14 February 2019

SolGold plc
("SolGold" or the "Company")

Half-Yearly Financial Report

Quarterly MD&A Filed in Canada

The Board of SolGold (LSE and TSX code: SOLG) is pleased to advise all shareholders and interested investors of the release of the Company's interim financial results for the half year ended 31 December 2018. The interim financial report is included as part of this announcement.

Further, the Board advises shareholders and interested investors that the Company's website also contains access to additional information required to be filed on Sedar in Canada in connection with the Company's quarterly financial period ended 31 December 2018. This additional information is available in the **Financial Reports** section of the **Investor Centre** on the Company's website: www.solgold.com.au

By order of the Board
Karl Schlobohm
Company Secretary

CONTACTS

Nicholas Mather — **Tel: +61 (0) 7 3303 0665**
SolGold Plc (Chief Executive Officer) — **+61 (0) 417 880 448**
nmather@solgold.com.au

Karl Schlobohm — **Tel: +61 (0) 7 3303 0661**
SolGold Plc (Company Secretary)
kschlobohm@solgold.com.au

Anna Legge — **Tel: +44 (0) 20 3823 2131**
SolGold Plc (Corporate Communications)
alegge@solgold.com.au

Gordon Poole / Nick Hennis — **Tel: +44 (0) 20 3757 4997**
Camarco (Financial PR / IR)
solgold@camarco.co.uk

Andrew Chubb / Ingo Hofmaier — **Tel: +44 (0) 20 7907 8500**
Hannam & Partners (Financial Advisor)
solgold@hannam.partners

James Kofman / Darren Wallace — **Tel: +1 416 943 6411**
Cormark Securities Inc. (Financial Advisor)
dwallace@cormark.com

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

CORPORATE INFORMATION

DIRECTORS
Brian Moller (Non-Executive Chairman)
Nicholas Mather (Executive Director)
Robert Weinberg (Non-Executive Director)
Craig Jones (Non-Executive Director)
James Clare (Non-Executive Director)

COMPANY SECRETARY
Karl Schlobohm

REGISTERED OFFICE
Locke Lord LLP
201 Bishopsgate
London EC2M 3AB
United Kingdom
Registered Number 5449516

AUSTRALIAN OFFICE
Level 27, 111 Eagle St
Brisbane QLD 4000
Phone: + 61 7 3303 0660
Fax: +61 7 3303 0681
Email: info@solgold.com
Web Site: www.solgold.com.au

AUDITORS
BDO LLP
55 Baker Street
London W1U 7EU
United Kingdom

BROKERS
Hannam & Partners
2 Park Street
London W1K 2HX
United Kingdom

SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
London W1S 2PP
United Kingdom

UK SOLICITORS
Locke Lord LLP
201 Bishopsgate

London EC2M 3AB
United Kingdom

AUSTRALIAN SOLICITORS
HopgoodGanim
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000
Australia

REGISTRARS
Computershare Investor Services plc
The Pavilions, Bridgwater Road
Bristol BS99 7NH
United Kingdom

OPERATIONS REPORT

The Directors present their report on the company and its controlled entities for the half year ended 31 December 2018. SolGold plc is a public limited company incorporated in England and Wales.

DIRECTORS

The names of the Directors in office at any time during or since the end of the period are:

Brian Moller (Non-Executive Director)
Nicholas Mather (Executive Director)
Robert Weinberg (Non-Executive Director)
John Bovard (Non-Executive Director) – retired 20 December 2018
Craig Jones (Non-Executive Director)
James Clare (Non-Executive Director)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of SolGold plc (the "Company") and its subsidiaries (together "SolGold" or the "Group") are exploration for copper, gold and other minerals in Ecuador, Solomon Islands and Queensland, Australia.

REVIEW AND RESULTS OF OPERATIONS

The loss after tax for the Company for the half-year ended 31 December 2018 was A$37,892,291 (31 December 2017 loss of A$11,712,027).

Exploration Activities

Cascabel Project (Ecuador)

The Cascabel Project is located on the northern section of the prolific Andean Copper belt, renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at Rocafuerte in northern Ecuador, approximately three hours' drive north of 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 Exploraciones Novomining S.A.("ENSA") which holds 100% of the Cascabel tenement covering approximately 50km^2, and subject to a royalty which may be purchased by SolGold for US$4.0m at development decision. Following the preparation of a Feasibility Study by ENSA, Cornerstone Capital Resources Inc. ("Cornerstone") - which currently holds a 15% interest in ENSA - will be obligated to contribute to the funding of ENSA including its proportionate share of historic expenditure.

The Alpala deposit is the main target in the Cascabel concession. Alpala has produced some of the greatest drill hole intercepts in porphyry copper-gold exploration history, as exemplified by Hole 12 (CSD-16-012) returning 1560m grading 0.59% copper and 0.54 g/t gold including, 1044m grading 0.74% copper and 0.54 g/t gold.

Over 180,000m of diamond drilling has been completed on the project. With 12 rigs currently active on the project, SolGold produces up to approximately 10,000m of core every month. SolGold is encouraged by recent drilling results, expected to further expand and enrich the existing resource base at Alpala. The Company is also excited about notable drill hole results outside the previous resource area which promise further growth for the 2019 drilling campaign ahead.

Since the publication of the Alpala Maiden Mineral Resource Estimate in January 2018, which outlined a contained metal inventory of 5.2 million tonnes of copper and 12.6 million ounces of gold, the Company has nearly doubled both drilled and reported meterage.

The November 2018 Alpala MRE update, dated 15 November 2018, was estimated from 68,173 assays, with 66,739 assays representing diamond drill core samples, and 1,434 assays representing rock-saw channel samples cut from surface rock exposures. Drill core samples were obtained from total of 133,576m of drilling comprising 128 diamond drill holes, including 75 drill holes comprising, 34 daughter holes, 8 redrills, and 11 over-runs, and represents full assay data from holes 1-67 and partial assay data received from holes 68 to 75. Rock-saw samples were obtained from 2,743m of rock-saw cuts from 262 surface rock exposure trenches. In contrast, the Dec 2017 Maiden MRE was estimated from 26,814 assays obtained from 53,616m of drilling comprising 45 drill holes, including 10 daughter holes and 5 redrills.

