MANAGEMENT DISCUSSION AND ANALYSIS

2022 FINANCIAL YEAR

SECOND QUARTER AND HALF YEAR REPORT

For the three months and six months ended 31 December 2021

This management discussion and analysis ("MD&A") is management's assessment of the results and financial condition of SolGold plc ("SolGold" or the "Company") and its controlled subsidiaries (the "Group") and should be read in conjunction with the Group's unaudited interim condensed consolidated financial statements for the period ended 31 December 2021 and 2020 and the notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

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

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

The information included in this MD&A is as of 14 February 2022 and all information is current as of such date. Readers are encouraged to read the Company's Regulatory News Service ("RNS") announcements filed on the London Stock Exchange and on the System for Electronic Document Analysis and Retrieval ("SEDAR") under the Company's issuer profile.

DESCRIPTION OF BUSINESS

SolGold is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK incorporated public limited company, dual LSE and TSX-listed (SOLG on both exchanges) and has a leading exploration and project team focussed on copper-gold exploration and mine development with assets in Ecuador, Solomon Islands and Australia. SolGold is a large and active concession holder in Ecuador and is aggressively exploring the length and breadth of this highly prospective and gold-rich section of the Andean Copper Belt. SolGold's primary objective is to discover, define and develop world-class copper-gold deposits. Cascabel, SolGold's 85% owned "World Class" (Refer to www.solgold.com.au/cautionary-notice/) flagship copper-gold porphyry project (the "Project"), is located in northern Ecuador.

SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in Exploraciones Novomining S.A. ("ENSA") and approximately 5.60% (excluding share options and warrants) of TSX-V-listed Cornerstone Capital Resources Inc. ("Cornerstone"), which holds the remaining 15% of ENSA, the Ecuadorean registered company which holds 100% of the Cascabel concession, which includes the Alpala deposit.

RESULTS OF OPERATIONS

LEADERSHIP AND KEY ROLES

Darryl Cuzzubbo was appointed to the Board of Directors effective 16th November 2021 and became Managing Director and Chief Executive Officer of the Company effective 1st December 2021. Mr Cuzzubbo has extensive executive leadership experience in the global resources sector. He was most recently Chief Manufacturing and Supply Officer as well as Group Executive and President of Auspac Asia while at Orica Pty Ltd, joining Orica in 2015 after a 24-year career with BHP where he held senior positions including three years as President of Olympic Dam with responsibility for operations, expansion projects and organisation wide transformational change programmes. He has a broad international perspective, having experience in running operations across over 30 countries and has the ability to understand and work across diverse cultures to deliver results.

Tania Cashman was appointed Chief People Officer effective 10th January 2022. Ms Cashman brings over 20 years senior leadership experience with global organisations including Orica, BHP, Shell and Pasminco. She began her career in Human Resources and since then has worked across many geographies and led several complex, large scale transformation programs, supporting the business through significant change.

ANNUAL GENERAL MEETING

The Company's Annual General Meeting ("AGM") was held on December 15, 2021 and the Company confirms that all resolutions put to shareholders at the AGM were conducted via a poll, where the proxy votes received ahead of the meeting were combined with votes cast at the meeting.

The Board notes the resolutions that attracted greater than 20% of votes cast against the resolution and is engaging with shareholders to address concerns that resulted in these votes. A breakdown of the poll result for each resolution put to our shareholders is set out below:

Figure 1 – AGM results

Resolutions	Votes for %	Votes against %
Ordinary Business		
1, STATEMENTS & REPORTS	100.00	0.00
2, DIRECTORS' REMUNERATION	82.66	17.34
3, APPOINT MR. D CUZZUBBO	98.53	1.47
4, RE-APPOINT MR. L TWIGGER	83.74	16.26
5, RE-APPOINT MR. J WARD *	56.46	43.54
6, RE-APPOINT MR. B MOLLER *	36.81	63.19
7, RE-APPOINT MR. K MARSHALL *	71.55	28.45
8, APPOINT PwC AUDITORS	99.71	0.29
9, AUDITOR REMUNERATION	99.85	0.15
10, AUTHORITY TO ALLOT SHARES *	77.98	22.02
Special Business		
11, DISAPPLY PRE-EMPTION RIGHTS *	57.05	42.95
12, FURTHER DISAPPLY PRE-EMPTION *	56.90	43.10
13, GENERAL MEETING NOTICE	99.35	0.65

* Greater than 20% against votes

Resolution 6 did not pass and the SolGold Board would like to acknowledge the service of Brian Moller who joined SolGold in December 2005 and served as Chair from 2013 to 2020.

Special resolutions 11 and 12 for the disapplication of pre-emptive rights did not pass.

The Company will be in touch with existing shareholders to understand the reasons behind votes where 20 per cent or more of votes have been cast against a board recommendation for a resolution. The Company will report back on findings and proposed governance improvements. We will continue to work closely with shareholders in financing the business during 2022, while continuing to assess alternative funding avenues.

EXPLORATION HIGHLIGHTS

During the period, SolGold has focused on progressing critical study work and data collection for the Preliminary Feasibility Study ("PFS") at its Cascabel project, which is based on its 9.9Mt Cu, 21.7Moz Au and 92.2Moz Ag Alpala deposit. The Company is also concentrated on continuing to uncover the value in the Company's vast regional exploration portfolio throughout Ecuador.

The Company also continues to pursue its strategy as an integrated explorer and developer, based on preservation of value for all shareholders. The Company maintains its plan of applying its exploration blueprint of systematically and aggressively evaluating its exploration assets across Ecuador, which are held by four wholly owned subsidiaries that are actively 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 or even on a more accelerated basis than the Company's flagship Alpala porphyry copper-gold-silver deposit at Cascabel, northern Ecuador.

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 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 now 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 three months ended 31 December 2021 drilling operations took place at Cascabel, with four drill rigs operating, and at the Porvenir project, with three drill rigs on-site for most of the reporting period at the Cacharposa deposit and surrounding targets, as well as at the Rio Amarillo and Sharug projects. Drilling will continue at the Porvenir and Rio Amarillo projects.

Figure 2 - Overview of Priority Projects and drill ready Core Targets from SolGold's Regional Exploration portfolio in Ecuador

Subsidiary	Priority Project	Priority Targets	Core Targets (Drill Ready)
Carnegie Ridge Resources S.A.	Blanca	Cielito, Cerro-Quiroz	Cerro-Quiroz
Carnegie Ridge Resources S.A.	Chical	Esperanza, Espinosa	Further work required
Carnegie Ridge Resources S.A.	Rio Amarillo	Varela, Palomar, Chalanes	Varela
Valle Rico Resources S.A.	Salinas	Target #1	Further work required
Cruz Del Sol S.A.	Cisne Victoria	Victoria	Further work required
Cruz Del Sol S.A.	Coangos	further work required	Further work required
Cruz Del Sol S.A.	Helipuerto	Tinkimints	Further work required
Cruz Del Sol S.A.	La Hueca	Target #6, Target #1-5	Further work required
Green Rock Resources S.A.	Chillanes	Central Chillanes	Further work required
Green Rock Resources S.A.	Cisne Loja	Celen	Celen
Green Rock Resources S.A.	Porvenir	Cacharposa, Target #2-16.	Cacharposa, Mula Muerte, Viño
Green Rock Resources S.A.	Sharug	Santa Martha	Santa Martha
Green Rock Resources S.A.	Timbara	Tunantza	Further work required

Figure 3 - SolGold actual drilling across Ecuador (metres drilled)

PROJECT	PROSPECT	FY21 Q3	FY21 Q4	FY21 Total	FY22 Q1	FY22 Q2	Grand Total
Cascabel	**Alpala**	6,599	5,679	**28,880**	**604**	**-**	**250,221**
	Tandayama-Ameríca	4,708	5,945	**12,640**	**9,127**	**8,180**	**29,946**
	Aguinaga	847	865	**1,712**	**-**	**-**	**8,971**
Blanca	**Cielito**	-	-	**-**	**-**	**-**	**800**
	Cerro Quiroz	-	533	**1,774**	**601**	**-**	**2,375**
La Hueca	**Target #6**	-	-	**1,558**	**-**	**-**	**1,558**
Porvenir	**Cacharposa**	6,690	3,735	**15,224**	**4,073**	**2,867**	**22,164**
	Mula Muerte	-	-	**-**	**-**	**1,974**	**1,974**
Rio Amarillo	**Varela**	-	-	**-**	**1,062**	**2,164**	**3,226**
Sharug	**Santa Martha**	-	-	**-**	**1,463**	**1,010**	**2,473**
	Quillosisa	-	-	**-**	**-**	**421**	**421**
Grand Total		**18,844**	**16,758**	**61,788**	**16,930**	**16,615**	**324,128**

CASCABEL PRE-FEASIBILITY STUDY

The PFS for the Cascabel project has advanced during the quarter. As announced on 1st December 2021 the Company determined to delay the release of the PFS to enable confirmation of various assumptions impacting the PFS and review of upside options to offer further optionality and potential for improved economics. External project reviews are in progress and identified options that can add value to the Cascabel project are being considered and incorporated. The PFS is progressing well and SolGold anticipates that it will support management's expectations of a robust and highly economic project. Completion of the PFS is on track for completion in Q2-2022.

Mining investigations addressed early access to resources and optimal production rates, as well as an initial design based on current geotechnical understanding. Additional investigations to confirm the early access opportunities are proposed once the Definitive Feasibility Study ("DFS") kicks off and following legal and permitting investigations.

The process plant and infrastructure design were completed and mining optimisations have been identified which will be addressed in in the PFS.

Ongoing metallurgical testing commensurate with the study phase, increasing understanding of the resources and opportunities to increase copper and gold recoveries progressed during this quarter. However, Covid has impacted the availability of resources to ship and process the samples, but not impacting the Q2-2022 PFS completion timeline.

