UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 MARCH 2022

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

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Three months ended 31 March 2022 US$ (unaudited)	Three months ended 31 March 2021 US$ (unaudited) Restated	Nine months ended 31 March 2022 US$ (unaudited)	Nine months ended 31 March 2021 US$ (unaudited) Restated
Expenses					
Exploration costs written-off	5	(399,286)	(230,110)	(3,965,871)	(682,919)
Administrative expenses	3	(4,043,503)	(3,538,102)	(12,768,363)	(7,752,447)
Share based payments expense		(454,336)	(268,059)	(454,336)	(315,436)
Operating loss		**(4,897,125)**	**(4,036,271)**	**(17,188,575)**	**(8,750,802)**
Other income		41,740	50,299	165,964	195,042
Finance income	2	236,252	115,104	610,531	337,347
Finance costs	3	(3,395,052)	(3,042,240)	(9,895,561)	(6,965,853)
Movement in fair value of derivative liability	3	(1,212,750)	1,828,750	(924,000)	483,504
Loss before tax		**(9,226,935)**	**(5,084,358)**	**(27,231,641)**	**(14,700,762)**
Tax (expense) / benefit		184,553	(534,896)	130,758	(209,603)
Loss for the period		**(9,042,382)**	**(5,619,254)**	**(27,100,883)**	**(14,910,365)**
Other comprehensive profit / (loss)					
Items that may be reclassified to profit and loss					
Exchange differences on translation of foreign operations		264,462	(135,131)	1,398	781,542
Items that will not be reclassified to profit or loss					
Change in Ecuador pensions		-	-	45,126	(200,826)
Change in fair value of financial assets held at fair value		683,447	(1,254,567)	472,959	315,742
Other comprehensive (loss) / profit, net of tax		**947,909**	**(1,389,698)**	**519,483**	**896,742**
Total comprehensive (loss) / income for the period		**(8,094,473)**	**(7,008,952)**	**(26,581,400)**	**(14,013,907)**
Total comprehensive profit / (loss) for the period is attributable to:					
Owners of the parent company		(8,027,116)	(6,992,989)	(26,449,529)	(13,944,472)
Non-controlling interest		(67,357)	(15,963)	(131,871)	(69,435)
Total comprehensive (loss) / income for the period		**(8,094,473)**	**(7,008,952)**	**(26,581,400)**	**(14,013,907)**
Loss for the period attributable to:					
Owners of the parent company		(8,975,025)	(5,603,291)	(26,969,012)	(14,840,930)
Non-controlling interest		(67,357)	(15,963)	(131,871)	(69,435)
Loss for the period		**(9,042,382)**	**(5,619,254)**	**(27,100,883)**	**(14,910,365)**

	Notes	Three months ended 31 March 2022 Cents (unaudited)	Three months ended 31 March 2021 Cents (unaudited)	Nine months ended 31 March 2022 Cents (unaudited)	Nine months ended 31 March 2021 Cents (unaudited)
Basic earnings per share	4	(0.4)	(0.3)	(1.2)	(0.7)
Diluted earnings per share	4	(0.4)	(0.3)	(1.2)	(0.7)

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 MARCH 2022

	Notes	31 March 2022 US$ (unaudited)	30 June 2021 US$ (audited) restated
Assets			
Property, plant and equipment		18,799,856	15,682,120
Intangible assets	5	358,547,425	304,072,015
Financial assets held at fair value through OCI	6	7,506,905	6,825,042
Loans receivable and other non-current assets	7	1,765,651	1,457,324
Total non-current assets		**386,599,836**	**328,036,501**
Other receivables and prepayments		6,106,649	8,458,494
Loans receivable and other current assets	7	4,939,604	6,495,930
Cash and cash equivalents		38,107,804	109,562,103
Total current assets		**49,154,057**	**124,516,527**
Total assets		**435,753,893**	**452,553,028**
Equity			
Share capital	11	32,350,699	32,350,699
Share premium	11	426,793,240	426,819,162
Other reserves		19,703,089	26,625,929
Accumulated loss		(165,681,617)	(146,607,866))
Foreign currency translation reserve		(4,344,431)	(4,345,829)
Equity attributable to owners of the parent company		313,374,646	339,202,092
Non-controlling interest		(711,768)	(579,897)
Total equity		**308,109,212**	**334,262,198**
Liabilities			
Trade and other payables		6,470,703	7,847,650
Lease liability	8	436,916	335,749
Total current liabilities		**6,907,619**	**8,183,399**
Lease liability	8	466,825	607,214
Other financial liabilities	9	3,850,000	2,926,000
Borrowings	10	116,420,239	106,574,217
Total non-current liabilities		**120,737,064**	**110,107,431**
Total liabilities		**127,644,683**	**118,290,830**
Total equity and liabilities		**435,753,893**	**452,553,028**