There now exists approximately triple the amount of drilling and assay information since the maiden MRE of December 2017, and this has resulted in significant growth in tonnage (approximately 273%) and contained metal (approximately 108%) and a far greater proportion of the MRE now being in the Indicated Mineral Resource category (2018: 77%, 2017:40%).

The November 2018 Alpala updated Mineral Resource Estimate (MRE) totals a current:

- 2,050 Mt @ 0.60% CuEq (at 0.2% CuEq cut-off) in the Indicated category, and 900 Mt @ 0.35% CuEq (at 0.2% CuEq cut-off) in the Inferred category.
- Contained metal content of 8.4 Mt Cu and 19.4 Moz Au in the Indicated category.
- Contained metal content of 2.5 Mt Cu and 3.8 Moz Au in the Inferred category.

Drill testing of the Aguinaga and Trivinio target has commenced, whilst the numerous other untested targets, namely at Moran, Cristal, Tandayama-America and Chinambicito, are flagged for drill testing as overall program demands allow.

3D modelling of key geological parameters for the Alpala deposit has resulted in completion of dynamic models for geology, veining, alteration and copper and gold grades, all of which are constantly updated as drilling progresses.

A number of studies have been completed in anticipation of future requirements for economic assessment including:

- Landform assessment - identifying suitable locations for processing plant and other infrastructure.
- Weathering, swelling clay, fault condition, fracture count modelling, and RQD assessments - providing a basis for geotechnical parameters to feed into minability characterisation
- Hydrogeological data collection

A 3D airborne laser scanning, light detection and ranging (LiDAR) topographic survey was completed in November 2018 by SAI - Serviços Aéreos Industrias. Processing and approval of final data is underway and final data is expected to be available for use by Q1 2019. The LiDAR survey will provide high resolution topographic control for future studies planned for the advancement of the Cascabel project.

The company believes there remains strong potential for further growth with the 2019 drilling campaign to continue to expand the deposit at Alpala SE, Alpala NW, Trivinio and Alpala Western Limb.

Other Projects (Ecuador)

A comprehensive, nation-wide desktop study has been undertaken by the Company's independent experts to analyse the available regional topographic, geological, geochemical and gravity data over the prospective magmatic belts of Ecuador, with the aim of understanding the controls to copper-gold mineralization on a regional scale. The Company has delineated and ranked regional exploration targets for the potential to contain significant copper-gold deposits. As a result of this study, the Company formed four new 100% owned subsidiary companies in Ecuador; Carnegie Ridge Resources S.A., Green Rock Resources S.A., Cruz del Sol S.A. and Valle Rico Resources S.A. These subsidiaries currently hold 73 mineral concessions over approximately 3,200 km^2.

Based on the results of this initial exploration, 11 priority targets have been identified for second phase exploration in Ecuador. Ongoing exploration will focus on advancing these priority projects, through geophysical surveys and detailed soil geochemistry, with a view to progress to drill testing as soon as permissions are in place. The 11 priority projects are as follows:

- Blanca;
- La Hueca;
- Porvenir;
- Cisne Loja;
- Cisne Loja Target 15;
- Timbara;
- Rio Armarillo;
- Chillanes;
- Salinas;
- Sharug; and
- Cisne Victoria.

The ongoing exploration program on these projects will focus on:

- Delineation of geochemical anomalies
- Mapping of alteration phases to understand the probable location of metals in the system
- Aeromagnetic surveys to support sampling programs

Queensland Projects (Australia)

SolGold continues to hold tenements across central and southeast Queensland through its wholly owned subsidiaries Central Minerals and Acapulco Mining.

CENTRAL MINERALS

- EPM 25300 Cooper Consolidated
- EPM 19639 Goovigen Consolidated
- EPM 19243 Lonesome
- EPM 18760 Westwood
- EPM 18032 Cracow West

ACAPULCO MINING

- EPM 19410 Normanby
- EPM 25245 Mount Perry

No exploration activities were conducted on the Queensland tenements during this period.

Exploration activities have been planned for Central Minerals EPM 18760 including a soil sampling and follow up drilling north east of drill hole WWD001. A renewal of a land access agreement is required for this work to be completed (the current access agreement expires in March and the proposed program will not be completed before it expires).

Further details on exploration programs on other Queensland tenements will be finalised in coming months with a commitment to maintain and progress the concessions.

Solomon Islands Projects

The Kuma project lies just to the south-west of a series of major NW-SE-trending arcparallel faults, associated with numerous Cu and Au anomalies in streams and soils. The project area overlies a 3.5-kilometre wide, annular, caldera-like topographic feature. Annular and nested topographic anomalies in the region suggest the presence of extensive batholiths of the Koloula Diorite beneath the volcanic cover of the Suta Volcanics. The prospect geology is dominated by a 4km by 1km lithocap. This extensive zone of argillic and advanced argillic alteration is caused by hydrothermal fluids that emanate from the top of porphyry copper-gold mineralising systems, and thus provides a buried porphyry copper-gold target.

The geochemically anomalous portion of the Kuma lithocap (north-west end) lies within the annular topographic anomaly. Kuma has a spectacular oxidised float boulder trail along the Kuma River and was traced to Alemba and Kolovelo creeks which led to discovery of broad hydrothermal alteration zones and lithocap (Figure 6).

Previous exploration at Kuma included extensive geochemical sampling (BLEG, rock chip and channel samples), geological mapping, a magnetic survey and an electromagnetic survey. Geochemical results define a central zone of manganese depletion (Mn < 200 ppm) inferred to indicate the destruction of mafic minerals by hydrothermal alteration. Zinc > 75 ppm forms an annulus to this zone, and Molybdenum > 4 ppm lies along the margins of the manganese low indicating potential for porphyry CuAu mineralisation at depth. TerraSpec spectral analysis of sieved coarse fraction soil samples covering the Kuma lithocap in integration with known geology in the prospect area has highlighted a primary porphyry target centre in the northern portion of the lithocap that SolGold plans to drill test upon granting of tenure.

SolGold received notification of the grant of the permit to explore the Kuma prospect on the 26 July 2018.

Equity

On 4 October 2018, the Company issued an additional 550,000 shares at £0.28 as a result of the exercise of options previously issued to contractors of the Company in 2016.

On 11 October 2018, the Company issued an additional 9,795,884 shares at £0.14 to raise A$2.51 million (£1.37 million) in cash as a result of the exercise of Maxit Capital LP's options.