The PFS considered multiple cases addressing various construction and operating scenarios, following a risk weighted process.

GOVERNMENT RELATIONS

Government interaction with the mining industry has improved considerably since the change in government in Ecuador in May 2021. The Company actively engaged various government departments upon finalising its exploration Investment Protection Agreement for Cascabel. This agreement was signed in November 2021 by Ecuador President Guillermo Lasso.

In December 2021 Ecuador's Constitutional Court announced the decision to stop mineral exploration activities at the Rio Magdalena project in the Los Cedros protected forest, which forms part of the Cornerstone Ecuador S.A. and ENAMI EP strategic exploration alliance. This decision has raised several important general questions regarding other projects throughout Ecuador. SolGold's projects are not affected by this decision.

A series of meetings took place in Ecuador with government officials and SolGold CEO Darryl Cuzzubbo in January 2022, including with President Lasso and a number of Ministers. Key areas of discussion included Ecuador's current tax regime, coordination among ministries, closer collaboration and project permitting. These were constructive meetings, with the government showing its support and interest to work closely with SolGold to develop the Cascabel project in an environmentally and socially responsible way.

HEALTH AND SAFETY

In compliance with health and safety standards, the Company proceeded to carry out industry hygiene measurements such as occupational noise, lighting, levels of dust, whole body vibrations, hand-arm vibrations and the effects of display screens. This was done to identify if health risks are being controlled and that they are under the maximum permissible levels ("MPL") to protect the health of the employees.

Inspections on vehicles hired from the community, drilling equipment and other tools were carried out to ensure they are in safe condition and fit for use.

As part of a program of continual inspection and training, the safety team carried out activities related to order and cleanliness, biological risk, hazard prevention, safety labeling, emergency plan and management review, fire extinguisher handling, evacuation in case of earthquakes, accident investigation and other management indicators.

At Sharug 2 a fire inspection permit was received and an inspection by the Direction of Work Risk from the Ministry of Labour was carried out with no issues identified. A fire simulation exercise was carried out and occupational noise monitoring was conducted in the cutting and logging area.

Green Rock Resources and Carnegie Ridge Resources received certification of smoke-free spaces by the Ministry of Health. In the Porvenir project, rodent control, training on how to deal with snake bites, exercise of a medical evacuation to a helipad point, and a simulation of camp evacuation were conducted. At the Helipuerto project a medical evacuation simulation was conducted.

COVID-19

SolGold is committed to the safety and wellbeing of its employees and communities. As a result of Ecuador's COVID-19 policy introduced in the second half of 2020 and to ensure the protection of the communities we work with, the Company established COVID-19 bio-security protocols which would allow our employees, in particular at our mining sites, to get back to work safely. These involved family precautions, pre shift PCR checks, protective PPE, office access limitations, temperature testing, daily symptoms checks, transport protocols, vehicle modifications, cleaning and disinfection, cargo disinfection, separation of personnel depending on their activities, isolation protocols, camp cleaning protocols, suspect cases protocols, confirmed cases protocols, community bio-security training and equipping and getting back to work protocols among other measures. These protocols were compliant with government measures and have limited the spread of infection and allowed SolGold to continue operations with minimal disruption to business activities during the reporting period.

A workforce vaccination programme commenced in June 2021 with the goal of vaccinating the entire workforce by the end of September 2021. 100% of employees have been vaccinated in all companies excluding Cruz del Sol, where 93% of employees were vaccinated. The Company continues to actively support local communities in their efforts to curtail the spread of the virus, and a comprehensive information programme continues to be used by social team members.

The Human Resources team regularly follows up with employees and families who have been infected with COVID-19, continuing the support that was initially implemented when the pandemic took hold. The support includes the ability to access social workers and psychologists.

Support was provided to Cantonal Emergency Committees, the Ministry of Health, local governments, community, and members of vulnerable groups in workshops and mobilisation from the most remote areas to the vaccination centres for their 1st and 2nd doses at the Company's regional projects.

The Omicron variant is affecting Ecuador significantly and an increase in infections has occurred in our field operations from mid-January. As a result, the Company decided to reduce the presence of staff at the Cascabel and Regional Exploration projects and temporarily suspend field operations in order to minimise the spread of infections and safeguard the health of personnel and communities.

ENVIRONMENT

Cascabel

A technical visit was conducted by officials of the Ministry of the Environment, Water and Ecological Transition ("MAATE") at the operational and rehabilitated facilities of the Cascabel project as well as all authorised water catchment points.

During the reported quarter, 2,829 m^2 was rehabilitated, which corresponded to intervened areas for the construction of platforms and pits; 11,250 kg of organic fertilizer was delivered to ENSA's nursery and to the social management department for community support; and a total of 9,513 kg of hazardous waste was evacuated for its management and final disposal with a qualified environmental manager in the MAATE.

Soil and water quality monitoring was carried out with members of the community environmental observatory. Results of the previous monitoring campaign were also shared with them. Water quality reports were delivered to the communities of Getsemaní and Río Verde Alto.

External maintenance was carried out by Sensor Vital Cía. on the hydrological and meteorological stations of the project and new manual rainwater collectors were installed in the Rocafuerte and Alpala camps.

The annual environmental programmes and budgets were delivered to MAATE for execution during 2022. These correspond to activities for prevention and mitigation of impacts, waste management, communication, training and environmental education, community relations, contingencies, monitoring, follow-up, and rehabilitation of intervened areas.

36,518 plants were grown within the 1 million plant programme. These plants were predominately grown with Sangre de Drago Croton sp., Frutipan Artocarpus altilis, Laurel Cordia alliodora, Leucaena leucocephala, Mora Morus sp.

On September 6, Jason Ward, president of SolGold Ecuador, announced that this programme reached its first goal of planting 100 hectares with native plants. He was nominated as Sacha leader by the Parish Board of the La Carolina Rural Parish Autonomous Decentralised Government for the fourth edition Premio Sacha.

Training workshops on hazardous waste management and snake bite management were carried out for personnel working at the programme nursery in San Pedro.

At the end of the reporting period, the citizen participation process (workshops, public information centers, public assemblies in the different communities) of the complementary Environmental Impact Study for the advanced exploration phase of the mining concession was carried out.

Regional projects

The annual reports of the mining projects were prepared and delivered to MAATE: Machos 1-2, Cisne 2A-2B-2C and Chillanes. Water sampling from the Sharug 2 wastewater treatment plant and hazardous waste disposal from the Río Amarillo project was carried out.

The Terms of Reference for the partial waiver audit for phase change of the Río Amarillo I and II concessions were delivered to the MAATE and total waivers of the concessions Nangaritza 1, Nangaritza 2, Sharug, Loyola, Cisne 1A and Cisne 1B.

The biotic review release for drilling of 7 platforms was carried out in the Sharug 2 concession and archaeological and biotic liberation and soil and noise analysis of a platform in the Porvenir project.

COMMUNITY

Communication and Information Programme

Socialisation programme and community engagement

The social team met with 177 members of the community from the project's areas of influence at the Rocafuerte camp offices to respond to project inquiries. The discussions were related to job applications and coordination of joint actions with the communities.

The "Cascabel, Mineralogy, Family and Innovation Club" was conceived to promote initiatives with community organisations. Training in mining has reached around 70 boys and girls from the communities of Santa Cecilia, Getsemaní, Santa Rita, Santa Rosa, Cachaco, Lita, Palo Amarillo, Parambas, Rocafuerte, Collapi, San Pedro and Urbina.

With the presence of a social consultant from INSUCO and the President of ENSA, the socialisation of the first phase of the relocation study for the Santa Cecilia community was carried out. The meeting attracted 75 community members who expressed agreement that an orderly and responsible process be carried out for the relocation of the town.

The Company’s Regional Projects’ information sharing, and community engagement continued with 41 events during the last quarter. The information sessions were attended by 600 participants across the following projects: Blanca, Rio Amarillo, Chical, Cisne-Victoria, Helipuerto, Coangos, La Hueca, Porvenir, Sharug, Cisne Loja, Chillanes and Timbara. Topics of discussion included mining phases such as initial exploration and scout drilling, obtaining permission of access from owners, signing of mining easements, community agreements, coordination on agro-productive and livestock reactivation, and raising awareness on the eradication of child labour.

Inter-institutional coordination

A solid waste management project consultant presented the final report of Stage I of the project. The report included the criteria of the delegates of the Municipality of Ibarra, Autonomous Governments of Lita and La Carolina, and of ENSA's Social and Environmental Management managers. This study has three phases. The waste management programme is jointly funded by Franco-Nevada and SolGold.

Social Compensation and Indemnity Programme

Community Health

ENSA contributed to the health functions of the Ecuadorian Ministry of Public Health for the logistics of 51 community medical brigades in the Lita and La Carolina parishes, which included 2,575 patients being cared for.

They also held a stand at the La Carolina Parish Health Fair. At this event, the management of ENSA was recognised along with the Local Health Committee for the support that was provided during the COVID-19 Pandemic in the presence of around 150 children and 50 adults from different educational institutions.

The decentralised autonomous government of Lita and ENSA carried out a project to redesign the water treatment plant in the Getsemaní community, which benefited 89 families from that community.

Education and training

In coordination with the Department of Environmental Management, the second workshop for the year was held to present the results of the environmental monitoring carried out in June 2021 to the members of the Community Environmental Observatory (“OAC”).

ENSA awarded four university scholarships to the best students from the parishes of Lita and La Carolina. The SolGold

Scholarship Project, established by ENSA in the area of the Cascabel project, aims to strengthen the capacities of the population of the parishes of Lita and La Carolina, facilitating the access of high school graduates to higher education, stimulating academic merit and promoting the equal inclusion of men and women. In the rural population of Ecuador only 16% of families have a member with some level of university education; but in the area of the Cascabel project, this rate drops to less than 10%, which is due, to a large extent, to the economic limitation of families.

