
SolGold

# Annual Report 2024

# SolGold plc

(Company number 05449516)

# 2024 ANNUAL REPORT

# Contents

# COMPANY OVERVIEW

## ABOUT US

SolGold is a mineral exploration and development company headquartered in Perth, Australia. The Company is a UK-incorporated public limited company that is listed on both the LSE and TSX (SOLG on both exchanges). We are committed to the responsible development of significant copper and gold deposits, focusing on sustainability and community partnership.

Founded in 2006, SolGold has established itself as a leading player in the exploration and development of mineral resources. Our flagship project, Cascabel, located in the richly mineralized Northern Ecuadorian district, is poised to become one of the largest and most promising major copper-gold porphyry projects. This Alpala deposit, Cascabel's primary target, boasts a mineral resource of 3 billion tonnes grading 0.52% CuEq in the Measured and Indicated categories.

Recent milestones have significantly advanced the Cascabel project:

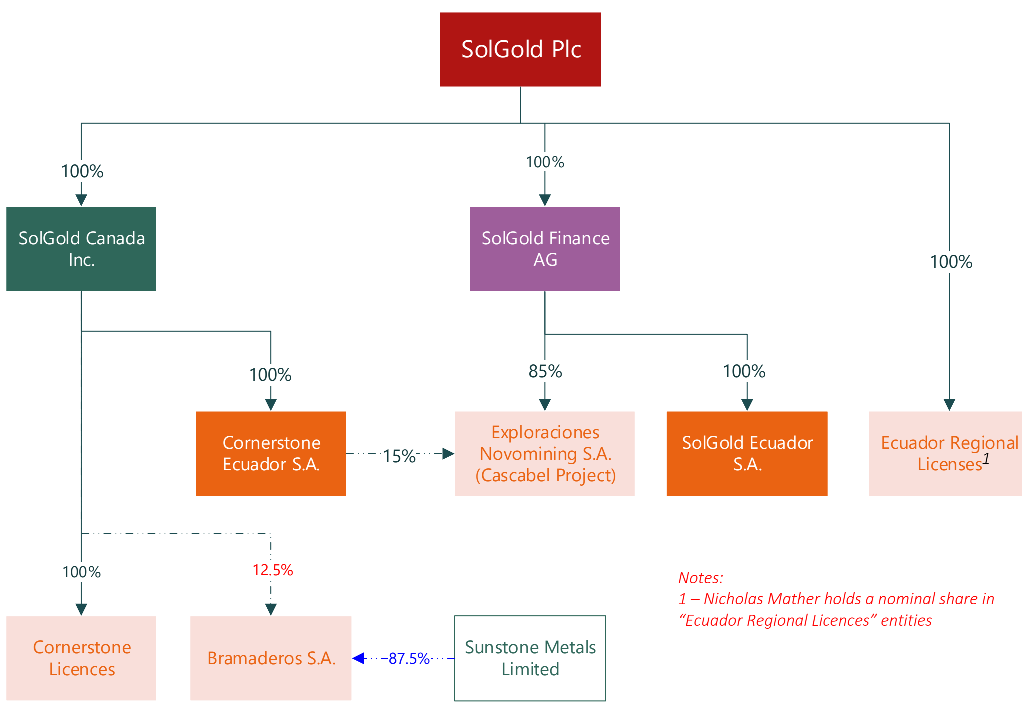
- In March 2024, we completed an updated Pre-Feasibility Study, reinforcing the project's robust economics and world-class potential.
- In June 2024, we signed the Exploitation Contract with the Government of Ecuador, establishing the legal and financial framework for the project's development.
- In July 2024, we secured a US$750 million financing package through a Gold Stream Purchase and Sale Agreement (Gold Stream Agreement), providing substantial funding for the project's advancement and development.

Our operations are guided by a commitment to transparency, ethical conduct, and the development of our host communities. As we advance the Cascabel project towards production, we are mindful of the future role high-quality copper will play in renewable technologies and electrification, contributing to a greener future.

SolGold's vision extends beyond mineral exploration and development. We are dedicated to fostering positive and sustainable impacts in the regions where we operate. Through ongoing collaborations with local communities and governments, we strive to ensure that our projects will contribute meaningfully to the socio-economic fabric of these areas.

Looking ahead, SolGold remains focused on advancing and de-risking the Cascabel Project, maintaining our commitment to safety and environmental responsibility while creating long-term value for all our stakeholders.

SOLGOLD HIGH-LEVEL CORPORATE STRUCTURE



# 2024 - A YEAR OF TRANSFORMATIVE PROGRESS

In fiscal 2024, SolGold achieved several pivotal milestones that have significantly advanced our flagship Cascabel project and strengthened our position as a leading player in the global copper-gold mining sector.

## CASCABEL PROJECT

### UPDATED PRE-FEASIBILITY STUDY (MARCH 2024)

- Demonstrated robust economics with an after-tax net present value using a discount rate of 8% (NPV8%) of US$3.2 billion and IRR of 24%
- Introduced an optimized phased approach: initial 12 Mtpa operation, scaling to 24 Mtpa
- Substantially reduced initial capital requirements from US$2.7 billion to US$1.5 billion
- Significantly mitigated project execution risks through phased development
- Reaffirmed Cascabel's position as a world-class copper-gold project with potential for multi-generational operations

### EXPLOITATION CONTRACT SECURED (JUNE 2024)

- Landmark agreement granting 33-year development and production rights, renewable for the life of the mine
- Includes $75 million advance royalty payment and economic imbalance mechanism to protect against future regulatory changes
- Ensures SolGold's autonomy in commercial and technical decisions while providing robust investor protection rights
- Demonstrates successful navigation of complex regulatory environments and commitment to responsible, sustainable mining practices

### US$750 MILLION GOLD STREAM AGREEMENT (JULY 2024)

- Transformative financing agreement with Franco-Nevada and Osisko Gold Royalties, validating Cascabel's world-class potential
- Strategically structured in two parts - US$100 million Initial Deposit for project advancement and US$650 million Construction Deposit
- Preserves significant copper, silver, and majority of gold revenues for SolGold and its shareholders
- Includes innovative buyback option, providing strategic flexibility for future corporate transactions

## STRATEGIC AND OPERATIONAL ALIGNMENT

### LEADERSHIP ENHANCEMENT

- Appointed three new directors, Adrian (Steve) van Barneveld, Charles Joseland, and Jian (John) Liu
- Broadened board expertise in project development and construction mine finance, and international markets
- Maintained stability with Scott Caldwell as CEO and Chris Stackhouse as CFO

### OPERATIONAL EFFICIENCY

- Sharpened focus on advancing the Cascabel project, our key value driver
- Implemented prudent financial management to ensure long-term sustainability
- Optimized resource allocation to align with current market conditions and project priorities
- Maintained core operations in Ecuador while adapting to a dynamic business environment

### ENVIRONMENTAL AND SOCIAL GOVERNANCE

- Maintained our commitment to environmental stewardship with zero significant incidents reported
- Navigated challenges in meeting all community expectations due to necessary operational adjustments
- Continued engagement with local stakeholders to manage the impacts of reduced activity levels
- Focused on maintaining key environmental and social programs within resource constraints

# STRATEGIC REPORT

## OUTLOOK FY2025

Building on our transformative achievements in 2024, SolGold is poised for an exciting and productive FY2025. We are strategically positioned to capitalize on our recent successes and advance our flagship Cascabel project, creating sustainable value for our shareholders while maintaining our unwavering commitment to responsible development and environmental stewardship.

KEY STRATEGIC PRIORITIES FOR FY2025:

Advancing Cascabel Project

We will progress critical de-risking activities and technical studies, utilizing the US$750 million Gold Stream Agreement proceeds to advance key technical works. We are focused on implementing the optimized phased development approach, benefiting from a reduced initial capital requirement and facilitating our transition toward developer and producer status.

Permitting and Financing

Leveraging our 33-year Exploitation Contract, we will advance permitting processes to support project development timelines. We will explore financing options to secure the remainder of the required capital, building on the solid foundation laid by our recent achievements.

Operational Excellence

We remain committed to implementing operational efficiencies that are aligned with market conditions and project priorities. By applying learnings from Cascabel across our Ecuadorian portfolio, we will maintain a focus on cost optimization and strategic resource allocation.

Sustainability and Stakeholder Engagement

Maintaining the highest standards of health, safety, and environmental stewardship remains a priority. We will continue our water recycling practices and reforestation programs while fostering transparent and collaborative relationships with local communities and government.

Growth and Discovery

We will strategically assess exploration endeavors outside Cascabel, exploring potential joint ventures or earn-in collaborations for regional exploration licenses. Ecuadorian licenses outside of Cascabel will be maintained on a care and maintenance basis to preserve future opportunities.

