SolGold

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

CORPORATE INFORMATION

DIRECTORS
Liam Twigger (Non-Executive Chair)
Scott Caldwell (Managing Director and Interim Chief Executive Officer)
Nicholas Mather (Non-Executive Director)
James Clare (Non-Executive Director)
Dan Vujcic (Non-Executive Director)
Maria Amparo Alban (Non-Executive Director)

GROUP COMPANY SECRETARY
Rufus Gandhi

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OPERATIONS REPORT

The Directors present their report on the Company and its controlled entities for the half year ended 31 December 2022. 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:

Scott Caldwell (Former Non-Executive Director and now Managing Director and Interim Chief Executive Officer) – appointed 24 October 2022 and 10 November 2022 respectively
Darryl Cuzzubbo (Former Managing Director and Chief Executive Officer) – resigned 10 November 2022
Keith Marshall (Former Chief Executive Officer) – resigned 12 August 2022
Liam Twigger (Non-Executive Director)
Nicholas Mather (Non-Executive Director)
James Clare (Non-Executive Director)
Elodie Grant Goodey (Non-Executive Director) – resigned 22 December 2022
Kevin O'Kane (Non-Executive Director) – resigned 22 December 2022
Dan Vujcic (Non-Executive Director) – appointed 24 October 2022
Maria Amparo Alban (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 2022 was US$17,671,963 (31 December 2021 loss of US$17,886,258).

Exploration Activities

Ecuador

CASCABEL PROJECT

Project Overview	
Location:	Imbabura province, Northern Ecuador
Ownership:	85%
Subsidiary:	Exploraciones Novomining S.A.
Tenement area:	50 km2
Primary Targets:	Copper gold porphyry

The Cascabel project base is located at Rocafuerte in northern Ecuador, approximately four hours drive north of the capital Quito, close to water, power supply and Pacific ports. Having fulfilled its earn-in requirements, SolGold is a registered shareholder with an unencumbered legal and beneficial 85% interest in ENSA which holds 100% of the Cascabel tenement covering approximately 50km2, and is 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. Note on 7 October 2022, SolGold plc and Cornerstone Capital Resources Inc. announced that they have entered into a definitive agreement whereby SolGold will acquire all of the issued and outstanding shares of Cornerstone, other than Cornerstone Shares already held, directly or indirectly, by SolGold, pursuant to a court-approved plan of arrangement. The transaction has not been completed at the time of this report.

During the six months ended 31 December 2022, the Group capitalised US$17,208,808 of expenditure on the Cascabel project.

At the Tandayama-Ameríca deposit resource extension, infill drilling continues utilising one drilling rig.

Exploration at the Moran prospect is ongoing utilising one drilling rig.

REGIONAL EXPLORATION PROJECTS

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 in further detail below.

CARNEGIE RIDGE RESOURCES S.A

Rio Amarillo

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

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

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.

Three drill holes were completed at the Varela target, Rio Amarillo project, with a total of 3,743 m drilled, Drilling commenced in August 2021, the first drill hole RDH-21-001 was stopped at 1,708.10m, hole RDH-21-002 drilled 1,500.40m, and hole RDH-21-003 was stopped at 534.55m due to the Covid-19 related temporary suspension of field operations in January 2022. The three holes intersected potassic, intermediate argillic and phyllic alterations with presence of B type veins with variable content of sulfides such as chalcopyrite, pyrite and molybdenum.

Assays were reported as follows, hole 1 returning 72.0m @ 2.16 g/t Au, including 24.0m @ 5.77 g/t Au. Hole 2 returned 12.0m @ 1.35 g/t Au, and hole 3 did not report any significant intersection. Trace-element and multi-element geochemistry appears consistent with the drill holes sited nearby to a potential porphyry gold-copper system

Exploration activities have been focused on detailed mapping and rock sampling in the Pugaran prospect, for defining drilling targets.

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 Cacharposa deposit at Porvenir.

The Tinkimints prospect is located adjacent to Solaris's Warintza copper deposit and 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.

Exploration completed in the area south-east of the Warintza South defined a new target named Juank, delineating a multielement anomaly of 900m x 700 m.

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 in October 2021 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.

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 WhittleTM 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.

Initial work on the Porvenir project PEA began and during the half year study work focused on:

- Mine Engineering activities
- Process plant & Infrastructure Engineering

The study has been delayed as announced 22 November 2022.

Australia and Solomon Islands

No new exploration activities were conducted for the Australian and Solomon Islands exploration programmes.

Equity

On 5th July 2022, the Board of Directors granted 10,000,000 long term incentive employee options and issued 1,336,182 new ordinary shares to Mr Darryl Cuzzubbo, former Chief Executive Officer and Managing Director.

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

On 12th December 2022, the Board of Directors issued 180,000,000 new ordinary shares to Jiangxi Copper (Hong Kong) Investment Company Limited (155,000,000), Maxit Capital LP (23,000,000), Scott Caldwell, Managing Director and Interim Chief Executive Officer (1,000,000) and James Clare, Non-Executive Director (1,000,000).

Corporate

Leadership and key roles

The Company appointed Harold 'Bernie' Loyer to the position of Vice President Projects effective 27th July 2022, Rufus Gandhi to the position of General Counsel and Company Secretary effective 1st August 2022, and Steve Botts to the position of President of SolGold's Ecuador subsidiaries effective 1st August 2022.

On 12th August 2022, Keith Marshall, former Chief Executive Officer, resigned from the Board of Directors but remained as an advisor to the Company's technical committee to oversee the Cascabel Project and to ensure a smooth transition to the new Vice President Projects, Bernie Loyer. On 12th August 2022, it was announced that Ayten Saridas had resigned from her position as Group Chief Financial Officer and the Company appointed Keith Pollocks as Interim Chief Financial Officer, and announced on 12th August 2022, Jason Ward informed the Board of his decision to step down as Head of Exploration and from the Board. Mr Ward will remain as an advisor to the Company and will work closely with management to appoint a successor.

Scott Caldwell and Dan Vujcic were appointed to the Board of Directors as Independent Non-Executive Directors effective 24th October 2022. Scott Caldwell is no longer Independent and became an Executive Director on 10th November 2022 when he was appointed Interim Chief Executive Officer.

Darryl Cuzzubbo, Managing Director and Chief Executive Officer left the Company and the Board, effective 10th November 2022. The Company appointed Scott Caldwell as Interim Chief Executive Officer until a permanent replacement is appointed.