On 11 October 2018, the Company issued an additional 9,795,884 shares at £0.28 to raise A$5.03 million (£2.74 million) in cash as a result of the exercise of Maxit Capital LP's options.

On 17 October, the Company issued an additional 100,000,000 shares at £0.45 to raise A$83.02 million (£45 million) in cash to BHP Billiton Holdings Limited ("BHP").

On 29 October 2018, the Company issued an additional 20,624,553 shares at £0.28 as a result of the exercise of options previously issued to employees of the Company in 2016. Of this total 19,950,000 were funded through the Company Funded Loan Plan and 674,553 were paid for in cash.

On 6 November 2018, the Company issued a total of 82,875,000 unlisted options to Employees and Contractors. The options have a strike price of £0.60 each and are exercisable through to 5 November 2021.

On 8 November 2018, the Company issued an additional 2,596,826 shares at £0.3888 to BHP pursuant to "top-up-rights" held by BHP pursuant to its Share Subscription Agreement. The allotment price was based on the 10-day VWAP, in accordance with the terms of the Share Subscription Agreement.

On 26 November 2018, the Company issued an additional 6,712,200 shares at £0.3714 to Newcrest International Pty Ltd ("Newcrest International"), a wholly owned subsidiary of Newcrest Mining Ltd pursuant to "top-up-rights" held by Newcrest International pursuant to the Newcrest Subscription Agreement (as varied). The allotment price was based on the 10-day VWAP, in accordance with the terms of the Newcrest Subscription Agreement.

On 20 December 2018, the Company issued a total of 11,375,000 unlisted options to Directors. The options have a strike price of £0.60 each and are exercisable through to 20 December 2021.

At 31 December 2018 the Company had a total of 1,846,321,033 ordinary shares and 162,512,000 options in issue.

Corporate

The Group achieved several milestones during the half year ended 31 December 2018. These included:

- Entering into an agreement with BHP Billiton Holdings Limited to successfully complete a placement of 100 million shares at 45p to raise A$83.02 million (£45 million).
- The completion of an updated Mineral Resource Estimate at the Company's Alpala Porphyry Copper-Gold deposit increasing the resource to 2,050 Mt @0.60% CuEq (at 0.2% CuEq cut-off) in the Indicated Category and 900 Mt @0.35% CuEq (at 0.2% CuEq cut-off) in the Inferred category.
- Recognised as Explorer of the year at the Mines and Money Outstanding Achievements Awards London for the second consecutive year.

MATTERS SUBSEQUENT TO THE HALF YEARLY FINANCIAL PERIOD

On 3 January 2019, the Company announced the filing on SEDAR of independent NI 43-101 Technical Report on an updated mineral resource estimate ("MRE#2") for the Alpala Deposit completed by SRK Consulting (UK) Limited. The MRE#2 comprises 2,050 Mt grading 0.60% copper equivalent ("CuEq") of Indicated Mineral Resources for a contained metal content of 8.4 Mt copper ("Cu") and 19.4 Moz gold ("Au"), and 900 Mt grading 0.35% CuEq of Inferred Mineral Resources for 2.5 Mt Cu and 3.8 Moz Au, using a 0.2% CuEq cut-off grade.

On 31 January 2019, the Company announced that it intends, subject to various conditions, to make an offer to purchase all of the issued and outstanding common shares (the "Cornerstone Shares") of Cornerstone Capital Resources Inc. for consideration consisting of ordinary shares of SolGold (the "SolGold Shares"). If the Offer is successfully completed, holders of Cornerstone Shares who tender their shares under the Offer will receive 0.55 of a SolGold Share in exchange for every Cornerstone Share tendered.

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

Signed in accordance with a resolution of the board of Directors.

Nicholas Mather
Executive Director
Brisbane
13 February 2019

Qualified Person

Information in this report relating to the exploration results is based on data reviewed by Mr. Jason Ward (B.Sc. Hons Geol.), the Chief Geologist of the Company. Mr. Ward is a Member of the Australasian Institute of Mining and Metallurgy, holds the designation MAusIMM (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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Notes	Three months ended 31 December 2018 A$ (unaudited)	Three months ended 31 December 2017 A$ (unaudited)	Six months ended 31 December 2018 A$ (unaudited)	Six months ended 31 December 2017 A$ (unaudited)
Expenses					
Exploration costs written-off		4,033	(890)	(36,589)	(1,877)
Administrative expenses	3	(32,815,442)	(3,919,250)	(38,107,408)	(9,756,742)
Operating loss		**(32,811,409)**	**(3,920,140)**	**(38,143,997)**	**(9,758,619)**
Finance income		9,070	-	17,281	66
Loss before tax		**(32,802,339)**	**(3,920,140)**	**(38,126,716)**	**(9,758,553)**
Tax expense (benefit)		(712,735)	1,953,474	234,425	1,953,474
Loss for the period		**(33,515,074)**	**(5,873,614)**	**(37,892,291)**	**(11,712,027)**
Other comprehensive profit / (loss)					
Items that may be reclassified to profit and loss					
Change in fair value of financial assets	6	1,629,814	(1,737,559)	3,902,855	(4,305,207)
Exchange differences on translation of foreign operations		4,307,979	1,952,266	7,328,857	1,119,011
Other Comprehensive profit / (loss) , net of tax		**5,937,793**	**214,707**	**11,231,712**	**(3,186,196)**
Total comprehensive loss for the period		**(27,577,281)**	**(5,658,907)**	**(26,660,579)**	**(14,898,223)**
Loss for the half-year attributable to:					
Owners of the parent company		(33,494,576)	(5,840,273)	(37,797,531)	(11,655,001)

Non-controlling interest		(20,498)	(33,341)	(94,760)	(57,026)
Loss for the period		**(33,515,074)**	**(5,873,614)**	**(37,892,291)**	**(11,712,027)**
Total comprehensive profit / (loss) for the half-year is attributable to:					
Owners of the parent company		(28,134,673)	(6,297,138)	(27,766,725)	(15,026,549)
Non-controlling interest		557,392	638,231	1,106,146	128,326
Total comprehensive (loss) / income for the period		**(27,577,281)**	**(5,658,907)**	**(26,660,579)**	**(14,898,223)**