Community contribution and social projects

In coordination with the Decentralised Autonomous Governments of Lita and La Carolina for the Christmas Festivities, 3,250 candy bags were delivered in the communities of Lita and La Carolina; the delivery of the sweets was accompanied by recreational events prepared for children and older adults.

In the quarter ended 31 December 2021, the company invested US$105,108 in 54 community contributions in Carnegie Ridge, Cruz del Sol and Green Rock projects on issues related to community health, community strengthening, agro-productive development and improvement of community infrastructure. The total number of beneficiaries reached a total of 12,520 people.

Christmas cultural programmes were held for children in the communities and educational centres in the areas of direct influence of the regional projects.

Productive Projects

SolGold Coffee

During the quarter monitoring and training in coffee plantation management continued for 61 coffee plantations belonging to producers from the communities in the Project's area of influence. A meeting with the Ecuadorian ambassador in London is scheduled to assess export opportunities.

HUMAN RESOURCES

SolGold remains committed to establishing and implementing sustainable practices and building the foundations for a positive legacy for all stakeholders. Providing equal opportunities and having a largely local workforce makes SolGold a strong contributor to the local economy. As of 31 December 2021, SolGold employed 973 employees, 98% of whom are Ecuadorian and 14.5% are female. In addition, 4% of SolGold employees are registered with the government as disabled.

89 Ecuadorian employees have a science degree in geology, giving SolGold a significant advantage exploring this highly prospective and gold-rich section of the Andean Copper Belt. SolGold employs 10 people in Australia and 5 in the United Kingdom.

There has been a focus on improving employee facilities, with an emphasis on becoming a better workplace for mothers by establishing a nursery at the Cascabel and Quito locations. Support has also been implemented in the form of a programme on alcohol dependency.

The literacy programme continues to be a success at the Porvenir and Cascabel projects. The Porvenir project also provides opportunities for interns and thesis students.

A Senior Human Resources Manager for Ecuador is currently being recruited and this role will focus on building capability for the future activities of the Company in particular the local team required for the development of Cascabel.

OPERATING RESULTS

The quarter ended 31 December 2021 compared with the quarter ended 31 December 2020

The Group incurred a loss after tax of US$7,201,467 and loss per share of 0.3 cents per share for the quarter ended 31 December 2021 compared to a loss after tax of US$6,883,230 and loss per share of 0.3 cents per share for the quarter ended 31 December 2020. Administrative expenses incurred during the quarter ended 31 December 2021 were US$4,195,225 compared to US$2,244,952 for the quarter ended 31 December 2020. The movement in administrative expenses over the prior year was due to a number of factors, the most notable of which are:

> ***Employment expenses*** increased by US$820,460 to US$1,796,121 for the quarter ended 31 December 2021 compared to US$975,661 for the quarter ended 31 December 2020. This increase was mainly due to the fair value adjustment of the Company Funded Loan plan extension to 30 June 2022, amounting to US$669,211 and additional payments to the new Company Secretary and an increase of the headcount in the London and Brisbane offices.
>
> ***Insurance*** increased by US$298,624 to US$924,688 for the quarter ended 31 December 2021 compared to US$626,064 for the quarter ended 31 December 2020. This increase is due to the increase in the Company's political risk insurance premium.

Unrealised foreign exchange losses (gains) decreased by US$519,204 to US$92,449 unrealised foreign exchange loss for the quarter ended 31 December 2021 compared to an unrealised foreign exchange gain of US$426,755 for the quarter ended 31 December 2020. This was as a result of the United States dollar slightly strengthening against both the AUD and GBP, currencies in which the Company holds a portion of its treasury.

Other income and expenses for quarter ended 31 December 2021

Derivative liabilities in the quarter ended 31 December 2021 measured at fair value resulted in a loss of US$57,750 compared to a loss of US$770,000 for the quarter ended 31 December 2020. The movement represents the fair value remeasurement of the options granted to BHP as part of the December 2019 placement, measured at 31 December 2021. Since the options issued to BHP were not granted in exchange for goods or services and were exercisable in a currency other than the functional currency, the options were treated as a derivative financial liability measured at fair value on the date of grant and are remeasured at each reporting period.

Finance costs for the quarter ended 31 December 2021 were US$3,298,353 compared to US$3,526,115 for the quarter ended 31 December 2020. The sizeable finance costs predominantly relate to the effective interest charge calculated on the NSR Financing Agreement, of US$3,281,058, a non-cash item, which was US$3,505,503 for the quarter ended 31 December 2020. The December 2020 quarterly figures were slightly greater as they included the period from 11 September 2020 to 31 December 2020 in the second quarter. First payments under the NSR Financing Agreement are due from either late 2028 or when production is declared, whichever is earlier.

Finance income was US$240,474 for the quarter ended 31 December 2021 compared to US$111,419 for the quarter ended 31 December 2020. The interest income comprises US$7,986 received from banking institutions on short term deposits and US$232,488 from the accretion of interest on the Company Funded Loan Plan.

Other income was US$49,456 for the quarter ended 31 December 2021 compared to US$57,008 for the quarter ended 31 December 2020. Other income represents US$40,567 rent received from the subletting of office space at 111 Eagle Street Brisbane and a gain on disposal of PP&E of US$8,889.

All other expenses for the quarter ended 31 December 2021 remain consistent to those for the quarter ended 31 December 2020.

The operating variances for the period were:

For the quarter ended 31 December	2021 US$	2020 US$	Variance US$
Expenses			
Exploration costs written-off	(30,704)	(903)	(29,801)
Administrative expenses	(4,195,225)	(2,244,952)	(1,950,273)
Share based payments expense	-	-	-
Operating loss	**(4,225,929)**	**(2,245,855)**	(1,980,074)
Other income	49,456	57,008	(7,552)
Finance income	240,474	111,419	129,055
Finance costs	(3,298,353)	(3,526,115)	227,762
Movement in fair value of derivative liability	(57,750)	(770,000)	712,250
Loss before tax	**(7,292,102)**	**(6,373,543)**	(918,559)
Tax (expense) / benefit	90,635	(509,687)	600,322
Loss for the period	**(7,201,467)**	**(6,883,230)**	(318,237)
Other comprehensive (loss) / profit			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	47,340	620,734	(573,394)
Items that will not be reclassified to profit or loss			
Change in Ecuador pension value	45,126	(200,826)	245,952
Change in fair value of financial assets net of tax	412,208	(522,995)	935,203
Other comprehensive (loss) / profit, net of tax	**504,674**	**(103,087)**	**607,761**
Total comprehensive (loss) / income for the period	**(6,696,793)**	**(6,986,317)**	**289,524**

The six months ended 31 December 2021 compared with the six months ended 31 December 2020

The Group incurred a loss after tax of US$17,830,655 and loss per share of 0.8 cents per share for the six months ended 31 December 2021 compared to a loss after tax of US$8,840,350 and loss per share of 0.4 cents per share for the six months ended 31 December 2020. Administrative expenses incurred during the six months ended 31 December 2021 were US$8,724,865 compared to US$4,214,345 for the six months ended 31 December 2020. The movement in administrative expenses for the six months ended 31 December 2021 over the comparable six months ended 31 December 2020 were due to a number of factors, the most notable of which are:

Employment Expenses increased by US$1,827,500 to US$3,298,496 for the six months ended 31 December 2021 from US$1,470,996 for the six months ended 31 December 2020. This increase was mainly due to the fair value adjustment of the Company Funded Laon plan extension to 30 June 2022, payments to the new Company Secretary, and payment of bonuses to corporate employees based on established key performance indicators.

Insurance increased by US$630,641 to US$1,946,375 for the six months ended 31 December 2021 compared to US$1,315,734 for the six months ended 31 December 2020. This increase is due to the increase in the Company's political risk insurance premium.

Unrealised foreign exchange losses (gains) increased by US$2,064,864 to an unrealised foreign exchange loss of US$167,134 for the six months ended 31 December 2021 compared to an unrealised foreign exchange gain of US$1,897,730 for the six months ended 31 December 2020. This was as a result of the United States dollar strengthening against both the AUD and GBP, currencies in which the Company holds a portion of its treasury.

Exploration costs written-off were US$3,338,739 for the six months ended 31 December 2021 compared to US$2.048 for the six months ended 31 December 2020. Exploration costs written off during the six months ended 31 December 2021 represents the costs capitalised to date on 10 of the 72 concessions held within the Company's four 100% owned subsidiaries in Ecuador that were relinquished on 7 September 2021 and additional expenditure on those concessions.

Derivative liabilities in the six months ended 31 December 2021 measured at fair value resulted in a gain of US$288,750 compared to a loss of US$1,345,246 for the six months ended 31 December 2020. The movement represents the fair value remeasurement of the options granted to BHP as part of the December 2019 placement, measured at 31 December 2021. Since the options issued to BHP were not granted in exchange for goods or services and were exercisable in a currency other than the functional currency, the options were treated as a derivative financial liability measured at fair value on the date of grant and are remeasured at each reporting period.

Finance costs for the six months ended 31 December 2021 were US$6,500,509 compared to US$3,526,115 for the six months ended 31 December 2020. The predominate increase in finance costs relates to the effective interest charge calculated on the NSR Financing Agreement, which for the previous period was only for the period 11 September to December. First payments under the NSR Financing Agreement are due from either late 2028 or when production is declared, whichever is earlier.

Finance income was US$374,279 for the six months ended 31 December 2021 compared to US$222,243 for the six months ended 31 December 2020. The interest income comprises US$28,056 received from banking institutions on short term deposits and US$346,223 from the accretion of interest on the Company Funded Loan Plan.

