28 September 2022

SolGold plc

("SolGold" or the "Company")

Audited Full Year Results

The Board of Directors of SolGold (LSE & TSX: SOLG) is pleased to announce the release of its Audited Full Year Results for the year ended 30 June 2022. An abridged version of the Full Year Results is included below.

For Canadian purposes, the Company has also filed its audited financial statements, Management Discussion and Analysis ("MD&A") and Annual Information Form ("AIF") for the year ended 30 June 2022 on SEDAR.

The Board advises all shareholders and interested investors that the Company's website www.solgold.com.au contains access to a copy of the audited financial statements, MD&A and AIF for the year ended 30 June 2022. A copy of the Annual Report will be available on the website shortly.

This announcement was approved for release by Rufus Gandhi - Company Secretary

FINANCIAL REVIEW

HIGHLIGHTS

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

- Exploration and evaluation expenditure of US$66,294,083 for the year;
- Continued acquisition of US$3,836,561 in landholdings in the Cascabel project area in anticipation of infrastructure requirements for project development, with another US$561,293 spent on advance payments for critical land parcels;
- Operating loss after tax of US$1,701,565 representing a decrease of US$22,070,524 over the prior year. The decrease in the loss is attributable to the remeasurement of the NSR financial liability offset by the tax expense;
- US$26,102,133 cash balance (2021: US$109,562,103).

RESULTS

The Group incurred a loss after tax of US$1,701,565 for the year (2021: loss US$23,772,089 restated). The decrease in the loss after tax is due to the remeasurement of the NSR financial liability, which represents an amortised gain of US$35,003,704 for the year ended 30 June 2022. The remeasurement was triggered by Board approval in April 2022 of the Preliminary Feasibility Study ("PFS") resulting in amendments to anticipated cash flows of the NSR agreement due to changes in the timing of construction and the mine life and updated production volumes. This remeasurement is a non-cash flow book entry accounting for the financial liability at amortised cost. This remeasurement is offset by the associated deferred tax liability which in turn increased the income tax expense. Overall administrative expenses remained consistent from 2021, although there are some noteworthy costs. Employee benefits expenses increased by US$1,930,187 as a result of the employment of additional senior management in Australia and London. Additionally, the exploration costs written off increased by US$2,973,693, foreign exchange losses increased by US$2,755,619, and the revaluation on the BHP derivative increased by US$1,152,476.

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

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

STATEMENT OF FINANCIAL POSITION

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

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

Non-current assets increased by US$63,819,674 mainly due to increases in exploration and evaluation assets, classified as intangible assets. Exploration assets increased by US$61,739,591 (net of written off expenditure) predominantly due to the exploration expenditure incurred at the Alpala project (US$35.03 million net of written off expenditure) and the various regional projects (US$27.14 million net of written off expenditure) in Ecuador as identified in this report, during the twelve months ended 30 June 2022. Exploration assets decreased by US$4.6 million, reflecting the written off misappropriation of funds after the Company instructed EY Ecuador to commence a forensic investigation into the alleged misappropriation of funds. The investigation brought to light the material misstatement of exploration assets as a result of false expenses being capitalised which was announced in Q3. 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 Cascabel project.

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

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

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

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

CASH FLOW

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

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

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

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. 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.

FINANCIAL STATEMENTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Group	Group

	Notes	2022 US$	2021 US$ restated[1]
Expenses			
Exploration costs written-off	13	(3,858,024)	(884,330)
Administrative expenses	3	(17,569,179)	(12,860,193)
Operating loss	3	(21,427,203)	(13,744,523)
Other income		454,077	344,565
Finance income	6	839,140	454,575
Finance costs	6	(12,570,180)	(10,061,787)
Movement in fair value of derivative liability	22	539,000	(613,746)
Remeasurement of amortised cost of financial liability	21	35,003,704	-
Profit / (loss) before tax		2,838,538	(23,620,916)
Tax expense	7	(4,540,103)	(151,173)
Loss for the year		(1,701,565)	(23,772,089)
Other comprehensive (loss)/profit			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(702,938)	670,049
Items that will not be reclassified to profit or loss			
Remeasurement of post-employment benefits		165,729	(50,378)
Change in fair value of financial assets, net of tax	11a / 15/7	(1,205,636)	1,198,986
Other comprehensive (loss)/profit, net of tax		(1,742,845)	1,818,657
Total comprehensive loss for the year		(3,444,410)	(21,953,432)
Loss for the year attributable to:			
Owners of the parent company		(1,587,497)	(23,558,390)
Non-controlling interest		(114,068)	(213,699)
		(1,701,565)	(23,772,089)
Total comprehensive loss for the year attributable to:			
Owners of the parent company		(3,330,342)	(21,739,733)
Non-controlling interest		(114,068)	(213,699)
		(3,444,410)	(21,953,432)
Loss per share		Cents per share	Cents per share
Basic loss per share	8	(0.1)	(1.1)
Diluted loss per share	8	(0.1)	(1.1)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes. [1] *Refer Note 1(b)(i)*

Consolidated Statement of Financial Position

As at 30 June 2022

Registered Number 5449516

	Notes	Group 2022 US$	Group 2021 US$ Restated[1]
Assets			

Intangible assets	13	365,579,484	303,839,893
Property, plant and equipment	12	22,084,490	18,823,098
Financial assets held at fair value through OCI	11(a)	5,351,844	6,825,042
Financial assets at amortised cost	14	1,749,213	1,457,324
Total non-current assets		394,765,031	330,945,357
Other receivables and prepayments	16	4,742,156	5,551,948
Loans receivable and other current assets	14	3,553,291	6,495,930
Cash and cash equivalents	17	26,102,133	109,562,103
Total current assets		34,397,580	121,609,981
Total assets		429,162,611	452,555,338
Equity			
Share capital	18	32,350,699	32,350,699
Share premium	18	426,793,240	426,819,162
Other reserves	18	10,931,758	19,412,591
Accumulated loss		(132,587,252)	(138,895,017)
Foreign currency translation reserve		(5,048,767)	(4,345,829)
Equity attributable to owners of the parent company		332,439,678	335,341,606
Non-controlling interest		(1,191,172)	(1,077,104)
Total equity		331,248,506	334,264,502
Liabilities			
Trade and other payables	19	6,509,078	7,847,656
Lease liability	20	415,132	335,749
Total current liabilities		6,924,210	8,183,405
Lease liability	20	326,374	607,214
Other financial liabilities	22	2,387,000	2,926,000
Deferred tax liabilities	15	4,200,444	-
Borrowings	21	84,076,077	106,574,217
Total non-current liabilities		90,989,895	110,107,431
Total liabilities		97,914,105	118,290,836
Total equity and liabilities		429,162,611	452,555,338

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.
[1] Refer Note 1(b)(i)

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 28 September 2022.

Darryl Cuzzubbo
Chief Executive Officer

Company Statement of Financial Position

As at 30 June 2022
Registered Number 5449516

	Notes	Company 2022 US$	Company 2021 US$ Restated[1]
Assets			
Property, plant and equipment	12	598,919	958,850
Investment in subsidiaries	9	152,964,303	120,045,844

Loans with subsidiaries	10	185,599,916	167,399,767
Financial assets held at fair value through OCI	11(a)	5,346,323	6,819,046
Financial assets at amortised cost	14	756,332	756,332
Total non-current assets		**345,265,793**	**295,979,839**
Other receivables and prepayments	16	1,061,583	1,938,616
Loans receivable and other current assets	14	3,553,291	6,495,930
Cash and cash equivalents	17	21,032,524	72,918,016
Total current assets		**25,647,398**	**81,352,562**
Total assets		**370,913,191**	**377,332,401**
Equity			
Share capital	18	32,350,699	32,350,699
Share premium	18	426,793,240	426,819,162
Other reserves	18	11,398,063	20,044,625
Accumulated loss		(99,567,549)	(102,203,496)
Foreign currency translation reserve		(5,006,473)	(5,006,473)
Equity attributable to owners of the parent company		365,967,980	372,004,517
Total equity		**365,967,980**	**372,004,517**
Liabilities			
Trade and other payables	19	1,944,970	1,475,395
Lease liability	20	309,668	319,275
Total current liabilities		**2,254,638**	**1,794,670**
Lease liability	20	303,573	607,214
Other financial liabilities	22	2,387,000	2,926,000
Total non-current liabilities		**2,690,573**	**3,533,214**
Total liabilities		**4,945,211**	**5,327,884**
Total equity and liabilities		**370,913,191**	**377,332,401**

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

[1] Refer Note 1(b)(i)

A separate statement of comprehensive income for the parent company has not been presented as permitted by section 408 of the Companies Act 2006. The Company's loss for the year was US$5,259,315 (2021: US$4,147,229).

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Notes	Share capital US$	Share premium US$	Financial assets held at fair value through other comprehensive income US$	Share based payment reserve US$	Other reserves US$	Accumulated loss US$	Foreign currency translation reserve US$	Total US$	Non-controlling interests US$	Total Equity US$
Balance at 30 June 2020		**29,281,511**	**353,220,481**	**2,054,043**	**36,859,263**	**(581,656)**	**(133,331,591)**	**(5,015,878)**	**282,486,173**	**(498,139)**	**281,988,034**
Adjustment to retained earnings (Note 1)		-	-	-	(7,213,338)	-	4,099,833	-	(3,113,505)	(365,612)	(3,479,117)

Balance 1 July 2020 restated		**29,281,511**	**353,220,481**	**2,054,043**	**29,645,925**	**(581,656)**	**(129,231,758)**	**(5,015,878)**	**279,372,668**	**(863,751)**	**278,508,917**
Loss for the year restated		-	-	-	-	-	(23,558,390)	-	(23,558,390)	(213,699)	(23,772,089)
Other comprehensive income		-	-	1,198,986	-	(50,378)	-	670,049	1,818,657	-	1,818,657
Total comprehensive loss for the year		**-**	**-**	**1,198,986**	**-**	**(50,378)**	**(23,558,390)**	**670,049**	**(21,739,733)**	**(213,699)**	**(21,953,432)**
New share capital subscribed		3,048,487	75,695,147	-	-	-	-	-	78,743,634	-	78,743,634
Options exercised		20,701	496,834	-	-	-	-	-	517,535	-	517,535
Share issue costs (net of deferred tax)		-	(2,593,300)	-	-	-	-	-	(2,593,300)	-	(2,593,300)
Options expired		-	-	-	(13,169,765)	-	13,169,765	-	-	-	-
Value of shares and options issued to Directors, employees and consultants		-	-	-	315,436	-	-	-	315,436	-	315,436
Other		-	-	-	-	-	725,366	-	725,366	346	725,712
Balance at 30 June 2021 restated		**32,350,699**	**426,819,162**	**3,253,029**	**16,791,596**	**(632,034)**	**(138,895,017)**	**(4,345,829)**	**335,341,606**	**(1,077,104)**	**334,264,502**
Loss for the year		-	-	-	-	-	(1,587,497)	-	(1,587,497)	(114,068)	(1,701,565)
Other comprehensive loss		-	-	(1,205,636)	-	165,729	-	(702,938)	(1,742,845)	-	(1,742,845)
Total comprehensive loss for the year		**-**	**-**	**(1,205,636)**	**-**	**165,729**	**(1,587,497)**	**(702,938)**	**(3,330,342)**	**(114,068)**	**(3,444,410)**
New share capital subscribed	18	-	-	-	-	-	-	-	-	-	-
Options exercised	18	-	-	-	-	-	-	-	-	-	-
Share issue costs (net of deferred tax)	18	-	(25,922)	-	-	-	-	-	(25,922)	-	(25,922)
Options expired		-	-	-	(7,895,262)	-	7,895,262	-	-	-	-
Value of share and options issued to Directors, employees	23	-	-	-	454,336	-	-	-	454,336	-	454,336

and consultants										
Balance at 30 June 2022	**32,350,699**	**426,793,240**	**2,047,393**	**9,350,670**	**(466,305)**	**(132,587,252)**	**(5,048,767)**	**332,439,678**	**(1,191,172)**	**331,248,506**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Company Statement of Changes in Equity

For the year ended 30 June 2022

	Notes	Share capital US$	Share premium US$	Financial assets held at fair value through other comprehensive income US$	Share-based payment reserve US$	Accumulated loss US$	Foreign currency translation reserve US$	Total US$
Balance at 1 July 2020		**29,281,511**	**353,220,481**	**2,054,043**	**36,859,263**	**(119,164,736)**	**(5,006,473)**	**297,244,089**
Adjustment to retained earnings (Note 1)		-	-	-	(7,213,338)	7,213,338	-	-
Balance 1 July 2020 restated		**29,281,511**	**353,220,481**	**2,054,043**	**29,645,925**	**(111,951,398)**	**(5,006,473)**	**297,244,089**
Loss for the year		-	-	-	-	(4,147,229)	-	(4,147,229)
Other comprehensive income		-	-	1,198,986	-	-	-	1,198,986
Total comprehensive loss for the year		**-**	**-**	**1,198,986**	**-**	**(4,147,229)**	**-**	**(2,948,243)**
New share capital subscribed		3,048,487	75,695,147	-	-	-	-	78,743,634
Options exercised		20,701	496,834	-	-	-	-	517,535
Share issue costs (net of deferred tax)		-	(2,593,300)	-	-	-	-	(2,593,300)
Options expired		-	-	-	(13,169,765)	13,169,765	-	-
Value of shares and options issued to Directors, employees and consultants		-	-		315,436	-	-	315,436
Adjustment to retained earnings		-	-		-	725,366	-	725,366
Balance at 30 June 2021 restated		**32,350,699**	**426,819,162**	**3,253,029**	**16,791,596**	**(102,203,496)**	**(5,006,473)**	**372,004,517**
Loss for the year		-	-	-	-	(5,259,315)	-	(5,259,315)
Other comprehensive loss		-	-	(1,205,636)	-	-	-	(1,205,636)
Total comprehensive loss for the year		**-**	**-**	**(1,205,636)**	**-**	**(5,259,315)**	**-**	**(6,464,951)**
New share capital subscribed	18	-	-	-	-	-	-	-
Options exercised	18	-	-	-	-	-	-	-
Share issue costs (net of deferred tax)	18	-	(25,922)	-	-	-	-	(25,922)
Options expired		-	-	-	(7,895,262)	7,895,262	-	-
Value of shares and options issued to Directors, employees and consultants	23	-	-	-	454,336	-	-	454,336
Balance at 30 June 2022		**32,350,699**	**426,793,240**	**2,047,393**	**9,350,670**	**(99,567,549)**	**(5,006,473)**	**365,967,980**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated and Company Statements of Cash Flows