	Notes	Three months ended 31 December 2018 Cents (unaudited)	Three months ended 31 December 2017 Cents (unaudited	Six months ended 31 December 2018 Cents (unaudited)	Six months ended 31 December 2017 Cents (unaudited)
Basic earnings per share	4	(1.8)	(0.4)	(2.2)	(0.8)
Diluted earnings per share	4	(1.8)	(0.4)	(2.2)	(0.8)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2018

	Notes	31 December 2018 A$ (unaudited)	30 June 2018 A$ (audited)
Assets			
Property, plant and equipment		10,213,816	4,278,038
Intangible assets	5	199,751,048	142,882,867
Investment in available for sale securities	6	-	5,445,408
Financial assets held at fair value through OCI	6	9,629,259	-
Loans receivable and other non-current assets	7	9,647,382	1,207,745
Total non-current assets		**229,241,505**	**153,814,058**
Other receivables and prepayments		3,400,360	4,230,054
Cash and cash equivalents		118,236,727	81,825,617
Total current assets		**121,637,087**	**86,055,671**
Total assets		**350,878,592**	**239,869,729**
Equity			
Share capital	8	32,267,749	29,513,563
Share premium	8	378,270,429	273,572,301
Other reserves		66,578,058	23,741,415
Accumulated loss		(134,126,739)	(96,329,208)
Equity attributable to owners of the parent company		342,989,497	230,498,071
Non-controlling interest		1,044,139	(62,007)
Total equity		**344,033,636**	**230,436,064**

Liabilities		
Trade and other payables	6,844,956	9,433,665
Total current liabilities	6,844,956	**9,433,665**
Total liabilities	6,844,956	**9,433,665**
Total equity and liabilities	**350,878,592**	**239,869,729**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

SolGold

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Share capital A$	Share premium A$	Financial Asset Reserve A$	Share option reserve A$	Foreign currency translation reserve A$	Change in proportionate interest reserve A$	Accumulated losses A$	Total A$	Non-controlling interests A$	Total equity A$
Balance 30 June 2017 (audited)	**26,376,265**	**199,322,436**	**8,779,216**	**6,530,636**	**143,717**	**(67,864)**	**(76,869,038)**	**164,215,368**	**(242,935)**	**163,972,433**
Loss for the period	-	-	-	-	-	-	(11,655,001)	(11,655,001)	(57,026)	(11,712,027)
Other comprehensive income	-	-	(4,305,207)	-	933,659	-	-	(3,371,548)	185,352	(3,196,196)
Total comprehensive income for the period	-	-	(4,305,207)	-	933,659	-	(11,655,001)	(15,026,549)	128,326	(14,898,223)
New share capital subscribed	3,093,343	74,389,805	-	-	-	-	-	77,483,148	-	77,483,148
Share issue costs		(1,871,442)	-	-	-	-	-	(1,871,442)	-	(1,871,442)
Options exercised	43,955	879,106	-	(57,232)	-	-	57,232	923,061	-	923,061
Value of options issued to employees and consultants	-		-	5,199,047	-	-	-	5,199,047	-	5,199,047
Balance 31 December 2017 (unaudited)	**29,513,563**	**272,719,905**	**4,474,009**	**11,672,451**	**1,077,376**	**(67,864)**	**(88,466,807)**	**230,922,633**	**(114,609)**	**230,808,024**
Loss for the period	-	-	-	-	-	-	(7,862,401)	(7,862,401)	(108,632)	(7,971,033)
Other comprehensive income for the period	-	-	(1,939,715)	-	3,220,173	(68,268)	-	1,212,190	161,234	1,373,424
Total comprehensive income for the period	-	-	(1,939,715)	-	3,220,173	(68,268)	(7,862,401)	(6,650,211)	52,602	(6,597,609)
New share capital subscribed	-	-	-	-	-	-	-	-	-	-
Share issue costs	-	852,396	-	3,411	-	-	-	855,807	-	855,807
Options expired	-	-	-	-	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-	-	-	-	-
Value of options issued to employees and consultants	-	-	-	5,369,842	-	-	-	5,369,842	-	5,369,842
Balance 30 June 2018 (audited)	**29,513,563**	**273,572,301**	**2,534,294**	**17,045,704**	**4,297,549**	**(136,132)**	**(96,329,208)**	**230,498,071**	**(62,007)**	**230,436,064**
Loss for the period	-	-	-	-	-	-	(37,797,531)	(37,797,531)	(94,760)	(37,892,291)
Other comprehensive income for the period	-	-	3,902,855	-	6,127,951	-	-	10,030,806	1,200,906	11,231,712
Total comprehensive income for the period	-	-	3,902,855		6,127,951	-	(37,797,531)	(27,766,725)	1,106,146	(26,660,579)
New share capital subscribed	2,010,633	87,247,940	-	-	-	-	-	97,086,915	-	97,086,915
Share issue costs	-	(108,664)	-	-	-	-	-	(108,664)	-	(108,664)
Options exercised	743,553	17,558,852	-	0	-	-	0	10,474,063	-	10,474,063
Value of options issued to employees and consultants	-	-	-	32,805,837	-	-	-	32,805,837	-	32,805,837
Balance 31 December 2018 (unaudited)	**32,267,749**	**378,270,429**	**6,437,149**	**49,851,541**	**10,425,500**	**(136,132)**	**(134,126,739)**	**342,989,497**	**1,044,139**	**344,033,636**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