Other income was US$124,224 for the six months ended 31 December 2021 compared to US$144,743 for the six months ended 31 December 2020. Other income represents US$115,335 rent received from the subletting of office space at 111 Eagle Street Brisbane and a gain on disposal of PP&E of US$8,889.

All other expenses for the six months ended 31 December 2021 remain consistent to those for the six months ended 31 December 2020.

FINANCIAL POSITION

Total assets at 31 December 2021 were US$444,478,736 compared to US$456,913,025 at 30 June 2021, representing a decrease of US$12,434,289.

Current assets overall decreased by US$53,352,974, which was primarily cash used to fund the Group's flagship Alpala project and related overheads, the Group's regional exploration program and general overhead expenses. Other receivables and prepayments decreased by 1,737,021 as a result of land deposits being capitalised during the six months ended 31 December 2021. Initial deposits and payments for land purchases are classified as other receivables until such time the land processes in Ecuador are finalised and title deeds are issued, whereupon they are capitalised.

Non-current assets increased by US$40,918,685 mainly due to increases in exploration and evaluation assets, classified as intangible assets. Exploration assets increased by US$37,550,727 predominantly due to the exploration expenditure incurred on the Alpala project and the various regional projects in Ecuador, as identified in this report, during the six months ended 31 December 2021. Financial assets held at fair value through OCI decreased by US$186,315 representing the mark to market adjustments that the Company makes on its investment in Cornerstone. Property, plant and equipment increased by US$3,292,532 primarily due to strategic land purchases at the Alpala project.

Total liabilities at 31 December 2021 were US$124,141,544 compared to US$118,290,830 at 30 June 2021 representing an increase of US$6,105,635 largely as a result of an increase in the NSR royalty accounted for at amortised cost.

Current liabilities at 31 December 2021 were US$7,928,478 compared to US$8,183,399 at 30 June 2021, representing a decrease of US$254,921. Trade and other payables decreased by US$356,924.

Non-current liabilities increased by US$5,850,714 mainly due to the capitalisation of the interest on the NSR, which was offset by a decrease in the valuation of the derivative liability associated with the BHP options issued in December 2019.

SELECTED FINANCIAL DATA

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

Year ended 30 June	**2021** **US$**	**2020** **US$**	**2019** **US$**
Operations			
Loss for the year after tax	(22,893,167)	(14,123,753)	(32,069,793)
Total comprehensive loss for the year			
Owners of the parent company	(22,811,409)	(14,067,978)	(31,941,715)
Non-controlling interest	(81,758)	(55,775)	(128,078)
Basic and diluted loss per share (cents per share)	(1.1) / (1.1)	(0.7) / (0.7)	(1.8) / (1.8)
Balance Sheet			
Working capital	116,668,877	43,718,966	38,122,935
Total assets	456,913,025	306,798,448	244,716,163
Total liabilities	118,290,830	24,810,414	6,514,592
Distributions or cash dividends declared per share	Nil	Nil	Nil

SUMMARY OF QUARTERLY RESULTS

The following table sets forth a comparison of revenues and earnings for the previous eight quarters ending with 31 December 2021. Financial information is prepared in accordance with IFRS as issued by the IASB and is reported in United States Dollars.

Quarter ended	**Dec 31, 2021** **US$**	**Sep 30, 2021** **US$**	**Jun 30, 2021** **US$**	**Mar 31, 2021** **US$**
Loss for the quarter after tax	(7,207,467)	(10,629,192)	(8,661,881)	(5,390,936)
Net loss per share (cents per share)	(0.3)	(0.5)	(0.4)	(0.3)
Loss for the quarter after tax attributable to the owners of the parent	(7,183,095)	(10,583,046)	(8,649,558)	(5,374,973)
Net loss per share attributable to the owners of the parent (cents per share)	(0.3)	(0.5)	(0.4)	(0.3)
Quarter ended	**Dec 31, 2020** **US$**	**Sep 30, 2020** **US$**	**Jun 30, 2020** **US$**	**Mar 31, 2020** **US$**
Loss for the quarter after tax	(6,883,230)	(1,957,120)	(7,176,893)	(1,964,480)
Net loss per share (cents per share)	(0.3)	(0.1)	(0.4)	(0.1)
Loss for the quarter after tax attributable to the owners of the parent	(6,859,688)	(1,927,190)	(7,166,334)	(1,951,581)
Net loss per share attributable to the owners of the parent (cents per share)	(0.3)	(0.1)	(0.4)	(0.1)

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

General and administrative costs remained consistent for the quarter ended 31 December 2021, with interest calculated on the NSR Financing Agreement (US$3,281,058).

General and administrative costs increased for the quarter ended 30 September 2021 as a result of interest calculated on the NSR Financing Agreement (US$3,185,825) and an increase in salary and wages.

General and administrative costs increased for the quarter ended 30 June 2021 as a result of interest calculated on the NSR Financing Agreement (US$3,093,697) and an increase in salary and wages.

General and administrative costs increased for the quarter ended 31 March 2021 as a result of interest calculated on the NSR Financing Agreement (US$3,020,051) and an increase in salary and wages.

EQUITY FINANCING

During the quarter ended 31 December 2021, the Company did not issue any additional equities.

EXPLORATION AND EVALUATION ASSETS

Total capitalised expenditures on exploration and evaluation assets at 31 December 2021 were US$345,982,739 compared to US$308,432,012 at 30 June 2021. Exploration expenditure of US$41,149,280 was incurred during the six months ended 31 December 2021 compared to US$36,186,723 during the six months ended 31 December 2020. An impairment charge of US$3,338,739 (December 2020: US$2,048) was recognised for exploration expenditure associated with concessions that were surrendered in Ecuador during the half year, as per the announcement on 7 September 2021 and additional expenditure on those concessions.

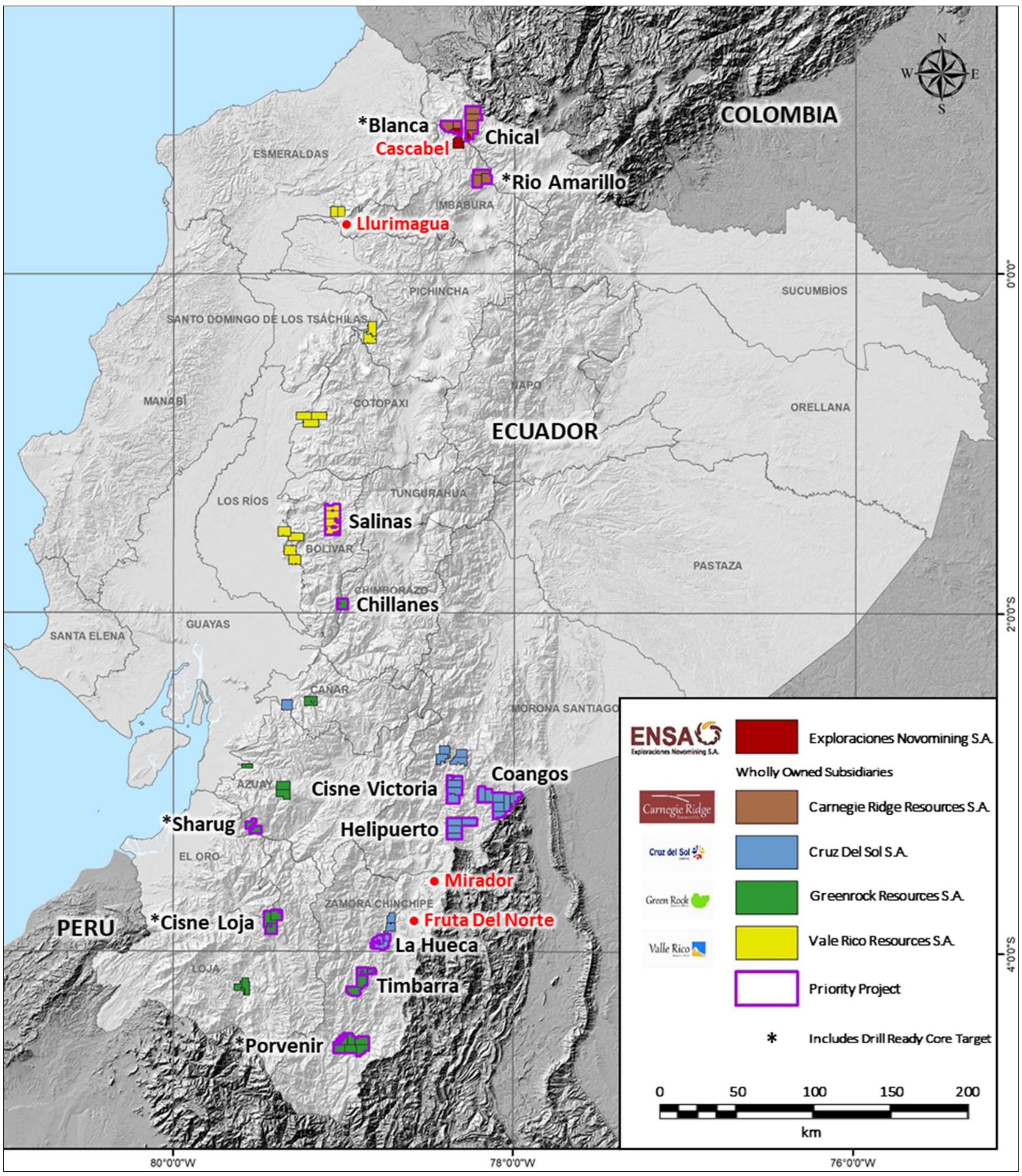
The following table represents the capitalised expenditures on exploration and evaluations to date by project area.