For the year ended 30 June 2022

	Notes	Group 2022 US$	Group 2021 US$ restated	Company 2022 US$	Company 2021 US$
Cash flows from operating activities					
Loss for the year		(1,701,565)	(23,772,089)	(5,259,315)	(4,147,229)
Depreciation	12	619,048	582,026	314,071	341,626
Interest on lease liability	20	64,325	67,730	57,907	62,787
Interest on bridging loan	21	-	371,275	-	371,275
Interest on NSR	21	12,505,564	9,619,242	-	-
Interest on loan to SolGold Finance AG	10	-	-	(5,694,637)	(4,519,889)
Share based payment expense	5 / 23	454,336	315,436	454,336	315,436
Write-off of exploration expenditure	13	3,858,024	884,330	-	-
Foreign exchange loss / (gain)		965,386	(1,790,028)	938,423	(1,797,341)
Movement in fair value of derivative liability	22	(539,000)	613,746	(539,000)	613,746
Remeasurement of amortised cost of financial liability	21	(35,003,704)	-	-	-
Tax expense	7	4,540,103	151,173	278,198	64,375
Non cash employee benefit expense - company funded loan plan	14	669,211	-	669,211	-
Accretion of interest - company funded loan plan	14	(789,946)	(449,613)	(789,946)	(449,613)
Decrease in other receivables and prepayments		2,978,509	175,544	3,449,370	1,211,109
Increase / (decrease) in trade and other payables		373,238	124,682	469,369	(1,028,881)
Net cash outflow from operating activities		**(11,006,471)**	**(13,106,546)**	**(5,652,013)**	**(8,962,599)**
Cash flows from investing activities					
Exercise of Cornerstone Capital Resources warrants	11(a)	-	(813,927)	-	(813,927)
Acquisition of property, plant and equipment		(2,195,892)	(6,280,482)	(13,726)	(18,255)
Acquisition of exploration and evaluation assets		(69,455,961)	(75,611,280)	-	-
Loans advanced to subsidiaries		-	-	(12,505,512)	(5,001,463)
Advances in investment in subsidiaries		-	-	(33,082,285)	(34,155,941)
Net cash outflow from investing activities		**(71,651,853)**	**(82,705,689)**	**(45,601,523)**	**(39,989,586)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital	18	-	76,113,126	-	76,113,126
Payment of issue costs		(37,033)	(333,629)	(37,033)	(333,629)
Net proceeds from NSR financing	21	-	84,380,422	-	-
Payment of NSR costs	20	-	(2,318,598)	-	-
Repayments of lease liability		(448,353)	(439,116)	(310,503)	(348,912)
Net cash (outflow)/inflow from financing activities		**(485,386)**	**157,402,205**	**(347,536)**	**75,430,585**
Net (decrease)/increase in cash and cash equivalents		**(83,143,710)**	**61,589,970**	**(51,601,072)**	**26,478,400**
Cash and cash equivalents at the beginning of year	17	109,562,103	46,895,243	72,918,016	45,356,423
Effect of foreign exchange on cash and cash equivalents		(316,260)	1,076,890	(284,420)	1,083,193
Cash and cash equivalents at end of year	17	**26,102,133**	**109,562,103**	**21,032,524**	**72,918,016**

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies

SolGold Plc ("the Company" or "SolGold") and its subsidiaries (the "Group") is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK incorporated (on 11 May 2005), public company limited by shares, with the company registration number 05449516. SolGold is dual listed on the London Stock Exchange and the Toronto Stock Exchange. The address of the Company's registered office is 1 King Street, London EC2V 8AU, United Kingdom.

(a) Statement of compliance

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. SolGold plc transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 July 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the year reported as a result of the change in framework.

The consolidated financial statements and company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and their interpretations issued by the International Accounting Standards Board ("IASB"), in accordance with UK adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdoms' Financial Conduct Authority.

They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements also comply with IFRS as issued by the IASB, as is required as a result of the company's listing on the TSX in Canada. The accounting policies set out below have been applied consistently throughout these consolidated financial statements.

The preparation of the Group Financial Statements in compliance with IFRS requires management to make estimates and exercise judgment in applying the Group's accounting policies. In preparing the Group Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in Note 1.v.

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

The consolidated financial statements are presented in United States dollars ("US$"), rounded to the nearest dollar. Refer to Note 1 (d) for further details relating to the foreign exchange translation.

The Company was incorporated on 11 May 2005. From incorporation the Group has prepared the annual consolidated financial statements in accordance with IFRS.

(i) Prior year restatements and reclassifications

Investigation into Ecuadorian business

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

This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in-line with SolGold's accounting policy. SolGold concluded that it was appropriate to write-down the value of these assets accordingly and restate our financial statements. The profit and loss impact for the year ended 30 June 2022 amounted to US$227,846k (2021: US$879,977, 2017-2020: US$3,479,117), reflecting the fact that most losses were incurred in prior years. Though the misstatements are material to the quantum of exploration assets, the Company does not consider the misstatements to be material to the financial statements as a whole, either on an individual or cumulative basis. The overstatement of the exploration assets is cumulative and is made up of smaller annual misstatements that were not material in the respective years.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies - continued

Reclassification of land deposits

During the 2022 audit, it was identified that US$3.1 million of land deposits had been booked as of 30 June 2021 in 'Other receivables and prepayments', when these should have been considered as Land and disclosed as part of Property, plant and equipment. Management concluded that it was appropriate to reclassify this figure and have restated the balance accordingly, impacting these two financial statement line items.

Reclassification of share based payment reserve

During the 2022 audit, it was identified that US$7.2 million of options which had expired prior to 30 June 2020, had not been transferred to Accumulated Losses from the Share-based payment reserve in line with the Group's accounting policies. Opening balance of the Share-based payment reserve has been reduced by UD$7.2 million.

Detail of adjustments and impact in the comparative periods

Balance sheet (extract)	30 June 2020 US$	Increases / (decrease) US$	30 June 2020 US$ Restated	30 June 2021 US$	Increases / (decrease) US$	30 June 2021 US$ restated
Intangible assets	230,256,153	(3,479,117)	226,777,036	308,432,012	(4,592,119)	303,839,893
Property plant and equipment	-	-	-	15,682,120	3,140,978	18,823,098
Total non-current assets	257,019,289	(3,479,117)	253,540,172	332,396,498	(1,451,141)	330,945,357
Other receivables and prepayments	-	-	-	8,458,494	(2,906,546)	5,551,948
Total Current assets	-	-	-	124,516,527	(2,906,546)	121,609,981
Total assets	306,798,448	(3,479,117)	303,319,331	456,913,025	(4,357,687)	452,555,338
Net assets	281,988,034	(3, 479,117)	278,508,917	338,622,195	(4,357,693)	334,264,502

Profit and loss (extract)	30 June 2021 US$	Increases / (decrease) US$	30 June 2021 US$ restated
Exploration costs written-off	(4,353)	(879,977)	(884,330)
Administration expenses	(12,861,248)	1,055	(12,860,193)
Operating loss	(12,865,601	(878,922)	(13,744,523)
Loss before tax	(22,741,994)	(878,922)	(23,620,916)
Loss for the year	(22,893,167)	(878,922)	(23,772,089)

Cashflow (extract)	30 June 2021 US$	Increases / (decrease) US$	30 June 2021 US$ restated
Cashflows from operating activities			
Loss for the year	(22,893,167)	(878,922)	(23,772,089)
Exploration costs written-off	4,353	879,977	884,330
Decrease / (increase) in other receivables	(765,607)	941,151	175,544
Net cash outflow from operating activities	(14,048,752)	942,206	(13,106,546)
Cashflows from investing activities			
Security deposits (Payments)/refunds	(126,407)	126,407	-
Acquisition of exploration and evaluation assets	(75,607,912)	(3,368)	(75,611,280)

Proceeds from payment of company funded loan plan	1,065,245	(1,065,245)	-
Net cash outflow from investing activities	(81,763,483)	(942,206)	(82,705,689)

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies - continued

(ii) Going concern

At the year end, the Group has cash on hand of US$26.1 million and net current assets of US$27.47 million. The Directors have reviewed the cash position of the Group and the Company for the period to 31 December 2023 and consider it appropriate that the Group and the Company financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business, for the reasons set out below.

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

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

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

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

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

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

(iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost base modified by revaluation of financial assets held at fair value through OCI and financial liabilities at fair value through profit or loss.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies (continued)

(c) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 June each year.

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group.

Non-controlling interests are allocated their share of net profit after tax and share of other comprehensive income in the statement of profit or loss and comprehensive income and presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

(ii) Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies (continued)

(d) Foreign currency

Translation into the functional currency

Transactions entered into by Group entities in a currency other than the currencies of the primary economic environment in which they operate (the "functional currency") are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated into the functional currency at the foreign exchange rate ruling as of that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the historical foreign exchange rate. Any resultant foreign exchange currency translation amount is taken to the profit and loss.

Management reconsiders the functional currency where there is a change in events or conditions used in initial determination. Where the assessment indicates that a change in functional currency is required, the change is applied prospectively from the date it is deemed to have occurred.

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

	Functional Currency 2022	Functional Currency 2021	Exchange rate at 30 June 2022 used in preparation of Financials	Exchange rate at 30 June 2021 used in preparation of Financials	Average exchange rate for the year ended 30 June 2022	Average exchange rate for the year ended 30 June 2021
SolGold Plc	US$	US$	n/a	n/a	n/a	n/a
Australian Resource Management (ARM) Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Acapulco Mining Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Central Minerals Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Solomon Operations Ltd	SBD$	SBD$	0.1785	0.1245	0.1709	0.1245
Honiara Holdings Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
Guadalcanal Exploration Pty Ltd	A$	A$	0.6902	0.7495	0.7256	0.7470
SolGold Finance AG	US$	US$	n/a	n/a	n/a	n/a
SolGold Canadian Callco Corp.	CAD$	CAD$	0.7768	0.8067	0.7902	0.7804
SolGold Canadian Exchangeco Corp.	CAD$	CAD$	0.7768	0.8067	0.7902	0.7804
Exploraciones Novomining S.A.	US$	US$	n/a	n/a	n/a	n/a
Carnegie Ridge Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Green Rock Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Valle Rico Resources S.A.	US$	US$	n/a	n/a	n/a	n/a
Cruz del Sol S.A.	US$	US$	n/a	n/a	n/a	n/a
SolGold Ecuador S.A.	US$	US$	n/a	n/a	n/a	n/a
Novoproyectos-Sustentables S.A.	US$	US$	n/a	n/a	n/a	n/a

Translation into presentation currency

The assets and liabilities of the entities are translated into the Group presentation currency being the US$ at rates of exchange ruling at the reporting date. Income and expense items are translated at average rates for the period. Any resultant foreign exchange currency translation amount is taken to other comprehensive income. On disposal of an entity, cumulative exchange differences are recognised in the income statement as part of the profit or loss on sale. Exchange differences recognised in profit or loss in Group entities' separate financial statements, on the translation of long-term monetary items forming part of the Group's net investment in the overseas operation concerned, are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation. Considering that these relate to loans and receivables that are not expected to be settled in the foreseeable future they have been included as Investments in Subsidiaries in the Company, see section v.

Note 1 Accounting Policies (continued)

(e) Property, plant and equipment

(i) Owned assets

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

(ii) Leased assets

Items of property, plant and equipment that are accounted for under IFRS 16 Leases are recognised when contracts are entered into at an amount equal to the corresponding lease liability (see accounting policy (q) below).

(iii) Subsequent costs

The Group recognises in the carrying amount of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other costs are recognised in the statement of profit or loss as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment used in corporate and administrative operations. Depreciation is capitalised to exploration on a straight-line basis over the estimated useful lives of each item of property, plant and equipment used in exploration operations included within Intangible Assets. The estimated useful lives of all categories of assets are:

Office Equipment	3 years
Furniture and Fittings	5 years
Motor Vehicles	5 years
Plant and Equipment	5 years
Buildings	12 years
Land	Not depreciated

Depreciation charged on leased assets is charged to the statement of profit or loss on a straight-line basis over the term of the lease where it relates to corporate leases and capitalised to exploration when used in exploration operations.

The residual values and useful lives are assessed annually. Gains and losses on disposal are determined by comparing proceeds with carrying amounts and are included in the statement of profit or loss.

(f) Intangible assets (as per IFRS 6 - Exploration for and Evaluation of Mineral Resources)

Costs incurred in relation to the acquisition of, or application for, a tenement area are capitalised where there is a reasonable expectation that the tenement will be acquired or granted. Where the Group is unsuccessful in acquiring or being granted a tenement area, any such costs are immediately expensed.

All other costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on a project-by-project basis as exploration and evaluation assets, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads. Exploration and evaluation assets are carried at historical cost less any impairment losses recognised.