	Notes	Three months ended 31 December 2018 A$ (unaudited)	Three months ended 31 December 2017 A$ (unaudited)	Six months ended 31 December 2018 A$ (unaudited)	Six months ended 31 December 2017 A$ (unaudited)
Cash flows from operating activities					
Loss for the period		(33,515,074)	(5,873,614)	(37,892,291)	(11,712,027)
Depreciation		(218,968)	11,897	44,015	23,924
Share based payments expense		28,617,544	2,951,473	32,805,837	5,199,047
Write-off of exploration expenditure		(4,033)	890	36,589	1,877
Foreign exchange gain		(593,323)	-	(2,081,166)	-
Deferred taxes		739,735	1,953,474	(234,425)	1,953,474
Non cash employee benefit expense - Company Funded Loan Plan		1,758,358	-	1,758,358	-
(Increase) decrease in other receivables and prepayments		190,572	(153,856)	(109,850)	(564,657)
Increase (decrease) in trade and other payables		(1,244,200)	(1,444,779)	(306,020)	390,974
Net cash outflow from operating activities		**(4,269,389)**	**(2,554,515)**	**(5,978,953)**	**(4,707,388)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(2,349,482)	(1,179,864)	(5,051,076)	(1,595,887)
Payments for security deposits		(66,210)	(30,791)	(72,399)	(120,816)
Acquisition of exploration and evaluation assets		(27,417,784)	(12,392,029)	(51,841,877)	(20,251,265)
Net cash outflow from investing activities		**(29,833,476)**	**(13,602,684)**	**(56,965,352)**	**(21,967,968)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital		97,429,483	76,942,611	97,429,483	78,296,004
Payment of issue costs		(155,234)	(2,554,622)	(155,234)	(2,554,622)
Proceeds from borrowings		-	-	-	-
Net cash inflow from financing activities		**97,274,249**	**74,387,989**	**97,274,249**	**75,741,382**
Net increase in cash and cash equivalents		**63,171,384**	**58,230,790**	**34,329,944**	**49,066,026**
Cash and cash equivalents at beginning of period		54,472,020	78,475,169	81,825,617	89,312,743
Effects of exchange rate changes on cash and cash equivalents		593,323	1,734,534	2,081,166	61,724
Cash and cash equivalents at end of period		**118,236,727**	**138,440,493**	**118,236,727**	**138,440,493**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

As required by the Disclosure and Transparency Rules of the UK's Financial Services Authority this consolidated half year financial report for the half year ended 31 December 2018 has been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards as adopted by the European Union ('IFRSs') and their interpretations issued by the International Accounting Standards Board (IASB) and the Listing Rules. The half year condensed consolidated financial statements also comply with IFRS as issued by the IASB, as is required as a result of our listing on TSX in Canada.

The financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures for the year ended 30 June 2018 are based upon the latest statutory accounts, which have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under Section 489 (2) or (3) of the Companies Act 2006. The half year condensed consolidated financial statements for the half year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Directors on 13 February 2019.

The half year condensed consolidated financial statements are presented in Australian dollars ("A$") and have been prepared on the historical cost basis.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing activities of the consolidated entity.

The half year financial report should be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by SolGold plc and its controlled entities during the half year ended 31 December 2018.

Going concern

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 common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. At the reporting date, the Group had a net working capital surplus of A$111,927,701 (31 December 2017: A$131,850,244).

It should be noted that the current working capital levels will not be sufficient to bring the Group's projects into full development and production and, in due course, further funding will be required. In the event that the Company is unable to secure further finance either through other finance arrangements or capital raisings, 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. However, the Group has met all material commitments on its licences and has sufficient funds to manage the Group's working capital for a period of at least 12 months and therefore the Directors have prepared the accounts on a going concern basis.

Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year. The accounting policies for the comparatives are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2018.

Significant accounting policies

The group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2018 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2018, and will be adopted in the 2019 annual financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New standards impacting the Group that will be adopted in the interim financial statements for the six months ended 31 December 2018, and which have given rise to changes in the Group's accounting policies are:

- IFRS 9 Financial Instruments

Details of the impact that this standard is detailed below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 9 Financial Instruments
IFRS 9 has replaced IAS 39 *Financial Instruments: Recognition and Measurement*. The Group has applied IFRS 9 retrospectively, but availing the transition option not to restate comparative information.

IFRS 9 considerations

Classification and measurement
Upon adopting IFRS 9 the Groups 'Investment in available for sale securities' have been classified as financial assets recognised at fair value through OCI. The Group have made an irrevocable election to classify this investment as a financial asset held at fair value through other comprehensive income.

Impairment
The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss approach.

IFRS 9 requires the Group to measure and recognise expected credit losses on all applicable financial assets.

New standards and interpretations not yet adopted

The Group has elected not to early adopt the following revised and amended standards, which are not yet mandatory in the EU. 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 16	Leases	1 Jan 2019

IFRS 16 Leases
The new standard was issued in January 2016 replacing the previous leases standard, IAS 17 Leases, and related Interpretations. IFRS 16 establishes the principles for the recognition, measurement, presentation and disclosure of leases for the customer ('lessee') and the supplier ('lessor'). IFRS 16 eliminates the classification of leases as either operating or finance as is required by IAS 17 and, instead, introduces a single lessee accounting model requiring a lessee to recognise assets and liabilities for all leases unless the underlying asset has a low value or the lease term is twelve months or less. This new standard applies to annual reporting periods beginning on or after 1 January 2019 subject to EU endorsement. The Group has reviewed its arrangements in place and has concluded that the adoption of this standard is not expected to have a material impact in the future periods.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

(i) Subsidiaries

The half year condensed consolidated financial statements comprise the financial statements of SolGold plc and its controlled entities as at 31 December 2018.

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

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

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

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

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

(ii) Transactions eliminated on consolidation

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 2 OPERATING SEGMENTS

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

The Group has outlined below the separately reportable operating segments, having regard to the quantitative threshold tests provided in IFRS 8 *Operating Segments*, namely that the relative revenue, asset or profit / (loss) position of the operating segment equates to 10% or more of the Group's respective total. The Group reports information to the Board of Directors by project areas. That is, the financial position of each project area is reported discreetly, together with an aggregated corporate and administrative cost centre.

31 December 2018	Finance Income	Depreciation	Impairment of E&E	31 December 2018 (unaudited) Loss for the period	Assets	Liabilities	Share Based Payments	Non-current asset additions
	A$	A$	A$	A$	A$	A$	A$	A$
Cascabel project *	8,802	16,263	1,079	(631,734)	176,822,334	4,996,246	-	52,206,487
Other Ecuadorian projects	244	-	39,950	(221,456)	24,614,919	421,697	-	5,560,532
Other projects	872	-	(4,440)	(63,674)	13,616,817	6,671	-	279,295
Corporate	7,563	27,752	-	(36,975,427)	135,824,521	1,420,338	32,805,837	17,387,032

Total	**17,281**	**44,015**	**36,589**	**(37,892,291)**	**350,878,591**	**6,844,952**	**32,805,837**	**75,433,346**

30 June 2018	Finance Income	Depreciation	Impairment of E&E	30 June 2018 (audited) Loss for the year	Assets	Liabilities	Share Based Payments	Non-current asset additions
	A$	A$	A$	A$	A$	A$	A$	A$
Cascabel project *	-	31,882	-	(1,106,535)	120,947,506	6,810,450	-	70,927,717
Other Ecuadorian projects	211	-	376,148	(395,447)	18,882,929	636,681	-	14,101,256
Other projects	66	349	890	(83,249)	13,339,245	112,484	-	804,462
Corporate	677,615	48,223	-	(18,097,829)	86,700,049	1,874,050	10,568,889	(8,112,898)
Total	**677,892**	**80,454**	**377,038**	**(19,683,060)**	**239,869,729**	**9,433,665**	**10,568,889**	**77,720,537**