Project	Capitalised at 30 June 2021 US$	Capitalised during period ended 31 December 2021 US$	Impairment during the period ended 31 December 2021 US$	Foreign exchange impact during period ended 31 December 2021 US$	Capitalised at 31 December 2021 US$
Cascabel	228,412,646	22,393,177	-	-	250,805,823
Ecuador regional exploration	69,162,066	18,598,169	(3,338,739)	-	84,421,496
Australia	10,430,948	29,779	-	(246,256)	10,214,471
Solomon Islands	426,352	128,155	-	(13,558)	540,949
TOTAL	**308,432,012**	**41,149,280**	**(3,338,739)**	**(259,814)**	**345,982,739**

PROJECT ACTIVITIES

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

Figure 4 - Overview of SolGold concessions throughout Ecuador



EXPLORACIONES NOVOMINING S.A.

Cascabel Project

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

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

During the six months ended 31 December 2021, the Group capitalised US$22,393,177 of expenditure on the Cascabel project.

At the Alpala deposit, pre-feasibility geotechnical, hydrogeological and metallurgical drilling was completed in early August, following the completion of resource extension and infill drilling completed in June 2021.

At the Tandayama-Ameríca deposit resource extension, infill drilling continues utilising three drilling rigs including geotechnical, hydrogeological and metallurgical testwork.

Figure 5 - Major activities undertaken in the reporting period

Drilling • Alpala deposit	No drilling was completed at Alpala in the three months ended 31 December 2021. Key activities during the quarter include: • Sampling for advanced characterisation, metallurgical parameterisation, variability and confirmation testwork • Geotechnical sample laboratory testing and interpretation • Acoustic emissions stress interpretation • Updating interpretation of 3D geological, veining, alteration, geotechnical and metallurgical models • Packer testing and piezometer installation for hydrogeology modelling and monitoring
Drilling • Tandayama-Ameríca (3 rigs)	8,180m of drilling was completed at TAM in the three months ended 31 December 2021. Geologists are consolidating data and significant results from completed holes at TAM. Activities include: • Resource definition and extension drilling • Updating of interpretation of 3D geology and alteration models • Logging and collection of geotechnical parameters and samples for lab testwork • Sampling for preliminary characterisation and parameterisation of metallurgy • Packer testing and piezometer installation for preliminary hydrogeological modelling and monitoring
Water monitoring	Site-wide hydrological monitoring and hydrogeological monitoring in and around the Alpala deposit and potential infrastructure sites. This work continues and includes: • Installation of additional piezometers • Surface, near surface and underground water monitoring • Water chemistry sampling
Geotechnical	Geotechnical site investigations for areas identified for project infrastructure including: • Detailed surface mapping • Geotechnical drilling and logging • In-situ geotechnical tests • Geotechnical sampling for geotechnical lab testwork

Environmental	Major environmental activities completed in this period include: • Delivery to the Ministry of the Environment of the Semi-annual Compliance Report of the PMA for the period March-August 2021 • Preparation of the Annual Report on Greenhouse Gases (GHG) for the period July 2020 - June 2021 • Monthly monitoring of water and sediment quality in the main rivers of the mining concession • Semi-annual monitoring of environmental noise, air quality, sedimentable particles and vibrations • Semi-annual biotic monitoring of flora and fauna • Environmental rehabilitation of 1,036 m^2 corresponding to intervened areas for the construction of platforms and pits
Ancillary programs	• Ongoing geomorphological risk management including stability monitoring at identified locations (observations did not identify significant movement) • Surface mapping campaign over proposed infrastructure locations • Sampling for geochemical characterisation across multiple location commenced

Current Drilling – Tandayama-Ameríca

To date a total of 30,425m has been drilled at the TAM deposit. Assay results from holes 32-39 are pending. Drilling of hole 40 at TAM was stopped at 167.43m due to the Covid-19 related temporary suspension of field operations in January 2022 to minimise the spread of infections.

Tandayama-Ameríca Mineral Resource Estimate

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

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

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

Notes:

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

Potentially open pittable Mineral Resources comprise 201.0Mt @ 0.33% CuEq in the Indicated category, plus 61.8Mt @ 0.44% CuEq in the Inferred category, at a cut-off grade of 0.16% CuEq. Potentially open pittable Mineral Resources include a higher-grade near-surface zone containing 10.6Mt @ 0.41% CuEq and 5.1Mt @ 0.45% CuEq that should support early cash flows and accelerate pay back of initial pre-production capital for the Cascabel Project.

Mineral Resources potentially mineable by underground bulk mining methods comprise 32.0Mt @ 0.35% CuEq in the Indicated category, plus 135.2Mt @ 0.37% CuEq in the Inferred category, at a cut-off grade of 0.28% CuEq. Mineral Resources potentially mineable by underground bulk mining methods include a higher-grade core, that remains open to the east, southeast and at depth, containing 16.4Mt @ 0.43% CuEq in the Indicated category, plus 70.4Mt @ 0.46% CuEq in the Inferred category, at a cut-off grade of 0.28% CuEq.

Drilling continues and an update to the TAM resource base is planned. Ongoing drilling indicates significant further growth seems likely to mineralisation potentially mineable by both the open pit and underground bulk mining methods.

Alpala Mineral Resource Estimate (MRE#3)

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

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

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

Notes:

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

CARNEGIE RIDGE RESOURCES S.A.

Rio Amarillo

Location: Imbabura province, northern Ecuador
Ownership: 100% Subsidiary: Carnegie Ridge Resources S.A.
Tenement Area: 3 concessions, 123 km^2
Primary Targets: Copper porphyry

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

The main target areas at Varela, Florida, Palomar and Chalanes exhibit porphyry style surface mineralisation and alteration covering a vertical extent of up to 1,800m over a 12km-long by 3km-wide northeast-trending, highly magnetic, porphyry belt. The major northeast trending magnetic belt is intersected by a secondary northwest-trending magnetic feature, likely to represent the intersection of two deep-seated crustal-scale fracture zones, later filled by intrusive bodies with magnetic characteristics indicative of strongly differentiated and mineralised systems. This structural regime has strong similarities to that encountered at the Alpala deposit, located about 30km to the northwest.

Fathom Geophysics was commissioned to undertake 3D geochemical modelling based on the Cohen and Halley studies (Cohen 2011 and Halley et al., 2015). Both models are based on the Yerington model but use slightly different geochemical thresholds as the Halley model incorporates data from other porphyry districts. The resulting 3D models have significantly upgraded the Varela target, highlighting the similarities between the Varela and Alpala lithocap footprints and geochemical signatures. The Fathom 3D models have proven highly predictive when used at both the Alpala and Porvenir projects for targeting porphyry mineralisation.

The Varela target exhibits a classic well-preserved metalliferous lithocap and hydrothermal alteration system with a full complement of porphyry plume elements, the classic signature of a large scale strongly mineralised porphyry copper-gold(-molybdenum) system as seen in the 3D model.

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

Partial assays were reported to 830m in hole 1 at the Varela target, Rio Amarillo project, returning 72.0m @ 2.16 g/t Au, including 24.0m @ 5.77 g/t Au. No significant gold or copper intervals were intersected below 830m depth. Trace-element and multi-element geochemistry appears consistent with a drill hole sited marginal to a potential porphyry copper-gold system, however other genetic models including sediment hosted gold ("Carlin-type") are also under consideration.

Drilling of the second hole at Varela was completed, assay results pending, and drilling of hole 3 was stopped at 534.55m due to the Covid-19 related temporary suspension of field operations in January 2022 to minimise the spread of infections. 3,743m of drilling was completed at Varela to date.

Blanca

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

No new exploration activities were conducted at the Blanca project during the three months to 31 December 2021.

CRUZ DEL SOL S.A.

Helipuerto

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

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

The Tinkimints prospect is located adjacent to Solaris's Warintza copper deposit from which recent drilling results returned a world class intersection of 922m @ 0.94% CuEq from surface (announced 22nd March 2021). The Tinkimints prospect is characterised by highly anomalous copper and copper/zinc in soil over a 1.5km by 1km area. High values of copper in soil are observed at Tinkimints, including 0.71% Cu and 0.16% Cu in soils.

Extensive and systematic geological and geochemical field programs are continuing at Helipuerto with an initial focus on the delineation of the size and tenor of the new Tinkimints copper prospect. Additional technical teams have been mobilised to Helipuerto to begin mapping and sampling the area directly south of Solaris' Warintza copper-gold porphyry discovery that abuts SolGold's Helipuerto concessions.

La Hueca

Location: Zamora Chinchipe province, southern Ecuador
Ownership: 100% Subsidiary: Cruz del Sol S.A.
Tenement area: 3 concessions, 94 km^2
Primary Targets: Copper-gold porphyry

No new exploration activities were conducted at the La Hueca project during the three months to 31 December 2021.

GREEN ROCK RESOURCES S.A.

Porvenir

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

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

SolGold released the maiden Mineral Resource Estimate for the Cacharposa deposit at Porvenir during the quarter and an NI 43-101 Technical Report on the Porvenir property has been filed at www.sedar.com.

Total Mineral Resource of 396.8Mt @ 0.44% CuEq [1] for 1.40 Mt Cu, and 1.80 Moz Au in the Indicated category, plus 96.9 Mt @ 0.37% CuEq for 0.28 Mt Cu, and 0.38 Moz Au in the Inferred category, using a cut-off grade of 0.16% CuEq.

Mineral Resource Statement (effective date 26 October 2021)

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

Notes: Detailed notes on qualified person, cut-off grades, copper equivalency and compliance are provided in "Further Information".

The Mineral Resource includes strong grades exposed at surface over a 650m long strike length, which is naturally presented for the early years of mining. Open Pit Optimisation studies performed independently by Mining Plus Pty Ltd utilising Geovia Whittle^{TM} software, show that this near-surface zone approximately equates to a potential starter pit of 44.0Mt grading 0.64% CuEq (0.44% Cu, 0.34g/t Au) with a low strip (waste to ore) ratio of 0.61.