New sources of funding

SolGold entered into a binding agreement with Osisko Gold Royalties Ltd for US$50 million in royalty financing with reference to the Company's Cascabel copper-gold project in northern Ecuador. Osisko Gold Royalties Ltd will receive a 0.6% NSR interest from SolGold, calculated with reference to eventual net smelter returns from the Cascabel licence area. The transaction closed 2nd December 2022.

SolGold issued 180,000,000 new ordinary shares at a price of US$0.20 per share to new investors Jiangxi Copper (Hong Kong) Investment Company Limited and Maxit Capital LP, as well as Directors Scott Caldwell and James Clare. The share issue raised aggregate gross proceeds of US$36 million. The transaction closed 12th December 2022.

Principal 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. There is no assurance that the Company will be able to arrange sufficient financing to bring ore bodies into production.

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.

Strong community relations are fundamental to creating safe, sustainable and successful operations. Losing the support from any individual community would be a risk for activities in that area and to the Company’s broader reputation.

Establishing an effective composition of the Board, succession processes and evaluation methods is critical to the success of the Group. The inability of the Group to successfully attract and retain highly skilled and experienced executives and personnel could have a material adverse effect on SolGold’s business, its ability to attract financing and the results of operations.

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. 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 a whole.

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

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.

The Group is required to obtain governmental permits to conduct different phases of exploration and evaluation on its concessions. There is a risk of permits that are needed for ongoing operations being denied regarding tenure and other development related infrastructure.

The exploration, evaluation and development of the Group’s projects will require substantial additional financing above and beyond the Group’s current liquid funds. Current global capital market conditions have been subject to significant volatility, and access to equity and debt financing, particularly for resource companies, has been negatively impacted in recent years. These factors may impact the Group’s ability to obtain equity or debt financing in the future.

These risks have not changed since the annual report for the year ended 30 June 2022.

Scott Caldwell
Interim Chief Executive Officer & Managing Director
Brisbane
14 February 2023

Qualified Person

Information in this report relating to the exploration results is based on data reviewed by Mr. Jason Ward (B.Sc. Hons Geol.), Exploration Advisor to SolGold and former Head of Exploration for the Group. 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 2022

	Notes	Three months ended 31 December 2022 US$ (unaudited)	Three months ended 31 December 2021 US$ (unaudited; restated)	Six months ended 31 December 2022 US$ (unaudited)	Six months ended 31 December 2021 US$ (unaudited; restated)
Expenses					
Exploration costs written-off	5	(11,119)	(99,500)	(11,388)	(3,566,585)
Administrative expenses	3	(7,782,845)	(4,188,352)	(14,143,200)	(8,708,581)
Operating loss		**(7,793,964)**	**(4,287,852)**	**(14,154,588)**	**(12,275,166)**
Other income		33,855	261,027	68,278	463,573
Finance income	3	41,127	28,903	65,158	34,930
Finance costs	3	(2,969,120)	(3,298,353)	(5,497,045)	(6,500,509)
Movement in fair value of derivative liability	3 & 9	-	(57,750)	1,963,500	288,750
Loss before tax		**(10,688,102)**	**(7,354,025)**	**(17,554,697)**	**(17,988,422)**
Tax (expense)/benefit		174,542	246,594	(117,266)	102,164
Loss for the period		**(10,513,560)**	**(7,107,431)**	**(17,671,963)**	**(17,886,258)**
Other comprehensive profit / (loss)					
Items that may be reclassified to profit and loss					
Exchange differences on translation of foreign operations		486,768	47,339	(114,403)	(263,065)
Items that will not be reclassified to profit or loss					
Remeasurement of post-employment benefits		718,114	45,126	718,114	45,126
Change in fair value of financial assets net of tax		1,821,000	412,208	824,179	(210,488)
Other comprehensive (loss) / profit, net of tax		**3,025,882**	**504,673**	**1,427,890**	**(428,427)**
Total comprehensive (loss) for the period		**(7,487,678)**	**(6,602,758)**	**(16,244,073)**	**(18,314,685)**
Total comprehensive (loss) for the period is attributable to:					
Owners of the parent company		(7,449,528)	(6,584,390)	(16,170,708)	(18,250,171)
Non-controlling interest		(38,150)	(18,368)	(73,363)	(64,514)
Total comprehensive (loss) for the period		**(7,487,678)**	**(6,602,758)**	**(16,244,073)**	**(18,314,685)**
Loss for the period attributable to:					
Owners of the parent company		(10,475,411)	(7,089,063)	(17,598,599)	(17,821,745)
Non-controlling interest		(38,150)	(18,368)	(73,364)	(64,514)
Loss for the period		**(10,513,560)**	**(7,107,431)**	**(17,671,963)**	**(17,886,258)**
Basic earnings per share	4	(0.4)	(0.3)	(0.8)	(0.8)
Diluted earnings per share	4	(0.4)	(0.3)	(0.7)	(0.8)

The above interim condensed 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 2022