31 December 2017	Finance Income	Depreciation	Impairment of E&E	31 December 2017 (unaudited) Loss for the period	Assets	Liabilities	Share Based Payments	Non-current asset additions
	A$	A$	A$	A$	A$	A$	A$	A$
Cascabel project *				(380,175)	74,560,293	6,103,831		22,932,224
Other Ecuadorian projects				(12,718)	8,704,043	310,257		5,095,785
Other projects		102	890	(44,484)	12,819,756	12,484		483
Corporate	66	11,795		(11,274,650)	143,183,699	2,033,195	5,199,047	(5,164,233)
Total	**66**	**11,897**	**890**	**(11,712,027)**	**239,267,791**	**8,459,767**	**5,199,047**	**22,864,259**

* The Cascabel project is held by the subsidiary Exploraciones Novomining S.A. which is 15% owned by a non-controlling interest.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 2 OPERATING SEGMENTS (CONTINUED)

Geographical information

Non-current assets	31 December 2018 A$	30 June 2018 A$
UK	-	-
Australia	25,433,564	17,418,251
Solomon Islands	-	-
Ecuador	203,797,941	136,395,807
	229,241,505	153,814,058

NOTE 3 OPERATING LOSS

	Three months ended 31 December 2018 A$	Three months ended 31 December 2017 A$	Six months ended 31 December 2018 A$	Six months ended 31 December 2017 A$

The operating loss is stated after charging (crediting)				
Interest revenue – external parties	9,070	-	17,281	66
	9,070	**-**	**17,281**	**66**
Administrative and consulting expenses	2,424,457	2,419,417	4,371,138	4,033,397
Employment expenses	2,400,904	270,997	2,742,549[1]	562,098
Depreciation	(218,969)	11,897	44,015	23,924
Legal Fees	184,830		225,035	
Foreign exchange gains	(593,323)	(1,734,534)	(2,081,166)	(61,724)
Share based payments (note 9)	28,617,543	2,951,473	32,805,837	5,199,047
	32,815,442	**3,919,250**	**38,107,408**	**9,756,742**

[1] included within this balance is a charge of A$1,758,358 representing the difference between the fair value and cost of the loan granted, see note 7.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 4 LOSS PER SHARE

	Three months ended 31 December 2018	Three months ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
Calculation of basic and diluted loss per share is in accordance with IAS 33 *Earnings per Share*.				
Loss per ordinary share				
Basic loss per share (cents per share)	(1.8)	(0.4)	(2.2)	(0.8)
Diluted loss per share (cents per share)	(1.8)	(0.4)	(2.2)	(0.8)
Net loss used in calculating basic and diluted loss per share (A$)	(33,515,074)	(5,873,614)	(37,892,291)	(11,712,027)
	Number	**Number**	**Number**	**Number**
Weighted average number of ordinary share used in the calculation of basic loss per share	1,755,150,510	1,576,897,860	1,755,150,510	1,546,315,360
Weighted average number of dilutive options	-	6,763,730	-	6,763,730
Weighted average number of ordinary shares used in the calculation of diluted loss per share	1,755,150,510	1,583,661,590	1,755,150,510	1,553,079,090

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 5 INTANGIBLE ASSETS

	Deferred exploration costs A$
Cost	
Balance at 1 July 2017	**114,470,621**
Effect of foreign exchange on opening balances	1,567,846
Additions	81,968,954
Balance at 30 June 2018	**195,007,421**
Effect of foreign exchange on opening balances	6,640,501
Additions	50,264,269
Balance at 31 December 2018	**251,912,191**
Impairment losses	
Balance at 1 July 2017	**(51,747,516)**
Impairment charge	(377,038)
Balance at 30 June 2018	**(52,124,554)**
Impairment charge	(36,589)
Balance at 31 December 2018	**(52,161,143)**
Carrying amounts	
At 30 June 2017	59,723,105
At 30 June 2018	142,882,867
At 31 December 2018	199,751,048

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest.

NOTE 6 INVESTMENT IN AVAILABLE FOR SALE SECURITIES / FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI

(a) Investments accounted for as available-for-sale assets

	31 December 2018 A$	30 June 2018 A$
Movements in financial assets		
Opening balance at the beginning of the reporting period	5,445,408	8,908,208
Fair value adjustment through other comprehensive income	4,183,851	(3,462,800)
Closing balance at the end of the reporting period	**9,629,259**	**5,445,408**

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

NOTE 6 INVESTMENT IN AVAILABLE FOR SALE SECURITIES / FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH OCI (CONTINUED)

(b) Fair value

Fair value hierarchy

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

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

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

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

	A$ Level 1	A$ Level 2	A$ Level 3	A$ Total
31 December 2018				
Financial assets held at fair value through OCI	9,629,259	-	-	9,629,259
30 June 2018				
Available for sale financial assets	5,445,408	-	-	5,445,408

The financial assets are measured based on the quoted market prices at 31 December 2018 and 30 June 2018.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 7 LOANS RECEIVABLE AND OTHER NON-CURRENT ASSETS

	31 December 2018 A$	30 June 2018 A$
Movements in loan receivable and other non-current assets		
Inter Company Investments	(420)	(420)
Security Deposits	1,274,666	1,202,267
Loans with Related Parties	**-**	**5,898**
Company Funded Loan Plan Receivable	**8,373,136**	**-**
Closing balance at the end of the reporting period	**9,647,382**	**1,207,745**
Company Funded Loan Plan Receivable		
Balance at beginning of reporting period	-	-
Additions – funds loaned under the plan	10,131,495	-
Fair value adjustment recognised as an employee benefit expense	(1,758,359)	-
Balance at end of reporting period	**8,373,136**	**-**

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

The key terms of this Plan are as follows:

- The employee may only use a loan under the Plan to pay for the exercise of Employee Options granted by the Company.
- The loan will be granted for a maximum period of 2 years.
- No interest will be charged on the loan.
- The loan is secured by the shares granted on the exercise of the Employee Options.