Once the work completed to date on an area of interest is sufficient such that the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be an evaluated mineral property. Following determination of the technical feasibility and commercial viability of a mineral resource, the relevant expenditure is transferred from exploration and evaluation assets to evaluated mineral property.

(f) Intangible assets (as per IFRS 6 Exploration for and Evaluation of Mineral Resources) (continued)

Further development costs are capitalised to evaluated mineral properties, if and only if, it is probable that future economic benefits associated with the item will flow to the entity; and the cost can be measured reliably. Cost is defined as the purchase price and directly attributable costs. Once the asset is considered to be capable of operating in a manner intended by management, commercial production is declared, and the relevant costs are amortised. Evaluated mineral property is carried at cost less accumulated amortisation and accumulated impairment losses.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Impairment of non-financial assets

Whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable the asset is reviewed for impairment. An asset's carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset's carrying amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment reviews for deferred exploration costs are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. As the material value of the Group's property, plant and equipment is associated with the exploration and evaluation these are also considered within the impairment review. An impairment review is undertaken when indicators of impairment arise, typically when one of the following circumstances apply:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

(i) Share capital

(i) Ordinary share capital

The Company's ordinary shares are classified as equity.

(ii) Shares issued to settle liabilities

The Group from time to time settles financial liabilities by issuing shares. The Group considers these equity instruments as 'consideration paid' and accordingly derecognises the financial liability.

The equity instruments issued are measured at fair value, with the difference being taken to the statement of profit or loss, unless the creditor is also a direct or indirect shareholder and is acting in their capacity as direct or indirect shareholder. When the creditor is acting in their capacity as a direct or indirect shareholder the value of shares issued is deemed to be the carrying value of the liability.

(j) Employee benefits

(i) Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied. Share based payments to non-employees are measured at the fair value of goods or services rendered or the fair value of the equity instrument issued, if it is determined the fair value of the goods or services cannot be reliably measured. Estimating fair value for share based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and model used for estimating fair value for share based payment transactions are disclosed in Note 23.

(ii) Retirement benefits

For the employees of subsidiaries in Ecuador, the Group operates a long-term benefit for years of service plan which represents the accrued benefits to be paid to employees (in accordance with the Ecuadorian labour code), that have completed twenty-five years of service. This is paid in the form of a special remuneration equivalent to the monthly salary in the month that the year of service conditions are met.
The cost of providing this benefit is recognised as a liability and an expense over the period in which the employee's services are received. The cost is determined using the projected unit credit method and is based on actuarial advice.
The change in the net defined benefit liability arising from employee service during the year is recognized as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognized as an expense in measuring profit or loss in the period in which they arise.
Remeasurement changes comprise actuarial gains and losses, are recognised immediately in other comprehensive income in the period in which they occur.

(iii) Company Funded Loan Plan

The Group has put in place a Company Funded Loan Plan ("CFLP") to provide financial assistance to employees in exercising share options. The financial assistance provided to employees is by way of a full recourse interest free loan. The CFLP is secured by the SolGold shares issued upon the exercise of share options under the CFLP to that employee. These shares are held in custody by the Company's broker.

CFLP loans to employees are initially recognised at fair value, which is determined by discounting loans to their net present value using the risk-free interest rate at the time the loan is granted and an estimated repayment schedule. Following initial recognition, they are carried at amortised cost using the effective interest rate method. Changes in the carrying value of the CFLP loans are recognised within interest income in the profit or loss. The cost of providing the benefit to employees is recognised as an employee expense in the statement of profit or loss on a straight-line basis over the expected life of the CFLP loan.

Further details on the CFLP are disclosed in Note 14.

(iv) Derivative Financial Instruments

The options issued to BHP as part of the share subscription on 2 December 2019 fall outside the scope of IFRS 2. As such these options are treated as derivative liabilities which are measured initially at fair value and gains or losses on subsequent re-measurement are recorded in the profit or loss. This subsequent remeasurement is valued using the Monte Carlo method.

Note 1 Accounting Policies (continued)

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.
Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the entity. Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the entity has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain. A contingent liability is not recognised in the statement of financial position. However, unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes.

Contingent assets are possible assets whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events that are not wholly within the control of the entity. Contingent assets are not recognised, but they are disclosed when it is more likely than not that an inflow of benefits will occur. However, when the inflow of benefits is virtually certain an asset is recognised in the statement of financial position, because that asset is no longer considered to be contingent.

(l) Trade and other payables

Trade and other payables are not interest bearing and are stated at amortised cost, unless settled with shares as per (i) above. The effect of discounting is immaterial.

(m) Financing costs and income

(i) Financing costs

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method.

(ii) Finance income

Interest income is recognised in the statement of profit or loss as it accrues, using the effective interest method.

(n) Taxation

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has US$69,682,242 (2021: US$73,362,323 restated) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on taxes are disclosed in Note 7.

Note 1 Accounting Policies (continued)

(o) Segment reporting

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

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results and asset position are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate office assets, head office expenses, and income tax assets and liabilities.

(p) Project Financing

The Group, from time to time, enters into funding arrangements with third parties in order to progress specific projects. The Group financial statements accounted for the related exploration costs in line with the terms of the specific agreement. Costs incurred by SolGold plc are recognised as intangible assets within the financial statements. Costs incurred by third parties are not recognised by SolGold plc.

(q) Leases

For any contracts entered into, the Group considers whether the contract is or contains a lease. For those contracts that fall within the exemptions of IFRS 16 and are classified as short term, these are charged as expenses on a straight-line basis over the period of the lease. For all other leases, the Group recognises a right-of-use asset ("ROUA") and a lease liability on the balance sheet.

The ROUA is measured at cost at an amount equal to the lease liability. The process to adopt this approach can be summarised as follows:

- Calculate the lease liability at commencement date of the lease. At the initial adoption of the standard this was calculated as at the date on initial application of IFRS 16.
- Set the ROUA as an amount equal to the lease liability in line with the above dates.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the implicit interest rate in the lease. Where the implicit rate cannot be easily determined the Group's incremental borrowing rate is used instead. As there is no implicit rate in the leases the Group had chosen to use 8% per the discount rate used in the historic economic project studies. For new leases entered into this rate will be reassessed to reflect the current economic project studies.

The Group depreciates the ROUA on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. The liability is remeasured to reflect any reassessment or modification. Where the lease liability is remeasured, the corresponding adjustment is reflected in the profit and loss if the ROUA is already reduced to zero.

In the statement of financial position, ROUA have been included in property, plant and equipment and lease liabilities have been included in both current and non-current liabilities, under Lease Liability.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies (continued)

(r) Financial Instruments

Recognition and Initial Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised in the Group statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position and consolidated statement of profit or loss when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial instruments are generally measured at initial recognition at fair value and adjusted for transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was issued and its characteristics. All purchases and or sales of financial assets are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial asset. Unless otherwise indicated the carrying amounts of the Group's financial assets approximate to their fair values.

Financial assets at amortised cost

Financial assets are measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised costs are subsequently measured using the effective interest (EIR) method and are subject to an impairment assessment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition SolGold can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

SolGold elected to classify irrevocably 'Investments in equity excluding subsidiaries' under this category.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost or fair value through other comprehensive income (when these are not equity instruments). The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

(r) Financial Instruments (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Please refer to Note 14 for the CFLP.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated at FVTPL, are measured subsequently at amortised cost. The Group's financial liabilities comprise of trade and other payables, current and non-current lease liabilities and borrowings (Franco-Nevada NSR Financing Agreement refer Note 21) which are measured at amortised cost.

Financial liabilities measured at fair value through profit or loss

Financial liabilities that are (i) held for trading, or (ii) designated by the entity as being at FVTPL are measured at fair value through profit or loss. The Group's financial liabilities at FVTPL comprise of the Derivative Liability associated with the share issuance to BHP in December 2019.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired: or
- SolGold has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through' arrangement; and either (a) SolGold has transferred substantially all the risks and rewards of the asset, or (b) SolGold has neither transferred nor retained substantially all the risks and rewards of the asset; but has transferred control of the asset.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of profit or loss.

(s) Accounting policies for the Company

The accounting policies applied to the Company are consistent with those adopted by the Group with the exception of the following:

(i) Subsidiary investments
Investments in subsidiary undertakings are stated at cost less impairment losses. Expenditure incurred by the Company on behalf of a subsidiary, and where the subsidiary does not reimburse the Company for assets that could be capitalised in accordance with IFRS 6, is recorded within investments in subsidiary undertakings. Where investments are passed down into the underlying operating subsidiaries where no reimbursement is expected this is recorded as an investment in subsidiary

(s) Accounting policies for the Company (continued)

undertakings. Within Investments in Subsidiaries we also include Loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

(ii) Intercompany loans
Intercompany loans with its subsidiary undertakings are measured in line with the Group's policy mentioned in (r) Financial instruments above. That is at amortised cost, with all subsequent measures using the effective interest method and are subject to an impairment assessment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Refer Note 1(v).

(t) Nature and purpose of reserves

(i) Financial assets at fair value through other comprehensive reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as financial assets at fair value through OCI, are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(ii) Share-based payment reserve
The share-based payment reserve is used to recognise:

- the grant date fair value of options issued to employees that have vested but not been exercised; and
- the grant date fair value of shares issued to employees.

(iii) Foreign currency translation reserve
Exchange differences arising on translation of foreign controlled entities where the functional currency differs from the presentational currency are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

At a Company level the foreign currency translation reserve relates to the change in presentational currency performed in previous periods.

(iv) Other reserves
This reserve is used to both adjust the actuarial assessed fair value for the defined benefit pension obligation linked to the Group's employees in Ecuador and to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Note 1 Accounting Policies (continued)

(u) Changes in accounting policies

New standards and amendments in the year

The Group has adopted the following revised and amended standard. The list below includes only standards and interpretations that could have an impact on the Consolidated Financial Statements of the Group.

Effective period commencing on or after		
IFRS 9, IAS 39, 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.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 1 Accounting Policies (continued)

(v) Critical Accounting Estimates and Judgements

In application of the Group's accounting policies, described in Note 1, the Directors have made the following judgments and estimates which may have a significant effect on the amounts recognised in the Group and Company Financial Statements.

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Accounting Estimates

NSR royalty interest - Group

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

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

Accounting Judgements

Exploration and evaluation expenditure - Group

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

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Group considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supported the carrying value of the project.

The Directors have carried out an assessment of the carrying values of exploration and evaluation expenditure and indicators of impairment. No triggers of impairment were identified at 30 June 2022, apart from the decision to relinquish 10 concessions as detailed in Note 13.

Intercompany loan - Company

Management has made a judgement relating to those loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future and it has considered those loans as Investments in subsidiaries.

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Company considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supported the carrying value of the project.

No triggers of impairment were identified at 30 June 2022 on the carrying values of the Cascabel exploration and evaluation asset, which is directly linked to the repayment of the loan from SolGold Finance AG. All recovery strategies indicate that the loan will be fully recovered, therefore no loss allowances have been made.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 2 Segment Reporting

The Group determines and separately reports operating segments based on information that is internally provided to the Board of Directors, who are the Group's chief operating decision makers. The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

The Group has outlined below the separately reportable operating segments, having regard to the quantitative threshold tests provided in IFRS 8, namely that the relative, asset or profit / (loss) position of the operating segment equates to 10% or more of the Group's respective total. The Group reports information to the Board of Directors along these project category lines. The financial information of the other projects that do not exceed the thresholds outlined above, and is therefore not reported separately, is aggregated as Other Projects.

30 June 2022	Finance Income	Depreciation	Impairment of E&E	Loss for the year	Assets	Liabilities	Share Based Payments	Non-current asset additions
	US$	US$	US$	US$	US$	US$	US$	US$
Cascabel project *	-	140,989	227,847	(1,014,326)	270,791,351	2,411,948	-	35,308,857
Other Ecuadorian projects	48,581	163,834	3,466,350	(5,272,198)	114,262,932	1,793,313	-	33,907,523
Other projects	30	24	-	(20,273)	10,463,708	390	-	259,717
Corporate	790,529	314,201	163,827	4,605,232	33,644,619	93,708,453	454,336	8,174
Total	**839,140**	**619,048**	**3,858,024**[1]	**(1,701,565)**	**429,162,611**	**97,914,105**	**454,336**	**69,484,271**

30 June 2021 restated	Finance Income	Depreciation	Impairment of E&E	Loss for the year	Assets	Liabilities	Share Based Payments	Non-current asset additions
	US$	US$	US$	US$	US$	US$	US$	US$
Cascabel project *	-	104,200	879,608	(1,423,604)	233,169,906	3,153,211	-	43,129,562
Other Ecuadorian projects	-	136,175	4,722	(1,525,682)	89,212,722	1,968,707	-	29,245,227
Other projects	246	25	-	(16,907)	10,502,442	20,513	-	255,325
Corporate	454,329	341,626	-	(20,805,896)	119,670,268	113,148,405	315,436	-
Total	**454,575**	**582,026**	**884,330**[1]	**(23,772,089)**	**452,555,338**	**118,290,836**	**315,436**	**72,630,114**

* The Cascabel project is held by the subsidiary Exploraciones Novomining S.A. which is 15% owned by a non-controlling interest. See further details of the subsidiary in Note 9.