Corporate Strategy

Our ongoing strategic review aims to optimize operations and unlock value. We will explore potential partnerships and strategic alliances to enhance growth potential while continuing to evaluate diverse funding arrangements to ensure financial flexibility.

As we progress through FY2025, we are confident in our ability to execute on these opportunities and create long-term value for our stakeholders. The coming year presents an exciting chapter in SolGold's story as we transition from explorer to developer, backed by our world-class Cascabel project and strengthened financial position. We look forward to sharing our continued achievements and milestones with our shareholders and stakeholders as we work towards realizing the full potential of our assets and contributing to a sustainable future for copper production.

## COMPANY OVERVIEW: THE STORY OF SOLGOLD

Our journey has been marked by significant milestones and achievements.

### KEY MILESTONES

- 2012-2014: Entered Ecuador, discovered Alpala deposit at Cascabel
- 2016-2017: Strategic investments from Newcrest, LSE Main Market and TSX listings
- 2018-2019: BHP becomes a major shareholder; maiden Mineral Resource Estimate for Alpala announced
- 2020-2022: Completion of PEA and PFS for Cascabel, confirming world-class potential
- 2023: Consolidated 100% ownership of Cascabel Project, new leadership appointed
- 2024: Published phased approach PFS, secured major financing, signed Exploitation Contract

### RECENT ACHIEVEMENTS

In the past year, we have made significant strides:

- Updated Pre-Feasibility Study demonstrating robust project economics
- Exploitation Contract signed with the Government of Ecuador
- US$750 million Gold Stream Agreement with Franco-Nevada and Osisko Gold Royalties

### PATH FORWARD

SolGold is focused on advancing Cascabel and creating sustainable value through the following:

- Progress critical de-risking activities and technical studies
- Advance permitting and secure remaining project financing
- Transition towards developer and producer status
- Implement comprehensive environmental and social strategies
- Apply Cascabel learnings across our Ecuadorian portfolio

We remain committed to responsible development, shareholder value creation, and maintaining high standards of corporate governance. These priorities position SolGold to capitalize on the evolving global copper market while benefiting all stakeholders.

## CHIEF EXECUTIVE'S REVIEW

Dear Shareholders and Stakeholders,

I am pleased to present SolGold's 2024 Annual Report, a year marked by transformative progress that has significantly advanced our flagship Cascabel project, solidifying our position as the holder of one of the largest undeveloped copper-gold projects in the world.

Our updated Pre-Feasibility Study (PFS), the highlights of which we announced in February 2024, was filed in March 2024 and represents a pivotal achievement in project development. The study introduced an optimized phased approach, demonstrating robust economics with an after-tax net present value using an 8% discount rate of US$3.2 billion and an IRR of 24%. This strategy substantially reduces initial capital requirements from US$2.7 billion to US$1.5 billion, mitigating project execution risks while opening numerous project financing paths and partnership potentials. This study reaffirms Cascabel's position as a world-class copper-gold project with multi-generational potential.

In June 2024, we secured the Exploitation Contract with the Government of Ecuador, a landmark agreement granting 33-year development and production rights. This contract ensures SolGold's autonomy in commercial and technical decisions while providing robust investor protection rights. Crucially, it offers investors the economic certainty required for substantial capital investments, with stability assured over the project's operating period.

A highlight of 2024 was the negotiation of a US$750 million Gold Stream Agreement with Franco-Nevada and Osisko Gold Royalties, completed in July. This transformative arrangement provides financial flexibility to advance the Cascabel Project through critical de-risking activities and technical works. It also represents a significant validation of our updated PFS and the Cascabel project. Following their rigorous technical and governmental due diligence, the commitment of two of the most prominent mine financiers is a powerful endorsement of Cascabel's potential.

Internally, we enhanced our leadership by appointing three new directors - Adrian (Steve) van Barneveld, Charles Joseland, and Jian (John) Liu broadening our board expertise in mining operations, accounting and governance, finance and international markets. We also implemented operational efficiencies to align with current market conditions and project priorities.

Our commitment to environmental stewardship and social responsibility remains steadfast, with zero significant environmental incidents reported this year. We continue to engage with local stakeholders and maintain key environmental and social programs within resource constraints.

As we move into the next year, SolGold is strategically positioned to build on these achievements. Our focus remains on advancing the Cascabel project, progressing permitting processes, exploring financing options for the remainder of the required capital, and maintaining our commitment to the responsible development of this world-class asset.

I extend my sincere thanks to our dedicated employees, shareholders, and stakeholders for their continued support. Together, we are poised to realize the full potential of Cascabel and create sustainable value in the evolving global copper market.

Sincerely,

**Scott Caldwell**
Chief Executive Officer and Acting Chair
26 September 2024

# OUR BUSINESS MODEL

## DRIVING SUSTAINABLE COPPER PRODUCTION FOR A CLEAN ENERGY FUTURE

OUR CAPITAL INPUTS

Natural

We responsibly leverage our mineral resources through sustainable exploration and development practices at Cascabel. Our enhanced focus on renewable energy sources, water recycling practices, and environmental footprint monitoring underscores our commitment to environmental stewardship.

Human

We have enhanced our workforce development efforts this year. Leadership and technical training programs have been implemented to align our team's capabilities with future project requirements.

Social

We have strengthened our engagement with local communities and governments at all levels - local, provincial, and federal - fostering active partnerships. This approach has reinforced our social license to operate and created new avenues for collaboration.

Financial

Our financial strategy has focused on leveraging strategic partnerships and securing competitive funding that aligns with our goals. The strengthening of our balance sheet positions us to advance efforts effectively while aiming to enhance shareholder value.

HOW WE CREATE VALUE

We focus on realizing value from our world-class Cascabel project while maintaining a disciplined approach to capital allocation. Our strategy emphasizes:

1. Advancing the Cascabel project through critical de-risking activities and technical works
2. Optimizing our operations and cost structure
3. Maintaining strong relationships with local communities and governments
4. Leveraging our expertise to assess and develop our broader portfolio of mineral properties

SHARING THE VALUE WE CREATE

Skilled Workforce

- 99% Ecuadorian employees
- 85% of the management team are staffed by Ecuadorians
- Ongoing professional development and training programs

Host Communities

US$1,043,477 invested in socioeconomic projects delivered in partnership with the local authorities in the communities where we operate.

- Prioritization of local procurement, sourcing goods and services from communities near our projects whenever possible, ensuring direct economic benefits to the local area.
- "One Million Trees" reforestation program supporting local biodiversity
- Establishment of community internet cafe enhancing local digital access
- Support for numerous social and cultural events throughout the year
- Facilitation of community businesses, including a coffee plantation, nurseries, and local bakery

Trusted Partners

- US$900,000 investment commitment, in partnership with Franco-Nevada, to deliver waste and recycling infrastructure for the local Lita and La Carolina parishes in the Imbabura province of Northern Ecuador
- Continued engagement with local and national governments to ensure alignment of interests
- US$750,000 of additional funds committed towards ESG initiatives from the Franco-Nevada and Osisko Gold Royalties as part of the Gold Stream Agreement.

## OUR STRATEGY

### SOLGOLD'S STRATEGIC VISION AND THE CASCABEL OPPORTUNITY

SolGold is on a strategic path to becoming a leading copper and gold producer in Ecuador. Our primary focus is advancing our flagship Cascabel project, one of the largest undeveloped copper-gold projects globally. Our strategy emphasizes:

1. Progressing Cascabel through critical development milestones
2. Maintaining our commitment to responsible and sustainable development
3. Optimizing our operations and cost structure
4. Selectively advancing our broader portfolio to create additional value

The Cascabel project represents a significant opportunity for Ecuador and its people. Its development is expected to create substantial local employment opportunities and support community development. The Ecuadorian government's supportive stance on responsible foreign investment enhances the country's appeal as a mining destination.

The construction and operation of Cascabel are anticipated to provide significant local job opportunities and promote further mining investment in Ecuador, potentially leading to long-term economic benefits for the country. We remain committed to delivering this project in a manner that creates sustainable value for all our stakeholders.

## KEY PERFORMANCE INDICATORS

We recognize that our success is measured not just by our financial performance but also by our ability to create sustainable value for all stakeholders while advancing our projects responsibly. Our Key Performance Indicators (KPIs) reflect this holistic approach, aligning with our strategic objectives and core values.

These KPIs serve as guideposts, ensuring we remain focused on advancing the world-class Cascabel project while maintaining the highest standards of operational excellence, fiscal responsibility, and sustainable development. They are designed to drive performance across all aspects of our business, from safety and environmental stewardship to technical advancement and stakeholder engagement.