Open pit optimisation results further identify an internal, higher-grade, potentially open-pittable zone, containing 181.3Mt grading 0.52% CuEq (0.37% Cu, 0.23g/t Au) with a strip (waste to ore) ratio of 1.30.

The full extent and tenor of the mineralised systems at the Porvenir project have not yet been tested. Drilling continues at Porvenir with plans to test other targets in Porvenir during 2022.

Drilling of hole 27 at Cacharposa was stopped at 262.95m due to the Covid-19 related temporary suspension of field operations in January 2022 to minimise the spread of infections.

Sharug

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

Santa Martha Target

The Santa Martha target at Sharug is characterised by coincident Cu-Au-Mo soil geochemical anomalies centred upon an RTP magnetic low interpreted to represent magnetic destruction in association with significant surface alteration.

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

Cisne Loja

Location: Loja province, southern Ecuador
Ownership: 100%
Subsidiary: Green Rock Resources S.A.
Tenement area: 3 concessions, 147 km^2
Primary Targets: Epithermal gold and silver, porphyry copper-gold

Celen Target

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

QUALIFIED PERSON

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

ADDITIONAL DISCLOSURE FOR ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets out a breakdown of all material components of certain costs to the Group for the quarters ended 31 December 2021 and 2020.

MINERAL PROPERTIES – EXPLORATION AND EVALUATION

The following table sets out the total deferred exploration costs recorded by the Group for the Cascabel concession, the Ecuador regional exploration projects, Australian projects and the Solomon Islands projects for the quarters ended 31 December 2021 and 2020.

	Cascabel project		Ecuador regional exploration projects		Australian projects		Solomon Islands projects		Total	
Exploration expenditures	**Dec'21 (US$'000)**	**Dec'20 (US$'000)**	**Dec'21 (US$'000)**	**Dec'20 (US$'000)**	**Dec'21 (US$'000)**	**Dec'20 (US$'000)**	**Dec'21 (US$'000)**	**Dec'20 (US$'000)**	**Dec'21 (US$'000)**	**Dec'20 (US$'000)**
Balance, beginning of period	**240,269**	**189,033**	**74,545**	**46,113**	**10,145**	**10,008**	**495**	**273**	**325,453**	**245,427**
License fee	-	42	-	-	17	7	-	-	17	49
Assays and geochemistry	344	21	102	86	-	-	-	-	446	107
Camp costs	640	850	1,073	786	-	-	-	-	1,713	1,636
Drilling	2,617	7,244	3,975	2,366	-	-	-	-	6,592	9,610
Geophysics	-	18	-	-	-	-	-	-	-	18
Community	1,771	1,454	1,142	801	-	-	1	-	2,914	2,255
Salaries and labour	2,004	2,051	2,116	1,721	9	11	39	33	4,168	3,816
Environment	299	160	223	157	-	-	-	-	522	317
PEA	-	-	-	-	-	-	-	-	-	-
PFS	1,015	960	-	-	-	-	-	-	1,015	960
DFS	243	348	-	-	-	-	-	-	243	348
Other	1,605	1,004	1,277	1,188	-	-	2	1	2,884	2,193
Total exploration expenditures	**250,806**	**203,186**	**84,453**	**53,217**	**10,171**	**10,027**	**537**	**306**	**345,967**	**266,736**
Mineral properties abandoned	-	-	(31)	(1)	-	-	-	-	(31)	(1)
Foreign exchange adjustment	-	-	-	-	44	592	3	23	47	615
Balance at end of period	**250,806**	**203,186**	**84,422**	**53,217**	**10,215**	**10,619**	**540**	**329**	**345,983**	**267,350**

EXPLORATION OUTLOOK

The focus of the Group during the financial year ending 30 June 2022 will be to advance the Cascabel project in Ecuador through the ongoing PFS (including the additional determination of reserves/resources at Alpala and Tandayama-Ameríca), leading into the works for advancement of the DFS. Planned milestones at the Cascabel Project are:

- Completion of an updated Mineral Resource Estimate at the Alpala deposit to encompass potentially open pittable Mineral Resources
- Completion of optimisation studies related to the Cascabel PFS and subsequent release of the PFS NI 43-101 Technical Report
- Ongoing land acquisitions and preliminary works relating to DFS

The regional exploration programme in Ecuador will continue reconnaissance and follow-up field programs, as well as continuing to advance the Porvenir and Rio Amarillo projects.

The Australian and Solomon Islands exploration programmes are reduced to a minimum in order to focus on Ecuador based opportunities.

Property	**Summary of completed activities (1 October 2021 – 31 December 2021)**	**Expenditures (Quarter ended 31 December 2021) US$**	**Plans for the property([1])**	**Planned expenditures for the six-month period: 1 January 2022 to 30 June 2022([1]) US$**
Cascabel concession	• PFS study work • Large scale diamond core drilling campaign • Geotechnical, metallurgical, hydrogeological and hydrological programmes • 3D modelling • Community initiatives • Land acquisitions	US$10.54 million	Financial year ending 30 June 2022 • Drilling and assaying • Mineral Reserve Estimate and Mineral Resource updates • PFS work • Metallurgical testwork • Geochemical characterisation testwork • Surface geotechnical investigations • Commencement of DFS • Land acquisitions • Community Projects • Commencement of Environmental and Social Impact Assessment	US$24.56 million
Ecuador regional exploration projects	• Drilling (Porvenir, Blanca, Rio Amarillo, Sharug) • Development of priority targets • Exploration reconnaissance including mapping, soils and rock chips • Geophysics interpretation • Camp construction • Community engagement	US$9.91 million	Financial year ending 30 June 2022: • Resource drilling program • Mineral Resource Estimates • Continued exploration reconnaissance • Further target generation • Community engagement	US$11.88 million
Australia projects	• 2D & 3D geochemical and geophysical data	US$26k	Financial year ending 30 June 2022: • Desktop studies	US$nil

Property	Summary of completed activities (1 October 2021 – 31 December 2021)	Expenditures (Quarter ended 31 December 2021) US$	Plans for the property([1])	Planned expenditures for the six-month period: 1 January 2022 to 30 June 2022([1]) US$
	interpretation and modelling • EM data reprocessing and modelling • Integrated modelling of 3D IP, VTEM and Magnetic • Inversion model data review • Plate modelling of VTEM data • Project assessment			
Solomon Island projects	• Community consultation	US$42k	Financial year ending 30 June 2022: • Land access and negotiations • Community projects	US$nil

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

LIQUIDITY AND CAPITAL RESOURCES

At 31 December 2021 the Group had cash and cash deposits of US$58,405,359, a decrease of US$51,156,744 from US$109,562,103 at 30 June 2021.

Cash expenditure (before financing activities) for the six months ended 31 December 2021 was US$50,875,702 (2020: US$44,135,229). Accordingly, the net cash outflow of the Group for the six months ended 31 December 2021 was US$51,123,992 (2020: inflow of US$43,007,932).

Cash of US$40,377,286 (2020: US$33,296,941) was invested by the Group on exploration expenditure during the six months ended 31 December 2021.

LIQUIDITY OUTLOOK

	For the period ended	
	31 December 2021 **US$**	**30 June 2021** **US$**
Cash and cash equivalents	58,405,359	109,562,103
Other receivables and prepayments	6,721,473	8,458,494
Loans receivable and other current assets[1]	6,036,721	6,495,930
Trade and other payables	(7,490,726)	(7,847,650)
Net working capital	**63,672,827**	**116,668,877**

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

SolGold funds its current exploration and corporate costs through existing cash and cash equivalents. The Company has no capital commitments but has certain obligations to expend minimum amounts on exploration in tenement areas. As outlined in the Company's latest audited consolidated annual financial statements, such commitments (tenement fees) at 30 June 2021 amounted to US$6,366,389 and US$6,249,223 over the next 12 months and 13-month to 5-year period, respectively.

GOING CONCERN

As at 31 December 2021 the Company had cash on hand of US$58.41 million and net current assets of US$63.67 million. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Company has not generated revenues from operations in its history and, in common with many exploration companies, the Company 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.

Together with its brokers and financial advisors, the Company continuously monitors the conditions in the relevant capital markets and the board regularly considers various forms of financing available to SolGold. The Company is in regular touch with equity investors and actively participates in investor conferences and other forms of investor engagements as the Company will need to secure further funding to meet its 12-month exploration and working capital commitments. As has been the case previously, the Directors expect that future funding will likely be provided by equity investors or via alternative or debt funding arrangements.

The Company has proven its ability to execute equity financings successfully, like the cashbox placing in April 2021, in a cost-effective manner and with a short turn-around time. 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 Company. Given the nature of the Company's current activities, it will remain dependent on equity and/or mezzanine or debt funding until such time as the Company 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 the cost reductions, farm-outs or the relinquishment of licences across Ecuador, Australia and the Solomon Islands.

Given that the company will need to raise funds within 12 months, from the date of approval of these interim financial statements, the situation gives rise to a material uncertainty as there can be no assurance the Company will be able to raise required financing in the future. Notwithstanding this material uncertainty, the Directors consider it appropriate to prepare the financial statements on a going concern basis given the Group's proven ability to raise necessary funding. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

OUTSTANDING SHARE DATA

At 31 December 2021 and at the date of this report the Company had on issue 2,293,816,433 ordinary shares with the authority to allot new shares up to a maximum of two-thirds of its issued share capital (£13,814,756), subject to certain restrictions and conditions primarily associated with the pro-rated nature of any such allotment. At 31 December 2021 and at the date of this report the Company had outstanding options to purchase an aggregate of 29,250,000 ordinary shares with exercise prices ranging from £0.25 to £0.37 per share and expiry dates ranging from 26 April 2023 and 2 December 2024.