As the loan provided by the Company was at a favourable rate of interest for the employees, the loan receivable under the Plan was fair valued. The fair value of the loan was estimated based on the future cash flow and a market interest rate of 7%. In future reporting periods, the loan will be measured at amortised cost. This transaction was a non cash transaction with employees. Management have considered the impairment impact of such balance under IFRS 9 and do not consider it to be material.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 8 SHARE CAPITAL

	Half Year Ended 31 December 2018 A$	Full Year Ended 30 June 2018 A$
a) Issued capital and share premium		
Ordinary shares fully paid up	**410,538,178**	**302,147,420**
b) Movement in ordinary shares		
At the beginning of the reporting period	303,085,864	225,698,701
Shares issued during the period	107,560,978	78,406,209
Transaction costs on share issue	(108,664)	(1,957,490)
At reporting date	**410,538,178**	**302,147,420**

	Half Year Ended 31 December 2018 Number	Full Year Ended 30 June 2018 Number
c) Movement in number of ordinary shares on issue		
Shares at the beginning of the reporting period	1,696,245,686	1,512,955,686
- Shares issued at £0.14 – Exercise of options 7 July 2017	-	1,300,000
- Shares issued at £0.28 – Exercise of options 7 July 2017	-	1,300,000
- Shares issued at £0.38 – Newcrest share issue 11 August 2017	-	690,000
- Shares issued at £0.25 – Placement 30 November 2017	-	180,000,000
- Shares issued at £0.28 – Exercise of options 4 October 2018	550,000	-
- Shares issued at £0.14 – Exercise of options 11 October 2018	9,795,884	-
- Shares issued at £0.28 – Exercise of options 11 October 2018	9,795,884	-
- Shares issued at £0.45 – BHP placement 17 October 2018	100,000,000	-

- Shares issued at £0.28 – Exercise of options 29 October 2018	20,624,553	-
- Shares issued at £0.3888 – BHP share issue 8 November 2018	2,596,826	-
- Shares issued at £0.3714 – Newcrest share issue 26 November 2018	6,712,200	-
Shares at the reporting date	**1,846,321,033**	**1,696,245,686**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 9 SHARE OPTIONS

At 31 December 2018 the Company had 162,512,000 options outstanding for the issue of ordinary shares (31 December 2017: 88,353,768).

Options

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

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

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

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

Share options issued

There were 115,750,000 options granted during the period ended 31 December 2018 (31 December 2017: 46,762,000).

On 5 July 2018, the Company issued a combined total of 21,500,000 unlisted share options over ordinary shares of the company, including:

- 21,250,000 share options to employees and contractors. The options are exercisable at £0.40 and expire on 4 July 2020; and
- 250,000 share options to a contractor. The options are exercisable at £0.60 and expire on 4 July 2021.

On 6 November 2018, the Company issued a combined total of 82,875,000 unlisted share options over ordinary shares of the company to employees. The options are exercisable at £0.60 and expire on 6 November 2021.

On 20 December 2018, the Company issued a combined total of 11,375,000 unlisted share options over ordinary shares of the Company to Directors following approval granted by shareholders at the Company's AGM on 20 December 2018. The options are exercisable at £0.60 and expire on 20 December 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 9 SHARE OPTIONS (CONTINUED)

The share options outstanding at 31 December 2018 are as follows:

Date of grant	Exercisable from	Exercisable to	Exercise prices	Number granted	Number at 31 December 2018
9 August 2017	The options vest on the earlier of: (a) 18 months, or (b) a Change of Control Transaction	8 August 2020	£0.60	46,750,000	46,750,000
9 August 2017	The options vested immediately, through to 8 August 2020	8 August 2020	£0.60	12,000	12,000
5 July 2018	The option vested immediately and exercisable through to 4 July 2020	4 July 2020	£0.40	21,250,000	21,250,000
5 July 2018	The option vested immediately and exercisable through to 4 July 2021	4 July 2021	£0.60	250,000	250,000
6 November 2018	The options vested immediately, through to 6 November 2021	6 November 2021	£0.60	82,875,000	82,875,000
20 December 2018	The options vested immediately and exercisable through to 20 December 2021	20 December 2021	£0.60	11,375,000	11,375,000
				162,512,000	**162,512,000**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 9 SHARE OPTIONS (CONTINUED)

Share-based payments

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

	Weighted average exercise price 31 December 2018	Number of options 31 December 2018	Weighted average exercise price 31 December 2017	Number of options 31 December 2017
Outstanding at the beginning of the period	£0.44	88,353,768	£0.25	44,191,768
Exercised during the period	£0.25	(40,766,321)	£0.21	(2,600,000)
Lapsed during the period	£0.28	(825,447)	-	-
Granted during the period	£0.56	115,750,000	£0.60	46,762,000
Outstanding at the end of the period	£0.57	162,512,000	£0.44	88,353,768
Exercisable at the end of the period	£0.56	115,762,000	£0.21	19,591,768

The options outstanding at 31 December 2018 have exercise prices of £0.40 and £0.60 (31 December 2017: £0.14, £0.28 and £0.60) and a weighted average contractual life of 2.33 years (31 December 2017: 1.76 years).

Share options held by Directors are as follows:

Share options held	At 31 December 2018	At 31 December 2017	Option Price	Exercise Period
Nicholas Mather	26,250,000	26,250,000	60p	07/02/19 – 08/08/20

Share options held	At 31 December 2018	At 31 December 2017	Option Price	Exercise Period
	5,000,000	-	60p	20/12/18-20/12/21
Brian Moller	3,750,000	3,750,000	60p	07/02/19 - 08/08/20
	1,425,000	-	60p	20/12/18 - 20/12/21
Robert Weinberg	2,250,000	2,250,000	60p	07/02/19 - 08/08/20
	900,000	-	60p	20/12/18 - 20/12/21
John Bovard	2,250,000	2,250,000	60p	07/02/19 - 08/08/20
Craig Jones	2,250,000	2,250,000	60p	07/02/19 - 08/08/20
	900,000	-	60p	20/12/18 - 20/12/21
James Clare	3,150,000	-	60p	20/12/18 - 20/12/21

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 9 SHARE OPTIONS (continued)

Share-based payments (continued)