	Notes	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Assets			
Intangible assets	5	388,298,962	365,579,484
Property, plant and equipment	8	23,572,005	22,084,490
Financial assets held at fair value through OCI	6	5,883,982	5,351,844
Financial assets at amortised cost	7	1,744,703	1,749,213
Total non-current assets		**419,499,652**	**394,765,031**
Other receivables and prepayments		7,708,089	4,742,156
Loans receivable and other current assets	7	2,013,107	3,553,291
Cash and cash equivalents		77,176,190	26,102,133
Total current assets		**86,897,386**	**34,397,580**
Total assets		**506,397,038**	**429,162,611**
Equity			
Share capital	11	34,167,271	32,350,699
Share premium	11	459,491,140	426,793,240
Other reserves		13,099,408	10,931,758
Accumulated loss		(150,193,349)	(132,587,252)
Foreign currency translation reserve		(5,163,170)	(5,048,767)
Equity attributable to owners of the parent company		**351,401,300**	**332,439,678**
Non-controlling interest		(1,264,537)	(1,191,172)
Total equity		**350,136,763**	**331,248,506**
Liabilities			
Trade and other payables		10,892,169	6,509,078
Lease liabilities		373,493	415,132
Provisions	14	716,170	-
Total current liabilities		**11,981,832**	**6,924,210**
Lease liabilities		288,863	326,374
Other financial liabilities	9	423,500	2,387,000
Deferred tax liabilities		4,200,444	4,200,444
Borrowings	10	139,365,636	84,076,077
Total non-current liabilities		**144,278,443**	**90,989,895**
Total liabilities		**156,260,275**	**97,914,105**
Total equity and liabilities		**506,397,038**	**429,162,611**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Share capital US$	Share premium US$	Financial assets held at fair value through other comprehensive income US$	Share based payment reserve US$	Employee benefit reserve US$	Accumulated losses US$	Foreign currency translation reserve US$	Total US$	Non-controlling interests US$	Total Equity US$
Balance 30 June 2021 (audited) restated	**32,350,699**	**426,819,162**	**3,253,029**	**16,791,596**	**(632,034)**	**(138,895,017)**	**(4,345,829)**	**335,341,606**	**(1,077,104)**	**334,264,502**
Loss for the period	-	-	-	-	-	(17,821,745)	-	(17,821,745)	(64,514)	(17,886,259)
Other comprehensive income for the period	-	-	(210,488)	-	45,126	-	(263,064)	(428,426)	-	(428,426)
Total comprehensive income for the period	-	-	(210,488)	-	45,126	(17,821,745)	(263,064)	(18,250,171)	(64,514)	(18,314,685)
Share issue costs	-	(25,922)	-	-	-	-	-	(25,922)	-	(25,922)
Options expired	-	-	-	(7,895,261)	-	7,895,261	-	-	-	-
Balance 31 December 2021 (unaudited; restated)	**32,350,699**	**426,793,240**	**3,042,541**	**8,896,335**	**(586,908)**	**(148,821,494)**	**(4,608,893)**	**317,065,514**	**(1,141,618)**	**315,923,902**
Loss for the period	-	-	-	-	-	16,178,644	-	16,178,644	(49,554)	16,129,090
Other comprehensive income for the period	-	-	(995,148)	-	120,603	-	(439,874)	(1,314,419)	-	(1,314,419)
Total comprehensive income for the period	-	-	(995,148)	-	120,603	16,178,644	(439,874)	14,864,225	(49,554)	14,814,671
New share capital subscribed	-	-	-	-	-	-	-	-	-	-
Options exercised	-	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-	-
Options expired	-	-	-	-	-	-	-	-	-	-
Value of shares and options issued to Directors, employees and consultants	-	-	-	454,336	-	-	-	454,336	-	454,336
Balance 30 June 2022 (audited)	**32,350,699**	**426,793,240**	**2,047,393**	**9,350,670**	**(466,305)**	**(132,587,252)**	**(5,048,767)**	**332,439,678**	**(1,191,172)**	**331,248,506**
Loss for the period	-	-	-	-	7,500	(17,606,099)	-	(17,598,599)	(73,364)	(17,671,963)
Other comprehensive income for the period	-	-	824,179	-	718,114	-	(114,403)	1,427,890	-	1,427,890
Total comprehensive income for the period	-	-	824,179	-	725,614	(17,606,099)	(114,403)	(16,170,708)	(73,364)	(16,244,073)
Shares issued to Directors, employees, consultants and new investors	1,810,603	34,480,439	-	-	-	-	-	36,291,042	-	36,291,042
Share issue costs	-	(1,920,449)	-	-	-	-	-	(1,920,449)	-	(1,920,449)
Options expired	-	-	-	-	-	-	-	-	-	-
Value of options issued to Directors, employees and consultants	5,970	137,910	-	617,854	-	-	-	761,734	-	761,734
Balance 31 December 2022 (unaudited)	**34,167,272**	**459,491,140**	**2,871,572**	**9,968,524**	**259,309**	**(150,193,351)**	**(5,163,170)**	**351,401,297**	**(1,264,536)**	**350,136,761**

The above interim condensed 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 2022

	Notes	Three months ended 31 December 2022 US$ (unaudited)	Three months ended 31 December 2021 US$ (unaudited) Restated	Six months ended 31 December 2022 US$ (unaudited)	Six months ended 31 December 2021 US$ (unaudited) Restated
Cash flows from operating activities					
Loss for the period		(10,513,559)	(7,107,431)	(17,671,963)	(17,886,258)
Depreciation	3	(71,547)	155,105	80,752	310,503
Interest on Lease liabilities		12,330	17,295	26,967	33,626
Interest on NSR	3 & 10	2,956,791	3,281,058	5,470,078	6,466,883
Share based payments expense		535,757	-	1,052,775	-
Write-off of exploration expenditure	5	11,119	99,500	11,388	3,566,585
Foreign exchange (gain) / loss	3	(189,920)	(98,921)	338,273	167,134
Expected credit loss – Company Funded Loan Plan	7	216,023	-	1,407,900	-
Movement in fair value of derivative liability	3 & 9	-	57,750	(1,963,500)	(288,750)
Tax expense		(174,542)	(246,594)	117,266	(102,164)
Non-cash employee benefit – Company Funded Loan Plan	7		669,211	-	669,211
Accretion of interest – Company Funded Loan Plan		-	(232,488)	-	(346,223)
(Increase) / decrease in other receivables and prepayments		(1,207,276)	630,125	(1,392,669)	(305,397)
Increase / (decrease) in trade and other payables		4,278,414	(1,490,602)	4,179,891	(896,080)
Net cash outflow from operating activities		**(4,146,410)**	**(4,265,992)**	**(8,342,842)**	**(8,610,930)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,559,794)	(1,807,181)	(1,576,297)	(1,885,159)
Acquisition of exploration and evaluation assets		(12,903,467)	(22,509,320)	(22,928,865)	(40,377,286)
Net cash outflow from investing activities		**(14,463,261)**	**(24,316,501)**	**(24,505,162)**	**(42,262,445)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital		36,000,000	-	36,000,000	-
Payment of issue costs		(1,570,866)	-	(1,570,866)	(34,075)
Net proceeds from NSR financing	10	50,000,000	-	50,000,000	-
Payment of NSR costs		(180,519)	-	(180,519)	-
Repayments of lease liability		20,454	(117,311)	(98,322)	(214,215)
Net cash (outflow) / inflow from financing activities		**84,269,069**	**(117,311)**	**84,150,293**	**(248,290)**
		0			
Net (decrease) / increase in cash and cash equivalents		**65,659,399**	**(28,699,804)**	**51,302,290**	**(51,123,992)**
Cash and cash equivalents at beginning of period		11,515,204	87,039,848	26,102,133	109,562,103
Effects of exchange rate changes on cash and cash equivalents		1,586	65,315	(228,234)	(32,752)
Cash and cash equivalents at end of period		**77,176,189**	**58,405,359**	**77,176,189**	**58,405,359**

The above interim condensed 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 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general purpose interim condensed consolidated financial statements for the half year ended 31 December 2022 has been prepared in accordance with UK adopted International Accounting Standard 34, *Interim Financial Reporting,* and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdoms' Financial Conduct Authority.