CONTINGENCIES

A 2% Net Smelter Royalty is payable to Santa Barbara Resources Limited, who were the previous owners of the Cascabel concession. These royalties can be bought out by paying a total of US$4 million. Fifty percent (50%) of the royalty can be purchased for US$1 million 90 days following the completion of a Feasibility Study and the remaining 50% of the royalty can be purchased for US$3 million, 90 days following a production decision. The smelter royalty is considered to be a contingent liability as the Group has not yet completed a Feasibility Study at 31 December 2021 and as such there is significant uncertainty over the timing of any payments that may fall due.

Under the terms of the Term Sheet (**Term Sheet**) signed between SolGold plc, Cornerstone Capital Resources Inc. (**CGP**), CGP's subsidiary Cornerstone Ecuador S.A. (**CESA**), and Exploraciones Novomining S.A. (**ENSA**), and the SolGold Group holds an aggregate registered and beneficial equity position in ENSA of 85%. The parties agreed 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. 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 take the Financing Option and the completion of the First Phase Drill Program (FPDP). 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.

The amount of financing provided to CESA at 31 December 2021 was US$45,165,886 (2020: US$34,992,558). This will be paid out of CESA's distribution of earnings or dividends from ENSA or the Cascabel tenement if and when the mine goes into production.

There were no other contingent assets or liabilities at 31 December 2021 (2020 nil).

TRANSACTIONS WITH RELATED PARTIES AND DIRECTOR RELATED ENTITIES

Transactions with related parties are disclosed in Note 13 to the 31 December 2021 unaudited interim condensed consolidated financial statements. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The figures noted below are for the six-month period ended 31 December 2021 with comparative figures for the six months ended 31 December 2021.

The Company had a commercial agreement with Samuel Capital Ltd ("Samuel") for the engagement of Nicholas Mather as an Non-Executive Director of the Company. For the half year ended 31 December 2021 US$36,440 was paid or payable to Samuel (2020: US$215,315). The total amount outstanding at 31 December 2021 was US$6,556 (31 December 2020: US$nil, 30 June 2021: US$nil).

Mr Brian Moller (a Director until 15th December 2021) is a partner in the Australian firm HopgoodGanim Lawyers. For the half year ended 31 December 2021, US$4,117 was paid or payable to HopgoodGanim (2020: US$59,052) for the provision of legal services to the Company. These services were based on normal commercial terms and conditions. The total amount outstanding at 31 December 2021 is US$nil (31 December 2020: US$16,982, 30 June 2021 US$nil).

Mr James Clare (a Director) is a partner in the Canadian firm Bennett Jones Lawyers. For the half year ended 31 December 2021, US$214,917 was paid or payable to Bennett Jones (2020: US$206,961) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at 31 December 2021 is US$9,045 (31 December 2020: US$145,962, 30 June 2021 US$nil).

The Company had a commercial agreement with Bayview PMF Pty Ltd ("Bayview") for the engagement of Jason Ward and his wife for managerial and administrative services. For the half year ended 31 December 2021 US$183,052 was paid or payable to Bayview. The total amount outstanding at 31 December 2021 was US$4,416.

The key management personnel of the Company are the Directors and officers of the Company. Compensation awarded to key management relating to consulting fees and share-based payments for the quarters ended 31 December 2021 and 2020 are listed below.

During the quarter, US$28,190 employer's social security costs (2020: US$37,866) were paid in respect of remuneration for key management personnel.

	Basic salary US$	Bonus US$	Other benefits[1] US$	Pensions US$	Total remuneration US$
December 2021					
Directors					
Darryl Cuzzubbo[2]	35,084	-	-	2,556	37,640
Keith Marshall[3]	105,734	-	-	-	105,734
Nicholas Mather	18,166	-	-	-	18,166
Brian Moller[4]	15,014	-	-	-	15,014
James Clare	18,257	-	-	-	18,257
Jason Ward[5]	92,994	-	-	-	92,994
Liam Twigger	32,105	-	-	3,210	35,315
Elodie Grant Goodey	21,851	-	-	-	21,851
Kevin O'Kane	20,046	-	-	-	20,046
Maria Amparo Alban	18,194	-	-	-	18,194
Other Key Management Personnel[6]	532,011	-	-	22,424	554,435
Total paid to Key Management Personnel	909,456	-	-	28,190	937,646

[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 CEO 1 December 2021

[3] Keith Marshall stepped down as CEO, after handover with new CEO, 1 December 2021

[4] Brian Moller ceased to be a Non-Executive Director 15 December 2021 following the results of the AGM

[5]Jason Ward's basic annual salary consists of annual consultancy fees paid for the period.

[6] Other Key Management Personnel consist of the aggregated remuneration of Dennis Wilkins (Company Secretary), 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), and Lisa Park (Metallurgy Manager).

	Basic salary US$	Bonus US$	Other benefits[1] US$	Pensions US$	Total remuneration US$
December 2020					
Directors					
Nicholas Mather	107,759	-	-	-	107,759
Brian Moller	13,163	-	-	-	13,163
Robert Weinberg	10,889	-	-	-	10,889
James Clare	12,883	-	-	-	12,833
Jason Ward[2]	55,420	-	-	-	55,420
Liam Twigger	19,865	-	-	1,887	21,753
Elodie Grant Goodey	12,899	-	-	-	12,899
Keith Marshall[3]	8,428	-	-	-	8,428
Kevin O'Kane[3]	8,516	-	-	-	8,516
Maria Amparo Alban[3]	8,700	-	-	-	8,700
Other Key Management Personnel[4]	528,363	193,739	-	35,979	758,081
Total paid to Key Management Personnel	**786,884**	**193,739**	**-**	**37,866**	**1,018,490**

[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] Mr Jason Ward's basic annual salary consists of annual consultancy fees paid for the year including payments prior to Director appointment.

[3] Mr Keith Marshall, Mr Kevin O'Kane and Mrs Maria Amparo were appointed as Non-Executive Directors 21 October 2020.

[4] Other Key Management Personnel consist of the aggregated remuneration of Karl Schlobohm (Company Secretary), Priy Jayasuriya (Chief Financial Officer), Benn Whistler (Technical Services Manager), Chris Connell (Regional Exploration Manager), Peter Holmes (Director of Studies), Ingo Hofmaier (Executive General Manager, Projects and Corporate Finance), Nadine Dennison (Chief Human Resources Officer) Steve Belohlawek (General Manager Underground Development and Mining) and Eduardo Valenzuela (Executive General Manager of Studies).

FINANCIAL INSTRUMENTS AND RELATED RISKS

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

CREDIT RISK

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

FOREIGN CURRENCY RISK

The Group's operations have limited exposure to currency movements. 93% of the Group's funds are held in US Dollars, reflective of the expense profile of the Group. Ecuador has the US Dollar as its official currency, minimising foreign exchange risk materially.

LIQUIDITY RISK

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

COMMODITY PRICE RISK

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

OFF-BALANCE SHEET ARRANGEMENTS

At 31 December 2021, the Group had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Group, other than those disclosed as contingent liabilities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, disclosure of commitments and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions. Actual results could differ from these estimates. The Directors have made the following judgments and estimates which may have a significant effect on the amounts recognised in the Group Financial Information:

EXPLORATION AND EVALUATION EXPENDITURE

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

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment based on an estimation of the recoverability from expected future development and production. In forming this assessment, the Group considered the external Mineral Resources Estimate, the status of its permits and internal economic models and financing which supports the carrying value of the project. An impairment charge of US$3,338,739 (December 2020: US$22,048) was recognised for exploration expenditure capitalised to date on 10 of the 72 concessions held within the Company's four 100% owned subsidiaries in Ecuador that were relinquished on 7 September 2021.

NET ROYALTY INTEREST

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

In the case of the Franco-Nevada NSR royalty, the Company arrived at an effective interest rate ("EIR") of 11.84%. Total interest for the half year estimated at US$6,466,883, see Note 6. Should there be a 2% increase in the EIR this would increase the Finance Expenses by US$1,123,995.

CHANGES IN IFRS ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS

The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2021 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods on (or after) 1 July 2021 and will be applied in the 2022 annual financial statements.

New standards and interpretations

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

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

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 Interbank Offered Rates ("IBOR") 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, i.e., 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 31 December 2021, the following amendment to the standard that could be applicable to the Group, had been issued but was not mandatory for the reporting period ended 31 December 2021:

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.

RISKS AND UNCERTAINTIES

Resource exploration, evaluation and development is a high-risk business. There is no certainty that the investments made by the Company in the exploration of properties will result in discoveries of commercial quantities of minerals. Exploration for mineral deposits involves risks which even a combination of professional evaluation and management experience may not eliminate. Significant expenditures are required to locate and estimate ore reserves, and further the development of a property with commercial potential. There is no assurance the Group has, or will have, commercially viable ore bodies.

Capital expenditures to bring a property to a commercial production stage are significant and require special skills and long-term planning. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production. The following are some of the additional risks to the Company and Group, that they may be exposed to from time to time:

HEALTH & SAFETY

Safety risks are inherent in exploration and mining activities and include both internal and external factors requiring consideration to reduce the likelihood of negative impacts. The current highest risk, due to the geographical spread of exploration activities, is associated with transportation of people to and from the project areas. This includes transit vehicle accidents with a potential for fatalities due to vehicle impacts or rollovers. In addition, the remote locations of drilling activities increases the risk of delays in gaining access to effective emergency medical assistance resulting in delayed treatment in the event of incident or accident. Health and safety reviews, inspections, audits and hazard assessments are completed on a regular basis to ensure effective, procedures and controls are in place. Any incident resulting in serious injury or death may result in litigation and/or regulatory action (including, but not limited to suspension of development activities and/or fines and penalties), or otherwise adversely affect the Group's reputation and ability to meet its objectives.

