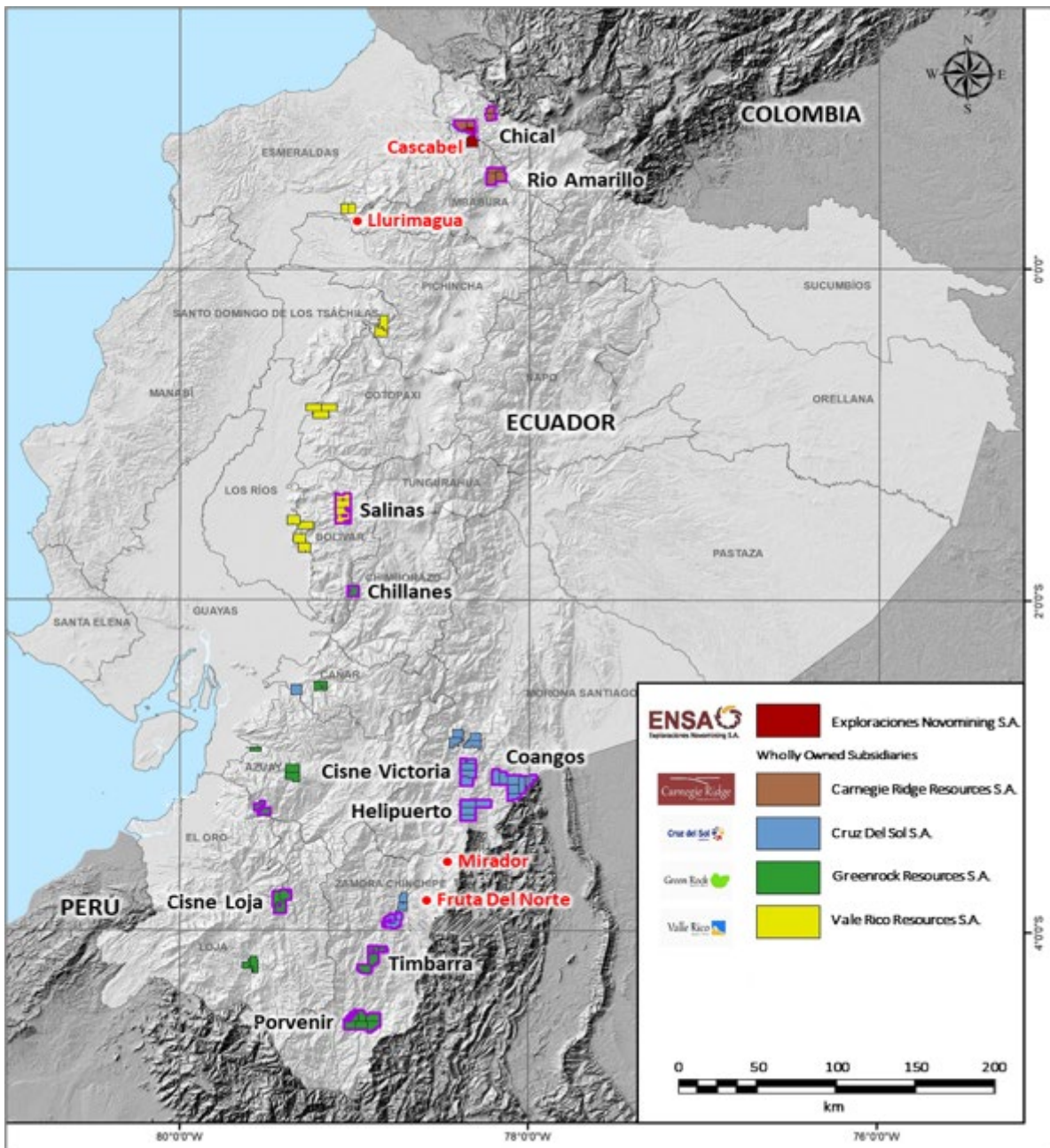
The following table represents the capitalised expenditures on exploration and evaluations to date by project area.

Project	Capitalised at 30 June 2021 US\$ Restated	Capitalised during the year ending 30 June 2022 US\$	Impairment during the year ending 30 June 2022 US\$	Incorrect capitalised costs during the year ending 30 June 2022	Foreign exchange impact during the year ending 30 June 2022 US\$	Capitalised at 30 June 2022 US\$
Cascabel	224,863,512	35,260,125	-	(227,846)	-	259,895,791
Ecuador Exploration	68,119,089	30,770,110	(3,630,178)	-	-	95,259,021
Australia	10,430,940	53,488	-	-	(652,539)	9,831,889
Solomon Islands	426,352	210,360	-	-	(43,929)	592,783
TOTAL	303,839,893	66,294,083	(3,630,178)	(227,846)	(696,468)	365,579,484

PROJECT ACTIVITIES

The Alpala deposit at the Cascabel project in northern Ecuador, with its 1km-plus copper-gold-silver intersections, is the first of potentially many discoveries in the country. The release during the period of the Mineral Resource Estimates for the Tandayama-America deposit at Cascabel and the Cacharposa deposit at the Porvenir project is a testament to the quality of the Company's exploration portfolio. The Company's focus since 2012 has been on the riches of the underexplored section of the Andean Copper Belt in Ecuador. In addition to the Tier 1 Cascabel project, SolGold has identified a number of highly prospective priority projects throughout Ecuador and is exploring these in parallel with the development of Cascabel. Activities conducted on the priority projects are described by subsidiary in the following sections.

Figure 3 - Overview of SolGold concessions throughout Ecuador



EXPLORACIONES NOVOMINING S.A.

Cascabel Project

Location:	Imbabura province, Northern Ecuador
Ownership:	85%
Subsidiary:	Exploraciones Novomining S.A.
Tenement area:	50 km ²
Primary Targets:	Copper gold porphyry

The Cascabel project base is located at Rocafuerte in northern Ecuador, approximately three hours' drive north of the capital Quito, close to water, power supply and Pacific ports. Having fulfilled its earn-in requirements, SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in ENSA which holds 100% of the Cascabel tenement covering approximately 50km², and subject to a 2% net smelter return royalty held by Santa Barbara Resources Ltd which may be purchased for US\$4.0 million in two stages, the latest following a production decision. Following the completion of a Definitive Feasibility Study by ENSA, Cornerstone, which currently holds a 15% interest in ENSA, will be obligated to contribute to the funding of ENSA.