The interim condensed consolidated financial statements are presented in United States dollars ("US$") and have been prepared on the historical cost basis, apart from financial assets held at fair value.

The interim condensed consolidated financial statements do not include all notes of the type normally included within the annual financial statements 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 financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Accordingly, they are to be read in conjunction with the annual report for the year ended 30 June 2022, which was prepared in accordance with both International Accounting Standards and UK adopted IFRS in conformity with the requirements of the Companies Act 2006. Statutory accounts for the year ended 30 June 2022 were approved by the board of directors on 21 September 2022 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under section 498 of the Companies Act 2006. It is also recommended that the interim condensed consolidated financial statements be read considering any public announcements made by SolGold plc and its controlled entities during the six months ended 31 December 2022.

Going concern

As at 31 December 2022 the Company had cash on hand of US$77.18 million and net current assets of US$74.92 million. The Directors have reviewed the cash position of the Group and the Company for the period to 30 June 2024 and consider it appropriate that the Group and the Company financial statements are prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business, for the reasons set out below.

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

Management continues to monitor and manage its liquidity risks closely and regularly produces cash flow forecasts. Under the base case scenario and with the successful recently signed Royalty Agreement, the Group would have sufficient funds until January 2024. Under the downside case scenario, the Group would have sufficient funds until November 2023 before mitigations.

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

The Company has a proven ability to execute equity and other financings as demonstrated by the successfully completed royalty agreement in November 2022, share issue in December 2022 and the pending Cornerstone transaction expected to be completed in early March 2023. Accordingly, the Directors have a reasonable expectation that the Group will be able to raise funds when necessary and, as has been the case previously, the Directors expect that future funding will likely be provided by equity investors, debt funding or via other strategic arrangements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation (continued)

The current funding in place gives the Group working capital through to January 2024. However, upon the closure of the Cornerstone transaction, the Group will be in possession of another parcel of treasury shares which can be liquidated at the discretion of the Group and would give the Group additional working capital.

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

Given that the Company will need to secure further funding to meet the Group's 12-month exploration and working capital commitment, from the date of approval of these interim financial statements, the situation gives rise to a material uncertainty which may cast significant doubt about the Company and Group's ability to continue as a going concern as there can be no guarantee 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.

Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year. These comparatives have been restated or reclassified due to the following:

Investigation into Ecuadorian business
In late 2021, the investigation into the Ecuadorian business identified a misappropriation of funds. The Company instructed EY Ecuador to commence a forensic investigation into the alleged misappropriation of funds. SolGold's Internal Audit function was engaged to provide independent oversight of the investigation, and the ARC oversaw the entire process. In total the forensic investigation identified a misappropriation that amounted to US$4.6 million during the years 2017 to 2021.

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

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

Significant accounting policies

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation (continued)

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		
Amendments to IFRS 3	Reference to the Conceptual Framework	1 Jan 2022
Amendments to IAS 16	Property, Plant and Equipment	1 Jan 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	1 Jan 2022

IFRS 3: Business Combinations: Reference to the Conceptual Framework
In May 2020, the International Accounting Standards Board ("IASB") amended IFRS 3 to update an outsourced reference to the Conceptual Framework without significantly changing the requirements in the standard. The amendment is effective for periods beginning on or after 1 January 2022 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.

IAS 16: Property, Plant and Equipment – proceeds before intended use
The amendments to the standard prohibits 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 assessed the effects of applying the amendment on the Group's financial statements and has determined that there is no material impact.

IAS 37: Onerous Contracts – Cost of Fulfilling a Contract
In May 2020 the amendments to IAS 37 specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour or materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendment is effective for periods beginning on or after 1 January 2022 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.

Subsidiaries

The half year 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.

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

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 2022

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's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Operating segments with similar economic characteristics are aggregated into reportable segments.

The Group has outlined below the separately reportable operating segments, having regard to the quantitative threshold tests provided in IFRS 8 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.

6 Months to 31 December 2022 (unaudited)	Finance Income US$	Depreciation US$	Impairment of E&E US$	Loss for the period US$	Assets US$	Liabilities US$	Share based payment US$	Non-current asset additions US$
Cascabel project*	31,702	(121,749)	-	(489,098)	288,359,322	3,815,199	-	18,282,726
Other Ecuadorian projects	32,805	(81,044)	11,388	(1,033,694)	119,034,899	1,975,300	-	6,086,251
Other projects	-	-	-	(2,083)	10,368,400	10,559	-	(91,282)
Corporate	651	283,545	-	(16,147,088)	88,634,417	150,459,217	1,052,775	456,927
Total	**65,158**	**80,752**	**11,388**	**(17,671,963)**	**506,397,038**	**156,260,275**	**1,052,775**	**24,734,622**

6 Months to 31 December 2021 (unaudited) (Restated)	Finance Income US$	Depreciation US$	Impairment of E&E US$	Loss for the period US$	Assets US$	Liabilities US$	Share based payment US$	Non-current asset additions (Restated) US$
Cascabel project*	-	68,955	-	(430,090)	254,672,978	2,661,610	-	28,911,351
Other Ecuadorian projects	27,701	79,601	3,566,585	(4,203,466)	104,685,865	2,875,855	-	18,939,293
Other projects	5	12	-	(11,691)	10,838,935	20,701	-	157,204
Corporate	7,224	161,935	-	(13,241,011)	69,873,112	118,588,822	-	-
Total	**34,930**	**310,503**	**3,566,585**	**(17,886,258)**	**440,070,890**	**124,146,988**	**-**	**48,007,848**

12 Months to 30 June 2022 (audited)	Finance Income US$	Depreciation US$	Impairment of E&E US$	Loss for the period US$	Assets US$	Liabilities US$	Share based payment US$	Non-current asset additions US$
Cascabel project*	-	140,989	227,847	(1,014,326)	270,791,351	2,411,948	-	35,308,857
Other Ecuadorian projects	48,581	163,834	3,466,350	(5,272,198)	114,262,932	1,793,313	-	33,907,523
Other projects	30	24	-	(20,273)	10,463,708	390	-	259,717
Corporate	790,529	314,201	163,827	4,605,232	33,644,620	93,708,454	454,336	8,174
Total	**839,140**	**619,048**	**3,858,024[1]**	**(1,701,565)**	**429,162,611**	**97,914,105**	**454,336**	**69,484,271**