While specific metrics for each KPI are monitored internally, we present here the overarching objectives that guide our efforts and against which we measure our progress:

| Strategic Pillar | Long-Term Objective | 2024 Highlights |
|---|---|---|
| SAFETY & SUSTAINABILITY | Maintain the highest standards of health, safety, and environmental stewardship across all operations | • Zero significant environmental incidents<br>• Continued implementation of water recycling practices<br>• Advancement of the "One Million Trees" reforestation program |
| FINANCIAL STEWARDSHIP | Optimize financial management to support long-term stability and project advancement | • Secured US$750 million Gold Stream Agreement<br>• Reduced initial capital requirements for Cascabel from US$2.7 billion to US$1.5 billion through phased development approach<br>• Implemented significant cost reduction measures, including rightsizing of operations and a substantial decrease in corporate G&A expenses |
| PROJECT DEVELOPMENT | Advance the Cascabel project through comprehensive technical studies and strategic optimization | • Completed updated Pre-Feasibility Study with robust economics<br>• Introduced an optimized phased development approach |
| PERMITTING | Progress all necessary permitting for Cascabel in collaboration with relevant authorities | • Secured 33-year Exploitation Contract with the Government of Ecuador |
| GROWTH & DISCOVERY | Strategically advance our diverse portfolio of mineral exploration assets | • Continued exploration of Blanca-Nieves and Espejo projects<br>• Uncovered significant mineralization, promising further growth potential |
| STAKEHOLDER ENGAGEMENT | Foster transparent and collaborative relationships with all stakeholders. | • US$1,043,477 invested in socio-economic projects<br>• Prioritization of local procurement to benefit communities<br>• Establishment of community internet cafes and support for local businesses |
| OPERATIONAL EXCELLENCE | Cultivate a culture of innovation and continuous improvement. | • Enhanced board expertise with three new director appointments<br>• Implemented operational efficiencies to align with market conditions and project priorities |

As we progress through 2025 and beyond, these KPIs will continue to guide our decision-making and resource allocation. They reflect our commitment to responsible development, operational excellence, and creating lasting value for our shareholders, host communities and all stakeholders.

## MARKET OVERVIEW

### COPPER MARKET OUTLOOK

Fundamental Drivers:

The global demand for copper is anticipated to grow by approximately 3% in the coming year, fueled by advancements in renewable energy and the increased electrification of transport systems. While demand outside of China has experienced a slight decline, China's copper consumption is projected to rise by 4.3%, mitigating slower growth in Western markets and contributing to an overall global increase in refined copper usage of around 2.7%. This growth is driven mainly by China's ongoing infrastructure expansion and technological progress, securing its position as the world's largest consumer of copper.

Renewable Energy Transition:

The transition to renewable energy remains a key driver of copper demand. Copper's excellent conductivity and durability are essential for renewable energy systems. In 2024, the demand from the green energy sector is expected to remain strong, supported by continuous investments in wind and solar power infrastructure and the rapidly expanding electric vehicle market. By 2035, copper demand in these sectors is expected to push global consumption to 49 million metric tons annually, up from 24.8 million metric tons in 2022.

Current Macroeconomic Factors:

Rising interest rates have tempered economic growth in various regions, impacting the copper market. Despite reaching a peak of US$10,730 per metric ton, prices fell to around US$8,450 per metric ton by mid-2024. However, the market remains tight with low inventory levels, suggesting a limited price downside. The long-term outlook for copper is positive, as demand is expected to exceed supply due to operational challenges and disruptions in major mining regions such as Latin America.

Market Volatility:

Volatility in the copper market continues, driven by geopolitical tensions like the Russia-Ukraine conflict and economic uncertainties. Recent supply disruptions, including the temporary closure of major mines and production cuts by Chinese smelters, have tightened supply and supported higher prices. Low inventory levels further contribute to market tightness and price fluctuations.

Supply Side:

Refined copper production globally is expected to increase by 4.6% in 2024, mainly due to capacity expansions in China, Indonesia, India, and the US. Despite this rise, a supply surplus is anticipated, primarily from increased production of recyclable materials and new secondary smelters. However, supply constraints due to mine disruptions and geopolitical issues pose risks to market balance.

Future Outlook:

Copper demand is expected to remain robust, driven by the continued growth in renewable energy and the electrification of transportation. By 2031, a significant supply deficit of 6.5 million tonnes is forecasted, underscoring the need for new mining projects and increased investments in copper recycling.

Cascabel Strategic Positioning:

The Alpala and Tandayama-America deposits at Cascabel contain 12.4 million tonnes of copper in the Measured plus Indicated resource category and are strategically positioned to benefit from the increasing demand for copper driven by renewable energy and technological advancements. This positions SolGold to capitalize on the growing market opportunities.

### GOLD MARKET OUTLOOK

In 2024, gold remains a resilient asset amidst economic uncertainties and geopolitical tensions. While rising interest rates have historically pressured gold prices, recent signs of a potential pause in US rate hikes support gold's appeal as a safe haven. This trend attracts individual and institutional investors, benefiting gold development projects like SolGold's Cascabel project, which holds 31.3 million ounces of gold in the Measured plus Indicated resource category.

### ECUADOR'S UNTAPPED MINERAL WEALTH

Ecuador is solidifying its position as a significant player in the global copper and gold markets located at the northern end of the Andean Copper Belt. The country offers substantial geological potential, with SolGold at the forefront of these developments. The Alpala deposit at Cascabel is one of the past decade's most notable copper and gold discoveries. Despite the early stage of Ecuador's mining sector, continued investment and high-profile development projects are expected to increase the number of operational mines. SolGold's strong relationships with the government and local communities position it as a cornerstone of Ecuador's growing mining industry.

## OPERATIONS OVERVIEW

At SolGold, our operations are centered on developing world-class mineral deposits that create sustainable value for all stakeholders. Our portfolio is anchored by the transformative Cascabel project in Ecuador, complemented by a portfolio of promising exploration assets that underscore our commitment to responsible resource development.

### CASCABEL PROJECT: A WORLD-CLASS COPPER-GOLD ASSET

At the heart of SolGold's portfolio lies the Cascabel project, a transformative copper-gold porphyry deposit that stands as one of the most significant discoveries of the past decade. Located in the mineral-rich Imbabura province of Northern Ecuador, Cascabel exemplifies the potential of Ecuador's emerging mining sector.

#### Key Project Highlights

- 100% SolGold ownership
- 50 km² concession area
- Estimated mineral resource of 3 billion tonnes grading 0.52% CuEq (Measured & Indicated)
- Alpala deposit: Primary target with world-class potential

#### Strategic Location

Nestled in the Andean copper belt, Cascabel benefits from:

- Proximity to key infrastructure (roads, power, ports)
- Supportive local communities
- Elevation range of 600 to 1,800 meters above sea level
- Year-round operational access

#### FY2024 Milestones

*Updated Pre-Feasibility Study (March)*

- After-tax net present value using a discount rate of 8% of US$3.2 billion and IRR of 24%
- Optimized phased development approach
- Initial capital requirement reduced to US$1.5 billion

*Exploitation Contract (June)*

- 33-year development and production rights
- Establishes robust legal and fiscal framework

*US$750 Million Gold Stream Agreement (July)*

- Partnership with Franco-Nevada and Osisko Gold Royalties
- Funds critical project advancement activities

#### Project Advancement Strategy

We are focused on efficiently and cost-effectively moving Cascabel forward. Key activities include:

- Geotechnical investigation of tailings storage facilities, plant site, and other infrastructure
- Advanced metallurgical test work
- Securing property agreements for essential infrastructure (tailings deposition, pipeline routes, port facilities)
- Progressing critical path permits required for development
- Progressing project finance discussions

Cascabel represents more than just a mining project; it's a catalyst for sustainable development in Ecuador. As we advance this world-class asset, we remain committed to environmental stewardship, community partnership, and creating lasting value for all stakeholders.

### EXPLORATION PORTFOLIO – ECUADOR

While our primary focus remains on Cascabel, SolGold maintains a diverse portfolio of highly prospective exploration assets across Ecuador. These assets represent significant potential for future value creation and underscore our commitment to the country's emerging mining sector.

Recent exploration at Blanca-Nieves and Espejo Projects has uncovered significant mineralization, promising further growth potential. Due to our strategic focus on Cascabel and prudent capital management, technical and fieldwork on these assets was temporarily suspended during the period. However, we continue to keep all concessions in good standing, recognizing their long-term strategic value.