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes. The comparative figures have been restated, please refer to note 5.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital US$	Share premium US$	Financial assets held at fair value through other comprehensive income US$	Share based payment reserve US$	Foreign currency translation reserve US$	Other Reserves US$	Accumulated losses US$	Total US$	Non-controlling interests US$	Total Equity US$
Balance 30 June 2020 (audited)	**29,281,511**	**353,220,481**	**2,054,043**	**36,859,263**	**(5,015,878)**	**(581,656)**	**(133,331,591)**	**282,486,173**	**(498,139)**	**281,988,034**
Adjustment to retained earnings (Note 5)	-	-	-	-	-	-	**(3,481,076)**	**(3,481,076)**		**(3,481,076)**
Balance 30 June 2020 (audited) restated	**29,281,511**	**353,220,481**	**2,054,043**	**36,859,263**	**(5,015,878)**	**(581,656)**	**(136,812,667)**	**279,005,097**	**(498,139)**	**278,506,958**
Loss for the period restated (Note 5)	-	-	-	-	-	-	(14,840,937)	(14,840,937)	(69,435)	(14,013,914)
Other comprehensive income for the period	-	-	315,742	-	781,542	(200,826)	-	896,458	-	2,286,156
Total comprehensive income for the period	-	-	315,742	-	781,542	(200,826)	(14,840,937)	(13,944,479)	(69,435)	(14,013,914)
New share capital subscribed	156,579	4,843,421	-	-	-	-	-	5,000,000	-	5,000,000
Share issue costs	-	(118,920)	-	-	-	-	-	(118,920)	-	(118,920)
Value of options issued to employees and consultants	-	-	-	315,436	-	-	-	315,436	-	345,436
Adjustment to retained earnings	-	-	-	-	-	-	726,427	726,427	-	726,427
Balance 31 March 2021 (unaudited) restated (Note 5)	**29,438,090**	**357,944,982**	**2,369,785**	**37,174,699**	**(4,234,336)**	**(782,482)**	**(150,927,177)**		**(567,574)**	**270,415,987**
Loss for the period	-	-	-	-	-	-	(8,849,393)	(8,849,393)	(12,323)	(8,861,716)
Other comprehensive income for the period	-	-	883,244	-	(111,493)	150,448	-	922,199	-	922,199
Total comprehensive income for the period	-	-	833,244	-	(111,493)	150,448	(8,849,393)	(7,927,194)	(12,323)	(7,939,517)
New share capital subscribed	2,891,908	70,851,726	-	-	-	-	-	73,743,634	-	73,743,634
Options exercised	20,701	496,834	-	-	-	-	-	517,535	-	517,535
Share issue costs	-	(2,474,380)	-	-	-	-	-	(2,474,380)	-	(2,474,380)
Options expired	-	-	-	(13,169,765)	-	-	13,169,765	-	-	-
Adjustment to retained earnings	-	-	-	-	-	-	(1,061)	(1,061)	-	(1,061)
Balance 30 June 2021 (audited) restated (Note 5)	**32,350,699**	**426,819,162**	**3,253,029**	**24,004,934**	**(4,345,829)**	**(632,034)**	**(146,607,866)**	**334,842,095**	**(579,897)**	**334,262,198**
Loss for the period	-	-	-	-	-	-	(26,969,012)	(26,969,012)	(131,871)	(27,100,883)
Other comprehensive income for the period	-	-	472,959	-	1,399	45,126	-	519,483	-	519,483
Total comprehensive income for the period	-	-	472,959	-	1,399	45,126	(26,969,012)	(26,449,529)	(131,871)	(26,581,400)
Share issue costs	-	(25,922)	-	-	-	-	-	(25,922)	-	(25,922)
Options expired	-	-	-	(7,895,261)	-	-	7,895,261	-	-	-
Value of options issued to employees and consultants	-	-	-	454,336	-	-	-	454,336	-	454,336
Balance 31 March 2022 (unaudited)	**32,350,699**	**426,793,240**	**3,725,988**	**16,564,009**	**(4,344,430)**	**(589,908)**	**(165,681,617)**	**308,820,980**	**(711,768)**	**308,109,212**