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

[1] Includes written off exploration expenditure due to the misappropriation of funds. Please refer to note 5.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 2 OPERATING SEGMENTS (CONTINUED)

Geographical information

Non-current assets	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Switzerland	8,174	8,174
Australia	11,948,463	12,540,078
Solomon Islands	593,903	599,559
Ecuador	406,949,112	381,617,220
	419,499,652	**394,765,031**

NOTE 3 OPERATING LOSS

	Three months ended 31 December 2022 US$ (unaudited)	Three months ended 31 December 2021 US$ (unaudited; restated)	Six months ended 31 December 2022 US$ (unaudited)	Six months ended 31 December 2021 US$ (unaudited; restated)
The operating loss is stated after charging / (crediting)				
Interest revenue – external parties	(41,127)	(28,903)	(65,158)	(34,930)
	(41,127)	**(28,903)**	**(65,158)**	**(34,930)**
Administrative and consulting expenses	4,071,764	2,155,276	5,915,282	4,774,942
Employment expenses	2,008,522	1,684,856	3,829,172	3,074,461
Expected credit loss	216,023	-	1,407,900	-
Depreciation[1]	(71,548)	155,105	80,752	310,503
Legal fees	1,212,307	292,036	1,519,046	381,541
Foreign exchange losses/(gains)	(189,980)	(98,921)	338,273	167,134
Share based payments	535,757	-	1,052,775	-
	7,782,845	**4,188,352**	**14,143,200**	**8,708,581**
Finance costs – NSR Interest	2,956,790	3,281,058	5,470,078	6,466,883
Finance costs – interest on lease liability	12,330	17,295	26,967	33,626
Movement in fair value of derivative liability	-	57,750	(1,963,500)	(288,750)
	2,969,120	**3,356,103**	**3,533,545**	**6,211,759**

[1] Includes Depreciation capitalised to exploration of US$202,793 for the three months ended 31 December 2022.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 4 LOSS PER SHARE

	Three months ended 31 December 2022 (unaudited)	Three months ended 31 December 2021 (unaudited; restated)	Six months ended 31 December 2022 (unaudited)	Six months ended 31 December 2021 (unaudited; restated)
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)	(0.4)	(0.3)	(0.8)	(0.8)
Diluted loss per share (cents per share)	(0.4)	(0.3)	(0.7)	(0.8)
Net loss used in calculating basic and diluted loss per share (US$)	(10,475,411)	(7,089,063)	(17,598,599)	(17,821,745)
	Number	**Number**	**Number**	**Number**
Weighted average number of ordinary shares used in the calculation of basic loss per share	2,333,633,919	2,293,816,433	2,314,587,755	2,293,816,433
Weighted average number of dilutive options	-	-	-	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	2,333,633,919	2,293,816,433	2,314,587,755	2,293,816,433

Options granted are not included in the determination of diluted earnings per share as they are considered to be anti-dilutive.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 5 INTANGIBLE ASSETS

	Exploration & Evaluation costs US$
Cost	
Balance at 1 July 2021 (restated)	**341,441,030**
Effect of foreign exchange on opening balances	(696,468)
Additions	66,294,083
Incorrect capitalised costs[1]	(227,846)
Balance at 30 June 2022 (audited)	**406,810,799**
Effect of foreign exchange on opening balances	(113,877)
Additions	22,844,743
Balance at 31 December 2022 (unaudited)	**429,541,665**
Impairment losses	
Balance at 1 July 2021 (restated)	**(37,601,137)**
Exploration costs written-off	(3,630,178)
Balance at 30 June 2022 (audited)	**(41,231,315)**
Exploration costs written-off	(11,388)
Balance at 31 December 2022 (unaudited)	**(41,242,703)**
Carrying amounts	
At 30 June 2021	303,839,893
At 30 June 2022	365,579,484
At 31 December 2022 (unaudited)	**388,298,962**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest. An impairment charge of US$11,388 (31 December 2021: US$3,566,585) was recognised for exploration expenditure associated with concessions in Ecuador that have been relinquished.

[1] The Group has restated its intangible assets for the year ended 30 June 2021 and for the two quarters ended 30 September 2021 and 31 December 2021, relating to the misappropriation of funds as outlined in the 30 June 2022 Annual Report (please refer Note 1 (b)(i) within the 30 June 2022 Annual report for further details).

NOTE 6 INVESTMENTS

(a) Financial assets held at fair value through OCI

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Movements in financial assets		
Opening balance at 1 July	5,351,844	6,825,042
Additions	-	-
Fair value adjustment through other comprehensive income	532,138	(1,473,198)
Closing balance at the end of the reporting period	**5,883,982**	**5,351,844**
Financial assets held at fair value through OCI		
Cornerstone Capital Resources Inc.	5,878,538	5,346,323
Aus Tin Mining Ltd	5,444	5,521
Closing balance at the end of the reporting period	**5,883,982**	**5,351,844**

(a) 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 asset approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

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

	US$ Level 1	US$ Level 2	US$ Level 3	US$ Total
31 December 2022 (unaudited)				
Financial assets held at fair value through OCI	5,883,982	-	-	**5,883,982**
30 June 2022 (audited)				
Financial assets held at fair value through OCI	5,351,844	-	-	**5,351,844**

The financial assets are measured based on the quoted market prices at 31 December 2022 and 30 June 2022.

NOTE 7 LOAN RECEIVABLE AND OTHER CURRENT ASSETS

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Loan receivables current asset		
Company Funded Loan Plan receivable	2,013,107	3,553,291
Closing balance at the end of the reporting period	**2,013,107**	**3,553,291**

Company Funded Loan Plan Receivable		
Opening balance at 1 July	3,553,291	6,495,930
Proceeds received from repayment of the loans during the period	(4,522)	(2,408,511)
Non-cash employee benefits expense	-	(669,211)
Accretion of interest	-	789,946
Effect of foreign exchange	(127,761)	(654,863)
Expected credit loss	(1,407,900)	-
Balance at end of reporting period	**2,013,107**	**3,553,291**

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Financial assets at amortised cost		
Security bonds	1,744,703	1,749,213
Balance at end of reporting period	**1,744,703**	**1,749,213**

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

The Company Funded Loan Plan (the "Plan") is a legacy plan established by the Company to assist employees in exercising share options. On 29 October 2018, the Company assisted employees to exercise 19,950,000 options previously issued to employees of the Company in 2016 via the Plan. Up until 31 December 2022, repayments of US$4,522 have been received since 30 June 2022. As at 31 December 2022, 3 people remain beneficiaries of the Plan.