As we progress with Cascabel and our financial position strengthens, we aim to advance these assets strategically, applying the knowledge and expertise gained from our flagship project.

AUSTRALIAN ASSETS

SolGold maintains a portfolio of tenements across central and southeast Queensland through our wholly-owned subsidiaries, Central Minerals Pty. Ltd. and Acapulco Mining Pty. Ltd. In line with our focus on Cascabel and capital discipline:

- Exploration programs have been reduced to a minimum
- The carrying values of all Australian projects have been fully impaired
- Management expects to formally relinquish these tenements in the ordinary course of business

This strategic decision allows us to concentrate our resources on advancing our core Ecuadorian assets, particularly Cascabel.

LOOKING AHEAD

As we move into 2025, our operational focus remains firmly on advancing Cascabel through critical de-risking activities and technical works. We are committed to progressing this world-class asset responsibly, creating value for our shareholders and stakeholders while maintaining our high environmental stewardship and community engagement standards.

The development of Cascabel promises to redefine SolGold's position in the global mining landscape and contribute significantly to Ecuador's economic growth. By leveraging our technical expertise, strong government relationships, and commitment to sustainable development, we are poised to unlock the full potential of our asset portfolio and cement our position as a leading copper-gold developer in Ecuador.

QUALIFIED PERSON

Information in this report relating to the exploration results is based on data reviewed by Mr. Santiago Vaca (M.Sc.P.Geo.). Santiago joined SolGold in 2014 as Chief Geologist for the Cascabel project and is an Ecuadorian geologist with over 20 years of experience in mineral Exploration and research. Mr. Vaca holds a Professional Geoscientist Certification (P.Geo) granted by the Association of Professional Engineers and Geoscientists of Alberta (APEGA) in Canada. He is a Qualified Person for the purposes of the relevant LSE and TSX Rules. Mr. Santiago consents to the inclusion of the information in the form and context in which it appears.

## FINANCIAL REVIEW

### HIGHLIGHTS

The Group achieved several milestones during the financial year ended 30 June 2024. These have helped to progress the development of SolGold, and in particular, the development of the Cascabel project, and have included:

- Subsequent to 30 June 2024, closed Gold Stream Agreement with Franco-Nevada (Barbados) Corporation and Osisko Bermuda Limited
  - Total of US$750 million funding including:
    - US$100 million paid over three tranches as milestones of de-risking, permitting, and funding development for Cascabel are attained
    - US$650 million for Cascabel construction
- Raised US$10 million in short-term financing, which was repaid on time following the completion of the Gold Stream Agreement
- Reduced all-in cash burn rate to US$3.0 million per month, versus US$6.5 million in 2023

### RESULTS

The Group incurred a loss after tax of US$60,299,953 (2023: US$50,439,745). The increase is due primarily to the US$24.1 million non-cash remeasurement expense of the net smelter royalty ("NSR") financial liability, based upon the revised PFS announced in March 2024. Further, the remeasured NSR liabilities drove higher NSR non-cash interest expense, which was US$17.8 million in 2024 versus US$13.1 million in 2023, an approximately 36% increase. In addition, the value of Australian exploration properties was written off, resulting in US$8.3 million of non-cash expenses in 2024 versus US$1.1 million in 2023. Administrative expenses decreased significantly (approximately US$12.5 million in 2024 compared to US$41.2 million in 2023) as a consequence of the non-recurring acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) in the prior year, as well as workforce reductions and the implementation of expense reduction processes.

Cash outflows from operations and investing activities were US$35.5 million in 2024 versus US$77.6 million in 2023, a 54% reduction. All cash-based administrative expense categories were reduced in 2024 versus 2023, while share-based payment expenses increased to US$2.2 million in 2024 versus US$1.0 million in 2023. There were 20,000,000 options granted during 2024 versus 79,778,125 in 2023.

### STATEMENT OF FINANCIAL POSITION

Total assets at 30 June 2024 were US$463,845,574 compared to US$478,339,250 at 30 June 2023, representing a decrease of US$14,493,676.

Current assets overall decreased by US$32.3 million, primarily due to the decrease in cash balances and also an intentional effort to convert current assets to cash, which was used to settle liabilities and pay for ongoing expenses.

Non-current assets increased by US$17.8 million. Exploration assets increased predominantly due to the exploration expenditure incurred at Cascabel (US$15 million) and the various regional projects (US$7.5 million). All Australian properties were impaired during 2024, resulting in an expense of exploration costs written-off of US$8.3 million. Property, plant and equipment decreased by US$0.7 million, primarily due to ongoing depreciation and limited additions.

Total liabilities at 30 June 2024 were US$209.2 million, compared to US$165.4 million at 30 June 2023, representing an increase of approximately US$43.8 million. The increase was driven primarily by the increased NSR valuation described above, ongoing interest accretion on NSRs, as well as the short-term borrowing of US$10 million.

Current liabilities at 30 June 2024 were US$17.3 million, compared to US$13.8 million at 30 June 2023, representing an increase of approximately US$3.5 million. Current borrowings increased due to a US$10 million short-term borrowing, which was offset by a decrease in trade and other payables of US$6.2 million. The decrease in trade and other payables reflects a reduction in expenditures, as well as the settlement during 2024 of a US$3.5 million liability, which was outstanding at 30 June 2023.

Non-current liabilities increased by US$40.3 million due to the same primary factors, which increased the total liabilities described above.

The Company will need to secure further funding to meet the Group's future exploration milestones and commitments, as well as project construction, but the Gold Stream Agreement subsequent to 30 June 2024 provides funding for ongoing operational requirements for at least eighteen months following 30 June 2024 for the Cascabel project; further funding is required to fund regional Ecuadorian projects and corporate administrative expenses. The Directors consider it appropriate to adopt the going concern basis of accounting in the preparation of the financial statements. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

### CASH FLOW

Cash expenditure (before financing activities) for the year ended 30 June 2024 was US$35.5 million (2023: US$77.6 million). The largest category of cash outlay was for capitalised exploration and evaluation costs, which was US$25.1 (2023: US$43.3). The overwhelming majority of capitalised exploration and evaluation costs in 2024 and 2023 relate to the Group's exploration properties in Ecuador.

During the financial year ended 30 June 2024, US$10 million cash was received from a short-term facility (2023: US$86 million received from a share issuance and NSR financing). The net cash decrease in 2024 was US$26.4 million, including US$10 million in financing proceeds (2023: increase of US$6.5 million, including US$86 million in financing proceeds).

### COST MANAGEMENT AND PERFORMANCE AGAINST BUDGET

To ensure the business's continued success, SolGold must be adequately funded at all times in order to retain employees, meet expenditure requirements and keep operations running across all projects. As part of the Group's cost management strategy, the Group has implemented several cost reduction initiatives to preserve cash. These include, but are not limited to, ongoing reviews of budgets and regular forecasts to ensure effective use of cash in core activities, reductions of corporate overheads where possible and active working capital management.

### FINANCIAL CONTROLS AND RISK MANAGEMENT

The Board regularly reviews the risks to which the Group is exposed and ensures through Board Committees and regular reporting that these risks are managed across all sectors of the Company. The Audit and Risk Committee is responsible for the overview of the Group's internal financial controls and financial risk management systems. Further information can be found under the Corporate Governance: Audit, Risk, and Internal Controls section.

### EQUITY

During 2024, the Company issued 20,000,000 options over ordinary shares and issued no ordinary shares. At year-end, the Company had a total of 3,001,106,975 fully paid ordinary shares and 98,725,000 options on issue. At the date of this report, the Company had a total of 3,001,106,975 fully paid ordinary shares and 92,350,000 options on issue.

Further information regarding equity movements can be found in Note 18 and Note 23 of the 2024 financial statements.

## RISK MANAGEMENT

At SolGold, effective risk management is fundamental to achieving our strategic objectives and creating long-term value for our stakeholders. Our approach to risk management is proactive, comprehensive, and aligned with our core values of safety, respect, integrity, excellence, and sustainability.

### OUR APPROACH

SolGold's risk management framework is designed to identify, assess, and mitigate risks that could impact our business across multiple dimensions. In 2024, we continued to refine our risk management processes, focusing on key areas that are critical to our business:

- Health, Safety & Security
- Social License to Operate
- Geopolitical and Sovereign Risk
- Project Development
- Funding
- Environmental Stewardship
- Permitting and Land Access
- Talent Attraction and Retention

### RISK MANAGEMENT ENHANCEMENTS

In 2024, we made incremental improvements to our risk management approach:

- Refinement of our corporate risk register
- Implementation of regular risk reviews
- Enhanced reporting to the Audit and Risk Committee

These efforts aim to improve our ability to identify and respond to risks and opportunities in our dynamic operating environment.