During the year ended 30 June 2022, the Group capitalised US\$35,260,125 on the Cascabel project.

At the Tandayama-America deposit drilling totalled 19,234m during the year and drilling commenced at the Moran target with 1,400m drilled in the quarter ended 30 June 2022.

Figure 4 - Major activities undertaken in the reporting period

<p>Drilling</p> <ul style="list-style-type: none"> Alpala Tandayama-America Moran 	<p>In the year ended 30 June 2022 604m of drilling was completed at Alpala, 19,234m at TAM and 1,400m at Moran. Key activities during the period include:</p> <ul style="list-style-type: none"> Sampling for advanced characterisation, metallurgical parameterisation, variability and confirmation testwork Geotechnical sample laboratory testing and interpretation Acoustic emissions stress measurements sampling and interpretation Resource drilling Updating of interpretation of 3D geology and alteration models Resource modelling and reporting Logging and collection of geotechnical parameters and samples for lab testwork
Water monitoring	<p>Site-wide hydrological monitoring and hydrogeological monitoring in and around the Alpala deposit and potential infrastructure sites. This work includes:</p> <ul style="list-style-type: none"> Installation of additional piezometers Surface, near surface and underground water monitoring Water chemistry sampling
Geotechnical	<p>Geological and geotechnical site investigations for areas identified for project infrastructure including:</p> <ul style="list-style-type: none"> Detailed surface mapping Geotechnical drilling and logging In-situ geotechnical tests Geotechnical sampling for geotechnical lab testwork Metallurgical testwork
Environmental	<p>Major environmental activities completed in this period include:</p> <ul style="list-style-type: none"> Submission of compliance reports to the Ministry of Environment and Water (MAAE) Monthly monitoring of water and sediment quality in the main rivers of the mining concession Semi-annual monitoring of environmental noise, air quality, sedimentable particles and vibrations Semi-annual biotic monitoring of flora and fauna Environmental rehabilitation of intervened areas for the construction of platforms and pits

Ancillary programmes	<ul style="list-style-type: none"> • Ongoing geomorphological risk management including stability monitoring at identified locations (observations did not identify significant movement) • Surface mapping campaign over proposed infrastructure locations • Sampling for geochemical characterisation across multiple locations
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Cascabel Pre-Feasibility Study

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

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

- After-tax NPV and IRR of US\$2.9bn and 19.3%, respectively
- Payback of 4.7 years from start of operations
- Initial 26-year operating life and 25Mtpa process plant throughput with an expandable Life-of-Mine potential to greater than 50 years
- Total ore production of 558Mt, containing 3.3Mt Cu, 9.4Moz Au and 30Moz Ag
- Process plant producing 2.8Mt Cu, 7.6Moz Au and 21.7Moz Ag over the initial 26-year life of the project
- Average annual production for initial cave of 132ktpa Cu, 358kozpa Au and 1.0Mozpa Ag
- All In Sustaining Cost ("AISC") of US\$0.06 /lb Cu over the initial 26-year mine project
- Average annual production in the five years following initial cave ramp up of approximately 190ktpa Cu, 680kozpa Au and 1.3Mozpa Ag (330ktpa CuEq) at a negative AISC of US1.38/lb
- Total after-tax free cash flow generation of US\$14.4bn and averaging over US\$1.3bn per year in the first five years post ramp-up
- Estimated initial capital expenditure of US\$2.7bn for the initial cave development, first process plant module and infrastructure with first ore production expected in mid-2029

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

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

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

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

Cascabel Mineral Resource and Mineral Reserve Estimates

Alpala Mineral Resource Estimate (MRE#3)

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

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

The Inferred category contains an additional 1.3 Mt Cu and 1.9 Moz Au.

Cut-off grade	Mineral Resource category	Mt	Grade				Contained metal			
			CuEq (%)	Cu (%)	Au (g/t)	Ag (g/t)	CuEq (Mt)	Cu (Mt)	Au (Moz)	Ag (Moz)
0.21%	Measured	1,192	0.72	0.48	0.39	1.37	8.6	5.7	15.0	52.4
	Indicated	1,470	0.37	0.28	0.14	0.84	5.5	4.2	6.6	39.8
	Measured + Indicated	2,663	0.53	0.37	0.25	1.08	14.0	9.9	21.7	92.2
	Inferred	544	0.31	0.24	0.11	0.61	1.7	1.3	1.9	10.6
	Planned dilution	5	0.00	0.00	0.00	0.00	0.0	0.0	0.0	0.0

Notes:

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

Alpala Mineral Reserve Estimate

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

Mineral Reserve category	Mt	Grade			Contained metal		
		Cu (%)	Au (g/t)	Ag (g/t)	Cu (Mt)	Au (Moz)	Ag (Moz)
Probable	558	0.58	0.52	1.65	3.26	9.37	30
Total	558	0.58	0.52	1.65	3.26	9.37	30

Notes:

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

Tandayama-America Mineral Resource Estimate

The TAM maiden MRE, released on 19 October 2021 comprised 17,535m of diamond drilling from holes 1-23, 458m of surface rock-saw channel sampling from 72 outcrops, and 14,566m of final assay results from holes 1-18. The TAM deposit lies approximately 3km north of the Alpala deposit.

The TAM porphyry copper-gold deposit contains a total Mineral Resource of 233.0Mt @ 0.33% CuEq for 0.53Mt Cu, and 1.20Moz Au in the Indicated category, plus 197.0Mt @ 0.39% CuEq for 0.52Mt Cu, and 1.24Moz Au in the Inferred category.

Mining Method	Cut-off Grade (CuEq %)	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
				Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16	Indicated	201.0	0.22	0.16	0.33	0.45	1.06	0.66
		Inferred	61.8	0.25	0.30	0.44	0.16	0.59	0.27
Underground	0.28	Indicated	32.0	0.26	0.14	0.35	0.08	0.14	0.11
		Inferred	135.2	0.27	0.15	0.37	0.37	0.65	0.50
Total Indicated			233.0	0.23	0.16	0.33	0.53	1.20	0.77
Total Inferred			197.0	0.27	0.20	0.39	0.52	1.24	0.77

Notes:

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

CARNEGIE RIDGE RESOURCES S.A.