[1] Includes written off exploration expenditure due to the misappropriation of funds. Please refer note 13

Geographical information

Non-current assets	2022 US$	2021 US$ restated
Switzerland	8,174	-
Australia	12,540,078	16,285,847
Solomon Islands	599,559	433,708
Ecuador	381,617,220	314,225,802
	394,765,031	**330,945,357**

The Group had no revenue during the current and prior year.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 3 Operating Loss

	Group 2022 US$	Group 2021 US$
The operating loss is stated after charging (crediting)		
Auditors' remuneration:		
Amounts received or due and receivable by Group auditors for audit of the Company and Group's annual accounts[1]	773,363	-
Amounts received or due and receivable by Group auditors for the audit of the Company and Group's annual accounts BDO	80,987	347,165
Other non-audit services		
- Agreed upon procedures on quarterly and half year financial statements	-	103,686
- Translation services	-	27,585
- Incorporation of SolGold Finance AG	-	18,130
- Tax compliance - Ecuador	-	5,000
Employee Expenses	5,112,716	3,182,529
Insurance (largely political risk)	3,215,136	3,464,139
Director fees	1,373,471	1,490,282
Consultancy fees	1,369,647	1,059,336
Legal fees	765,599	746,590
Regulatory and compliance	612,459	637,808
Depreciation	619,048	582,026
Foreign exchange losses /(gains)	965,591	(1,790,028)
Share based payments (Note 23)	454,336	315,436

[1] PricewaterhouseCoopers LLP were appointed as auditors 11 November 2021

Note 4 Staff Numbers and Costs (monthly averages for the year)

	Group 2022	Group 2021	Company 2022	Company 2021
Finance and administration	33	37	11	14
Technical - permanent	497	456	8	7
Technical - temporary	364	329	-	-
	894	**822**	**19**	**21**

The aggregate payroll costs of employees were:

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Wages and salaries	26,464,580	23,566,670	5,758,733	5,020,454
Contributions to superannuation	242,403	191,064	242,403	191,064
Share based payments	454,336	315,436	454,336	315,436
Total staff costs	**27,161,319**	**24,073,170**	**6,455,472**	**5,526,954**

Included within total staff costs is US$21,844,082 (2021: US$20,176,654) which has been capitalised as part of deferred exploration costs.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 5 Remuneration of Key Management Personnel

2022	Basic Annual Salary US$	Bonus US$	Other Benefits[1] US$	Pensions US$	Total Remuneration US$
Directors					
Darryl Cuzzubbo[2]	260,301	-	-	10,951	271,252
Keith Marshall[3]	258,549	117,982	-	-	376,531
Nicholas Mather	72,205	-	-	-	72,205
Jason Ward[4]	334,653	-	-	-	334,653
Brian Moller[5]	33,255	-	-	-	33,255
James Clare	72,305	-	-	-	72,305
Liam Twigger	118,931	-	-	11,893	130,824
Elodie Grant Goodey	85,965	-	-	-	85,965
Kevin O'Kane	79,331	-	-	-	79,331
Maria Amparo Alban	72,423	-	-	-	72,423
Other key management personnel[6]	1,694,266	336,436	-	80,335	2,111,037
Total paid to key management personnel	**3,082,184**	**454,418**	**-**	**103,179**	**3,639,781**
Other staff and contractors	22,578,392	349,587	454,336	139,225	23,521,540
Total	**25,660,576**	**804,005**	**454,336**	**242,404**	**27,161,321**

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

[2] Darryl Cuzzubbo 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).

Note 5 Remuneration of Key Management Personnel (continued)

2021	Basic Annual Salary US$	Bonus US$	Other Benefits[1] US$	Pensions US$	Total Remuneration US$
Directors					
Keith Marshall[4]	212,145	-	-	-	212,145
Nicholas Mather (highest paid director)[6]	827,381	-	-	-	827,381
Brian Moller	64,628	-	-	-	64,628
Robert Weinberg[2]	23,506	-	-	-	23,506
James Clare	61,824	-	-	-	61,824
Jason Ward[3]	304,352	-	-	-	304,352
Liam Twigger	93,075	-	-	8,972	102,047
Elodie Grant Goodey[4]	71,756	-	-	-	71,756
Kevin O'Kane[4]	51,202	-	-	-	51,202
Maria Amparo Alban[4]	47,326	-	-	-	47,326
Other key management personnel[5]	1,745,060	193,739	-	111,021	2,049,821
Total paid to key management personnel	**3,502,255**	**193,739**	**-**	**119,993**	**3,815,987**
Other staff and contractors	19,778,314	92,363	315,436	71,071	20,257,184
Total	**23,280,569**	**286,102**	**315,436**	**191,064**	**24,073,171**

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

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

[3] Jason Ward's Basic Annual Consultancy Fees includes total remuneration paid for the year including payments prior to Director appointment.
[4]Elodie Grant Goodey was appointed as a non-executive Director on 17 July 2020. Keith Marshall, Kevin O'Kane and Maria Amparo Alban were all appointed as non-executive Directors on 21 October 2020.

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

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

Note 6 Finance Income and Costs

	Group 2022 US$	Group 2021 US$
Interest income	49,194	4,962
Accretion of Interest on company funded loan plan (Note 14)	789,946	449,613
Finance income	**839,140**	**454,575**

	Group 2022 US$	Group 2021 US$
General interest	291	3,540
Interest on lease liability	64,325	67,730
Interest on bridging loan	-	371,275
Interest on NSR (Note 21)	12,505,564	9,619,242
Finance costs	**12,570,180**	**10,061,787**

Note 7 Tax Expense

Factors affecting the tax charge for the current year

SolGold's headquarters is in Australia and as the Company has its central management and control in Australia, the applicable tax rates are Australian. The tax profit for the year is higher than the credit resulting from the application of the standard rate of corporation tax in Australia of 30% (2021: 30%) being applied to the profit before tax arising during the year. The differences are explained below.

	Group 2022 US$	Group 2021 US$ restated
Tax reconciliation		
Profit / (loss) before tax[1]	2,838,538	(23,620,916)
Tax at 30% (2021: 30%)	851,561	(7,086,275)
Add / (less) tax effect of:		
Permanent differences	917,878	737,930
Derecognise current year tax losses	-	4,483,039
(Recognise) / derecognise prior year losses	(215,502)	7,879,110
Prior year tax expense attributable to Ecuador	-	6,504
Current year tax expense attributable to Ecuador	61,460	80,294
Prior period adjustments to true-up tax return	2,921	10,979
Other	19,600	7,448
Impact of tax rate differences	(3,417,092)	2,500,519
Temporary differences not recognised	6,319,277	(8,468,375)
Income tax expense on loss	**4,540,103**	**151,173**

Components of tax (expense) / benefit on other comprehensive income comprise of:		
Tax on valuation (loss) / gain on investments held at fair value through OCI (see note 15)	(267,087)	692,474
Income tax (expense) / benefit on other comprehensive income	**(267,087)**	**692,474**
Amounts recognised directly in equity		
Attributable to prior periods	-	11,695
Net deferred tax credited directly to equity	(11,111)	(768,544)
Income tax (expense) recognised directly in equity	**(11,111)**	**(756,849)**

[1] Impacted by the restatement as detailed in Note 1.

Deferred tax assets are recognised only to the extent of deferred tax liabilities. Where deferred tax assets exceed deferred tax liabilities, deferred tax assets on carried forward tax losses are derecognised in the first instance considering their recoverability.

Factors that may affect future tax charges

The Group has carried forward gross tax losses of approximately US$100.0 million (2021: US$88.8 million restated). These losses may be deductible against future taxable income dependent upon the on-going satisfaction by the relevant Group Company of various tax integrity measures applicable in the jurisdiction in which the tax loss has been incurred. The jurisdictions in which tax losses have been incurred include Australia, Ecuador, Switzerland and the Solomon Islands. Tax losses in Australia (US$69.68 million) can be carried forward indefinitely while in Ecuador (US$30.39 million), tax losses may be carried forward and offset against profits in the following five years, provided that the amount offset does not exceed 25% of the year's profits.

For the year ended 30 June 2022

Note 8 Loss Per Share

	2022 Cents per share	2021 Cents per share restated
Basic loss per share	(0.1)	(1.1)
Diluted loss per share	(0.1)	(1.1)

	2022 US$	2021 US$ restated
(a) Loss		
Loss used to calculate basic and diluted loss per share	(1,701,565)	(23,772,089)
	Number of shares	Number of shares
(b) Weighted average number of shares		
Used in calculating basic LPS	2,293,816,433	2,115,829,663
Weighted average number of dilutive options	-	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating dilutive LPS	2,293,816,433	2,115,829,663

Options granted are not included in the determination of diluted earnings per share as they are considered to be anti-dilutive. These out of the money options may become dilutive in the future.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 9 Investment in subsidiaries

[1] **Reporting date is 31 December**

	Country of incorporation and operation	Registered Address	Principal activity	SolGold plc's effective interest 2022	2021
Australian Resource Management (ARM) Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Acapulco Mining Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Central Minerals Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Solomon Operations Ltd	Solomon Islands	c/- Morris & Sojnocki Chartered Accountants 1st Floor City Centre Building, Mendana Avenue, Honiara Solomon Islands	Exploration	100%	100%
Honiara Holdings Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%

Guadalcanal Exploration Pty Ltd	Australia	Level 27, 111 Eagle Street Brisbane, QLD, 4000 Australia	Exploration	100%	100%
Exploraciones Novomining S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	85%	85%
Carnegie Ridge Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
Green Rock Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
Valle Rico Resources S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
Cruz del Sol S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Exploration	100%	100%
SolGold Ecuador S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Services Management	100%	100%
Novoproyectos-Sustentables S.A.[1]	Ecuador	Avenida La Coruña E25-58 y San Ignacio, Edificio Altana Plaza piso 4, oficina 406 Quito, Ecuador	Project development	100%	100%
SolGold Canadian Callco Corp.[1]	Canada	4500, 855 - 2nd Street S.W, Calgary, Alberta T2P 4K7	Investment	100%	100%
SolGold Canadian Exchangeco Corp.	Canada	4500, 855 - 2nd Street S.W, Calgary, Alberta T2P 4K7	Investment	100%	100%
SolGold Finance AG	Switzerland	Baarerstrasse 21, 6300 Zug	Investment	100%	100%

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For the year ended 30 June 2022

Note 9 Investment in subsidiaries (continued)

	Investment in subsidiary undertakings Investment US$
Cost	
Balance at 30 June 2020	**295,129,525**
Acquisitions and advances in the year[1]	33,592,422
Reallocation to SolGold Finance AG	(173,497,993)
Balance at 30 June 2021	**155,223,954**
Acquisitions and advances in the year	32,918,459
Balance at 30 June 2022	**188,142,413**
Amortisation and impairment losses	
Balance at 30 June 2020	**(35,178,110)**
Balance at 30 June 2021	**(35,178,110)**
Balance at 30 June 2022	**(35,178,110)**

Carrying amounts	
Balance at 30 June 2020	259,951,415
Balance at 30 June 2021	120,045,844
Balance at 30 June 2022	**152,964,303**

[1]During the year ended 30 June 2021, the intercompany loans between SolGold plc and Exploraciones Novomining S.A./SolGold Ecuador S.A. were reallocated to a newly established intermediary company (SolGold Finance AG).

Included in Investments with subsidiaries there are U$S126,545,135 (2021 U$S 94,536,862) from Loans with related parties.

Note 10 Intercompany Loans with Subsidiaries

	Intercompany Loans with Subsidiaries Loan US$
Cost	
Balance at 30 June 2020	-
Reallocation of loans	173,497,993
BLA Offset	(15,619,579)
Advances in the year	5,001,463
Interest accrued in the year	4,519,890
Balance at 30 June 2021	**167,399,767**
Advances in the year	12,505,512
Interest accrued in the year	5,694,637
Balance at 30 June 2022	**185,599,916**
Amortisation and impairment losses	
Balance at 30 June 2020	-
Balance at 30 June 2021	-
Balance at 30 June 2022	-
Carrying amounts	
Balance at 30 June 2020	-
Balance at 30 June 2021	167,399,767
Balance at 30 June 2022	**185,599,916**

Note 10 Intercompany Loans with Subsidiaries (continued)

In September 2020 SolGold plc transferred its investments and associated intercompany loans in ENSA (85%) and SolGold Ecuador S.A. (100%) to a newly established wholly-owned subsidiary called SolGold Finance AG.

Upon the transfer of the investments and associated intercompany loans from ENSA and SolGold Ecuador S.A. to SolGold Finance AG, a new back-to-back loan agreement was implemented between SolGold plc and SolGold Finance AG. The key terms of this new back-to-back loan agreement include:

- 10 year loan maturity period
- 3.5% annual interest rate, calculated daily
- Interest accrues and is due on or before 10 years, or thereafter by agreement between the parties
- SolGold plc has the ability to call the loan for repayment at any point on or before 10 years from the date of issue
- SolGold Finance AG may prepay the whole or any part of the advances made by SolGold plc at any point without notice, penalty or bonus

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

Note 11 Investments

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

	Group		Company	
	2022	2021	2022	2021
	US$	US$	US$	US$
Movements in financial assets				
Opening balance at 1 July	6,825,042	4,119,179	6,819,046	4,113,660
Additions	-	813,927	-	813,927
Fair value adjustment through OCI	(1,473,198)	1,891,936	(1,472,723)	1,891,459
Balance at 30 June	**5,351,844**	**6,825,042**	**5,346,323**	**6,819,046**

Financial assets comprise an investment in the ordinary issued capital of Cornerstone Capital Resources Inc., listed on the TSX Venture Exchange and an investment in the ordinary issued capital of Aus Tin Mining Ltd, a company listed on the Australian Securities Exchange.

(b) Fair value

Fair value hierarchy

The following table details the Group's assets, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The fair values of financial assets approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

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

	US$ Level 1	US$ Level 2	US$ Level 3	US$ Total
2022				
Financial assets held at fair value through OCI	5,351,844	-	-	5,351,844
2021				
Financial assets held at fair value through OCI	6,825,042	-	-	6,825,042

The financial assets are measured based on the quoted market prices at 30 June and therefore are classified as Level 1.