### PROJECT RISK MANAGEMENT: CASCABEL FOCUS

The announcement of our updated Pre-Feasibility Study (PFS) for the Cascabel project in February 2024 marked a significant milestone in our risk management approach. Key aspects include:

- Adoption of a phased development approach, reducing upfront capital requirements from US$2.7 billion to US$1.5 billion
- Reduction in project execution risk
- Ongoing assessment of project risks to inform design and operational strategies

As we progress towards final design and development, we will continue to refine our risk management strategies for Cascabel, ensuring they align with industry best practices and our commitment to responsible development.

### RISK APPETITE

SolGold's risk appetite is calibrated to balance our growth ambitions with prudent management practices. We recently reviewed our risk appetite statement, which provides guidance across key areas of our business, including funding, governance, regulatory compliance, environment, community, and health and safety.

### EVOLVING RISK LANDSCAPE

Based on our latest assessment, we've observed several notable changes in our risk profile:

- Health, Safety & Security: Risk decreased due to reduced exploration activities
- Geopolitical and Sovereign Risk: Increased due to ongoing changes in the Ecuadorian government
- Funding: Significantly decreased following the execution of the US$750 million Gold Stream Agreement; noting that further funding will be required to maintain and progress regional Ecuadorian projects
- Environmental: Reduced due to decreased exploration activities
- Permitting and Land Access: Increased as we focus on advancing the Cascabel project

## PRINCIPAL RISKS

This updated risk table reflects the current status of SolGold's risk landscape, incorporating recent developments such as the Gold Stream Agreement and the phased development approach for the Cascabel project. It also aligns with the company's focus on responsible development, environmental stewardship, and community engagement, as discussed throughout the annual report.

The following table outlines our principal risks, their potential impacts, and the key mitigating actions we've implemented. This list is not exhaustive but represents the primary risks that could materially affect our business.

| Risk Category | Description | Potential Impact | Key Mitigating Actions | Risk Trend |
|---|---|---|---|---|
| Health, Safety & Security | Inherent risks in exploration and mining activities, including transportation accidents and limited access to emergency medical assistance in remote locations.<br>Personal security risks operating in remote areas. | Potential for serious injuries, fatalities, litigation, regulatory action, and reputational damage. Compromise to the security of personnel. | • Implementation of stringent safety protocols and transportation policies<br>• Regular safety reviews, inspections, and hazard assessment<br>• Enhanced emergency response planning for remote sites<br>• Retention of consultant security forces on worksites | ↓ |
| Social License to Operate | Maintaining strong community relations is fundamental to our operations and reputation. | Loss of community support could impact project viability and the Company's broader reputation. | • Ongoing community engagement and socialization programs<br>• Development of comprehensive relocation and resettlement plans<br>• Implementation of local employment and training initiatives<br>• Maintenance of a robust grievance and obligations register | ↔ |
| Talent Attraction and Retention | Ability to recruit and retain high-performing leaders and skilled personnel in a competitive market. | Potential impact on project development, financing abilities, and operational effectiveness. | • Enhanced HR functions and feedback processes<br>• Development of an Industrial Relations Strategy for Ecuador<br>• Implementation of succession planning and performance management tools<br>• Focus on local hiring and skills development | ↔ |
| Geopolitical and Sovereign Risk | Operating in Ecuador exposes the Company to risks of political and regulatory instability. | Potential for changes in government policies, tax regimes, and civil unrest that could impact operations and project development. | • Active monitoring of political developments<br>• Maintenance of open relationships with local and national authorities<br>• Engagement with pro-business government initiatives<br>• Implementation of robust security protocols | ↑ |
| Project Development | Challenges in transitioning from exploration to development and production phases.<br>Lack of a cohesive business strategy. | Failure to develop a fundable and achievable a business plan, can lead to delays, cost overruns, and inability to realize the full potential of discoveries. | • Application of rigorous project management processes<br>• Engagement of industry experts and consultants<br>• Phased development approach to optimize capital efficiency<br>• Regular project reviews and risk assessments<br>• Development of strategy by management and endorsed by the Board | ↔ |
| Funding | Access to capital for project development in volatile market conditions. | Potential delays or indefinite postponement of exploration and development activities. | • Regular engagement with shareholders and financiers<br>• Diversification of funding sources<br>• Phased development approach to reduce initial capital requirements<br>• Successful execution of US$750 million Gold Stream Agreement post year end | ↓ |
| Environmental Stewardship | Compliance with environmental laws and management of environmental impacts. | Potential for regulatory penalties, reputational damage, and loss of social license to operate. | • Implementation of comprehensive Environmental Management Plans<br>• Regular environmental audits and compliance monitoring<br>• Investment in water recycling and management practices<br>• Advancement of the "One Million Trees" reforestation program | ↓ |
| Permitting and Land Access | Complexities in obtaining necessary permits and securing land access for operations. | Potential delays in exploration and development activities, increased costs, and operational disruptions. | • Proactive engagement with regulatory authorities<br>• Development of comprehensive stakeholder engagement plans<br>• Strategic approach to land acquisition and community agreements<br>• Regular review and updating of permitting strategies | ↑ |

*Risk Trend Key:*
↑ *Increased risk* ↓ *Decreased risk* ↔ *Stable risk*

LOOKING AHEAD

As we advance our projects, particularly Cascabel, we remain committed to continuous improvement in our risk management practices. By integrating risk management into our strategic planning and operational processes, we aim to enhance our resilience, capitalize on opportunities, and deliver sustainable value to all our stakeholders.

## ENGAGING WITH OUR STAKEHOLDERS – SECTION 172 STATEMENT

In accordance with the provisions outlined in section 172 of the *Companies Act 2006* (UK) (the "**Act**"), the Board of Directors of SolGold plc is committed to considering the interests of all its stakeholders when determining the Group's strategy and objectives. The Board of Directors is aware of its duty to act in good faith and promote the success of the Company for the benefit of all of its members equally and fairly, and, in doing so, it has regard for the interests of wider stakeholders.

We are conscious that the decisions we make have long-term consequences and are aware of the need to foster close relationships with all our stakeholders and employees, as well as to consider the impact of our business on local communities and the environment.

Our key stakeholder groups and how we engaged with them during the 2024 financial year are summarized below:

| Stakeholder | Importance | Engagement Methods | Key Topics |
|---|---|---|---|
| Investors | Critical for ongoing growth and project development | • Investor meetings with total attendance of over 700 investors<br>• Webinars<br>• Presentations | • Strategy<br>• Governance<br>• Project advancements<br>• Performance |
| Employees | Essential for long-term success and project execution | • Regular town hall meetings<br>• Performance reviews<br>• Safety initiatives<br>• Training | • Project updates<br>• Health and safety<br>• Career development |
| Government Bodies | Crucial for maintaining our license to operate in Ecuador | • Ongoing dialogue with various levels of government | • Cascabel project development<br>• Infrastructure requirements<br>• Regulatory compliance |
| Communities | Vital for social license and sustainable operations | • Weekly interaction<br>• Information sessions<br>• Local partnerships | • Local employment<br>• Community development initiatives<br>• Environmental stewardship |
| Suppliers | Critical for project development and operational efficiency | • Local vendor engagement<br>• Collaboration on project studies | • Responsible resource management<br>• Ethical conduct<br>• Local economic development |

In the Strategic Report section of this Annual Report, the Company has set out the short to long-term strategic priorities and described the plans to support their achievement. Throughout the Annual Report, we have illustrated how section 172 factors have been considered during the year and how we have engaged with key stakeholder groups.

Throughout the year and post year end, the Board has considered these stakeholder interests in key decisions, particularly regarding:

- The updated Pre-Feasibility Study for Cascabel, adopting a phased approach to balance stakeholder interests
- Securing the Exploitation Contract with the Government of Ecuador
- Executing the US$750 million Gold Stream Agreement

The development of the Cascabel project is a long-term endeavour, and the considerations taken into account in making the above key decision in respect of the Gold Stream Agreement was to secure the short-term viability of the Company firstly but at the same time, lay a platform for the long-term interests of the project and with that our key stakeholders and our shareholders, and the community and environment in which we operate.

By maintaining an open dialogue with our stakeholders and considering their diverse perspectives, we aim to create sustainable value and advance our projects responsibly.

## SOLGOLD PLC 2024 SUSTAINABILITY REPORT AND TCFD DISCLOSURES

The Company has reported consistent with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations during the year ended June 30, 2024. While we have not yet established specific emissions reduction targets, we are actively working towards developing forward-looking metrics and targets based on the detailed climate risk assessment, as explained later in this report.