Rio Amarillo

Location: Imbabura province, northern Ecuador
 Ownership: 100%
 Subsidiary: Carnegie Ridge Resources S.A.
 Tenement Area: 3 concessions, 123 km²
 Primary Targets: Copper porphyry

SolGold's 100%-owned Rio Amarillo project in northern Ecuador lies approximately 30km southeast of the Company's flagship Alpala porphyry copper-gold-silver deposit. The Rio Amarillo project comprises three concessions, Rio Amarillo 1, 2 & 3.

Drilling commenced in August 2021 at the Varela copper-gold porphyry target and the first drill hole RDH-21-001 was stopped at 1,708m. This hole intersected strong potassic and intermediate argillic alteration with abundant B type veins with chalcopyrite, pyrite and molybdenum.

Partial assays were reported to 830m in hole 1 at the Varela target, Rio Amarillo project, returning 72.0m @ 2.16 g/t Au, including 24.0m @ 5.77 g/t Au. No significant gold or copper intervals were intersected below 830m depth.

Drilling of the second drillhole was completed at the end of December 2021 at a depth of 1,500m and a third hole completed at 534m. No significant assay results have been received to date. In late January 2022, all drilling activities were suspending pending a review of results and follow-up fieldwork at both the Varela and Paloma targets.

Blanca

Location:	Carchi province, northern Ecuador
Ownership:	100%
Subsidiary:	Carnegie Ridge Resources S.A
Tenement area:	2 concessions, 74 km ²
Primary Targets:	Epithermal gold

601m was drilled during the period in the quarter ended 30 September 2021 at the Cerro Quiroz target. No new exploration activities were conducted at the Blanca project.

CRUZ DEL SOL S.A.

Helipuerto

Location:	Morona Santiago province, south-eastern Ecuador
Ownership:	100%
Subsidiary:	Cruz Del Sol S.A.
Tenement Area:	4 concessions, 184 km ²
Primary Targets:	Porphyry & epithermal copper-gold

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

Extensive and systematic geological and geochemical field programmes are continuing at Helipuerto with an initial focus on the delineation of the size and tenor of the Tinkimints copper prospect including mapping and sampling of the area directly south of Solaris's Warintza copper-gold porphyry discovery that abuts SolGold's Helipuerto concessions.

GREEN ROCK RESOURCES S.A.

Porvenir

Location:	Zamora Chinchipe province, southern Ecuador
Ownership:	100%
Subsidiary:	Green Rock Resources S.A.
Tenement area:	7 concessions, 244km ²
Primary Targets:	Copper-gold porphyry

The Porvenir project is located approximately 100km north of the Peruvian border, in Southern Ecuador. The Cacharposa porphyry copper-gold deposit is part of a 1,700m long northerly-trending mineralised corridor, up to 1,000m wide.

A total of 7,203m of drilling was completed during the period at the Cacharposa deposit and two holes were completed in early January 2023 at the Mula Muerta prospect totalling 2,118m. Extensive and systematic geological and geochemical field programmes continued at numerous satellite targets within the Porvenir project.

Porvenir Mineral Resource Estimate

The Cacharposa maiden MRE, released on 15 December 2021 and Technical Report on 31 January 2022 comprised 18,635.7m of diamond drilling from holes 1-23, 439.6m of surface rock-saw channel sampling from 23 outcrops, and 16,982.4m of final assay results from holes 1-20.

The Cacharposa porphyry copper-gold deposit contains a total Mineral Resource of 396.8Mt @ 0.44% CuEq^[1] for 1.40 Mt Cu, and 1.80 Moz Au in the Indicated category, plus 96.9 Mt @ 0.37% CuEq for 0.28 Mt Cu, and 0.38 Moz Au in the Inferred category, using a cut-off grade of 0.16% CuEq.

The NI 43-101 technical report on the Mineral Resource Estimate for the Cacharposa deposit can be found at the following link: <https://www.sedar.com/DisplayCompanyDocuments.do?lang=EN&issuerNo=00043090>

Mineral Resource Statement (effective date 26 October 2021)									
Potential Mining Method	Cut-off Grade (Cu Eq %)	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
				Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16	Indicated	396.8	0.35	0.14	0.44	1.40	1.80	1.75
		Inferred	96.9	0.29	0.12	0.37	0.28	0.38	0.36

Notes:

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

Sharug

Location: Azuay province, southwest Ecuador
 Ownership: 100%
 Subsidiary: Green Rock Resources S.A.
 Tenement Area: 2 concessions, 58 km²
 Primary Targets: Copper-gold porphyry

Santa Martha Target

Drilling commenced in August 2021 at the Santa Martha copper-gold porphyry target testing extensive coincident surface geochemical and geophysical anomalies. Drilling concluded in December 2021 at the Santa Martha and Quillosisa copper-gold porphyry targets completing an initial six-hole programme testing extensive coincident surface geochemical and geophysical anomalies. Results have been returned from all six holes with no significant results.

Cisne Loja

Location: Loja province, southern Ecuador
 Ownership: 100%
 Subsidiary: Green Rock Resources S.A.
 Tenement area: 3 concessions, 147 km²
 Primary Targets: Epithermal gold and silver, porphyry copper-gold

At the Cisne Loja project, field geological, structural and alteration mapping in combination with soil and rock geochemical sampling have identified a 1,000m x 750m zone of coincident Cu-Au-Mo soil geochemical anomalism centred upon an RTP magnetic high with an annular magnetic low. Field mapping has identified zones of magnetite-chalcopyrite porphyry veining and diagnostic secondary copper minerals, neotocite, malachite and azurite within the target area. Extensive and systematic geological and geochemical field programmes continued at the Celen target.



QUALIFIED PERSON

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

ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets out a breakdown of all material components of certain costs to the Group for the financial years ended 30 June 2022 and 2021.

MINERAL PROPERTIES – EXPLORATION AND EVALUATION

The following table sets out the total deferred exploration costs recorded by the Group for the Cascabel concession, the Ecuador regional exploration projects, Australian projects and the Solomon Islands projects for the financial years ended 30 June 2022 and 2021.