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For the year ended 30 June 2022

Note 12 Property, Plant and Equipment

	Group						Company
	Land[2]	Property, Plant and Equipment	Motor Vehicles	Office Equipment	Furniture & Fittings	Total	Total [1]
	US$	US$	US$	US$	US$	US$	US$
Cost							
Balance 1 July 2020	**12,399,525**	**2,904,105**	**1,104,237**	**729,314**	**264,914**	**17,402,095**	**1,644,111**
Effect of foreign exchange on opening balance	-	124,554	4,596	2,776	877	132,803	119,635

Additions (restated)	4,113,935	457,182	-	187,496	9,400	4,768,013	19,304
IFRS 16 transition additions	-	(12,645)	-	-	-	(12,645)	-
Disposals	-	-	(35,155)	-	-	(35,155)	-
Balance 30 June 2021 (restated)	**16,513,460**	**3,473,196**	**1,073,678**	**919,586**	**275,191**	**22,255,111**	**1,783,050**
Effect of foreign exchange on opening balance	-	(123,985)	(4,578)	(2,767)	(873)	(132,203)	(119,085)
Additions	3,836,561	406,964	-	80,751	5,719	4,329,995	14,772
Disposals	-	-	(38,490)	-	-	(38,490)	-
Balance 30 June 2022	**20,350,024**	**3,756,175**	**1,030,610**	**997,570**	**280,037**	**26,414,413**	**1,678,737**
Depreciation and impairment losses							
Balance 1 July 2020	**-**	**(995,434)**	**(712,955)**	**(577,497)**	**(175,221)**	**(2,461,107)**	**(456,920)**
Effect of foreign exchange on opening balance	-	(29,513)	(4,595)	(2,858)	(877)	(37,843)	(24,606)
Depreciation charge for the year	-	(482,064)	-	(93,615)	(6,347)	(582,026)	(341,626)
Depreciation capitalised to exploration	-	(123,839)	(188,182)	(37,907)	(36,264)	(386,192)	(1,048)
Disposals	-	-	35,155	-	-	35,155	-
Balance 30 June 2021	**-**	**(1,630,850)**	**(870,577)**	**(711,877)**	**(218,709)**	**(3,432,013)**	**(824,200)**
Effect of foreign exchange on opening balance	-	64,391	4,577	2,766	873	72,607	59,500
Depreciation charge for the year	-	(490,621)	-	(121,419)	(7,008)	(619,048)	(314,071)
Depreciation capitalised to exploration	-	(194,668)	(166,686)	(5,313)	(18,185)	(384,851)	(1,047)
Disposals	-	-	33,379	-	-	33,379	-
Balance 30 June 2022	**-**	**(2,251,748)**	**(999,307)**	**(835,843)**	**(243,029)**	**(4,329,927)**	**(1,079,818)**

[1] Company assets include fixture and fittings and office equipment

[2] Includes restatement of $3,140,978 for land. See restatement in Note 1

Carrying amounts

At 30 June 2020	12,399,525	1,908,671	391,282	151,817	89,693	14,940,988	1,187,191
At 30 June 2021	16,513,460	1,842,346	203,101	207,709	56,482	18,823,098	958,850
At 30 June 2022	**20,350,024**	**1,504,427**	**31,303**	**161,728**	**37,008**	**22,084,490**	**598,919**

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For the year ended 30 June 2022

Note 13 Intangible Assets

	Group deferred exploration costs (Restated) [1] US$
Cost	
Balance at 30 June 2020	**267,852,937**
Incorrect capitalised costs	(3,479,117)

Balance at 30 June 2020 restated[1]	**264,373,820**
Effect of foreign exchange on opening balances	434,222
Additions - expenditure	77,512,965
Incorrect capitalised costs	(879,977)
Balance at 30 June 2021 restated[1]	**341,441,030**
Effect of foreign exchange on opening balances	(696,468)
Additions - expenditure	66,294,083
Incorrect capitalised costs [2]	(227,846)
Balance at 30 June 2022	**406,810,799**
Impairment losses	
Balance at 30 June 2020	**(37,596,784)**
Impairment charge	(4,353)
Balance at 30 June 2021	**(37,601,137)**
Impairment charge	(3,630,178)
Balance at 30 June 2022	**(41,231,315)**
Carrying amounts	
At 30 June 2020 - restated	226,777,036
At 30 June 2021 - restated	303,839,893
At 30 June 2022	**365,579,484**

[1] As of 30 June 2022, the group has restated its intangible assets for the year end 30 June 2021 and 2020 as detailed in Note 1.

[2] These costs were previously reported as of 31 December 2022 as additions.

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest. An impairment charge of US$3,630,178 (2021: US$4,353) was recognised in the year for exploration expenditure associated with concessions in Ecuador that the board decided to relinquish, as per the announcement on 7 September 2021. In addition to this, US$227,846 (2021: US$879,977) was recognised in association with the misappropriation of funds (refer Note 3).

In December 2021, the Company commissioned EY Ecuador to conduct a forensic investigation into alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation, reporting directly to the Chair of the Audit & Risk Committee. The forensic investigation revealed that during the years 2017 to 2021 US$4.6 million was misappropriated.

This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in-line with SolGold's accounting policy. SolGold concluded that it was appropriate to write-down the value of these assets accordingly and restate our financial statements. The profit and loss impact for the year ended 30 June 2022 amounted to US$227,846, reflecting the fact that most losses were incurred in prior years.

An assessment of the carrying values of deferred exploration costs is provided below.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 13 Intangible Assets (continued)

Cascabel project (85% Ownership)
The Alpala deposit, discovered at Cascabel, is in northern Ecuador, lying upon the gold rich section of the northern section of the prolific Andean Copper belt, renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation from the Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project is a three-hour drive north of Quito, close to water, power supply and Pacific ports.

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

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

Based on the exploration work conducted to date at the Cascabel project, the Company:

- continues to have the right to explore in the area
- has met its expenditure commitments
- remains positive around the prospectivity of the project area, with encouraging geological results encountered to date
- the company is not aware of any data that would require or demand to abandon or relinquish the project

Accordingly, management is of the opinion that the exploration and evaluation assets capitalised at 30 June 2022 are recoverable and fairly stated and that no impairment provision is required.

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$259.9 million.

SolGold 100% owned projects

Regional concessions granted for 100% SolGold Ecuador subsidiaries
The four 100% owned subsidiary companies in Ecuador: Carnegie Ridge Resources S.A., Green Rock Resources S.A., Cruz del Sol S.A. and Valle Rico Resources S.A. hold 72 mining concessions in Ecuador for which the companies were successful in bidding as part of the auction process in 2016 and 2017.The Company has carried out initial exploration work programs on these concessions and delineated 10 priority projects. The ongoing exploration program on these projects continues to focus on:

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

At 30 June 2022, the capitalised exploration and evaluation costs for the Other Ecuadorian projects totalled US$95.25 million. The high priority projects consist of 41 concessions and total capitalised expenditure is US$67.86 million. The other 31 regional concessions total capitalised costs are US$27.40 million.
Based on the exploration work conducted to date at the Other Ecuadorian projects, the Company:

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

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$95.25 million.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 13 Intangible Assets (continued)

Acapulco Mining projects
The main exploration project of Acapulco Mining Pty Ltd is the Mt Perry project. A comprehensive assessment of the project has identified the Upper Chinaman's Creek prospects as the highest priority high-grade opportunity.

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

- continues to have the right to explore in the area
- has met its expenditure commitments and is now actively seeking a joint venture partner to pursue further exploration on the projects
- remains positive around the prospectivity of the project areas, with encouraging exploration results encountered to date
- insufficient data exists to abandon or relinquish the project

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$6.50 million.

Central Minerals projects
Central Minerals Pty Ltd holds the Rannes project where recently completed exploration activities include:

- Work on the Rannes Project focused on plate modelling of VTEM data and commencement of the integration of 3DIP, VTEM and magnetic inversion model data
- Air-photo based litho-structural geological review and interpretation

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

- continues to have the right to explore in the area
- has met its expenditure commitments and is now actively seeking a joint venture partner to pursue further exploration on the projects
- remains positive around the prospectivity of the project areas, with encouraging exploration results encountered to date
- insufficient data exists to abandon or relinquish the project

Accordingly, management have assessed that there are no indicators of impairment for the aggregate carrying value of US$3.30 million.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 14 Loan Receivables and Other Assets

Loan receivables and other current assets	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Company Funded Loan Plan Receivable	3,553,291	6,495,930	3,553,291	6,495,930
Closing balance at the end of the reporting period	**3,553,291**	**6,495,930**	**3,553,291**	**6,495,930**

Loan receivables and other non-current assets	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Security bonds	1,749,213	1,457,324	756,332	756,332
Closing balance at the end of the reporting period	**1,749,213**	**1,457,324**	**756,332**	**756,332**

Company funded loan plan receivable				
Balance at beginning of reporting period	6,495,930	6,373,398	6,495,930	6,373,398
Proceeds received from repayment of the loans during the period	(2,408,511)	(1,065,245)	(2,408,511)	(1,065,245)
Fair value adjustment recognised as an employee benefit expense	(669,211)	-	(669,211)	-
Accretion of interest	789,946	449,613	789,946	449,613
Effect of foreign exchange	(654,863)	738,164	(654,863)	738,164
Balance at end of reporting period	**3,553,291**	**6,495,930**	**3,553,291**	**6,495,930**

The CFLP is a plan established by the Company to assist employees in exercising share options. On 29 October 2018, the Company assisted employees to exercise 19,950,000 options previously issued to employees of the Company in 2016 via the

CFLP. Since inception and until 30 June 2022 repayments of US$3,473,756 have been received against the loans provided. As at 30 June 2022, 4 employees remain beneficiaries of the Plan, with 1 employee having repaid their loan in early July 2022.

The key terms of this CFLP on the date the loans were granted were as follows:

- The employee may only use a loan under the Plan to pay for the exercise of Employee Options granted by the Company.
- The loan will be granted for a maximum period of 2 years (extended in the meantime).
- No interest will be charged on the loan.
- The loan is secured by the shares granted on the exercise of the Employee Options.
- The loans provided are full recourse.

As the loan provided by the Company was at a favourable rate of interest for the employees, the loan receivable under the Plan was fair valued at the date of grant. The fair value of the loan was estimated based on the future cash flow and a market rate of 7%. In future reporting periods, post inception, the loan has been measured at amortised cost. The loans provided are full recourse loans. If the sale of shares does not cover the outstanding loan balance in full, repayment of the balance will be recovered from the employees. This transaction was a non-cash transaction with employees. Management have considered the likelihood of default is low and the expected credit losses under the loans will be immaterial and accordingly, no impairment has been recognised at 30 June 2022. The Company has the ability to sell the shares, and accordingly the exposure to credit risk is low.

On 24 February 2020 the maturity date for the CFLP was extended by 12 months to 29 October 2021. All other terms of the CFLP remained consistent. The 12-month extension of the loan resulted in an overall increase of US$402,082 in employee benefits expense. This fair value adjustment is represented in the above table and was recognised as an employee benefit expense.

Note 14 Loan Receivables and Other Assets (continued)

The Board of Directors in June 2021 resolved to extend the CFLP until 31 December 2021. During the October 2021 board meeting, the Board of Directors resolved to extend the CFLP again, this time for a further six months, to 30 June 2022. This extension of the loan resulted in an overall increase of US$669,211 in employee benefits expense. This fair value adjustment is represented in the above table and was recognised as an employee benefit expense.

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

Security bonds relate to cash security held against office premises (Level 27; 111 Eagle St, Brisbane, Queensland Australia, 1 King Street, St Paul's London United Kingdom, Baarerstrasse 21, 6300 Zug), cash security held by the Queensland Department of Natural Resources and Mines against Queensland exploration tenements held by the Group and on cash backed bank guarantees held by the Ecuadorian Ministry of Environment against Ecuadorian exploration tenements held by the Group.

Note 15 Deferred Taxation

Recognised deferred tax assets and liabilities

Group 2022	Opening balance US$	Net (charged)/credited to income US$	Net (charged) / credited to other comprehensive income US$	Net (charged) / credited to equity US$	Net movement on unwind / transfer US$	Closing balance US$
Recognised deferred tax assets						
Carried forward tax losses	-	6,295,129	-	-	-	6,295,129
Accruals / provisions	1,517,126	(443,509)	-	11,111	-	1,084,728
Potential benefit	**1,517,126**	**5,851,620**	**-**	**11,111**	**-**	**7,379,857**

Recognised deferred tax liabilities						
Financial assets held at fair value through other comprehensive income	(1,201,733)	102,643	267,087	-	-	(832,003)
Derivative liabilities	43,314	(90,424)	-	-	-	(47,110)
NSR Liability (borrowings)	-	(4,200,444)	-	-	-	(4,200,444)
Exploration and evaluation assets	(2,599,253)	146,911	-	-	-	(2,452,342)
Foreign exchange gains/losses	2,518,843	(6,361,967)	-	-	-	(3,843,124)
Property, plant and equipment	-	(1,069)	-	-	-	(1,069)
IFRS 16 right of use asset	(278,297)	74,088	-	-	-	(204,209)
Potential benefit	**(1,517,126)**	**(10,330,262)**	**267,087**	**-**	**-**	**(11,580,301)**
Net deferred taxes	**-**	**(4,478,642)**	**267,087**	**11,111**	**-**	**(4,200,444)**
Deferred tax assets not recognised						
Unused tax losses	25,423,063	(4,126,551)	-	-	-	21,296,512
Temporary differences[1]	9,341,592	6,319,277	-	-	-	15,660,869
Tax benefit	**34,764,655**	**2,192,726**	**-**	**-**	**-**	**36,957,381**

[1] Exploration expenditure incurred in the Solomon Islands that has been expensed. This expenditure is deductible over 5 years from when production commences.