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 PERIODENDED 31 MARCH 2022

	Notes	Three months ended 31 March 2022 US$ (unaudited)	Three months ended 31 March 2021 US$ (unaudited) Restated	Nine months ended 31 March 2022 US$ (unaudited)	Nine months ended 31 March 2021 US$ (unaudited) Restated
Cash flows from operating activities					
Loss for the period		(9,042,382)	(5,619,254)	(27,100,883)	(14,910,365)
Depreciation		156,153	153,715	466,656	428,351
Interest on Lease Liability		15,622	19,502	49,248	65,750
Interest on bridging loan		-	-	-	371,275
Interest on NSR		3,379,139	3,020,050	9,846,022	6,525,553
Share based payments expense		454,336	268,059	454,336	315,436
Write-off of exploration expenditure	5	399,286	230,110	3,965,871	682,919
Foreign exchange (gain) / loss		92,414	(16,842)	259,059	(1,914,572)
Movement in fair value of derivative liability		1,212,750	(1,828,750)	924,000	(483,504)
Deferred taxes		(184,553)	534,896	(130,758)	209,603
Movement in fair value of employee benefit expense	7	-	-	669,211	-
Accretion of interest – Company Funded Loan Plan		(229,536)	(114,554)	(575,759)	(333,873)
(Increase) / decrease in other receivables and prepayments		2,057,576	630,205	1,752,180	316,039
Increase / (decrease) in trade and other payables		(634,576)	(94,281)	(1,516,207)	(447,560)
Net cash outflow from operating activities		**(2,323,771)**	**(2,817,144)**	**(10,937,024)**	**(9,174,948)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		(234,417)	(644,287)	(2,119,576)	(5,124,773)
Acquisition of exploration and evaluation assets		(17,718,647)	(22,090,420)	(58,095,937)	(55,387,361)
Net cash outflow from investing activities		**(17,953,064)**	**(22,734,707)**	**(60,215,513)**	**(60,512,134)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital and options		-	-	-	4,800,000
Payment of issue costs		(2,958)	(108,423)	(37,033)	(120,496)
Net proceeds from NSR financing	10	-	-	-	84,380,421
Payment of NSR costs		-	(533,750)	-	(2,318,603)
Repayments of lease liability		(104,844)	(101,284)	(319,059)	(341,619)
Net cash (outflow) / inflow from financing activities		**(107,803)**	**(743,457)**	**(356,092)**	**86,399,703**
Net (decrease) / increase in cash and cash equivalents		**(20,384,637)**	**(26,295,308)**	**(71,508,629)**	**16,712,621**
Cash and cash equivalents at beginning of period		58,405,359	91,155,239	109,562,103	46,895,243
Effects of exchange rate changes on cash and cash equivalents		87,082	(38,807)	54,330	1,213,260
Cash and cash equivalents at end of period		**38,107,804**	**64,821,124**	**38,107,804**	**64,821,124**

The above interim consolidated statement of cash flows should be read in conjunction with the accompanying notes. The comparative figures have been restated, please refer to note 5.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This general-purpose interim condensed consolidated financial report for the nine months ended 31 March 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 report does not include all notes 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 financial statements do not constitute statutory accounts within the meaning of section 434 of the companies Act 2006. The auditors' report on the accounts for 30 June 2021 was unqualified with a material uncertainty relating to going concern and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

It is recommended that the half year condensed consolidated financial report be read in conjunction with the annual report for the year ended 30 June 2021 and considered together with any public announcements made by SolGold plc and its controlled entities during the nine months ended 31 March 2022.

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

The financial information contained in these condensed consolidated interim financial statements has been prepared on the going concern basis.

Going concern

As at 31 March 2022 the Company had cash on hand of US$38.1 million and net current assets of US$42.3 million. The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Company has not generated revenues from operations in its history and, in common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. As such, the ability of the Group to continue as a going concern depends on its ability to secure this additional financing.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation (continued)

The Company has proven its ability to execute equity financings successfully, like the cashbox placing in April 2021, in a cost effective manner and with a short turn-around time. In the event that the Company is unable to secure sufficient funding, it may not be able to fully develop its projects, and this may have a consequential impact on the carrying value of the related exploration assets and the investment of the parent company in its subsidiaries as well as the going concern status of the Company. Given the nature of the Company's current activities, it will remain dependent on equity and/or mezzanine or debt funding until such time as the Company becomes self- financing from the commercial production of its mineral resources. Should raising additional finance prove challenging, the Company has alternative options such as the acceleration of the cost reductions, farm-outs or the relinquishment of licences across Ecuador, Australia and the Solomon Islands.