Exploration Expenditures	Cascabel project		Ecuador Regional Exploration projects		Australian projects		Solomon Islands projects		Total	
	Jun'22 (US\$'000)	Jun'21 (US\$'000) restated	Jun'22 (US\$'000)	Jun'21 (US\$'000) restated	Jun'22 (US\$'000)	Jun'21 (US\$'000)	Jun'22 (US\$'000)	Jun'21 (US\$'000)	Jun'22 (US\$'000)	Jun'21 (US\$'000) restated
Balance, beginning of period	224,864	176,257	68,119	40,688	10,431	9,714	426	225	303,840	226,884
License fee	2	149	3,183	3,037	43	18	-	5	3,228	3,209
Assays and geochemistry	604	424	338	293	-	3	-	-	942	720
Camp costs	2,100	3,337	3,254	2,734	-	-	44	9	5,399	6,080
Drilling	7,553	23,299	8,385	7,998	-	-	-	-	15,938	31,297
Geophysics	6	28	-	-	-	-	-	-	6	28
Community	6,892	5,780	3,239	2,438	-	-	-	-	10,131	8,218
Salaries and labour	8,066	7,758	7,826	7,089	10	41	159	158	16,061	15,046
Environment	961	787	572	365	-	-	-	-	1,533	1,152
PEA	-	-	-	-	-	-	-	-	-	-
PFS	3,364	2,576	-	-	-	-	-	-	3,364	2,576
DFS	865	1,004	-	-	-	-	-	-	865	1,004
Other	4,847	4,345	3,973	3,481	1	7	6	9	8,827	7,782
Total exploration expenditures	260,124	225,744	98,889	68,123	10,484	9,783	637	406	370,134	304,057
Mineral properties abandoned	-	-	(3,630)	(4)	-	-	-	-	(3,630)	(4)
Incorrect capitalised costs	(228)	(880)	-	-	-	-	-	-	(228)	(880)
Foreign exchange adjustment	-	-	-	-	(653)	647	(44)	20	(696)	667
Balance, end of period	259,896	224,864	95,259	68,119	9,832	10,431	593	426	365,579	303,840

EXPLORATION OUTLOOK

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

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

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

The Australian exploration program will continue to focus on target generation and project development through geological reconnaissance activities and planned geophysics surveys. Field activities are not planned for the coming months due to the limited access during the wet season.

The Solomon Islands exploration program will continue to focus on community engagement, with no drilling planned at the Kuma Porphyry Copper-Gold target in the near term.

Property	Summary of Completed Activities (1 July 2021 – 30 June 2022)	Expenditures (year ended 30 June 2022) US\$	Plans for the Property ⁽¹⁾	Planned Expenditures for the financial year ended 30 June 2023 ⁽¹⁾ US\$
Cascabel concession	<ul style="list-style-type: none"> PFS study work Large scale diamond core drilling campaign Geotechnical, metallurgical, hydrogeological and hydrological programs 3D modelling Community initiatives Land acquisitions 	US\$35.26 million	Financial year ending 30 June 2022 <ul style="list-style-type: none"> Drilling and assaying Mineral Reserve/Resource Estimates Pre-Feasibility study work Commencement of Definitive Feasibility Study Land acquisitions Community Projects Commencement of Environmental Impact Assessment 	US\$60.73 million
Ecuador Regional Exploration projects	<ul style="list-style-type: none"> Drilling (Porvenir, Rio Amarillo, Sharug) Development of priority targets Exploration reconnaissance including mapping, soils and rock chips Geophysics interpretation Camp construction Community engagement 	US\$30.77 million	Financial year ending 30 June 2022: <ul style="list-style-type: none"> Resource drilling program Mineral Resource Estimates Continued exploration reconnaissance Further target generation Community engagement 	US\$29.31 million
Australia projects	<ul style="list-style-type: none"> 2D & 3D geochemical and geophysical data interpretation and modelling EM data reprocessing and modelling 	US\$54k	Financial year ending 30 June 2022: <ul style="list-style-type: none"> VTEM inversion modelling 3D geological modelling Site based regolith study Geological mapping IP survey 	US\$60k

Property	Summary of Completed Activities (1 July 2021 – 30 June 2022)	Expenditures (year ended 30 June 2022) US\$	Plans for the Property ⁽¹⁾	Planned Expenditures for the financial year ended 30 June 2023 ⁽¹⁾ US\$
	<ul style="list-style-type: none"> Integrated modelling of 3D IP, VTEM and Magnetic Inversion model data review Plate modelling of VTEM data Project assessment 		<ul style="list-style-type: none"> Stream Sediment Survey Reconnaissance mapping 	
Solomon Island projects	<ul style="list-style-type: none"> Community consultation 	US\$210k	Financial year ending 30 June 2022: <ul style="list-style-type: none"> Land access and negotiations Community projects 	US\$100k

Notes:(1) This information is considered forward-looking information. See "Forward-Looking Statements".

LIQUIDITY AND CAPITAL RESOURCES

At 30 June 2022 the Group had cash and cash deposits of US\$26,102,133, a decrease of US\$83,459,970 from US\$109,562,103 at 30 June 2021.

Cash expenditure (before financing activities) for the year ended 30 June 2022 was US\$82,658,324 (2021: US\$95,812,231). During the financial year ended 30 June 2022 no funds were received (2021: US\$76,113,126 sale of shares and US\$84,380,422 from settlement of NSR). Accordingly, the net cash outflow of the Group for the year ended 30 June 2022 was US\$83,143,710 (2021: inflow of US\$61,589,960).

Cash of US\$69,455,961 (2021: US\$75,611,280) was invested by the Group on exploration expenditure during the financial year ended 30 June 2022.

LIQUIDITY OUTLOOK

	For the period ending	
	30 June 2022 US\$	30 June 2021 US\$ restated
Cash and cash equivalents	26,102,133	109,562,103
Other receivables and prepayments	4,742,156	5,551,948
Loans receivable and other current assets ¹	3,553,291	6,495,930
Trade and other payables	(6,509,078)	(7,847,656)
Net working capital	27,888,502	113,762,325

¹ Represent the CFLP with repayment by Employees due 30 June 2022.

SolGold funds its current exploration and corporate costs through existing cash and cash equivalents. The Company has no capital commitments but has certain obligations to expend minimum amounts on exploration in tenement areas. As outlined in the Company's latest consolidated annual financial statements, such commitments (tenement fees) at 30 June 2022 amount to US\$3,409,029 and US\$9,405,314 over the next 12 months and 13-month to 5-year period, respectively.

At the year end, the Group has cash on hand of US\$26.1 million and net current assets of US\$23.39 million. The Directors have reviewed the cash position of the Group and the Company for the period to 31 December 2023 and consider it appropriate that the Group and the Company financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business, for the reasons set out below.