Management have considered the recoverability of the loan based on the movement in the share price over the period and have calculated a potential expected credit loss of USD$1,407,900, as at 31 December 2022.

The Board of Directors in June 2021 resolved to extend the CFLP until 31 December 2021. During the October 2021 board meeting, the Board of Directors resolved to extend the CFLP again, this time for a further six months, to 30 June 2022. This extension of the loan resulted in an overall increase of US$669,211 in employee benefits expense. This fair value adjustment is represented in the above table and was recognised as an employee benefit expense. On 24 August 2022, it was proposed to extend the CFLP for 3 individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension will see their loan repayments terms extended util 21 December 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 7 LOAN RECEIVABLE AND OTHER CURRENT ASSETS (CONTINUED)

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

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	Land US$	Property, Plant & Equipment US$	Motor Vehicles US$	Office Equipment US$	Furniture & Fittings US$	Total US$
Cost						
Balance at 30 June 2021 (restated)	**16,513,460**	**3,473,196**	**1,073,678**	**919,586**	**275,191**	**22,255,111**
Effect of foreign exchange on opening balance	-	(123,985)	(4,578)	(2,767)	(873)	**(132,203)**
Additions	3,836,561	406,964	-	80,751	5,719	**4,329,995**
Disposals	-	-	(38,490)	-	-	**(38,490)**
Balance at 30 June 2022 (audited)	**20,350,021**	**3,756,175**	**1,030,610**	**997,570**	**280,037**	**26,414,413**
Effect of foreign exchange on opening balance	0	(18,417)	(826)	(500)	(158)	**(19,901)**
Additions	1,736,528	141,908	0	48,326	0	**1,926,762**
Disposals	0	(67,029)	(52,388)	(84,654)	(14,601)	**(218,672)**
Balance at 31 December 2022 (unaudited)	**22,086,549**	**3,812,637**	**977,396**	**960,742**	**265,278**	**28,102,602**
Depreciation and impairment losses						
Balance at 30 June 2021 (restated)	**-**	**(1,630,850)**	**(870,577)**	**(711,877)**	**(218,709)**	**(3,432,013)**
Effect of foreign exchange on opening balance	-	64,391	4,577	2,766	873	72,607
Depreciation charge for the year	-	(490,621)	-	(121,419)	(7,008)	(619,048)
Depreciation capitalised to exploration	-	(194,668)	(166,686)	(5,313)	(18,185)	(384,852)
Disposals	-	-	33,379	-	-	33,379
Balance at 30 June 2022 (audited)	**-**	**(2,251,748)**	**(999,307)**	**(835,842)**	**(243,029)**	**(4,329,927)**
Effect of foreign exchange on opening balance	-	10,387	826	500	158	**11,871**
Depreciation charge for the year	-	(47,167)	(17,022)	(10,448)	(6,115)	**(80,752)**
Depreciation capitalised to exploration	-	(289,931)	(13,526)	(45,702)	(1,317)	**(350,476)**
Disposals	-	66,942	52,388	84,633	14,724	**218,687**
Balance at 31 December 2022 (unaudited)	-	**(2,511,517)**	**(976,641)**	**(806,860)**	**(235,579)**	**(4,530,597)**
Carrying amounts						
At 30 June 2021	16,513,460	1,842,346	203,101	207,709	56,482	**18,823,098**
At 30 June 2022	20,350,021	1,504,427	31,303	161,727	37,012	**22,084,490**
At 31 December 2022 (unaudited)	**22,086,549**	**1,301,120**	**755**	**153,882**	**29,699**	**23,572,005**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 9 OTHER FINANCIAL LIABILITIES

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Derivative liability at fair value through profit or loss		
Opening balance at 1 July	2,387,000	2,926,000
Fair value adjustment recognised through profit or loss	(1,963,500)	(539,000)
Balance at end of reporting period	**423,500**	**2,387,000**

The fair values of 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 derivative liability relates to options granted to BHP as part of the December 2019 placement. 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.

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

	US$ Level 1	US$ Level 2	US$ Level 3	US$ Total
31 December 2022 (unaudited)				
Derivative liability at fair value through profit or loss	-	-	423,500	**423,500**
30 June 2022 (audited)				
Derivative liability at fair value through profit or loss	-	-	2,387,000	**2,387,000**

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

Fair value of share options and assumptions	2022 £0.37 Options 31 December 2022
Number of options	19,250,000
Share price	£0.160
Exercise price	£0.370
Expected volatility	57.789%
Time to expiry	1.92 years
Expected dividends	0.00%
Risk-free interest rate (short-term)	4.34%
Fair value	$0.022
Valuation methodology	Monte Carlo Value

For the financial year ended 31 December 2022	US$
Derivative liability valuation recognised in statement of comprehensive income	(1,963,500)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Note 10 BORROWINGS

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Non-current liability		
Franco Nevada	89,177,781	84,076,077
Osisko	50,187,855	-
Balance at the end of the reporting period	**139,365,636**	**84,076,077**

	31 December 2022 US$ (unaudited)	30 June 2022 US$ (audited)
Net Smelter Royalty Financing		
Balance at beginning of reporting period	84,076,077	106,574,217
Net proceeds received for additional financing	49,819,481	-
Accrued interest	5,470,078	12,505,564
Remeasurement of amortised cost	-	(35,003,704)
Balance at end of reporting period	**139,365,636**	**84,076,077**

On 11 September 2020, Franco-Nevada paid SolGold US$100 million, the Royalty Purchase Price under the NSR Financing Agreement, less the amount of outstanding principal and interest under the US$15 million secured bridge loan pursuant to the Bridge Loan Agreement. In return for the royalty purchase price, Franco-Nevada has been granted a perpetual 1% royalty interest to be calculated by reference to net smelter returns from the Cascabel concession area. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid.

Key terms to the financing include:

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

Financial liabilities classified at amortised cost are calculated using the Effective Interest Method, which allocates expenses at a constant rate over the term of the investment. The Effective Interest Rate (EIR) is the internal rate of return of the liability at initial recognition through the expected life of the financial liability. The EIR was calculated using the available development plan at the time of recognising the NSR and results in a discount rate of 11.84% (real). The financial liability will be re-measured using the latest QP approved assumptions from the Technical Report.