This Sustainability Report highlights how sustainability is embedded within our operations and details our performance over the past 12 months. The Report also contains our climate-related disclosures aligned with TCFD.

Through our exploration, discovery and development of copper and gold deposits in Ecuador, we work closely with local communities and operate in some of the world's most biodiverse natural environments. Our sustainability approach is rooted in a deep understanding of our activities' potential environmental and socio-economic impacts and our commitment to respecting and protecting natural resources and communities. The core pillars of this approach are:

| |
|---|
| The Environment |
| Our People |
| Health & Safety |
| Our Communities |

We demonstrate our commitment to operating sustainably through our alignment with key UN Sustainable Development Goals (SDGs), developed with reference to the ten fundamental principles across human rights, labour, environment and anti-corruption, as part of our participation in the UN Global Compact. These SDG-aligned objectives are embedded throughout our operations, strategy, and culture, enabling us to drive sustainable innovations and adapt to evolving global sustainability challenges. Our contributions align with SDGs such as:

| |
|---|
| SDG 8: Promoting an injury and incident-free workplace |
| SDG 5: Ensuring equal opportunities for all employees |
| SDG 11: Proactively contributing to local communities |
| SDG 12: Supporting responsible mining practices |
| SDG 15: Rehabilitating and reforesting land |
| SDG 6, 7, and 12, Ensuring the responsible use of energy, water and waste |

### OUR CLIMATE-RELATED FINANCIAL DISCLOSURES

As a mineral exploration and development company, we recognize our pivotal role in the transition to a low-carbon economy and the opportunities and challenges this presents. We are aware of the impacts of climate change and how our operations affect the environment, our workforce, and the communities in which we operate.

We adhere to TCFD guidelines in our reporting. This marks the second year of our specific TCFD reporting. This section provides an overview of the governance of climate-related risks and opportunities, their implications for our operations, and our management strategies, including metrics and targets.

Following the introduction of new global standards for sustainability and climate-related disclosures in 2023, we are working to improve our systems and procedures to better manage and disclose climate-related risks and opportunities. We are aware of the TCFD additional guidance (2021 TCFD Annex) in preparing SolGold's disclosures, and are still working through its implications.

### GOVERNANCE OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks and opportunities are overseen at the board level and managed by our Executive management team.

### The Board's Oversight

The Board of Directors is responsible for overseeing climate-related risks and opportunities, with day-to-day management delegated to the Environmental Social Governance Management (ESGM) Committee. The ESGM Committee is comprised of the environmental manager, social manager, communications manager, and director of corporate operations.

The ESGM Committee incorporates climate considerations into SolGold's strategic and operational decisions. It identifies and assesses climate-related risks, monitors progress towards climate-related goals and provides reports to the Board. The Committee also develops strategies for climate change mitigation and provides guidance on the transition to low-carbon technologies and energy efficiency.

### Management's Role

SolGold's management team integrates climate-related considerations into our business operations and strategy as part of our overall risk management framework. While specific ESG metrics are not explicitly included in the CEO's performance assessment, several key performance indicators (KPIs) align with and support ESG principles, including:

- Safety and Environmental Performance - Reducing safety and environmental incident rates to zero.
- Governance and Compliance - Maintaining 100% compliance with governance standards and protocols.
- Stakeholder Engagement - Organizing community engagement events and increasing the number of shareholder meetings.
- Operational Efficiency - Implementing cost control plans and meeting budget targets to enhance business sustainability.
- Project Advancement - Completing technical studies, which include considerations for sustainable project development.
- Ensuring compliance with transparency initiatives - Management oversees our adherence to the Extractive Sector Transparency Measures Act (ESTMA) and supports the principles of the Extractive Industries Transparency Initiative (EITI), maintaining up-to-date reporting and disclosures.

Management is responsible for identifying, evaluating, and developing strategies to address climate-related risks and opportunities within our enterprise risk management process. This includes:

- Overseeing the implementation of mitigation and adaptation measures
- Monitoring progress against our sustainability goals
- Ensuring climate considerations are integrated into strategic planning and decision-making

As we consolidate our management team and advance our projects, particularly Cascabel, we will continue to evolve our approach to climate-related risks and opportunities. This evolution will be integrated into our existing enterprise risk management framework, ensuring our processes and procedures are fit for purpose and support sustainable project development. Key aspects of our ongoing approach include:

- Refining our corporate risk register, which includes climate-related considerations
- Conducting regular risk reviews encompassing climate factors
- Improved reporting to the Audit and Risk Committee on all material risks, including those related to climate change
- Aligning climate risk management practices with project development strategies
- Leveraging our ESGM Committee to provide oversight on environmental and social aspects of our operations

By integrating climate considerations into our established risk management processes, we aim to maintain a balanced and practical approach that supports our business objectives while addressing the evolving challenges posed by climate change.

STRATEGY

Climate-Related Risks and Opportunities

As a copper-gold exploration and development company, SolGold faces various climate-related risks that could affect our operations, assets, and business model. While our current focus on permitting and de-risking the Cascabel deposit involves minimal environmental impact compared to full-scale mining operations, we are aware of the future implications of climate-related risks and opportunities on our strategic and operational plans.

As part of our overall risk management process, we have identified the following key climate-related risks and opportunities most relevant to our business, particularly in the context of our Cascabel project.

| Risk Category | Risk Description | Opportunity |
|---|---|---|
| Environmental Stewardship | Climate change may exacerbate environmental challenges, potentially impacting our compliance with environmental laws and our social license to operate. | Adopt sustainable mining practices and technologies that minimize environmental impact, enhancing regulatory compliance and stakeholder relationships. |
| Project Development | Extreme weather events and changing climate patterns could affect construction timelines and operational planning. | Design and construct climate-resilient infrastructure, reducing the risk of operational disruptions and enhancing long-term cost savings. |
| Social License to Operate | Climate-related impacts on local communities may influence our relationships and ability to maintain community support. | Engage with local communities on climate adaptation projects, strengthening community relations and enhancing our social license to operate. |

To address these risks and capitalize on opportunities, we are:

- Implementing comprehensive Environmental Management Plans that consider climate change impacts
- Designing infrastructure with climate resilience in mind
- Engaging with local communities on climate adaptation projects
- Exploring renewable energy options for our operations
- Investing in water-efficient technologies and practices

By integrating these climate considerations into our broader risk management and strategic planning processes, we aim to enhance our resilience to climate-related challenges while positioning SolGold as a responsible and forward-thinking player in the mining industry.

Impacts on our Business, Strategy & Financial Planning

Our assessment of climate-related risks and opportunities is integrated into our broader risk management framework. This approach ensures we identify, assess, and manage climate-related issues alongside other material business risks. The findings from this assessment inform our strategic planning and decision-making processes, aligning with our long-term objectives and resilience strategies.

As we progress from exploration to development, particularly with the Cascabel project, we continue to refine our understanding of climate-related impacts on our operations. This ongoing evaluation allows us to adapt our strategies to the changing climate landscape while pursuing sustainable growth.

Climate Considerations in Project Development Phases

During our Project's pre-construction and construction phases, we consider various climate-related factors. These considerations are part of our approach to mitigating environmental impacts and aligning with global best practices for climate resilience. Our assessment includes potential risks, their impacts, and strategies to address these challenges, ensuring continuity and efficiency while safeguarding the environments in which we operate.