Given that the company will need to secure further funding to meet its 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 as there can be no assurance the Company will be able to raise required financing in the future. Notwithstanding this material uncertainty, the Directors consider it appropriate to prepare the financial statements on a going concern basis given the Group's proven ability to raise necessary funding. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

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 2021.

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 2021 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods on (or after) 1 July 2021 and that will be adopted in the 2022 annual financial statement.

New standards and interpretations

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

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

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

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

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

- Highly probable requirement and prospective assessments of hedge effectiveness
- Designating a component of an item as the hedged item

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation (continued)

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

As at 31 March 2022, the following amendments to the standards that could be applicable to the Group, had been issued but was not mandatory for reporting period ended 31 March 2022:

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

Management has made a preliminary assessment to not apply this change early

Subsidiaries

The interim condensed consolidated financial statements comprise the financial statements of SolGold plc and its controlled entities as at 31 March 2022.

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 any of these elements of control.

The interim 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 interim 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.

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 PERIOD ENDED 31 MARCH 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 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 March 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*	-	105,442	227,846	(879,136)	262,915,198	2,222,651	-	40,763,625
Other Ecuadorian projects	34,299	121,870	3,738,025	(5,054,674)	113,635,645	1,721,061	-	28,012,863
Other projects	5	18	-	(15,933)	11,119,563	751	-	209,675
Corporate	576,227	239,326	-	(21,151,140)	48,083,488	123,700,219	454,336	-
Total	**610,531**	**466,656**	**3,965,871**	**(27,100,883)**	**435,753,893**	**127,644,681**	**454,336**	**68,986,163**

30 June 2021 (audited) 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 US$
Cascabel project*	-	104,200	879,608	(1,424,658)	233,169,907	3,153,210	-	43,129,562
Other Ecuadorian projects	-	136,175	4,722	(1,525,682)	89,212,722	1,968,707	-	29,245,227
Other projects	246	25	-	(16,907)	10,502,441	20,513	-	255,325
Corporate	454,329	341,626	-	(20,805,897)	119,672,036	113,148,400	315,435	-
Total	**454,575**	**582,026**	**884,330**	**(23,773,144)**	**452,553,029**	**118,290,830**	**315,436**	**71,630,114**

31 March 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 US$
Cascabel project*	-	-	678,709	(1,141,605)	221,794,444	5,431,715	-	31,878,815
Other Ecuadorian projects	-	-	4,209	(5,311,932)	83,231,767	2,486,224	-	21,165,681
Other projects	193	-	-	(14,844)	10,975,607	19,931	-	171,573
Corporate	337,154	428,351	-	(8,441,984)	74,798,578	108,271,120	315,436	-
Total	**337,347**	**428,351**	**682,918**	**(14,910,365)**	**390,800,396**	**116,208,990**	**315,436**	**53,216,069**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 2 OPERATING SEGMENTS (CONTINUED)

Geographical information

Non-current assets	31 March 2022 US$	30 June 2021 US$
Australia	16,115,468	16,285,847
Solomon Islands	606,857	433,708
Ecuador	369,877,511	311,316,946
	386,599,837	**328,036,501**

NOTE 3 OPERATING LOSS

	Three months ended 31 March 2022 US$ (unaudited)	Three months ended 31 March 2021 US$ (unaudited)	Nine months ended 31 March 2022 US$ (unaudited)	Nine months ended 31 March 2021 US$ (unaudited)
The operating loss is stated after charging / (crediting)				
Interest revenue – external parties	236,252	115,104	610,531	337,347
	236,252	**115,104**	**610,531**	**337,347**
Administrative and consulting expenses	2,598,709	2,439,975	7,165,900	6,525,271
Employment expenses	1,096,778	657,697	4,395,274	2,128,693
Depreciation	156,153	153,715	466,656	428,351
Legal fees	99,444	303,588	480,985	584,735
Foreign exchange losses/(gains)	92,414	(16,871)	259,548	(1,914,601)
Share based payments (note 12)	454,336	268,059	454,336	315,436
	4,497,834	**3,806,163**	**13,222,699**	**8,067,885**
Finance costs – NSR Interest	3,379,139	3,020,050	9,846,022	6,525,553
Finance costs – BLA Interest[1]	-	-	-	371,275
Finance costs – interest on lease liability	15,622	19,502	49,248	65,750
Finance costs – other interest	291	2,688	291	3,275
Movement in fair value of derivative liability	1,212,750	(1,828,750)	924,000	(483,504)
	4,607,802	1,213,490	10,819,561	(6,482,349)