The Group has not generated revenues from operations in its history and, in common with many exploration companies, the Group raises finance for its exploration and appraisal activities in discrete tranches. As such, the ability of the Group to continue as a going concern depends on its ability to secure this additional financing.

Management continues to monitor and manage its liquidity risks closely and regularly produces cash flow forecasts. Under the base case scenario, the Group would have sufficient funds until December 2022. Without applying any of the mitigating actions that we included within the severe but plausible scenario outlined below. SolGold's severe but plausible scenario considers no access to financial markets, caused by a continued inflationary environment and ensuing recession that is not conducive to further capital raises when necessary. In such a situation the Company would cease all exploration activities, terminate most technical services and dramatically reduce overheads to reduce costs. Under its severe but plausible scenario, the Group would have sufficient funds at least until January 2023, although there would be a significant impact on the Group's operations.

Together with their brokers and financial advisers, the Directors and Management continuously monitor the conditions in the relevant capital markets and regularly consider various forms of financing available to SolGold. The Directors and Management are in regular touch with equity investors and actively participate in investor conferences and other forms of investor engagements as there is a need to secure further funding to meet their exploration and working capital commitments.

The Company has a proven ability to execute equity and other financings successfully as demonstrated by the equity placings and royalty agreement completed in the 2020-21 financial years, totalling approximately US\$240 million in gross proceeds. Accordingly, the Directors have a reasonable expectation that the Group will be able to raise funds when necessary and, as has been the case previously, the Directors expect that future funding will likely be provided by equity investors, debt funding or via other strategic arrangements.

In the event that the Company is unable to secure sufficient funding, it may not be able to fully develop its projects, and this may have a consequential impact on the carrying value of the related exploration assets and the investment of the parent company in its subsidiaries as well as the going concern status of the Group and the Company. Given the nature of the Group's current activities, it will remain dependent on equity and/or debt funding or other strategic arrangements until such time as the Group becomes self-financing from the commercial production of its mineral resources. Should raising additional finance prove challenging, the Company has alternative options such as the acceleration of cost reductions, farm-outs or the relinquishment of licences across Ecuador, Australia and the Solomon Islands.

Given that the Company will need to secure further funding to meet the Group's future exploration and working capital commitments, and no firm funding commitments have been received at the date of approval of these financial statements, the situation gives rise to a material uncertainty as there can be no assurance the Company will be able to raise the required financing in the future. This material uncertainty may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Notwithstanding this material uncertainty, the Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the financial statements given the Company's proven ability to raise necessary funding. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

OUTSTANDING SHARE DATA

At 30 June 2022 the Company had on issue 2,293,816,433 ordinary shares with the authority to allot new shares up to a maximum of two-thirds of its issued share capital (£15,292,110), subject to certain restrictions and conditions primarily associated with the pro-rated nature of any such allotment. At 28 September 2022, the date of this report, the Company had on issue 2,296,051,501 ordinary shares. At 30 June 2022 the Company had outstanding options to purchase an aggregate of 32,250,000 ordinary shares with exercise prices ranging from £0.25 to £0.37 per share and expiry dates ranging from 26 April 2023 and 2 December 2024. At the date of the report, 28 September 2022, the Company had outstanding options to purchase an aggregate of 42,250,000 ordinary shares with exercise prices ranging from £0.25 to £0.50 per share and expiry dates ranging from 2 April 2023 and 1 December 2027.

CONTINGENCIES

A 2% Net Smelter Royalty is payable to Santa Barbara Resources Limited, who were the previous owners of the Cascabel concession. These royalties can be bought out by paying a total of US\$4 million. Fifty percent (50%) of the royalty can be purchased for US\$1 million 90 days following the completion of a feasibility study and the remaining 50% of the royalty can be purchased for US\$3 million, 90 days following a production decision. The smelter royalty is considered to be a contingent liability as the Group has not yet completed a Feasibility Study at 30 June 2022 as such there is significant uncertainty over the timing of any payments that may fall due.

SolGold elected to undertake the Optional Subscription under the terms of the Term Sheet (Term Sheet) signed between SolGold plc and Cornerstone Capital Resources Inc. (CGP), CGP's subsidiary Cornerstone Ecuador S.A, (CESA) and Exploraciones Novomining S.A, (ENSA) and holds an aggregate registered and beneficial equity position in ENSA of 85% under the terms of the Term Sheet. CGP and CESA elected to obtain the benefit of the Financing Option whereby SolGold will solely fund all operations and activities of ENSA until the completion of the Feasibility Study, including CESA's contribution as the registered and beneficial holder of an aggregate equity position in ENSA of 15%. After completion and delivery of the Feasibility Study, SolGold and CESA shall jointly fund the operations and activities of ENSA based on their respective equity positions in ENSA on a proportionate basis. Furthermore, the Term Sheet allows for SolGold to be fully repaid for the financing provided, including interest at LIBOR plus 2% for the expenditures incurred by SolGold from the time CGP and CESA elected the Financing Option. SolGold is to be repaid out of 90% of CESA's distribution of earnings or dividends from ENSA or the Cascabel concession to which CESA would otherwise be entitled. If CESA does not elect to contribute and its equity stake in ENSA is diluted to below 10%, its equity stake in ENSA will be converted to a 0.5% interest in the Net Smelter Return and SolGold may acquire this interest for US\$3.5 million at any time.

The amount of financing provided to CESA at 30 June 2022 was US\$48,184,491 (2021: US\$40,603,042). This will be paid out of CESA's distribution of earnings or dividends from ENSA or the Cascabel tenement if and when the mine goes into production.

There are no other contingent assets or liabilities at 30 June 2022 (2021 \$nil).



TRANSACTIONS WITH RELATED PARTIES AND DIRECTOR RELATED ENTITIES

Transactions with related parties are disclosed in Note 26 to the 30 June 2022 audited consolidated financial statements. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The figures noted below are for the financial year ended 30 June 2022 with comparative figures for the financial year ended 30 June 2021.

The Company had a commercial agreement with Samuel Capital Pty Ltd ("Samuel") for the engagement of Nicholas Mather as Non-Executive Director of the Company. For the year ended 30 June 2022 US\$72,205 was paid or payable to Samuel (2021: US\$827,381). These amounts are included in Note 5 (Remuneration of Key Management Personnel). The total amount outstanding at year end is US\$6,330 (2021: US\$nil).