For the year ended 30 June 2022, a remeasurement of US$35,003,704 was recorded against the NSR financial liability, which represented a gain. The remeasurement was triggered by Board approval in April 2022 of the Preliminary Feasibility Study resulting in amendments to anticipated cash flows of the NSR agreement due to changes in the timing of construction and the mine life and updated production volumes. This remeasurement was a non-cash flow book entry accounting for the financial liability at amortised cost.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Note 10 BORROWINGS (CONTINUED)

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

In return for the royalty purchase price, Osisko has been granted a perpetual 0.6% royalty interest to be calculated by reference to net smelter returns from the Cascabel concession area in accordance with the terms and conditions set out in the agreement. Financial liabilities classified at amortised cost are calculated using the Effective Interest Method, which allocates expenses at a constant rate over the term of the investment. The Effective Interest Rate (EIR) is the internal rate of return of the liability at initial recognition through the expected life of the financial liability, which in this case is the time from the recognition until the end of the mine life of the Alpala mine.

Key terms to the financing include:

- Funding amount: US$50 million
- Royalty terms: 0.6% NSR for $50 million
- Buy-back option: A 33.3% buy-back option exercisable at SolGold's election for four years from closing at a price delivering Osisko a 12% IRR. The buy-back option can be exercised annually, in November, subject to the Royalty Financing Agreement.

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

- All operating assumptions are based on the latest available development plan
- Gold price of $1,700 per ounce
- Copper price of $7,937 per tonne
- Silver price of $19.90 per ounce

The EIR was calculated using the available development plan at the time of recognising the NSR and results in a discount rate of 8.87% (real). The financial liability will be re-measured using the latest QP approved assumptions from the Technical Report.

Management has performed an assessment and considers that the buy-back option is an embedded derivative which needs to be separately accounted for as it is not closely related. However, management has assessed that the fair value of this embedded derivative is nil or immaterial, as there is no expectation or likelihood that the buy-back option will be exercised by SolGold.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 11 SHARE CAPITAL

	Six months ended 31 December 2022 US$ (unaudited)	Twelve months ended 30 June 2022 US$ (audited)
a) Issued capital and share premium		
Ordinary shares fully paid up (nominal value of £0.01 each)	**493,658,412**	**459,143,939**
b) Movement in ordinary shares		
At the beginning of the reporting period	459,143,939	459,169,861
Shares issued during the period	36,434,922	-
Transaction costs on share issue	(1,920,449)	(25,922)
At reporting date	**493,658,412**	**459,143,939**

	Six months ended 31 December 2022 Number (unaudited)	Twelve months ended 30 June 2022 Number (audited)
c) Movement in number of ordinary shares on issue		
Shares at the beginning of the reporting period	**2,293,816,432**	**2,293,816,432**
- Shares issued at £0.241 – Executive share issue[1]	501,069	-
- Shares issued at £0.275 – Executive share issue[1]	74,907	-
- Shares issued at £0.274 – Executive share issue 30 August 2022	299,629	-
- Shares issued at \$0.20 – Directors share issue 12 December 2022	2,000,000	-
- Shares issued at \$0.20 – Jiangxi share issue 12 December 2022	155,000,000	-
- Shares issued at \$0.20 – Maxit Capital share issue 12 December 2022	23,000,000	-
Shares at the reporting date	**2,474,692,037**	**2,293,816,432**
- Shares to be issued at £0.241 – vesting conditions not yet met[1]	835,115	-
- Shares to be issued at £0.275 – vesting conditions not yet met[1]	524,350	-
	2,476,051,502	**2,293,816,432**

[1] Shares issued to the following are subject to vesting conditions and will vest over 8 quarters:

- Mr Darryl Cuzzubbo issued 1,336,182 ordinary shares 1 July 2022 and will vest over 8 quarters
- Mr Steve Botts issued 599,257 shares 30 August 2022 and will vest over 8 quarters

NOTE 12 SHARE OPTIONS

At 31 December 2022 the Company had 42,250,000 options outstanding for the issue of ordinary shares (31 December 2021: 29,250,000, 30 June 2022: 32,250,000).

Options

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

Unless otherwise documented 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. The Committee may determine a vesting schedule at the time of the granting of an Option. As of today the Committee has decided that the options granted vested immediately.

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 10,000,000 options granted during the period ended 31 December 2022 (31 December 2021: nil).

On 1 July 2022, the Company issued a combined total of 10,000,000 unlisted share options over ordinary shares of the company to Mr Darryl Cuzzubbo, Chief Executive Officer and Managing Director, in accordance with the Company's Directors Remuneration Policy and Long-Term Incentive Plan Rules. The options will vest in three separate tranches as below:

- 4,000,000 options are exercisable at £0.292 and expire on 1 December 2025. The share options have a vesting period of 6 months.
- 3,000,000 options are exercisable at £0.35 and expire on 1 December 2026. The share options have a vesting period of 18 months.
- 3,000,000 options are exercisable at £0.50 and expire on 1 December 2027. The share options have a vesting period of 30 months.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 12 SHARE OPTIONS (CONTINUED)

The share options outstanding at 31 December 2022 are as follows:

Date of grant	Exercisable from	Exercisable to	Exercise prices	Number granted	Number at 31 December 2022
2 December 2019[1]	The options vested immediately and exercisable through to 2 December 2024	2 December 2024	£0.37	19,250,000	19,250,000
27 April 2020	The options vested immediately and exercisable through to 26 April 2023	26 April 2023	£0.25	7,000,000	7,000,000
3 March 2021	The options vested immediately and exercisable through to 2 March 2024	2 March 2024	£0.36	3,000,000	3,000,000
24 February 2022	The options vested immediately and are exercisable through to 15 June 2024	15 June 2024	£0.26	3,000,000	3,000,000
1 July 2022	The options will vest over 6 months and are exercisable through to 1 December 2025	1 December 2025	£0.292	4,000,000	4,000,000
1 July 2022	The options will vest over 18 months and are exercisable through to 1 December 2026	1 December 2026	£0.35	3,000,000	3,000,000
1 July 2022	The options will vest over 30 months and are exercisable through to 1 December 2027	1 December 2027	£0.50	3,000,000	3,000,000
				42,250,000	**42,250,000**