[1] BLA refers to the Bridging Loan Agreement for US$15 million received in May 2020 from Franco Nevada

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 4 LOSS PER SHARE

	Three months ended 31 March 2022 (unaudited)	Three months ended 31 March 2021 (unaudited) restated	Nine months ended 31 March 2022 (unaudited)	Nine months ended 31 March 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)	(1.2)	(0.7)
Diluted loss per share (cents per share)	(0.4)	(0.3)	(1.2)	(0.7)
Net loss used in calculating basic and diluted loss per share (US$)	(8,975,025)	(5,603,291	(26,969,012)	(14,840,930)
	Number	**Number**	**Number**	**Number**
Weighted average number of ordinary shares used in the calculation of basic loss per share	2,293,816,433	2,084,113,495	2,293,816,433	2,078,272,469
Weighted average number of dilutive options	-	-	-	-
Weighted average number of ordinary shares used in the calculation of diluted loss per share	2,293,816,433	2,084,113,495	2,293,816,433	2,078,272,469

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 PERIOD ENDED 31 MARCH 2022

NOTE 5 INTANGIBLE ASSETS

	Deferred exploration costs US$
Cost	
Balance at 1 July 2020	**267,852,937**
Incorrect capitalised costs[1]	(3,371,751)
Balance at 1 July 2020 restates	**264,481,186**
Effect of foreign exchange on opening balances	667,247
Additions	77,512,966
Incorrect capitalised costs[1]	(988,246)
Balance at 30 June 2021 (audited) restated	**341,673,152**
Effect of foreign exchange on opening balances	1,156
Additions	58,440,124
Incorrect capitalised costs[1]	(227,846)
Balance at 31 March 2022 (unaudited)	**399,886,586**
Impairment losses	
Balance at 1 July 2020	**(37,596,784)**
Effect of foreign exchange on opening balances	-
Impairment charge	(4,353)
Balance at 30 June 2021 (audited)	**(37,601,137)**
Impairment charge	(3,738,025)
Balance at 31 March 2022 (unaudited)	**(41,339,162)**
Carrying amounts	
At 30 June 2020 restated	226,884,402
At 30 June 2021 restated	304,072,015
At 31 March 2022 (unaudited)	**358,547,425**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest, and the sale of minerals or the sale of the respective areas of interest. An impairment charge of US$3,738,025 (March 2021: US$3,840) was recognised for exploration expenditure associated with concessions in Ecuador that the board decided to relinquish, as per the announcement on 7 September 2021.

[1] As of 31 March 2022, the group has restated its intangible assets for the year end 30 June 2021 and half year end 31 December 2021

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

This misappropriation resulted in the overstatement of our exploration assets by US$4.6 million, with the associated false expenses having been capitalised in-line with SolGold's accounting policy. We concluded that it was appropriate to write-down the value of these assets accordingly and restate our accounts. The profit and loss impact for the 9-month period 1st July 2021 to 31st March 2022 amounted to only US$227,846 as a response to increased diligence by the group finance function during last year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 6 INVESTMENTS

(a) Financial assets held at fair value through OCI

	31 March 2022 US$ (unaudited)	30 June 2021 US$ (audited)
Movements in financial assets		
Opening balance at 1 July	6,825,042	4,119,179
Additions	-	813,927
Fair value adjustment through other comprehensive income	681,863	1,891,936
Closing balance at 31 March 2022	**7,506,905**	**6,825,042**

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

(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 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 measured and recognised at fair value.

	US$ Level 1	US$ Level 2	US$ Level 3	US$ Total
31 March 2022 (unaudited)				
Financial assets held at fair value through OCI	7,506,905	-	-	7,506,905
30 June 2021 (audited)				
Financial assets held at fair value through OCI	6,825,042	-	-	6,825,042

The financial assets are measured based on the quoted market prices at 31 March 2022 and 30 June 2021.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 7 LOAN RECEIVABLES