Mr Brian Moller (a Director until 15th December 2021) is a partner in the Australian firm HopgoodGanim Lawyers. For the year ended 30 June 2022, HopgoodGanim were paid or payable US\$8,899 (2021: US\$72,456) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US\$997 (2021: US\$nil).

Mr James Clare (a Director) is a partner in the Canadian law firm Bennett Jones LLP. For the year ended 30 June 2022, Bennett Jones were paid or payable US\$301,730 (2021: US\$486,246) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at year end was US\$nil (2021: US\$nil).

The Company had a commercial agreement with Bayview PMF Pty Ltd ("Bayview") for the engagement of Jason Ward (Director to May 2022) and his wife (until January 2022) for managerial and administrative services. For the year ended 30 June 2022 US\$369,634 was paid or payable to Bayview. The total amount outstanding at 30 June 2022 was US\$nil

The key management personnel of the Company are the directors and officers of the Company. Compensation awarded to key management relating to consulting fees and share-based payments for the years ended 30 June 2022 and 2021 are listed below.

During the year, US\$242,403 employer's social security costs (2021: US\$191,064) were paid in respect of remuneration for key management personnel.

	Basic Annual Salary US\$	Bonus US\$	Other Benefits ¹ US\$	Pensions US\$	Total Remuneration US\$
2022					
Directors					
Darryl Cuzzubbo ²	260,301	-	-	10,951	271,252
Keith Marshall ³	258,549	117,982	-	-	376,531
Nicholas Mather	72,205	-	-	-	72,205
Jason Ward ⁴	334,653	-	-	-	334,653
Brian Moller ⁵	33,255	-	-	-	33,255
James Clare	72,305	-	-	-	72,305
Liam Twigger	118,931	-	-	11,893	130,824
Elodie Grant Goodey	85,965	-	-	-	85,965
Kevin O'Kane	79,331	-	-	-	79,331
Maria Amparo Alban	72,423	-	-	-	72,423
Other Key Management Personnel ⁶	1,694,266	336,436	-	80,335	2,111,037
Total paid to Key Management Personnel	3,082,184	454,418	-	103,179	3,639,781
Other staff and contractors	22,578,392	349,587	454,336	139,225	23,521,540
Total	25,660,576	804,004	454,336	242,403	27,161,319

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), Ayten Saridas (Chief Financial Officer, appointed May 2022, resigned July 2022), Benn Whistler (Technical Services Manager-resigned), Chris Connell (Regional Exploration Manager, resigned February 2022), Peter Holmes (Director of Studies-resigned), Ingo Hofmaier (Interim Chief Financial Officer to May 2022, Executive General Manager Projects and Corporate Finance-resigned), Tania Cashman (Chief Human Resources Officer, appointed January 2022), and Geoff Woodcroft (Chief Human Resources Officer, resigned 29 October 2021).

	Basic Annual Salary US\$	Bonus US\$	Other Benefits ¹ US\$	Pensions US\$	Total Remuneration US\$
2021					
Directors					
Keith Marshall ⁴	212,145	-	-	-	212,145
Nicholas Mather ⁶	827,381	-	-	-	827,381
Brian Moller	64,628	-	-	-	64,628
Robert Weinberg ²	23,506	-	-	-	23,506
James Clare	61,824	-	-	-	61,824
Jason Ward ³	304,352	-	-	-	304,352
Liam Twigger	93,075	-	-	8,972	102,047
Elodie Grant Goodey ⁴	71,756	-	-	-	71,756
Kevin O’Kane ⁴	51,202	-	-	-	51,202
Maria Amparo Alban ⁴	47,326	-	-	-	47,326
Other Key Management Personnel ⁵	1,745,060	193,739	-	111,021	2,049,821
Total paid to Key Management Personnel	3,502,255	193,739	-	119,993	3,815,987
Other staff and contractors	19,778,314	92,362	315,436	71,071	20,257,184
Total	23,280,569	286,101	315,436	191,064	24,073,170

¹ Other Benefits represents the fair value of the share options granted during the year based on the Black-Scholes model considering the effects of the vesting conditions.

² Robert Weinberg resigned as a Director effective 17 December 2020.

³ Jason Ward’s Basic Annual Consultancy Fees includes total remuneration paid for the year including payments prior to Director appointment.

⁴ Elodie Grant Goodey was appointed as a non-executive Director on 17 July 2020. Keith Marshall, Kevin O’Kane and Maria Amparo Alban were all appointed as non-executive Directors on 21 October 2020.

⁵ Other key management personnel consist of the aggregated remuneration of Karl Schlobohm (Company Secretary, retired in June 2021), Priy Jayasuriya (Chief Financial Officer, resigned in November 2020), Benn Whistler (Technical Services Manager), Chris Connell (Regional Exploration Manager), Peter Holmes (Director of Studies), Ingo Hofmaier (Interim Chief Financial Officer, Executive General Manager Projects and Corporate Finance), Nadine Dennison (Chief Human Resources Officer, resigned in March 2021), Peter Holmes (Director of Studies), Steve Belohlawek (General Manager Underground Development and Mining, resigned in October 2020) and Eduardo Valenzuela (Executive General Manager of Studies, deceased).

⁶ Nick Mather received a severance pay-out during the year ended 30 June 2021 upon retiring from the position of CEO, US\$477,871 (AUD\$600,000).

FINANCIAL INSTRUMENTS AND RELATED RISKS

The Group's financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. A summary of the major financial instrument risks and the Group's approach to management of these risks are highlighted below.

CREDIT RISK

The Group is exposed to credit risk primarily from the financial institutions with which it holds cash and cash deposits. The Group's cash and cash deposits are held with Australian, Ecuadorean, UK and Swiss financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in other receivables and prepayments is manageable.

FOREIGN CURRENCY RISK

The Group's operations have limited exposure to currency movements. 98% of the Group's funds are held in US Dollars, reflective of the expense profile of the Group. Ecuador has the US Dollar as its official currency, minimising foreign exchange risk materially.

LIQUIDITY RISK

The Group has no source of operating cash flow to fund its exploration projects and is dependent on raising funds in capital markets from a variety of eligible private, corporate and financial investors, or from interested third parties (including other exploration and mining companies) which may be interested in earning an interest in the projects of the Group. The success of such capital raisings is dependent upon a variety of factors including general equities and metals market sentiment, macro-economic outlook, project prospectivity, operational risks and other factors from time to time. Should the Group be unable to continue as a going concern, it may be required to realise its assets and liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

COMMODITY PRICE RISK

The Company is exposed to price risk with respect to commodity prices, even as a pre-production company. Commodity price risk is defined as the potential adverse impact on future earnings and economic value due to commodity price movements and volatilities. The Company believes that commodity price movements can have a substantial effect on the market value of the Company.