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

NOTE 12 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 2022	Number of options 31 December 2022	Weighted average exercise price 30 June 2022	Number of options 30 June 2022	Weighted average exercise price 31 December 2021	Number of options 31 December 2021
Outstanding at the beginning of the period	£0.32	32,250,000	£0.34	29,250,000	£0.53	106,875,000
Exercised during the period	-	-	-	-	-	-
Expired/lapsed during the period	-	-	-	-	£0.60	(77,625,000)
Granted during the period	£0.37	10,000,000	£0.26	3,000,000	-	-
Outstanding at the end of the period	£0.34	42,250,000	£0.32	32,250,000	£0.34	29,250,000
Exercisable at the end of the period	£0.33	32,250,000	£0.32	32,250,000	£0.34	29,250,000

The options outstanding at 31 December 2022 have exercise prices of £0.25, £0.26, £0.29, £0.35, £0.36, £0.37 and £0.50 (31 December 2021: £0.25, £0.36, and £0.37) and a weighted average contractual life of 2.01 years (31 December 2021: 2.46 years).

Share options held by Directors are as follows:

Share options held	At 31 December 2022	At 30 June 2022	At 31 December 2021	Exercise period
Nicholas Mather	-	-	5,000,000	20/12/18 – 20/12/21
Darryl Cuzzubbo	10,000,000	-	-	01/07/22 – 01/12/27

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

Fair value of share options and assumptions	£0.292 Options 1 July 2022	£0.35 Options 1 July 2022	£0.50 Options 1 July 2022
Number of options	4,000,000	3,000,000	3,000,000
Share price at issue date	£0.284	£0.284	£0.284
Exercise price	£0.292	£0.350	£0.500
Expected volatility	63.683%	61.707%	60.528%
Option life	3.42	4.42	5.42
Expected dividends	0.00%	0.00%	0.00%
Risk-free interest rate (short-term)	1.69%	1.69%	1.73%
Fair value	£0.109	£0.127	£0.088
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes
	US$	US$	US$
Share based payments expense recognised in statement of comprehensive income	263,066	80,387	32,686

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 13 RELATED PARTIES

Transactions with Directors and Related Entities

(i) The Company had a commercial agreement with Samuel Capital Ltd ("Samuel") for the engagement of Nicholas Mather as Non-Executive Director of the Company. For the half year ended 31 December 2022, US$33,493 was paid or payable to Samuel (31 December 2021: US$36,440). The total amount outstanding at 31 December 2022 was US$6,114 (31 December 2021: US$6,556, 30 June 2022: US$6,330).

(ii) Mr James Clare (a Director), is a partner in the Canadian firm Bennett Jones lawyers. For the half year ended 31 December 2022, US$1,342,136 was paid or payable to Bennett Jones (31 December 2021: US$214,917) 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 2022 is US$1,000,427 (31 December 2021: US$9,045, 30 June 2022: US$nil).

(iii) The Company had a commercial agreement with Maxit Capital LP for the recent equity financing subscription agreement (Note 11). For the half year ended 31 December 2022, US$1,440,000 was paid to Maxit Capital LP for the provision of advisory services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at 31 December 2022 is US$nil (31 December 2021: US$nil, 30 June 2022: US$nil).

NOTE 14 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 definitive-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 definitive-feasibility study at 31 December 2022 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"), 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. At 31 December 2022, Cornerstone's equity interest in ENSA had not been diluted below 10%.

The amount receivable from CESA at 31 December 2022 was US$52,458,912 (31 December 2021: US$45,165,886). As there is uncertainty as to whether ENSA will be able to distribute earnings or dividends, a provision for impairment has been recognised on the entire amount receivable from CESA. On the completion of the Cornerstone transaction (Note 15), this amount receivable will not be realised. As such, the amount receivable and provision for impairment will be derecognised.

A provision of US$716,170 has been recognised at 31 December 2022 for legal and employee expenses.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

NOTE 15 SUBSEQUENT EVENTS

Cornerstone Acquisition
On 7 October 2022, SolGold and Cornerstone announced that they have entered into a definitive agreement whereby SolGold will acquire all of the issued and outstanding shares of Cornerstone, other than Cornerstone Shares already held, directly or indirectly, by SolGold, pursuant to a court-approved plan of arrangement. Under the terms of the Agreement, Cornerstone Shares will be exchanged for 15 SolGold ordinary shares for each Cornerstone common share held. This transaction is still pending at the date of approval of the interim condensed consolidated financial statements.

Transfer of funds to Cornerstone
On 27 January 2023, SolGold provided Cornerstone with US$250,000 to assist with the payment of expenses relating to Cornerstone's day to day operational activity in advance of the acquisition being completed. SolGold will be providing Cornerstone with a further US$250,000 on 15 February 2023 for similar assistance.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that these interim condensed consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

a) an indication of important events that have occurred during the first six months 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 financial year; and
b) material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Scott Caldwell
Interim Chief Executive Officer & Managing Director

Brisbane
14 February 2023

Independent review report to SolGold plc
Report on the interim condensed consolidated financial statements

Our conclusion
We have reviewed SolGold plc's interim condensed consolidated financial statements (the "interim financial statements") in the Unaudited Interim Condensed Consolidated Financial Statements of SolGold plc for the 6 month period ended 31 December 2022 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Interim Condensed Consolidated Statement of Financial Position as at 31 December 2022;
- the Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the period then ended;
- the Interim Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Interim Condensed Consolidated Statement of Changes In Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Unaudited Interim Condensed Consolidated Financial Statements of SolGold plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements (UK) 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.

We have read the other information contained in the Unaudited Interim Condensed Consolidated Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Material uncertainty related to going concern
In forming our conclusion on the interim financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the interim financial statements concerning the Group's ability to continue as a going concern. The Group has not generated revenues from operations and management's cashflow forecasts show that the Group needs to secure additional funding to continue its exploration and development programme and in order to continue to meet its obligations and liabilities as they fall due. Management has secured more funding in the period and is currently exploring further options for obtaining additional funding, as outlined in note 1, but no firm commitments have been received at the date of approval of these interim financial statements. These conditions, along with the other matters explained in note 1 to the interim financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. The interim financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately applied the going concern basis of accounting in the preparation of the interim financial statements.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The Unaudited Interim Condensed Consolidated Financial Statements, including the interim financial statements, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Unaudited Interim Condensed Consolidated Financial Statements, including the interim financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Unaudited Interim Condensed Consolidated Financial Statements based on our review. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
14 February 2023