	31 March 2022 US$	30 June 2021 US$
Loan receivables current asset		
Company Funded Loan Plan receivable	4,939,604	6,495,930
Closing balance at the end of the reporting period	**4,939,604**	**6,495,930**
Loan receivable and other non-current assets		
Security bonds	1,765,651	1,457,324
Balance at end of reporting period	**1,765,651**	**1,457,324**
Company Funded Loan Plan Receivable		
Opening balance at 1 July	6,495,930	6,373,398
Repayments of loans during the period	(1,150,429)	(1,065,245)
Fair value adjustment recognised as an employee benefit expense	(669,211)	-
Accretion of interest	575,759	449,613
Effect of foreign exchange	(312,445)	738,164
Balance at end of reporting period	**4,939,604**	**6,495,930**

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. Since inception and until 31 March 2022 repayments of US$2,215,674 have been received against the loans provided. As at 31 March 2022, 8 employees remain beneficiaries of 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 loans were originally granted for a maximum period of 2 years (see below on extensions).
- No interest will be charged on the loans.
- The loans are secured by the shares granted on the exercise of the Employee Options.
- The loans provided are full recourse.

As the loans provided by the Company were at a favourable rate of interest for the employees, the total loan receivable under the Plan was fair valued at the date of grant. The fair value of the loan was estimated based on the future cash flow and a market rate of 7%. In future reporting periods, the loan will be measured at amortised cost. The loans provided are full recourse loans. If the sale of shares does not cover full repayment the balance will be recovered from employees. This transaction was a non-cash transaction with employees. Management have considered the likelihood of default is low and the expected credit losses under the loans will be immaterial and accordingly, no impairment has been recognised at 31 March 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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 8 LEASE LIABILITIES

	31 March 2022 US$	30 June 2021 US$
Current liability		
Lease liability	436,916	335,749
Closing balance at the end of the reporting period	**436,916**	**335,749**
Non-current liability		
Lease liability	466,825	607,214
Balance at end of reporting period	**466,825**	**607,214**

NOTE 9 OTHER FINANCIAL LIABILITIES

Derivative liability at fair value through profit or loss		
Opening balance at 1 July	2,926,000	2,312,254
Fair value adjustment recognised through profit or loss	924,000	613,746
Balance at end of reporting period	**3,850,000**	**2,926,000**

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 March 2022 (unaudited)				
Derivative liability at fair value through profit or loss	-	-	3,850,000	3,850,000
30 June 2021 (audited)				
Derivative liability at fair value through profit or loss	-	-	2,926,000	2,926,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 9 OTHER FINANCIAL LIABILITIES (CONTINUED)

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 March 2022
Number of options	19,250,000
Share price	£0.3615
Exercise price	£0.370
Expected volatility	64.370%
Time to expiry	2.68 years
Expected dividends	0.00%
Risk-free interest rate (short-term)	1.40%
Fair value	$0.147
Valuation methodology	Monte Carlo Value

For the financial year ended 31 March 2022	US$
Derivative liability valuation recognised in statement of comprehensive income	(924,000)

Note 10 BORROWINGS

	31 March 2022 US$	30 June 2021 US$
Non-current liability		
Net smelter royalty financing	116,420,239	106,574,217
Balance at the end of the reporting period	**116,420,239**	**106,574,217**

Net Smelter Royalty Financing		
Balance at beginning of reporting period	106,574,217	-
Additions – funds received under the loan	-	84,380,422
Additions – funds related to the Bridging Loan	-	15,619,578
Transaction costs adjusted through retained earnings	-	(726,427)
Transaction costs at recognition	-	(2,318,598)
Capitalised interest	9,846,022	9,619,242
Balance at end of reporting period	**116,420,239**	**106,574,217**

Note 10 BORROWINGS (CONTINUED)

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 ("BLA") with Franco-Nevada announced on 11 May 2020. The aggregate amount owing under the BLA was repaid out of the proceeds of the NSR financing. This financing arrangement is classified as a financial liability at amortised cost and was recognised at the amount received adjusted for transaction costs paid. The Buy-back option is an embedded derivative that is not closely related and measured annually at fair value through the profit and loss.

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

Key terms to the financing include:

- Funding amount: US$100 million with upscale option to US$150 million (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

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

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

The EIR was calculated using the available development plan at the time of recognising the NSR and results in a discount rate of 11.84% (real). The financial liability will be re-measured at the year end, using the latest QP approved assumptions from the Technical Report.