Notes to the Financial Statements

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Note 15 Deferred Taxation (continued)

Recognised deferred tax assets and liabilities (continued)

Group 2021	Opening balance US$	Net (charged) / credited to income US$	Net (charged) / credited to other comprehensive income US$	Net (charged) / credited to equity US$	Net movement on unwind / transfer US$	Closing balance US$
Recognised deferred tax assets						
Carried forward tax losses	7,184,409	(7,184,409)	-	-	-	-
Accruals / provisions	1,431,263	(670,986)	-	756,849	-	1,517,126
Derivative liabilities	(67,340)	110,654	-	-	-	43,314
Foreign exchange gains/losses	(5,317,434)	7,836,277	-	-	-	2,518,843
Potential benefit	**3,230,898**	**91,536**	**-**	**756,849**	**-**	**4,079,283**
Recognised deferred tax liabilities						
Financial assets held at fair value through other comprehensive income	(569,295)	60,036	(692,474)	-	-	(1,201,733)
Exploration and evaluation assets	(2,302,332)	(296,921)	-	-	-	(2,599,253)
IFRS 16 right of use asset	(359,271)	80,974	-	-	-	(278,297)
Potential benefit	**(3,230,898)**	**(155,911)**	**(692,474)**	**-**	**-**	**(4,079,283)**
Net deferred tax liabilities	**-**	**(64,375)**	**(692,474)**	**756,849**	**-**	**-**
Deferred tax assets not recognised						
Unused tax losses	5,369,347	20,053,716	-	-	-	25,423,063

Temporary differences[1]	8,962,905	378,687	-	-	-	9,341,592
Tax benefit	**14,332,252**	**20,432,403**	**-**	**-**	**-**	**34,764,655**

[1] Exploration expenditure incurred in the Solomon Islands that has been expensed. This expenditure is deductible over 5 years from when production commences.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 15 Deferred Taxation (continued)

Recognised deferred tax assets and liabilities (continued)

Company 2022	Opening balance US$	Net (charged) / credited to income US$	Net (charged) / credited to other comprehensive income US$	Net (charged) / credited to equity	Closing balance US$
Recognised deferred tax assets					
Carried forward tax losses	-	3,847,148	-	-	3,847,148
Accruals / provisions	303,013	38,433	-	-	341,446
Capital raising costs	1,119,475	(468,570)	-	11,111	662,016
Other temporary differences	11,039	38,161	-	-	49,200
Potential benefit	**1,433,527**	**3,455,172**	**-**	**11,111**	**4,899,810**
Recognised deferred tax liabilities					
Financial assets held at fair value through other comprehensive income	(1,201,733)	102,642	267,087	-	(832,004)
Derivative liabilities	43,313	(90,424)	-	-	(47,111)
Foreign exchange gains / (losses)	-	(3,848,385)	-	-	(3,848,385)
Property, plant and equipment	-	(1,069)	-	-	(1,069)
IFRS 16 right of use asset	(275,107)	103,866	-	-	(171,241)
Potential benefit	**(1,433,527)**	**(3,733,370)**	**267,087**	**-**	**(4,899,810)**
Net deferred tax liabilities	**-**	**(278,198)**	**267,087**	**11,111**	**-**
Deferred tax assets not recognised					
Unused tax losses	22,008,697	(7,145,119)	-	-	14,863,578
Unused capital losses	-	-	-	-	-
Temporary differences	2,973,922	(2,973,922)	-	-	-
Tax benefit	**24,982,619**	**(10,119,041)**	**-**	**-**	**14,863,578**

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

Notes to the Financial Statements

For the year ended 30 June 2022

Note 15 Deferred Taxation (continued)

Recognised deferred tax assets and liabilities (continued)

Company 2021	Opening balance US$	Net (charged) / credited to income US$	Net (charged) / credited to other comprehensive income US$	Net (charged) / credited to equity US$	Closing balance US$
Recognised deferred tax assets					
Carried forward tax losses	4,860,353	(4,860,353)	-	-	-
Accruals / provisions	363,929	(60,916)	-	-	303,013
Capital raising costs	977,865	(615,239)	-	756,849	1,119,475
Other temporary differences	20,083	(9,044)	-	-	11,039
Potential benefit	**6,222,230**	**(5,545,552)**	**-**	**756,849**	**1,433,527**
Recognised deferred tax liabilities					
Financial assets held at fair value through other comprehensive income	(569,295)	60,036	(692,474)	-	(1,201,733)
Derivative liabilities	-	43,313	-	-	43,313
Foreign exchange gains / (losses)	(5,317,434)	5,317,434	-	-	-
IFRS 16 right of use asset	(335,501)	60,394	-	-	(275,107)
Potential benefit	**(6,222,230)**	**5,481,177**	**(692,474)**	**-**	**(1,433,527)**
Net deferred taxes	**-**	**(64,375)**	**(692,474)**	**756,849**	**-**
Deferred tax assets not recognised					
Unused tax losses	5,347,495	16,661,202	-	-	22,008,697
Unused capital losses	-	-	-	-	-
Temporary differences	-	2,973,922	-	-	2,973,922
Tax benefit	**5,347,495**	**19,635,124**	**-**	**-**	**24,982,619**

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

Notes to the Financial Statements

For the year ended 30 June 2022

Note 16 Other Receivables and Prepayments

	Group 2022 US$	Group 2021 (restated)[1] US$	Company 2022 US$	Company 2021 US$
Other receivables	1,807,935	3,666,760	623,282	1,341,539
Taxes receivable	2,592,334	665,533	128,258	206,001
Prepayments	341,887	1,219,655	310,043	391,076
Other receivables and prepayments	**4,742,156**	**5,551,948**	**1,061,583**	**1,938,616**

[1] See Note 1

Other receivables represent Australian Goods and Services Tax receivable and deposits made to landowners in Ecuador for land purchases. Management have considered the expected credit loss on the deposits to landowners as immaterial and accordingly, no impairment has been recognised at 30 June 2022. As these land deposits are dependent on the Cascabel project, they are not impaired. There is no indication the Cascabel project will not go ahead.

Note 17 Cash and Cash Equivalents

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Cash at bank	26,102,133	109,562,103	21,032,524	72,918,016
Cash and cash equivalents in the statement of cash flows	**26,102,133**	**109,562,103**	**21,032,524**	**72,918,016**

Note 18 Allotted, Called-up and Fully Paid Share Capital and Reserves

(a) Authorised Share Capital

	2021 No. of Shares	2021 Nominal Value £
At 1 July 2020 - Ordinary shares	2,905,511,333	29,055,113
Previous years increase in authorised capital having expired	(443,750,000)	(4,437,500)
Previous years increase in authorised capital having expired	(615,440,300)	(6,154,403)
Increase in authorised share capital of two-thirds of issued capital on 17 December 2020	1,230,880,689	12,308,807
At 30 June 2021 - Ordinary shares	**3,077,201,722**	**30,772,017**

	2022 No. of Shares	2022 Nominal Value £
At 1 July 2021 - Ordinary shares	3,077,201,722	30,772,017
Previous years increase in authorised capital having expired	(1,230,880,689)	(12,308,807)
Increase in authorised share capital of two-thirds of issued capital on 15 December 2021	1,529,211,000	15,282,110
At 30 June 2022 - Ordinary shares	**3,375,532,033**	**33,745,320**

Ordinary shares participate in dividends and the proceeds on winding up the Company in proportion to the number of shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 18 Allotted, Called-up and Fully Paid Share Capital and Reserves (continued)

(b) Changes in Allotted, Called-up and Fully Paid Share Capital and Share Premium

	No. of Shares	Nominal Value US$	Share Premium US$	Total US$
Ordinary shares of 1p each at 1 July 2020	2,072,213,494	29,281,511	353,220,481	382,501,992
Shares issued at $0.42 - Valuestone 12 November 2020	11,900,000	156,579	4,843,421	5,000,000
Shares issued at £0.255 - Placing share issue 28 April 2021	204,922,643	2,846,328	69,735,022	72,581,350
Shares issued at £0.255 - Directors share issue 28 April 2021	1,543,858	21,440	525,276	546,716
Shares issued at £0.255 - Retail Offer share issue 28 April 2021	1,736,437	24,140	591,428	615,568
Shares issued at £0.25 - Exercise of employee options 15 June 2021	1,500,000	20,701	496,834	517,535
Share issue costs charge to share premium account	-	-	(2,593,300)	(2,593,300)
Ordinary shares of 1p at 30 June 2021	**2,293,816,432**	**32,350,699**	**426,819,162**	**459,169,861**

	No. of Shares	Nominal Value US$	Share Premium US$	Total US$
Ordinary shares of 1p each at 1 July 2021	2,293,816,432	32,350,699	426,819,162	459,169,861
Share issue costs charge to share premium account	-	-	(25,922)	(25,922)
Ordinary shares of 1p at 30 June 2022	**2,293,816,432**	**32,350,699**	**426,793,240**	**459,143,939**

(c) Other Reserves

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Financial assets held at fair value through other comprehensive income	2,047,393	3,253,029	2,047,393	3,253,029
Share based payment reserve	9,356,670	16,791,596	9,356,670	16,791,596
Other reserves	(466,305)	(632,034)	-	-
Total Other reserves	**10,931,758**	**19,412,591**	**11,404,063**	**20,044,625**

Capital management

Management controls the capital of the Group in order to generate long-term shareholder value and ensure that the Group can fund operations and continue as a going concern. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include share issues and debt considerations. Given the nature of the Group's current activities the entity will remain dependant on equity funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 19 Trade and Other Payables

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Current				
Trade payables	1,294,293	838,753	885,985	744,927
Other payables [1]	4,046,719	3,834,339	298,327	229,316
Accrued expenses	1,168,066	3,174,564	760,658	501,152
Trade and other current payables	**6,509,078**	**7,847,656**	**1,944,970**	**1,475,395**

[1] It includes employee benefits amounted US$1,292,407 (2021: US$1,009,212)

Trade and other payables are measured at amortised cost.

The decrease in accrued expenses for the Group mainly relates to the decrease in drilling costs for the year ended 30 June 2022.

Note 20 Leases

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Current liability				
Lease liability	415,132	335,749	309,668	319,275

Balance at the end of the reporting period	**415,132**	**335,749**	**309,668**	**319,275**

Non current liability				
Lease liability	326,374	607,214	303,573	607,214
Balance at the end of the reporting period	**326,374**	**607,214**	**303,573**	**607,214**

(a)Right-of-Use assets

	Group Property, Plant & Equipment US$	Company Property, Plant & Equipment US$
At 1 July 2021	931,527	917,026
Additions	260,019	-
Depreciation	(429,280)	(286,634)
Foreign exchange movements	(59,585)	(59,585)
At 30 June 2022	**702,681**	**570,807**

(b)Lease liabilities

	Group US$	Company US$
At 1 July 2021	942,963	926,489
Additions	233,566	-
Interest expense included in statement of profit and loss (note 6)	64,325	57,907
Interest expense capitalised	9,657	-
Lease payments	(448,353)	(310,503)
Foreign exchange movements	(60,652)	(60,651)
At 30 June 2022	**741,506**	**613,242**

Notes to the Financial Statements

For the year ended 30 June 2022

Note 21 - Borrowings

	Group 2022 US$	Group 2021 US$	Company 2022 US$	Company 2021 US$
Current liability				
Bridging loan	-	-	-	-
Accrued interest	-	-	-	-
Balance at the end of the reporting period	-	-	**-**	-

Bridging loan				
Balance at beginning of reporting period	-	15,248,303	-	15,248,303
Accrued interest	-	371,275	-	371,275
Repayment of loan	-	(15,619,578)	-	(15,619,578)
Balance at end of reporting period	**-**	**-**	**-**	**-**

	Group 2022	Group 2021	Company 2022	Company 2021

	US$	US$	US$	US$
Non-current liability				
Net Smelter Royalty	84,076,077	106,574,217	-	-
Balance at the end of the reporting period	84,076,077	106,574,217	**-**	**-**

NSR Financing				
Balance at beginning of reporting period	106,574,217	-	-	-
Additions - funds received under the loan	-	84,380,422	-	-
Additions - funds utilised in repaying Bridging Loan	-	15,619,578	-	-
Transaction costs adjusted through retained earnings	-	(726,427)	-	-
Transaction costs at recognition	-	(2,318,598)	-	-
Accrued interest	12,505,564	9,619,242	-	-
Remeasurement of amortised cost	(35,003,704)	-	-	-
Balance at end of reporting period	**84,076,077**	**106,574,217**	**-**	**-**

Notes to the Financial Statements

For the year ended 30 June 2022

Note 21 - Borrowings (continued)

On 11 September 2020, Franco-Nevada advanced to SolGold US$100 million, the Royalty Purchase Price under the NSR Financing Agreement, less the amount of outstanding principal and interest under the US$15 million secured bridging loan pursuant to the Bridge Loan Agreement ("BLA") with Franco-Nevada announced on 11 May 2020. The aggregate amount owing under the BLA was repaid out of the proceeds of the NSR financing. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid.

The accounting policy disclosed within the 30 September 2020 interim financial statements noted that the NSR was classified as fair value through profit or loss ("FVTPL"). Following further analysis, Management elected not to measure the hybrid instrument at FVTPL but rather to measure the host debt at amortised cost and the embedded derivative at FVTPL.

Management also notes that US$726,427 of transaction costs were expensed in the 30 June 2020 income statement, as it was not sufficiently certain due to COVID-19 that the transaction would close. Management has recognised an adjustment to restate the prior year retained earnings to reflect this in the 30 June 2021 Consolidated Financial Statements.