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

Fair value of share options and assumptions	**£0.60 Options 9 August 2017**	**£0.60 Options 5 July 2018**	**£0.40 Options 5 July 2018**
Number of options	46,762,000	250,000	21,250,000
Fair value at issue date	£0.365 - £0.375	£0.22	£0.22
Exercise price	£0.60	£0.60	£0.40
Expected volatility	89.714%	80.475%	74.187%
Option life	3.00 years	3.00 years	2.00 years
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate (short-term)	0.461%	0.96%	0.96%
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes
	A$	**A$**	**A$**
Share based payments expense recognised in statement of comprehensive income	4,303,639	28,136	2,008,338
Share based payments expense recognised as share issue costs	-	-	-
Share based payments expense to be recognised in future periods	703,898	-	-

Fair value of share options and assumptions	£0.60 Options 6 November 18	£0.60 Options 20 December 2018
Number of options	82,875,000	11,375,000
Fair value at issue date	£.385	£0.3685
Exercise price	£0.60	£0.60
Expected volatility	79.538%	78.436%
Option life	3.00 years	3.00 years
Expected dividends	0.00%	0.00%
Risk-free interest rate (short-term)	01.19%	0.97%
Valuation methodology	Black-Scholes	Black-Scholes

	A$	A$
Share based payments expense recognised in statement of comprehensive income	23,560,885	2,904,839
Share based payments expense recognised as share issue costs	-	-
Share based payments expense to be recognised in future periods		

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE10 RELATED PARTIES

Transactions with Directors and Director-Related Entities

(i) The Company had a commercial agreement with Samuel Capital Ltd ("Samuel") for the engagement of Nicholas Mather as Chief Executive Officer and Executive Director of the Company. For the half year ended 31 December 2018 A$460,000 was paid or payable to Samuel (2017: A$200,000). The total amount outstanding at the end of the half year was A$ nil (31 December 2017: A$ nil, 30 June 2018 A$16,667).

(ii) SolGold plc has a standing Administration and Services Agreement with DGR Global Ltd, an entity associated with Nicholas Mather (a Director) and Brian Moller (a Director) whereby DGR Global Ltd has agreed to provide certain services including the provision by DGR Global Ltd of its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities (''Services''). In consideration for the provision of the Services, the Company shall reimburse DGR Global Ltd for any expenses incurred by it in providing the Services. DGR Global Ltd was paid A$180,000 (2017: A$180,000) for the provision of administration, management and office facilities to the Company during the half year. The total amount outstanding at half year end is A$24,121 (31 December 2017: A$30,000, 30 June 2018 A$94,844).

(iii) Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim Lawyers. Hopgood Ganim were paid A$146,123 (2017: A$181,330) for the provision of legal services to the Company during the half year. These services were based on normal commercial terms and conditions. The total amount outstanding at half year end is A$17,761 (31 December 2017: A$33,263, 30 June 2018 A$ nil).

(iv) Mr James Clare (a Director), is a partner in the Canadian firm Bennett Jones lawyers. For the period ended 31 December 2018, Bennett Jones were paid A$46,703 for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at 31 December 2018 is A$ nil (31 December 2017: A$ nil, 30 June 2018 A$ nil).

(v) On 2 July 2018, The Mather Foundation Limited, a Philanthropic Auxiliary Foundation Trust Fund of which Nicholas Mather is a Director, sold 850,000 shares in SolGold.

NOTE 11 COMMITMENTS AND CONTINGENT ASSET AND LIABILITIES

A 2% net smelter royalty is payable to Santa Barbara Resources Limited, who were the previous owners of the Cascabel tenements. These royalties can be bought out by paying a total of 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.

In the event Cornerstone Capital Resources Inc.'s (Cornerstone) equity interest in ENSA is diluted below 10%, Cornerstone's equity interest will be converted to a half of one percent (0.5%) interest in a Net Smelter Return and SolGold will have right to purchase the Net Smelter Return for US$3.5 million at any time.

There are no other significant changes to commitments and contingencies disclosed in the most recent annual financial report.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

NOTE 12 SUBSEQUENT EVENTS

On 3 January 2019, the Company announced the filing on SEDAR of independent NI 43-101 Technical Report on an updated mineral resource estimate ("MRE#2") for the Alpala Deposit completed by SRK Consulting (UK) Limited. The MRE#2 comprises 2,050 Mt grading 0.60% copper equivalent ("CuEq") of Indicated Mineral Resources for a contained metal content of 8.4 Mt copper ("Cu") and 19.4 Moz gold ("Au"), and 900 Mt grading 0.35% CuEq of Inferred Mineral Resources for 2.5 Mt Cu and 3.8 Moz Au, using a 0.2% CuEq cut-off grade.

On 31 January 2019, the Company announced that it intends, subject to various conditions, to make an offer to purchase all of the issued and outstanding common shares (the "Cornerstone Shares") of Cornerstone Capital Resources Inc. for consideration consisting of ordinary shares of SolGold (the "SolGold Shares"). If the Offer is successfully completed, holders of Cornerstone Shares who tender their shares under the Offer will receive 0.55 of a SolGold Share in exchange for every Cornerstone Share tendered.

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

DIRECTORS' RESPONSIBILITY STATEMENT AND REPORT ON PRINCIPAL RISKS AND UNCERTAINTIES

Responsibility statement:

We confirm to the best of our knowledge:

a) The condensed set of financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU
b) The interim management report includes a fair review of the information required by:
    I. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements: and a description of the principal risks and uncertainties for the remaining six months of the year; and
    II. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period, and any changes in the related party transactions described in the last annual report that could do so.

This report contains forward-looking statements. These statements are based on current estimates and projections of management and currently available information. Future statements are not guarantees of the future developments and results outlined therein. Rather, future developments and results are dependence on a number of factors; they involve various risks and uncertainties and are based upon assumptions that may not prove to be accurate. Risks and uncertainties identified by the Group are set out on page 34 of the 2018 Annual Report and Accounts. We do not assume any obligation to update the forward-looking statements contained in this report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Nicholas Mather
Executive Director

Brisbane
13 February 2019

INDEPENDENT REVIEW REPORT TO SOLGOLD PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2018 which comprises the interim condensed consolidated statement of profit and loss and other comprehensive income, interim condensed consolidated statement of financial position, interim condensed statement of changes in equity, interim condensed consolidated statement of cash flows and notes to the interim condensed consolidated financial statements.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2018 not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

BDO LLP
Chartered Accountants
London
13 February 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).