Climate Risk Opportunities

In addition to managing risks, we have identified several opportunities to enhance sustainability and operational efficiency in response to climate change. These initiatives aim to reduce our environmental impact and position SolGold as a responsible player in the sustainable mining industry. Key areas of focus include:

- Investing in renewable energy sources
- Improving energy efficiency across our operations
- Adopting innovative technologies to reduce our carbon footprint
- Enhancing our resilience to climate variability

Assessing Transition Risks in a Changing Climate

As SolGold continues its journey towards a low-carbon economy, understanding and managing transition risks is crucial for our sustainability and operational adaptability. We have enhanced our strategies to address an evolving regulatory landscape, technological advancements, and shifting market dynamics. Our proactive measures are designed to mitigate risks and harness opportunities arising from these transitions, ensuring that SolGold remains resilient and competitive.

| Risk Category | Risk Description | Mitigation Measures |
|---|---|---|
| Policy and Legal Risks | Introduction of stricter environmental regulations, carbon pricing mechanisms, and emission reduction targets | Stay informed about regulatory changes, engage in policy discussions, and proactively implement measures to comply with anticipated regulations, ensure robust environmental compliance, and proactively address potential impacts. |
| Reputational Risks | Negative public perception and stakeholder pressure regarding environmental impact | Enhance transparency and communication about sustainability efforts, engage with stakeholders, and demonstrate commitment to environmental stewardship. |
| Technological Risks | Shifting demand for environmentally responsible mining practices and products | Embrace and invest in innovative mining technologies to maintain operational efficiency and reduce our environmental footprint. |
| Market Risks | Shifting demand for environmentally responsible mining practices and products | Adjust market strategies to meet the growing demand for sustainable mining practices and position SolGold as a leader in climate resilience within the industry. |

### Our Next Steps

As SolGold progresses towards a more sustainable operational model, we will enhance our approach to managing climate-related challenges with the following strategic actions:

1. **Enhanced Climate Scenario Analysis:** As SolGold progresses towards key milestones in the Cascabel project's development, we will broaden the scope of our climate scenario analysis to better assess the resilience of our strategic development and operating plans against a variety of potential future climate scenarios.
2. **Refined Risk Management Framework**: Update and refine our Climate-Related Risk Management Framework to integrate the latest in risk identification, assessment, and mitigation practices.
3. **Robust Monitoring and Reporting**: Implement more rigorous monitoring and reporting mechanisms to track the effectiveness of our climate strategies and improve transparency in our disclosures in line with global standards such as the TCFD.
4. **Targeted Stakeholder Engagement**: Strengthen engagement with stakeholders to refine our understanding of climate-related impacts and enhance the inclusiveness of our response strategies.

## RISK MANAGEMENT

### Our Climate-Related Risk Management Framework

SolGold has developed a Climate-Related Risk Management Framework to help identify, assess, manage, and report on climate risks and opportunities that have the potential to impact our operations, financial performance, and reputation. This framework is integrated into our broader enterprise risk management process, ensuring that climate-related issues are considered alongside other material business risks.

Key components of our framework include:

1. Risk Identification: Regular assessment of climate-related risks and opportunities across our operations.
2. Risk Assessment: Evaluation of potential impacts and likelihood of identified risks.
3. Risk Management: Development and implementation of mitigation strategies for key risks.
4. Monitoring and Reporting: Ongoing monitoring of climate-related issues and regular reporting to the Board and stakeholders.

By implementing this framework, we aim to make informed decisions, evaluate and respond to risks, and take advantage of opportunities that may arise as we transition to a low-carbon economy.

## METRICS AND TARGETS

### Current Metrics & Targets to Assess Climate-Related Risks and Opportunities

SolGold monitors key ESG and sustainability data, including climate change, environmental stewardship, responsible consumption, human capital, zero harm, and social opportunities, which align with the UN Sustainable Development Goals specific to our operating activities. As we progress through different stages of project development, we recognize the need to evolve our metrics and targets to align with our operational realities. Our approach is to implement fit-for-purpose metrics that reflect our activities' changing scale and nature. We are committed to continuous improvement in our sustainability practices, including the assessment and management of climate-related risks and opportunities. This adaptive strategy allows us to balance our growth objectives with responsible environmental stewardship, ensuring that our metrics and targets remain relevant and achievable as our operations expand and evolve.

### Our Emissions Profile

We monitor our Scope 1 and Scope 2 emissions, the total energy consumed and the consumption intensity. While we have not established reduction targets, we plan to develop forward-looking metrics and targets contributing to the global transition to a low-carbon economy upon completing a detailed climate risk assessment. Regarding Scope 3 emissions, we have assessed these to be immaterial in the context of our current business operations and overall emissions profile. However, we will continue to evaluate the relevance and materiality of Scope 3 emissions as our operations evolve.

### Methodology

SolGold measures and calculates our GHG emissions in line with the GHG Protocol methodology to allow for aggregation and comparability across organizations and jurisdictions, as recommended by the TCFD.

| Emissions Sources | 2024 | 2023 |
|---|---|---|
| Total Scope 1 Emissions ($tCO_2$-e) | 254 | 900 |
| Total Scope 2 Emissions ($tCO_2$-e) | 28 | 217 |

## ENVIRONMENT

Our exploration and development operations are located in some of the most naturally diverse and ecologically rich environments, and our environmental management approach reflects this context.

### GHG Emissions and Energy

In 2024, our total emissions were 281.49 $tCO_2$-e, and energy consumption from our operations totalled 4,382.8 GJ. The primary source of energy consumption and our scope 1 emissions was diesel used in our exploration, camp, machinery, and vehicles. We have seen a decrease of 75% in Scope 1 and 2 emissions compared to last year's total emissions, attributable to a reduction in field activities.

| Energy Source | Annual Energy Consumption (kWh) |
|---|---|
| Diesel | 718,025 |
| LPG | 152,445 |
| Electricity | 302,306 |
| Gasoline | 44,667 |
| **Total** | **1,217,443** |

| Emissions Sources | 2024 | 2023 |
|---|---|---|
| Total Scope 1 Emissions (tCO2-e) | 254 | 900 |
| Total Scope 2 Emissions (tCO2-e) | 28 | 217 |
| Energy Activity | | |
| GHG Emissions Intensity | N/A | 0.11 |
| GHG Emissions Intensity Unit | $tCO_2$-e per metre drilled | |

This year, SolGold conducted a comprehensive climate risk identification and assessment, allowing us to develop targeted strategies to manage the identified risks and seize opportunities. Building on this, we are implementing specific actions as part of our transition towards a low-carbon economy, including participation in the Zero Carbon Ecuador Program (PECC), led by the Ministry of the Environment, Water and Ecological Transition. The PECC program is designed to engage industry stakeholders in achieving Ecuador's climate goals, promoting projects that reduce greenhouse gas emissions and conserve and restore the environment. Emissions are calculated based on our operations in Ecuador; UK emissions are considered negligible and immaterial.

## WATER AND WASTE MANAGEMENT

Responsible water and waste management are paramount in an exploration and development mining operation.

### Water Management

Our approach to water management is outlined in our Environmental Policy and is guided by national environmental regulations applicable in the countries of our operations. We aim to use water efficiently to reduce this critical natural resource usage in our field operations.

To achieve these aims and comply with requirements relating to water quality, we have established specific guidelines centred around the treatment of drilling fluids and wastewater, water quality monitoring, suitability of products for preparation of drilling fluids and cleaning activities at camps, water flow control at collection points and water training programmes for our communities.

In 2024, the total water withdrawn for our activities was 13,441 $m^3$, with water discharge amounting to 6,336 $m^3$. This is a decrease in our water discharge and withdrawal levels compared to 2023. The reduction in water discharge is related to the decrease in drilling in the current period. Surface water was the primary source for water withdrawal and discharge.

| Water Withdrawn (m³) | 2024 | 2023 |
|---|---|---|
| Surface Water | 13,365 | 29,032 |
| Groundwater | 0 | 0 |
| Seawater | 0 | 0 |
| Produced Water | 0 | 0 |
| Third-party Water (bottled water for human consumption) | 76 | 127 |
| Total Water Withdrawn (m³) | 13,441 | 29,159 |

| Water Discharge (m³) | 2024 | 2023 |
|---|---|---|
| Surface Water | 6,336 | 14,716 |
| Groundwater | 0 | 0 |
| Seawater | 0 | 0 |
| Produced Water (water reused as part of the recirculation process) | 0 | 6 |
| Third-party Water | 0 | 0 |
| Total Water Discharge (m³) | 6,336 | 14,722 |

### Waste Management

We prioritise responsible waste management, through recycling waste reduction and responsible disposal practices. Distinguishing between hazardous and non-hazardous waste ensures our waste is appropriately managed throughout its entire lifecycle, with the aim of bringing zero hazardous waste to landfills. Our Waste Minimisation Plan outlines our commitment to responsible waste management.

To reduce waste in our managed operations, in 2024, we recycled and reused 5,329.85 kg of hazardous waste and diverted 1,583 kg of non-hazardous waste from landfills.

| Waste Category | Amount of Waste Generated and Sent to Landfill | | |
|---|---|---|---|
| | 2024 | 2023 | Unit |
| Non-Hazardous Waste | 9,094 | 16,615 | kg |
| Hazardous Waste | 0 | 0 | kg |
| Process Waste | N/A | N/A | N/A |
| Waste Category | Amount of Waste Generated and Recycled/Reused | | |
| | 2024 | 2023 | Unit |
| Non-Hazardous Waste | 1,583 | 6,457 | kg |
| Hazardous Waste | 5,330 | 15,475 | kg |
| Process Waste | 4,289 | 13,786 | N/A |

## BIODIVERSITY AND LAND REHABILITATION

Our exploration activities are located in Ecuador, in some of the world's most biologically rich and ecologically significant regions. We recognize our responsibility to protect and enhance these ecosystems through responsible mining practices, aiming to leave a positive environmental legacy.