In return for the royalty purchase price, Franco-Nevada has been granted a perpetual 1% royalty interest to be calculated by reference to net smelter returns from the Cascabel concession area in accordance with the terms and conditions set out in the NSR financing agreement. Financial liabilities classified at amortised costs are calculated using the effective interest method, which allocates expenses at a constant rate over the term of the investment. The effective interest rate is the internal rate of return of the liability at initial recognition through the expected life of the financial liability, which in this case is the time from the recognition until the end of the mine life of the Alpala mine.
Key terms to the financing include:

- Funding amount: US$100 million with upscale option to US$150 million
- Royalty terms: 1.0% NSR for $100 million
- Buy-back option: A 50% buy-back option exercisable at SolGold's election for six years from closing at a price delivering Franco-Nevada a 12% IRR
- Gold conversion: option in favour of Franco-Nevada to convert the NSR interest into a gold-only NSR interest (six years from year two of operations). The amount of the gold net smelter return will be calculated on a net present value neutral basis
- Proceeds to fund the costs to complete the feasibility study, with any surplus to be used for SolGold's share of the development of Alpala

The NSR financing agreement included an upscale option at the Group's control. The option expired during the financial year.

Key inputs for the estimation of future cash flows of the effective interest rate are:

- All operating assumptions are based on the latest available development plan
- The NSR top-up and minimum annual payment are assessed based on the latest operating assumptions
- Gold price of $1,300 per ounce
- Copper price of $7,268 per tonne
- Silver price of $16 per ounce

The EIR was calculated using the available development plan at the time of recognising the NSR and results in a discount rate of 11.84% (real).

Management has reviewed its assessment and considers that the buy-back option is not an embedded derivative which needs to be separately accounted for as it is closely related. As such, it is not required to be accounted for as a separate instrument in accordance with IFRS 9.

In previous periods Management assessed that the fair value of this embedded derivative was nil or immaterial, as there is no expectation or likelihood that the buy-back option will be exercised by SolGold.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 22 - Other financial liabilities

	Group		Company	
	2022 US$	2021 US$	2022 US$	2021 US$
Movements in financial liabilities				
Balance at 1 July	2,926,000	2,312,254	2,926,000	2,312,254
Additions	-	-	-	-
Fair value adjustment through profit or loss	(539,000)	613,746	(539,000)	613,746
Balance at 30 June	**2,387,000**	**2,926,000**	**2,387,000**	**2,926,000**

The fair values of these financial liabilities approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

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

	US$ Level 1	US$ Level 2	US$ Level 3	US$ Total
2022				
Derivative liability at fair value through profit or loss	-	-	2,387,000	2,387,000
2021				
Derivative liability at fair value through profit or loss	-	-	2,926,000	2,926,000

The derivative liability at fair value through profit or loss has been valued using the Monte Carlo Simulation method.

Fair value of share options and assumptions	2022 £0.37 Options 30 June 2022	2021 £0.37 Options 30 June 2021
Number of options (Note 23)	19,250,000	19,250,000
Share price at issue date	£0.2920	£0.2920
Exercise price	£0.370	£0.370
Expected volatility	65.700%	63.879%
Time to expiry	2.43 years	3.43 years
Expected dividends	0.00%	0.00%

Risk-free interest rate (short-term)	1.91%	(0.16%)
Fair value	$0.124	$0.152
Valuation methodology	Monte Carlo Value	Monte Carlo Value

For the financial year ended 30 June 2022/2021	2022 US$	2021 US$
Derivative liability recognised in statement of comprehensive income loss	(539,000)	613,746

Notes to the Financial Statements

For the year ended 30 June 2022

Note 23 Share Options

At 30 June 2022 the Company had 32,250,000 options outstanding for the issue of ordinary shares (2021: 106,875,000).

Options

Share options are granted to employees under the company's Employee Share Option Plan ("ESOP"). The employee share option plan is designed to align participants' interests with those of shareholders.

Unless otherwise documented with the Company, when a participant ceases employment prior to the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately. The Company prohibits key management personnel from entering into arrangements to protect the value of unvested ESOP awards.

The contractual life of each option granted is generally two to three years. There are no cash settlement alternatives.

Each option can be exercised from vesting date to expiry date for one share with the exercise price payable in cash.

Share options issued

There were 3,000,000 options granted during the year ended 30 June 2022 (2021: 3,000,000).

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

Date of grant	Exercisable from	Exercisable to	Exercise price	Number granted	Number at 30 June 2022
2 December 2019[1]	The options vested immediately and exercisable through to 2 December 2024	2 December 2024	£0.37	19,250,000	19,250,000
27 April 2020	The options vested immediately and exercisable through to 26 April 2023	26 April 2023	£0.25	7,000,000	7,000,000
2 March 2021	The options vested immediately and exercisable through to 2 March 2024	2 March 2024	£0.36	3,000,000	3,000,000
24 February 2022	The options vested immediately and exercisable through to 15 June 2024	15 June 2024	£0.26	3,000,000	3,000,000
				32,250,000	**32,250,000**

[1]Options issued to BHP as part of the share subscriptions on 2 December 2019 and exercisable at £0.37 within 5 years. These options fall outside the scope of IFRS 2 and are classified as a derivative financial liability as they do not meet the fixed for fixed test.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 23 Share Options (continued)

Date of grant	Exercisable from	Exercisable to	Exercise prices	Number granted	Number at 30 June 2021
5 July 2018	The options vested immediately, and exercisable through to 4 July 2021	4 July 2021	£0.60	250,000	250,000
6 November 2018	The options vested immediately, and exercisable through to 6 November 2021	6 November 2021	£0.60	82,875,000	72,375,000
20 December 2018	The options vested immediately, and exercisable through to 20 December 2021	20 December 2021	£0.60	11,375,000	5,000,000
2 December 2019	The options vested immediately and exercisable through to 2 December 2024	2 December 2024	£0.37	19,250,000	19,250,000
27 April 2020	The options vested immediately and exercisable through to 26 April 2023	26 April 2023	£0.25	7,000,000	7,000,000
2 March 2021	The options vested immediately and exercisable through to 2 March 2024	2 March 2024	£0.36	3,000,000	3,000,000
				123,750,000	106,875,000

Share-based payments

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

	Weighted average exercise price 2022	Number of options 2022	Weighted average exercise price 2021	Number of options 2021
Outstanding at the beginning of the year	£0.53	106,875,000	£0.54	185,162,000
Exercised during the year	-	-	£0.25	1,500,000
Expired/lapsed during the year	£0.60	77,625,000	£0.60	72,062,000
Forfeited during the year	-	-	£0.60	7,725,000
Granted during the year	£0.26	3,000,000	£0.36	3,000,000
Outstanding at the end of the year	£0.32	32,250,000	£0.53	106,875,000
Exercisable at the end of the year	£0.32	32,250,000	£0.53	106,875,000

The options outstanding at 30 June 2022 have an exercise price of £0.25, £0.26, £0.36 and £0.37 (2021: £0.25, £0.36, £0.37, £0.40 and £0.60) and a weighted average contractual life of 1.97 years (2021: 1.03 years).

Share-based payments (continued)

Share options held by Directors are as follows:

Share options held	At 30 June 2022	At 30 June 2021	Option Price	Exercise Period
Nicholas Mather	-	5,000,000	60p	20/12/18 - 20/12/21
Jason Ward	-	5,000,000	60p	06/11/18 - 06/11/21

The total number of options outstanding at year end is as follows:

Share options held at 30 June 2022	Share options held at 30 June 2021	Option price	Exercise periods
-	250,000	£0.60	Exercisable through to 04/07/2021
-	72,375,000	£0.60	Exercisable through to 06/11/2021
-	5,000,000	£0.60	Exercisable through to 20/12/2021
19,250,000	19,250,000	£0.37	Exercisable through to 02/12/2024
7,000,000	7,000,000	£0.25	Exercisable through to 26/04/2023
3,000,000	3,000,000	£0.36	Exercisable through to 02/03/2024
3,000,000	-	£0.26	Exercisable through to 15/06/2024
32,250,000	106,875,000		

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. This estimate is based on the Black-Scholes model considering the effects of the vesting conditions, expected exercise period and the dividend policy of the Company.

Fair value of share options and assumptions	2022 £0.26 Options 24 February 2022	
Number of options	3,000,000	
Share price at issue date	£0.275	
Exercise price	£0.26	
Expected volatility	66.369%	
Option life	2.31 years	
Expected dividends	0.00%	
Risk-free interest rate (short-term)	1.22%	
Fair value	£0.113	
Valuation methodology	Black-Scholes	
For the financial year ended 30 June 2022	**2022 US$**	**2021 US$**
Share based payments expense recognised in statement of comprehensive income	454,336	315,436

The calculation of the volatility of the share price on the above options was based on the Company's daily closing share price over the option life period, dependant on the exercise period attributable to the tranche of options, prior to the date the options were issued.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 23 Share Options (continued)

Share-based payments (continued)

2021

Fair value of share options and assumptions	£0.25 Options 27 April 2020[1]	£0.36 options 2 March 2021
Number of options	1,500,000	3,000,000
Share price at issue date	£0.26	£0.223
Exercise price	£0.25	£0.36
Expected volatility	60.548%	64.407%
Option life	3.00 years	3.00 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (short-term)	0.14%	0.10%
Fair value	£0.107	£0.065
Valuation methodology	Black-Scholes	Black-Scholes

For the financial year ended 30 June 2021	US$	US$	Total US$
Share based payments expense recognised in statement of comprehensive income	47,377	268,059	**315,436**

The calculation of the volatility of the share price on the above options was based on the Company's daily closing share price over the two or three-year period, dependant on the exercise period attributable to the tranche of options, prior to the date the options were issued.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 24 Financial Instruments (Group and Company)

Financial instruments by category (Group)

Financial assets	Financial assets at amortised cost		Financial assets held at fair value through OCI	
	2022	2021	2022	2021
Cash and cash equivalents	26,102,133	109,562,103	-	-
Other receivables	1,807,935	3,666,760	-	-
Loans receivable and other non-current assets	1,749,213	1,457,324	-	-
Loans receivable and other current assets	3,553,291	6,495,930	-	-
Equity investments	-	-	5,351,844	6,825,042
Total financial assets	**33,212,572**	**121,182,117**	**5,351,844**	**6,825,042**

Financial liabilities	Financial liabilities at amortised cost		Financial liabilities at fair value through profit or loss	
	2022	2021	2022	2021
Trade and other payables	6,509,078	7,847,656	-	-
Derivative liability	-	-	2,387,000	2,926,000
NSR	84,076,077	106,574,217	-	-
Bridging Loan	-	-	-	-
Lease liabilities	741,506	942,967	-	-
Total financial liabilities	**91,326,661**	**115,364,846**	**2,387,000**	**2,926,000**

Financial instruments by category (Company)

Financial assets	Financial assets at amortised cost		Financial assets held at fair value through OCI	
	2022	2021	2022	2021
Cash and cash equivalents	21,032,524	72,918,016	-	-

Other receivables	623,282	1,341,539	-	-
Loans receivable and other non-current assets	756,332	756,332	-	-
Loans receivable and other current assets	3,553,291	6,495,930	-	-
Loans with subsidiaries	185,599,916	167,399,767		
Equity investments	-	-	5,346,323	6,819,046
Total financial assets	**211,565,345**	**248,911,584**	**5,346,323**	**6,819,046**

Financial liabilities	**Financial liabilities at amortised cost**		**Financial liabilities at fair value through profit or loss**	
	2022	**2021**	**2022**	**2021**
Trade and other payables	1,646,644	1,246,080	-	-
Derivative liability	-	-	2,387,000	2,926,000
Lease liabilities	613,241	926,489	-	-
Total financial liabilities	**2,259,885**	**2,172,569**	**2,387,000**	**2,926,000**

If required, the Board of Directors determines the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign currency risk and liquidity risk, each of which is discussed below. The main credit risk is the non-collection of loans and other receivables which include refunds and tenement security deposits. There were no overdue receivables at year end, apart from the amounts owing for the CFLP (Note 14).

For the Company, the main credit risk is the non-collection of loans made to its subsidiaries. The Directors expect to collect the loans through the successful exploration and subsequent exploitation of the subsidiaries' tenements.

There have been no changes in financial risks from the previous year. During the years ended 30 June 2022 and 2021 no trading in commodity contracts was undertaken.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 24 Financial Instruments (Group and Company) (continued)

Market risk

Interest rate risks

The Group's and Company's policy is to retain its surplus funds on the most advantageous term of deposit available up to twelve months' maximum duration. The increase/decrease of 2% in interest rates will impact the Group's income statement by a gain/loss of US$522,043 and the Company's income statement by US$420,650. The Group considers that a +/- 2% movement in interest rates represents reasonable possible changes.

Foreign currency risk

The Group has potential currency exposures in respect of items denominated in foreign currencies comprising:

- Transactional exposure in respect of operating costs, capital expenditures and, to a lesser extent, in currencies other than the functional currency of operations which require funds to be maintained in currencies other than the functional currency of operation; and
- Translation exposures in respect of investments in overseas operations which have functional currencies other than United States dollars.

Currency risk in respect of non-functional currency expenditure is reviewed by the Board.

The table below shows the extent to which Group companies have monetary assets and liabilities in different currencies. Foreign exchange differences on retranslation of such assets and liabilities are taken to the statement of comprehensive income.