OFF-BALANCE SHEET ARRANGEMENTS

At 30 June 2022, the Group had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Group, other than those disclosed as contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates.

EXPLORATION AND EVALUATION EXPENDITURE

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves.

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Group considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supported the carrying value of the project. An impairment charge of US\$3,630,178 (2021: US\$4,353) was recognised in the year for exploration expenditure associated with concessions in Ecuador that the board decided to relinquish, as per the announcement on 7 September 2021. In addition to this, US\$227,846 (2021: US\$879,977) was recognised in association with the misappropriation of funds.

NET ROYALTY INTEREST

The NSR royalty has been valued using the amortised cost basis. IFRS 9 requires that amortised cost is calculated using the effective interest method, which allocates interest expense at a constant rate over the term of the instrument. The effective interest rate of a financial liability is calculated at initial recognition and is the rate that exactly discounts the estimated future cash flows through the expected life of the financial liability, based on the then current mine plan and project development study assumptions.

In the case of the Franco-Nevada NSR royalty, the Company arrived at an effective interest rate ("EIR") of 11.84%. Total interest for the financial year estimated at US\$12,505,564 (2021: US\$9,619,242), see Note 6. Should there be a 2% increase in the EIR this would have an impact on the accounts and increase the Finance Expenses by US\$2,372,846.

CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

New standards and interpretations

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.

<i>Effective period commencing on or after</i>		
IFRS 9, IAS 39, IFRS7, IFRS4 & IFRS 16	Interest Rate Benchmark Reform Phase 2	1 Jan 2021

Details of the impact that these standards had is detailed below. Other new and amended standards and Interpretations issued by the IASB do not impact the Group or Company as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16: Interest Rate Benchmark Reform Phase 2

In September 2020, the International Accounting Standards Board ("IASB") published Interest Rate Benchmark Reform Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) finalising its response to the ongoing reform of interest rate benchmarks around the world. The amendments aim to assist reporting entities to provide investors with useful information about the effects of the reform on their financial statements.

Many IBORs are expected to be replaced by new benchmark Risk-Free-Rates in future reporting periods. This second set of amendments focus on issues arising post replacement, ie, when the exiting interest rate benchmark is actually replaced with alternative benchmark rates. The main amendments in this second stage are as follows:

Highly probable requirement and prospective assessments of hedge effectiveness

Designating a component of an item as the hedged item

The amendment is effective for periods beginning on or after 1 January 2021 with early application permitted. Management has assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

As at year end, the following amendments to the standards that could be applicable to the Group, had been issued but was not mandatory for reporting period ended 30 June 2022:

IAS 16: Property, Plant and Equipment – proceeds before intended use: The proposed amends the standard to prohibit deducting from the cost of a item of property, plant and equipment any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. The amendment is effective for periods beginning on or after 1 January 2022 with early application permitted.

Management has made a preliminary assessment to not apply this change early considering the stage of the projects.

RISKS AND UNCERTAINTIES

Resource exploration, evaluation and development is a high-risk business. There is no certainty that the investments made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property. There is no assurance the Group has, or will have, commercially viable ore bodies. Capital expenditures to bring a property to a commercial production stage are significant and require special skills and long-term planning. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the additional risks to the Company and Group, that they may be exposed to from time to time:

HEALTH & SAFETY

Safety risks are inherent in exploration and mining activities and include both internal and external factors requiring consideration to reduce the likelihood of negative impacts. The current highest risk, due to the geographical spread of exploration activities, is associated with transportation of people to and from the project areas. This includes transit vehicle accidents with a potential for fatalities due to vehicle impacts or rollovers. In addition, the remote locations of drilling activities increase the risk of delays in gaining access to effective emergency medical assistance resulting in delayed treatment in the event of incident or accident. The expansion of the Group's footprint in Ecuador also potentially increases safety risk.

Health and safety reviews, inspections, audits and hazard assessments are completed on a regular basis to ensure effective, procedures and controls are in place. Any incident resulting in serious injury or death may result in litigation and/or regulatory action (including, but not limited to suspension of development activities and/or fines and penalties), or otherwise adversely affect the Group's reputation and ability to meet its objectives.

The Group's exploration and business activities were impacted by the COVID-19 pandemic. The Group has adapted the way it conducts its business in response to the pandemic and follows mandates of various and relevant Governments as well as responding to the concerns of local communities in Ecuador.

SOCIAL LICENCE TO OPERATE

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.

PEOPLE AND LEADERSHIP

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 focussed 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.

GEOPOLITICAL, REGULATORY AND SOVEREIGN RISK

SolGold's exploration tenements are located in Ecuador, Australia and the Solomon Islands and are subject to the risks associated with operating both in domestic and foreign jurisdictions.

Operating in any country involves some risk of political and regulatory instability, which may include changes in government, negative policy shifts, changes to the tax and royalty regime and civil unrest. In addition, there is a risk that due to the deterioration of the macroeconomic situation, governments may consider imposing currency controls and limitations on capital flows. Specifically, under Ecuadorean law, citizens have a constitutional right pursuant to a judicial process, to apply to the Constitutional Court for approval for a public referendum on any subject matter. In 2019, an application was made to the Ecuadorean Constitutional Court to request to have a referendum held, the effect of which was to seek to stop mining activities at the Cascabel concession. The Constitutional Court unanimously rejected the application. However, despite the Constitutional Court ruling on that particular occasion, no assurance can be given that at some future time a similar application designed to seek to stop mining at Cascabel or in any other location of interest to the Group, will not be made. Anti-mining activism involving protests or blockage of access is a risk for operational areas.

The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of SolGold. These factors may have a negative impact on the ability of the Group to secure external financing and an adverse effect on the Group's market value and the going concern of the business as whole.

TITLE RISK

SolGold's concessions and interest in concessions are subject to the various conditions, obligations and regulations which apply in the relevant jurisdictions including Ecuador, Australia (Queensland) and the Solomon Islands. If applications for title or renewal are required, this can be at the discretion of the relevant government minister or officials. If approval is refused, SolGold will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement.