The Group's exploration and business activities continue to be at risk from the COVID-19 pandemic currently affecting businesses globally. The Group has adapted the way it conducts its business in response to the pandemic and follows mandates of various and relevant Governments as well as concerns of local communities in Ecuador.

SOCIAL LICENCE TO OPERATE

Strong community relations are fundamental to creating safe, sustainable and successful operations. Losing the support from any individual community would be a risk for activities in that area. The Group´s concessions are in close proximity to and, in limited areas, overlap with local communities, and local approvals are often needed in order to access and operate in these areas. The Group often enters into agreements with local communities, groups or individuals that address surface access, road or trail usage, local employment, social investment and other key issues. Every local stakeholder relationship, however, requires ongoing dialogue and relationship management. Events do not always unfold as intended or according to plan, however, and the status of relations can deteriorate for any number of reasons, including, but not limited to: influences of local or external political or social actors or organisations, shifts in the agendas or interests of individuals or the community as a whole, the Group´s inability to deliver on community expectations or its commitments, or concerns stemming from communities' historic or recent experiences with legal and/or illegal miners. However, if under extreme circumstances the Group were to lose its social licence with one or more communities and be unable to regain it, this could impact the viability of the project. By the same token, if the Group is unable to obtain social licences from some communities, initial exploration could be prevented.

PEOPLE AND LEADERSHIP

Establishing an effective composition of the Board, succession processes and evaluation methods is critical to the success of the Group. The Group is dependent on recruiting and retaining high performing leaders focussed on managing the Group's interests, requiring a large number of persons skilled in the project development, engineering, financing, operations and management of mining properties. Competition for such persons is high in the current commodity price environment. The inability of the Group to successfully attract and retain highly skilled and experienced executives and personnel could have a material adverse effect on SolGold's business, its ability to attract financing and results of operations. In-country industrial relations risk, and the potential increase in politicisation of the country, places a risk on the Group and the country's focus on the development of a mining industry.

GENERAL EXPLORATION AND EXTRACTION RISKS

Exploration activities are speculative, time-consuming and can be unproductive. In addition, these activities often require substantial expenditure to establish Reserves and Resources through drilling and metallurgical and other testing, determine appropriate recovery processes to extract copper and gold from the ore and construct mining and processing facilities. Once deposits are discovered it can take several years to determine whether Reserves and Resources exist. During this time, the economic viability of production may change. As a result of these uncertainties, the exploration programmes in which the Group is engaged may not result in new Reserves.

GEOPOLITICAL, REGULATORY AND SOVEREIGN RISK

SolGold's exploration tenements are located in Ecuador, Australia and the Solomon Islands and are subject to the risks associated with operating both in domestic and foreign jurisdictions. Operating in any country involves some risk of political and regulatory instability, which may include changes in government, negative policy shifts, changes to the tax and royalty regime and civil unrest. In addition, there is a risk that due to the deterioration of the macroeconomic situation, governments may consider imposing currency controls and limitations on capital flows. Specifically, under Ecuadorean law, citizens have a constitutional right pursuant to a judicial process, to apply to the Constitutional Court for approval for a public referendum on any subject matter. In 2019, an application was made to the Ecuadorean Constitutional Court to request to have a referendum held, the effect of which was to seek to stop mining activities at the Cascabel concession. The Constitutional Court unanimously rejected the application. However, despite the Constitutional Court ruling on that particular occasion, no assurance can be given that at some future time a similar application designed to seek to stop mining at Cascabel or in any other location of interest to the Group, will not be made. Anti-mining activism involving protests or blockage of access is a risk for operational areas. The availability and rights to explore and mine, as well as industry profitability generally, can be affected by changes in government policy that are beyond the control of SolGold. These factors may have a negative impact on the ability of the Group to secure external financing and an adverse effect on the Group's market value and the going concern of the business as whole.

TITLE RISK

SolGold's tenements and interest in tenements are subject to the various conditions, obligations and regulations which apply in the relevant jurisdictions including Ecuador, Australia (Queensland) and the Solomon Islands. If applications for title or renewal are required, this can be at the discretion of the relevant government minister or officials. If approval is refused, SolGold will suffer a loss of the opportunity to undertake further exploration, or development, of the tenement. Some of the properties may be subject to prior unregistered agreements or transfers of native or indigenous peoples' land claims and title may be affected by undetected defects or governmental actions. No assurance can be given that title defects do not exist. If a title defect does exist, it is possible that SolGold may lose all or a portion of the property to which the title defects relate.

ENVIRONMENTAL

The Group's exploration activities are required to adhere to both international best practice and local environmental laws and regulations. Any failure to adhere to globally recognised environmental regulations could adversely affect the Group's ability to explore under its exploration rights. Significant liability could be imposed on SolGold for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by SolGold or its subsidiaries, or non-compliance with environmental laws or regulations. SolGold proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations. Nevertheless, residual risks inherent in SolGold's activities could lead to financial liabilities.

PERMITTING

The Group is required to obtain governmental permits to conduct different phases of exploration and evaluation on its concessions. Obtaining the necessary permits can be a complex and time-consuming process, which at times may involve several different government agencies. The duration and success of the Group's efforts to obtain permits are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by permitting authorities, the expertise and diligence of civil servants, and the timeframes for agency decisions. The Group may not be able to obtain permits in a timeframe that might be reasonably expected. Any unexpected delays associated with the permitting processes could slow exploration and could adversely impact the Group's operations. There is a risk of permits that are needed for ongoing operations being denied regarding tenure and other development related infrastructure.

LAND ACCESS AND SURFACE RIGHTS

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or indigenous claims. Immediate access to land in the areas of activities cannot in all cases be guaranteed. SolGold may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, SolGold's tenements. Compensation may be required to be paid by SolGold to land holders so that SolGold may carry out exploration and/or mining activities. Where applicable, agreements with indigenous groups have to be in place before a mineral tenement can be granted. In the long run SolGold will be required to acquire large areas of land for its surface operations, posing a risk of delays and increasing prices the longer the process takes.

MINERAL RESERVE AND RESOURCE ESTIMATES

Mineral Reserve and Mineral Resource figures are estimates, and there is a risk that the estimated Mineral Resources and Mineral Reserves will not be realised. The quantity of Mineral Resources and Mineral Reserves may vary depending on, among other things, metal prices. Any material changes in the quantity of Mineral Resources, Mineral Reserves or the amount of the Mineral Reserves that are mined, and metal recoveries achieved in production may affect the economic viability of any project. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability, and there is a risk that they will never be mined or processed profitably. Further, there is a risk that Inferred Mineral Resources will not be upgraded to proven and probable Mineral Reserves as a result of continued exploration. Fluctuations in gold prices, results of drilling, metallurgical testing and preparation and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of Mineral Reserves could have a material adverse effect on SolGold's results of operations and financial condition.

PROJECT DEVELOPMENT RISKS

Where the Group discovers a potentially economic resource or reserve, there is no assurance that the Group will be able to develop a mine thereon, or otherwise commercially exploit such resource or reserve. Any failure of management to manage effectively the Group's growth and development could have a material adverse effect on the Group's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Group's current strategy will develop as anticipated.

FUNDING RISKS

The exploration, evaluation and development of the Group's projects will require substantial additional financing above and beyond the Group's current treasury. Current global financial conditions have been subject to significant volatility, and access to equity and debt financing, particularly for resource companies, has been negatively impacted in recent years. These factors may impact the Group's ability to obtain equity or debt financing in the future. Additional financing may not be available, or if available, the terms of such financing may be unfavourable. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration activities and the development of the Group's projects.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

DISCLOSURE CONTROLS AND PROCEDURES & INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Group is accumulated and communicated to management of the Group as appropriate to allow timely decisions regarding required disclosure. The Chief Executive Officer and Chief Financial Officer of the Group are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 — Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). The Chief Executive Officer and Chief Financial Officer of the Group have concluded that, as at December 31, 2021, the Group's DC&P have been designed and operate effectively to provide reasonable assurance that: (i) material information relating to the Group is made known to them by others, particularly during the period in which the annual filings are being prepared; and (ii) information required to be disclosed by the Group in its annual filings, interim filings or other reports filed or submitted by the Group under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. They have also concluded that the Group's ICFR have been designed effectively to provide reasonable assurance regarding the reliability of the preparation and presentation of the financial statements for external purposes in accordance with IFRS, and were effective at December 31, 2021. It should be noted that, while the Chief Executive Officer and Chief Financial Officer of the Group believe that the Group's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls will prevent all errors and fraud. A control system, no matter how well conceived or operated, can only provide reasonable, not absolute, assurance that the objectives of the control system are met. ICFR are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes in line with IFRS. Management is responsible for establishing and maintaining appropriate ICFR in relation to the nature and size of the Group. However, any system of ICFR has inherent limitations and can only provide reasonable assurance with respect to financial statement preparation and presentation. The Group's ICFR has been designed based on the control framework established in Internal Control - Integrated Framework published in 2013 by The Committee of Sponsoring Organizations of the Treadway Commission. There were no changes to the Group's ICFR that occurred during the half year ended 31 December 2021 that materially affected, or are reasonably likely to affect, the Group's ICFR.

ADDITIONAL INFORMATION

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

FORWARD-LOOKING STATEMENTS

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

CORPORATE INFORMATION

Board of Directors

Liam Twigger

Chair

Darryl Cuzzubbo

Chief Executive Officer & Managing Director

Nicholas Mather

Non-Executive Director

Keith Marshall

Non-Executive Director

James Clare

Non-Executive Director

Elodie Grant Goodey

Non-Executive Director

Jason Ward

Executive Director

Kevin O'Kane

Non-Executive Director

Maria Amparo Alban

Non-Executive Director

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