Group	**Functional currency of entity**		
Net financial assets / (liabilities)	**AUD**	**USD**	**TOTAL**
2022			

Australian dollar (AUD)	35,890	4,477,773	4,513,663
Solomon Island dollar (SBD)	23	-	23
Canadian dollar (CAD)	-	1,155,292	1,155,292
Great British pound (GBP)	-	2,097,138	2,097,138
Swiss franc (CHF)	-	162,691	162,691
	35,913	7,892,894	7,928,807

Group	Functional currency of entity		
Net financial assets / (liabilities) 2021	AUD	USD	TOTAL
Australian dollar (AUD)	67,499	2,052,268	2,119,767
Solomon Island dollar (SBD)	6,302	-	6,302
Canadian dollar (CAD)	-	1,771,005	1,771,005
Great British pound (GBP)	-	3,129,986	3,129,986
Swiss franc (CHF)	-	13,988	13,988
	73,801	6,967,247	7,041,048

Company	Functional currency of entity		
Net financial assets / (liabilities) 2022	AUD	USD	TOTAL
Australian dollar (AUD)	-	4,347,334	4,347,334
Canadian dollar (CAD)	-	1,147,090	1,147,090
Great British pound (GBP)	-	2,097,138	2,097,138
	-	7,591,562	7,591,562

Company	Functional currency of entity		
Net financial assets / (liabilities) 2021	AUD	USD	TOTAL
Australian dollar (AUD)	-	1,960,513	1,960,513
Canadian dollar (CAD)	-	1,762,803	1,762,803
Great British pound (GBP)	-	3,129,986	3,129,986
	-	6,853,302	6,853,302

Notes to the Financial Statements

For the year ended 30 June 2022

Note 24 Financial Instruments (Group and Company) (continued)

The main currency exposure relates to the effect of re-translation of the Group's assets and liabilities in Australian dollar (AUD) and the Great British Pound (GBP). A 10% increase in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$734,533 (2021: US$583,305) in the Group net assets and reported earnings. A 10% decrease in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$600,981 (2021: US$477,250). The Group does not hedge foreign currency exposures and manages net exposures by buying and selling foreign currencies at spot rates where necessary. In respect of other monetary assets and liabilities held in currencies other than United States dollars, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

Credit risk

The Group is exposed to credit risk primarily from the financial institutions with which it holds cash and cash deposits and loans receivable under the CFLP.

The banks and their credit ratings with which the Group had cash accounts at 30 June 2022 were US$766,083 in cash accounts with Macquarie Bank Limited (BBB) in Australia, US$20,827,794 in cash accounts with Westpac Bank (AA-) in Australia, US$3,207,398 in cash accounts with Banco Guayaquil (AAA-) in Ecuador, US$79,651 in cash accounts with Produbanco (B) in

Ecuador, US$36,446 in cash accounts with Lloyds Bank (A+), US$1,171,729 in cash accounts with Credit Suisse (A-) in Switzerland, and US$13,009 in petty cash. Including other receivables, the maximum exposure to credit risk at the reporting date is the carrying value of these assets and was US$30,844,289 (2021: US$118,020,597).

The Company is also exposed to credit risk due to the cash balance it holds directly. It is also exposed to credit risk on the CFLP receivable. At 30 June 2022, the company had US$21,032,524 in cash and cash equivalents (2021: US$72,918,016) and US$3,553,291 of CFLP receivable (2021: US$6,495,930). The maximum exposure to credit risk at the reporting date was US$24,585,815 (2021: US$79,413,946).

Credit risk is managed by dealing with banks with high credit ratings assigned by international credit rating agencies. Furthermore, funds are deposited with banks of high standing in order to obtain market interest rates. Credit risk over the Company funded loan plan is reduced due to the loan being secured by shares and the Company has full recourse to recover the loans from the employees in the event that there is a shortfall when the shares are exercised.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 24 Financial Instruments (Group and Company) (continued)

Liquidity risks

The Group and Company raises funds as required on the basis of budgeted expenditure for the next 12 to 24 months, dependent on a number of prevailing factors. Funds are generally raised in capital markets from a variety of eligible private, corporate and fund investors, or from interested third parties (including other exploration and mining companies) which may be interested in earning an interest in the Group's projects. The success or otherwise of such capital raisings is dependent upon a variety of factors including general equities and metals market sentiment, macro-economic outlook, project perspectivity, operational risks and other factors from time to time. When funds are sought, the Group balances the costs and benefits of equity financing versus alternate financing options. Funds are provided to local sites monthly, based on the sites' forecast expenditure.

All liabilities held by the Group and Company are contractually due and payable within 1 year, excluding the non-current lease liability payments, NSR financing agreement and derivative liabilities which are greater than 12 months as set in the table below:

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
As at 30 June 2022						
Trade payables	6,509,078	-	-	-	-	6,509,078
Borrowings	-	-	-	-	84,076,077	84,076,077
Lease liabilities	207,566	207,566	326,374	-	-	741,506
Derivative liabilities	-	-	-	2,387,000	-	2,387,000
Total	6,716,644	207,566	326,374	2,387,000	84,076,077	93,713,661

Contractual maturities of financial liabilities	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows
As at 30 June 2021						
Trade payables	7,847,656	-	-	-	-	7,847,656
Borrowings	-	-	-	-	106,574,217	106,574,217
Lease liabilities	176,111	159,638	291,463	315,751	-	942,963
Derivative liabilities	-	-	-	2,926,000	-	2,926,000

Total	8,023,767	159,638	291,463	3,241,751	106,574,217	118,290,836

Fair values

In the Directors' opinion, there is no material difference between the book value and fair value of any of the Group's and Company's financial instruments. The classes of financial instruments are the same as the line items included on the face of the statement of financial position and have been analysed in more detail in notes to the financial statements.

All the Group's financial assets, with the exception of investments held at fair value through other comprehensive income are categorised as other financial assets at amortised cost.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 25 Commitments

The Group also has certain obligations to expend minimum amounts on exploration in tenement areas. These obligations may be varied from time to time and are expected to be fulfilled in the normal course of operations of the Group.

The combined commitments of the Group related to its granted tenement interests are as follows:

Location	Up to 12 Months	13 Months to 5 Years	Later than 5 Years
Ecuador	3,065,430	9,196,290	-
Solomon Islands	100,000	100,000	-
Queensland	243,599	109,024	-
	3,409,029	**9,405,314**	-

To keep tenements in good standing, work programs should meet certain minimum expenditure requirements. If the minimum expenditure requirements are not met, the Group has the option to negotiate new terms or relinquish the tenements. The Group also has the ability to meet expenditure requirements by joint venture or farm in agreements.

Note 26 Related Parties

(a) Group

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

a) Transactions with Directors and Director-Related Entities

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

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

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

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

Share and Option transactions of Directors are shown under Notes 5 and 22.

(b) Company

The Company has related party relationships with its subsidiaries (see Note 9 and Note 10), Directors and other key personnel (see Notes 5 and 20).

Subsidiaries

The Company has an investment in subsidiaries balance of US$152,964,303 (2021: US$120,045,844). The transactions during the year have been included in Note 9.
The Company also has an intercompany loan with SolGold Finance AG with a balance of US$185,599,916 (2021: US$167,399,767). The transactions during the year have been included at Note 10.

(c) Controlling party

In the Directors' opinion there is no ultimate controlling party.

Notes to the Financial Statements

For the year ended 30 June 2022

Note 27 Contingent Assets and Liabilities

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

SolGold elected to undertake the Optional Subscription under the terms of the Term Sheet ("Term Sheet") signed between SolGold plc and Cornerstone Capital Resources Inc. ("CGP"), CGP's subsidiary Cornerstone Ecuador S.A. ("CESA"), and Exploraciones Novomining S.A. ("ENSA"), and holds an aggregate registered and beneficial equity position in ENSA of 85% under the terms of the Term Sheet. CGP and CESA elected to obtain the benefit of the Financing Option whereby SolGold will solely fund all operations and activities of ENSA until the completion of a Feasibility Study, including CESA's contribution as the registered and beneficial holder of an aggregate equity position in ENSA of 15%. After completion and delivery of the Feasibility Study, SolGold and CESA shall jointly fund the operations and activities of ENSA based on their respective equity positions in ENSA on a proportionate basis. Furthermore, the Term Sheet allows for SolGold to be fully repaid for the financing provided, including interest at LIBOR plus 2% for the expenditures incurred by SolGold from the time CGP and CESA elected to obtain the benefit of the Financing Option and the completion of the first phase drill program. SolGold is to be repaid out of 90% of CESA's distribution of earnings or dividends from ENSA or the Cascabel Tenement to which CESA would otherwise be entitled. If CESA does not elect to contribute and its equity stake in ENSA is diluted to below 10%, its equity stake in ENSA will be converted to a 0.5% interest in the Net Smelter Return and SolGold may acquire this interest for US$3.5 million at any time. At 30 June 2022, Cornerstone's equity interest in ENSA had not been diluted below 10%.

The amount receivable from CESA at 30 June 2022 was US$48,184,491 (2021: US$40,603,042). This has been considered as a contingent asset, as there is uncertainty as to whether ENSA will be able to distribute earnings or dividends.

There are no other material contingent assets and liabilities at 30 June 2022 (2021: nil).

Note 28 Subsequent Events

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

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

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

On 24 August it was proposed to extend the CFLP for 3 individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension will see their 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. SolGold announced the appointments of Mr Botts and Mr Loyer on 14 July 2022 and they assumed their roles on 1 August 2022 and 27 July 2022, respectively. These Incentives were triggered by requirements within the Executive Remuneration Contracts executed in July 2022 for recruitment inducement purposes.

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

Certain information contained in this announcement would have been deemed inside information.

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ABOUT SOLGOLD

SolGold is a leading resources company focussed on the discovery, definition and development of world-class copper and gold deposits and continues to strive to deliver objectives efficiently and in the interests of shareholders. SolGold is exploring the length and breadth of this highly prospective and gold-rich section of the Andean Copper Belt which is currently responsible for c40% of global mined copper production.

The Company operates with transparency and in accordance with international best practices. SolGold is committed to delivering value to its shareholders, while simultaneously providing economic and social benefits to impacted communities, fostering a healthy and safe workplace and minimizing the environmental impact.

Dedicated stakeholders
SolGold employs a staff of approximately 800 employees of whom 99% are Ecuadorian. This is expected to grow as the operations expand at Cascabel, and in Ecuador generally. SolGold focusses its operations to be safe, reliable and environmentally responsible and maintains close relationships with its local communities. SolGold has engaged an increasingly skilled, refined and experienced team of geoscientists using state of the art geophysical and geochemical modelling applied to an extensive database to enable the delivery of ore grade intersections from nearly every drill hole at Alpala. SolGold has close to 60 geologists on the ground in Ecuador exploring for economic copper and gold deposits.

About Cascabel
The Alpala deposit is the main target in the Cascabel concession, located on the northern section of the heavily endowed Andean Copper Belt, the entirety of which is renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at

Rocafuerte within the Cascabel concession in northern Ecuador, an approximately three-hour drive on sealed highway 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 (Exploraciones Novomining S.A.) which holds 100% of the Cascabel concession covering approximately 50km^2. The junior equity owner in ENSA is required to repay 15% of costs since SolGold's earn in was completed, from 90% of its share of distribution of earnings or dividends from ENSA or the Cascabel concession. It is also required to contribute to development or be diluted, and if its interest falls below 10%, it shall reduce to a 0.5% NSR royalty which SolGold may acquire for US$3.5million.

SolGold's Regional Exploration Drive
SolGold is using its successful and cost-efficient blueprint established at Alpala, and Cascabel generally, to explore for additional world class copper and gold projects across Ecuador. SolGold is a large and active concessionaire in Ecuador.

The Company wholly owns four other subsidiaries active throughout the country that are now focussed on a number of high priority copper and gold resource targets, several of which the Company believes have the potential, subject to resource definition and feasibility, to be developed in close succession or even on a more accelerated basis compared to Cascabel.

SolGold is listed on the London Stock Exchange and Toronto Stock Exchange (LSE/TSX: SOLG). The Company has on issue a total of 2,296,051,501 fully paid ordinary shares and 42,250,000 share options.

See www.solgold.com.au for more information. Follow us on twitter @SolGold plc

CAUTIONARY NOTICE

News releases, presentations and public commentary made by SolGold plc (the "Company") and its Officers may contain certain statements and expressions of belief, expectation or opinion which are forward looking statements, and which relate, inter alia, to interpretations of exploration results to date and the Company's proposed strategy, plans and objectives or to the expectations or intentions of the Company's Directors, including the plan for developing the Project currently being studied as well as the expectations of the Company as to the forward price of copper. Such forward-looking and interpretative statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such interpretations and forward-looking statements.

Accordingly, the reader should not rely on any interpretations or forward-looking statements; and save as required by the exchange rules of the TSX and LSE or by applicable laws, the Company does not accept any obligation to disseminate any updates or revisions to such interpretations or forward-looking statements. The Company may reinterpret results to date as the status of its assets and projects changes with time expenditure, metals prices and other affecting circumstances.

This release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements regarding the Company's plans for developing its properties. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: transaction risks; general business, economic, competitive, political and social uncertainties; future prices of mineral prices; accidents, labour disputes and shortages and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to, risks relating to the ability of exploration activities (including assay results) to accurately predict mineralization; errors in management's geological modelling and/or mine development plan; capital and operating costs varying significantly from estimates; the preliminary nature of visual assessments; delays in obtaining or failures to obtain required governmental, environmental or other required approvals; uncertainties relating to the availability and costs of financing needed in the future; changes in equity markets; inflation; the global economic climate; fluctuations in commodity prices; the ability of the Company to complete further exploration activities, including drilling; delays in the development of projects; environmental risks; community and non-governmental actions; other risks involved in the mineral exploration and development industry; the ability of the Company to retain its key management employees and skilled and experienced personnel; and those risks set out in the Company's public documents filed on SEDAR at www.sedar.com. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The Company and its officers do not endorse, or reject or otherwise comment on the conclusions, interpretations or views expressed in press articles or third-party analysis, and where possible aims to circulate all available material on its website.