Some of the properties may be subject to prior unregistered agreements or transfers of native or indigenous peoples' land claims and title may be affected by undetected defects or governmental actions. No assurance can be given that title defects

do not exist. If a title defect does exist, it is possible that SolGold may lose all or a portion of the property to which the title defects relate.

ENVIRONMENTAL

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.

LAND ACCESS, PERMITTING AND SURFACE RIGHTS

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 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.

PROJECT DEVELOPMENT

Where the Group discovers a potentially 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.

FUNDING

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 the 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.

MINERAL RESERVE AND RESOURCE ESTIMATES

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 and copper 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.

FINANCIAL, REPORTING AND CONTROL RISK

SolGold's aspiration is to have a corporate culture that is designed to encourage transparency and professionalism, protect our shareholders' funds and inspire confidence in our workforce. It is crucial that the Group maintains high ethical standards and there is no tolerance of fraud, bribery, any form of corruption or unethical activity. Internal control over financial reporting may not always prevent or detect misstatements.

SolGold started to strengthen its internal financial capabilities and internal control framework following a special audit by KPMG LLP in early 2021. A group Internal Audit function was established, reporting to the ARC. The ARC agreed on an annual audit plan focusing on enterprise risks.

Increased scrutiny and analysis by the Group finance team throughout 2021 led to cost reductions, but also to the discovery of the misappropriation of funds in Ecuador in late 2021.

During the year the investigation into the Ecuadorian business identified a misappropriation of funds. The effect of the prior years misappropriation on the balance sheet is set out in note 13 of the 30 June 2022 financial statements. The Company instructed EY Ecuador to commence a forensic investigation into the alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation. In total the forensic investigation identified a misappropriation that amounted to US\$4.6 million during the years 2017 to 2021.



This misappropriation resulted in the overstatement of our exploration assets by US\$4.6 million, with the associated false expenses having been capitalised in-line with SolGold's accounting policy. SolGold concluded that it was appropriate to write-down the value of these assets accordingly and restate our financial statements. The profit and loss impact for the year ended 30 June 2022 amounted to US\$227,846k (2021: US\$879,978, 2020-2017: US\$3,480,020), reflecting the fact that most losses were incurred in prior years. Though the misstatements are material to the quantum of exploration assets, the Company does not consider the misstatements to be material to the financial statements as a whole, either on an individual or cumulative basis. The overstatement of the exploration assets is cumulative and is made up of smaller annual misstatements that were not material in the respective years.

GENERAL EXPLORATION AND EXTRACTION

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.



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors carries out its responsibility for the consolidated financial statements primarily through the Audit and Risk Committee which is comprised of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Group is accumulated and communicated to management of the Group as appropriate to allow timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer of the Group are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 — Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). The Chief Executive Officer and Interim Chief Financial Officer of the Group have concluded that, as at June 30, 2022, the Group's DC&P have been designed and operate effectively to provide reasonable assurance that: (i) material information relating to the Group is made known to them by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Group in its annual filings, interim filings or other reports filed or submitted by the Group under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They have also concluded that the Group's ICFR have been designed effectively to provide reasonable assurance regarding the reliability of the preparation and presentation of the financial statements for external purposes in accordance with IFRS, and were effective as at June 30, 2022. It should be noted that, while the Chief Executive Officer and Interim Chief Financial Officer of the Group believe that the Group's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes in line with IFRS. Management is responsible for establishing and maintaining appropriate ICFR in relation to the nature and size of the Group. However, any system of ICFR has inherent limitations and can only provide reasonable assurance with respect to financial statement preparation and presentation. The Group's ICFR has been designed based on the control framework established in Internal Control - Integrated Framework published in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission. There were no changes to the Group's ICFR that occurred during the quarter or twelve months ended 30 June 2022 that materially affected, or are reasonably likely to affect, the Group's ICFR.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on the SEDAR under the Company's issuer profile at www.sedar.com and can be found on the Company's website at www.solgold.com.au.



FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may be deemed "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws. All statements in this MD&A, other than statements of historical fact, that address future events, developments or performance that SolGold expects to occur including management's expectations regarding SolGold's growth, results of operations, estimated future revenues, requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue estimates, future demand for and prices of commodities, business prospects and opportunities and outlook on gold and currency markets are forward-looking statements. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates will be realized. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "scheduled" and similar expressions or variations (including negative variations), or that events or conditions "will", "would", "may", "could" or "should" occur including, without limitation, the performance of the assets of SolGold, the realisation of the anticipated benefits deriving from SolGold's investments and transactions and the estimate of gold equivalent ounces to be received. Although SolGold believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, most of which are beyond the control of SolGold, and are not guarantees of future performance and actual results may accordingly differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include, without limitation: fluctuations in the prices of the commodities; fluctuations in the value of currency of the United States, Canada, Australia, Switzerland and the United Kingdom; regulatory changes by national and local governments, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries where properties in which SolGold holds interest are located; risks related to the operators of the properties in which SolGold holds interests; business opportunities that become available to, or are pursued by SolGold; continued availability of capital and financing and general economic, market or business conditions; litigation; title, permit or license disputes related to interests on any of the properties in which SolGold holds interest; development, permitting, infrastructure, operating or technical difficulties on any of the properties in which SolGold holds interest; risks and hazards associated with the business of exploring, development and mining on any of the properties in which SolGold holds interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest or other uninsured risks. The forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which SolGold holds interest by the owners or operators of such properties in a manner consistent with past practice; no material adverse change in the market price of the commodities that underlie the asset portfolio; no adverse development in respect of any significant property in which SolGold holds interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. For additional information on risks, uncertainties and assumptions, please refer to the AIF of SolGold filed on SEDAR at www.sedar.com which also provides additional general assumptions in connection with these statements. SolGold cautions that the foregoing list of risk and uncertainties is not exhaustive. Investors and others should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. SolGold believes that the assumptions reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. SolGold undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable law.

CORPORATE INFORMATION

Board of Directors**Liam Twigger**

Chair

Darryl Cuzzubbo

Managing Director & Chief Executive Officer

Nicholas Mather

Non-Executive Director

James Clare

Non-Executive Director

Elodie Grant Goodey

Non-Executive Director

Kevin O’Kane

Non-Executive Director

Maria Amparo Alban

Non-Executive Director

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