The buy-back option is considered an embedded derivative which needs to be separately accounted for as it is not closely related due to the variability associated with the arrangement arising from movements in commodity pricing and/or changes in the mine plan and other technical assumptions, which are not otherwise compensated in the option pricing. As such, it is required to be accounted for as a separate instrument in accordance with IFRS 9. However, it would only have value to the extent that it would be likely that the option is in the money. An external assessment by an accounting firm undertaken as part of the 2021 audit concluded that the embedded derivative is immaterial. There is also a limited expectation or likelihood that the buy-back option will be exercised by SolGold in the near future.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 11 SHARE CAPITAL

	Nine months ended 31 March 2022 US$ (unaudited)	Twelve months ended 30 June 2021 US$ (audited)
a) Issued capital and share premium		
Ordinary shares fully paid up (nominal value of £0.01 each)	**459,143,939**	**459,169,861**
b) Movement in ordinary shares		
At the beginning of the reporting period	459,169,861	382,501,992
Shares issued during the period	-	79,261,169
Transaction costs on share issue	(25,922)	(2,593,300)
At reporting date	**459,143,939**	**459,169,861**

	Nine months ended 31 March 2022 Number (unaudited)	Twelve months ended 30 June 2021 Number (audited)
c) Movement in number of ordinary shares on issue		
Shares at the beginning of the reporting period	2,293,816,433	2,072,213,495
- Shares issued at $0.42 – Valuestone 12 November 2020	-	11,900,000
- Shares issued at £0.255 – Placing share issue 28 April 2021	-	204,922,643
- Shares issued at £0.255 – Directors share issue 28 April 2021	-	1,543,858
- Shares issued at £0.255 – Retail Offer share issue 28 April 2021	-	1,736,437
- Shares issued at £0.25 – Exercise of employee options 15 June 2021	-	1,500,000
Shares at the reporting date	**2,293,816,433**	**2,293,816,433**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 12 SHARE OPTIONS

At 31 March 2022 the Company had 32,250,000 options outstanding for the issue of ordinary shares (31 March 2021: 108,375,000).

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 at 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 3,000,000 options granted during the period ended 31 March 2022 (31 March 2021: 3,000,000).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 12 SHARE OPTIONS (CONTINUED)

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

Date of grant	Exercisable from	Exercisable to	Exercise prices	Number granted	Number at 31 March 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 exercisable through to 15 June 2024	15 June 2024	£0.26	3,000,000	3,000,000
				32,250,000	**32,250,000**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

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 March 2022	Number of options 31 March 2022	Weighted average exercise price 31 March 2021	Number of options 31 March 2021
Outstanding at the beginning of the period	£0.53	106,875,000	£0.54	185,162,000
Exercised during the period	-	-	-	-
Expired/lapsed during the period	£0.60	(77,625,000)	£0.60	(79,787,000)
Granted during the period	£0.26	3,000,000	£0.36	3,000,000
Outstanding at the end of the period	£0.32	32,250,000	£0.53	108,375,000
Exercisable at the end of the period	£0.32	32,250,000	£0.53	108,375,000

The options outstanding at 31 March 2022 have exercise prices of £0.25, £0.26, £0.36, and £0.37 (31 March 2021: £0.25, £0.36, £0.37 and £0.60) and a weighted average contractual life of 2.21 years (31 March 2021: 1.27 years).

Share options held by Directors are as follows:

Share options held	At 31 March 2022	At 31 March 2021	Option price	Exercise period
Nicholas Mather	-	5,000,000	60p	20/12/18 – 20/12/21
Robert Weinberg	-	900,000	60p	20/12/18 – 20/12/21
Jason Ward	-	5,000,000	60p	06/11/18 – 06/11/21

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

NOTE 12 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 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	£0.26 Options 24 February 2022
Number of options	3,000,000
Share price at issue date	£0.275
Exercise price	£0.26
Expected volatility	66.369%
Option life	2.31
Expected dividends	0.00%
Risk-free interest rate (short-term)	1.22%
Fair value	£0.113
Valuation methodology	Black-Scholes

	US$
Share based payments expense recognised in statement of comprehensive income	454,336
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 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 PERIOD ENDED 31 MARCH 2022

NOTE 13 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 Non- Executive Director of the Company. For the nine months ended 31 March 2022 US$54,326 was paid or payable to Samuel (2021: US$330,291). The total amount outstanding at 31 March 2022 was US$6,862 (31 March 2021: US$ nil, 30 June 2021: US$nil).

(ii) Mr Brian Moller (a Director until 15th December 2021), is a partner in the Australian firm Hopgood Ganim Lawyers. For the nine months ended 31 March 2022, US$4,117 was paid or payable to Hopgood Ganim (2021: US$67,933) for the provision of legal services to the Company. These services were based on normal commercial terms and conditions. The total amount outstanding at 31 March 2022 is US$2,985 (31 March 2021: US$2,520, 30 June 2021 US$nil).

(iii) Mr James Clare (a Director), is a partner in the Canadian firm Bennett Jones lawyers. For the nine months ended 31 March 2022, US$222,324 was paid or payable to Bennett Jones (2021: US$470,993) for the provision of legal services to the Company. The services were based on normal commercial terms and conditions. The total amount outstanding at 31 March 2022 is US$nil (31 March 2021: US$225,929, 30 June 2021 US$nil).

(iv) The Company had a commercial agreement with Bayview PMF Pty Ltd ("Bayview") for the engagement of Jason Ward and his wife (until January 2022) for managerial and administrative services. For the half year ended 31 March 2022 US$324,806 was paid or payable to Bayview. The total amount outstanding at 31 March 2022 was US$29,818.

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 March 2022 and as such there is significant uncertainty over the timing of any payments that may fall due

NOTE 14 COMMITMENTS AND CONTINGENT ASSET AND LIABILITIES (continued)

Under the terms of the Term Sheet (**Term Sheet**) signed between SolGold plc, Cornerstone Capital Resources Inc. (**CGP**), CGP's subsidiary Cornerstone Ecuador S.A. (**CESA**), and Exploraciones Novomining S.A. (**ENSA**), and the SolGold Group holds an aggregate registered and beneficial equity position in ENSA of 85 The parties agreed SolGold will solely fund all operations and activities of ENSA until the completion of a Feasibility Study, including CESA's contribution as the registered and beneficial holder of an aggregate equity position in ENSA of 15%. After completion and delivery of the Feasibility Study, SolGold and CESA shall jointly fund the operations and activities of ENSA based on their respective equity positions in ENSA's. 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 March 2022, Cornerstone's equity interest in ENSA had not been diluted below 10%.

The amount receivable from CESA at 31 March 2022 was US$46,498,025 (2021: US$37,340,126). 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.

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

NOTE 15 MATTERS SUBSEQUENT TO THE HALF YEARLY FINANCIAL PERIOD

The PFS confirms the Cascabel project's world class, Tier 1 potential to be a large, low-cost, and long-life mining operation that is based on achievable, proven, and tested mining and processing assumptions. Once constructed, Cascabel is expected to be a top 20 South American copper & gold mine benefiting from a high-grade core, advantageous infrastructure and an increasingly investor friendly government. The mine is expected to produce a clean copper-gold-silver concentrate, to be sold to Asian and European smelters as part of a project construction financing package.

Key highlights include:

- Estimated US$5.2bn pre-tax Net Present Value ("NPV") and 25.3% Internal Rate of Return ("IRR")
- Estimated US$2.9bn after-tax NPV, 19.3% IRR and 4.7-year payback period from start of processing
- After-tax NPV would be US$4.1bn (US$7.9bn pre-tax) and IRR 23.4% (30.5% pre-tax) at current spot commodity prices
- Estimated average production of 132ktpa of copper, 358kozpa of gold and 1Mozpa of silver – 212ktpa copper equivalent ("CuEq") – with peak copper production of 210ktpa (391ktpa CuEq)
- Initial project Life-of-Mine ("LOM") All-In-Sustaining Cost ("AISC") of US$0.06/lb of copper, placing Cascabel well within the first decile of the copper industry cost curve
- On achieving nameplate capacity, average of approximately 190ktpa of copper, 680kozpa of gold and 1.3Mozpa of silver (>330ktpa CuEq) over initial 5 years at an average negative AISC of US$(1.38)/lb
- Estimated pre-production capital expenditure of US$2.7bn for the initial cave development, first process plant module and infrastructure
- Initial Mineral Reserve of 558Mt containing 3.3Mt Cu @ 0.58%, 9.4Moz Au @ 0.52g/t and 30Moz Ag @ 1.65g/t over an initial 26-year mine life
- Potential mine life upside in excess of 50 years following initial LOM
- Annual after-tax free cash flow ("FCF") to average US$740m, peaking at over US$1.6bn
- Average annual EBITDA of nearly US$1.2bn, peaking at over US$2.4bn
- Additional optimisations being progressed for a PFS Addendum planned for completion in H2 CY22
- Cascabel project Definitive Feasibility Study ("DFS") planned for completion in H2 CY23

The Directors are not aware of any 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom.

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 nine 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 three 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 nine 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.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

/s/ Darryl Cuzzubbo

Darryl Cuzzubbo
Chief Executive Officer and Managing Director

Brisbane
13 May 2022