### Biodiversity

We conduct environmental surveys to identify and understand the ecological makeup of the operational areas, using the International Union for Conservation of Nature (IUCN) Red List to identify threatened species of flora and fauna. These surveys are conducted on new and existing exploration projects to actively monitor and mitigate impacts on ecosystems and threatened species.

| IUCN Red List Species Name | Number of species registered in biotic studies and monitoring | Number of species in IUCN Red List Species Vulnerability Categories | |
|---|---|---|---|
| Flora | 12 | Almost threatened | 0 |
| | | Vulnerable | 5 |
| | | Endangered | 5 |
| | | Critically endangered | 3 |
| Mammals | 2 | Almost threatened | 0 |
| | | Vulnerable | 2 |
| | | Endangered | 2 |
| | | Critically endangered | 1 |
| Birds | 3 | Almost threatened | 0 |
| | | Vulnerable | 4 |
| | | Endangered | 1 |
| | | Critically endangered | 0 |
| Amphibian | 12 | Almost threatened | 0 |

| IUCN Red List Species Name | Number of species registered in biotic studies and monitoring | Number of species in IUCN Red List Species Vulnerability Categories | |
|---|---|---|---|
| | | Vulnerable | 5 |
| | | Endangered | 13 |
| | | Critically endangered | 0 |
| Reptiles | 6 | Almost threatened | 0 |
| | | Vulnerable | 2 |
| | | Endangered | 2 |
| | | Critically endangered | 0 |

### Land Rehabilitation and Nature Restoration

Our land rehabilitation and nature restoration efforts focus on restoring and rehabilitating landscapes disturbed by exploration activities to a functional state, mitigating long-term environmental impacts. In 2024, we rehabilitated a total of 0.18 hectares of land. The reduction from the prior year is a result of a decrease in exploration fieldwork.

| Total Land Rehabilitated | 2024 | 2023 |
|---|---|---|
| Area Rehabilitated (ha) | 0.18 | 0.51 |

### One Million Trees Programme

As part of our commitment to addressing deforestation and enhancing biodiversity conservation through SolGold's One Million Trees Programme. The Programme focuses on rehabilitating and reforesting areas impacted by historical agricultural activities; we planted 22,492 native plants, covering an area of 20.29 hectares in 2024. The total number of plantings from the beginning of the program until 30 June 2024 is now 249,181 plants, covering a total area of 192.77 hectares.

## OUR PEOPLE

At SolGold, our commitment to sustainability extends beyond environmental considerations to encompass the well-being of our employees and communities. Our approach is underpinned by our rigorous health and safety framework, engagement with local communities, and providing educational, health, and socioeconomic opportunities.

### Our Workforce

We are committed to fostering a local, inclusive and diverse workplace. To achieve this, we have been actively working towards increasing female participation in our workforce and promoting employment for women in the broader community. At the end of the 2024 reporting period, 17.5% of our workforce was female, an increase of 3.9% from the previous year. Our employees also represent all age groups, reflecting the diverse communities that make up our workforce. The Company had one female director and six male directors. Of the three senior managers within the Group including directors of subsidiary entities, there are two males and one female holding these positions. See Corporate Governance Report on page 35 for further information.

| Employment Type | Male | Female | Other | Total |
|---|---|---|---|---|
| Permanent Employees | 272 | 48 | 0 | 320 |
| Temporary Employees | 18 | 7 | 0 | 25 |
| Non-guaranteed hours employees | 1 | 5 | 0 | 6 |
| Total | 291 | 60 | 0 | 351 |

| Employment Type | Under 30 | 30-50 years old | Over 50 years old | Total |
|---|---|---|---|---|
| Permanent Employees | 45 | 225 | 50 | 320 |
| Temporary Employees | 13 | 10 | 2 | 25 |
| Non-guaranteed hours employees | 3 | 2 | 1 | 6 |
| Total | 61 | 237 | 53 | 351 |

### Health and Safety

Safeguarding the health, safety and well-being of our workforce and communities is integral to our sustainability framework. Our Health and safety commitments and workforce development initiatives are embedded in our core values and drive our operations.

| Incidents | 2024 | 2023 |
|---|---|---|
| Number of Fatalities | 0 | 0 |
| Lost Time Injury ("LTI") | 0 | 2 |
| Restricted Work Injury ("RWI") | 0 | 2 |
| Medical Treatment Injury ("MTI") | 0 | 1 |
| First Aid Injury | 3 | 2 |
| Hours Worked | 863,443 | 1,191,195 |
| Total Recordable Injury Frequency Rate ("TRIFR") | 0 | 4.19 |

In 2024, we are pleased to report zero fatalities and no lost time injuries, and our TRIFR was 0 for the reporting period. This represents a decrease from our 2023 TRIFR of 4.19. We continue to review, revise, and implement new health and safety procedures to strengthen this performance and achieve our goal of an injury and incident-free workplace.

### Our Communities

Building strong relationships with our communities is fundamental to creating safe, sustainable and successful operations. An important aspect of our business is to invest in and create opportunities that positively impact the communities in which we operate. The relationships we develop with our host communities are guided by our Community Relations Policy, which focuses on understanding local communities and acknowledging and respecting their culture. SolGold has maintained good standing with local authorities and engages in joint activities where we can support them.

SolGold invests in its local communities through various socioeconomic development initiatives, focussing on the following activities:

- Education and training
- Health care
- Socioeconomic investment
- Social, cultural and sporting activities in partnership with local governments of our communities

### Transparency and Stakeholder Engagement

As a Canadian Reporting Issuer (TSX: SOLG), SolGold complies with the Extractive Sector Transparency Measures Act (ESTMA) and that supports Canada's role in the Extractive Industries Transparency Initiative (EITI). Our ESTMA reports are maintained online and submitted annually to Natural Resources Canada (NRCAN), demonstrating our commitment to open and accountable practices in our operations and financial dealings.

### Local Procurement & Community Employment and Training Opportunities

We prioritize local procurement and employment opportunities. In 2024, we spent US$2,069,988 in our local communities, representing 19.55% of our total expenditure. This investment directly supports local businesses and contributes to the economic growth of our host communities.

| | 2024 | 2023 |
|---|---|---|
| Community Workers | 266 | 229 |
| Technicians | 94 | 31 |

Key training and employment initiatives in 2024 included:

- Establishing garden maintenance services at the ENSA camp, providing local employment and skills development
- Creating plot maintenance services for ENSA's One Million Trees reforestation project, combining environmental stewardship with job creation
- Ongoing employment and training for women in community bakery and dining room operations, promoting gender diversity in our workforce
- Training families in beekeeping and apiary maintenance, supporting sustainable livelihoods
- Continuing our coffee program, providing training and support for local coffee plantation businesses, enhancing agricultural skills and economic opportunities

Our *Mi Futuro en Cascabel* Programme continues to invest in the future of local youth, having provided 25 university scholarships to local students since its inception. This program supports education in science, technology, and humanities, contributing to long-term capacity building in our communities.

These initiatives, combined with our broader community investment activities - which totaled US$1,618,041 in 2024 for community grants, sponsorships, infrastructure, and services - demonstrate our holistic approach to community development. By focusing on education, employment, and sustainable business practices, we aim to create lasting positive impacts in the regions where we operate.

| Community Investment Activity | 2024 (USD) | 2023 (USD) |
|---|---|---|
| Community Grants and Sponsorship | 1,043,477 | 764,365 |
| Community Infrastructure and Services Investment (including payment of mining easements and permits) | 574,564 | 1,708,373 |

### Community Engagement

In 2024, we held 633 community meetings and events involving 7,887 community members. We maintain formal and informal communication channels for community feedback and grievances. From June 2023 to July 2024, we registered 12 grievances, of which 6 were resolved, and 6 are in the resolution process.

By maintaining a solid commitment to sustainability across all aspects of our operations, SolGold aims to contribute positively to the environment, our people and the communities we serve.

## VIABILITY STATEMENT

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a period of approximately three years, extending to the anticipated commencement of construction of the Cascabel Project. This timeframe aligns with the expected completion of conditions to draw the full US$100 million Initial Deposit under the recently announced Gold Stream Agreement, securing the remainder of project financing and obtaining all necessary licenses and permits.

The Directors' assessment primarily considered:

- The execution and implications of the US$750 million Gold Stream Agreement
- The political and economic environment in Ecuador and globally
- Potential fluctuations in copper and gold prices
- The state of equity and debt capital markets
- The ability to attract and retain key talent
- Mitigating actions available to the Group

Critically, subsequent to the year-end, SolGold executed the US$750 million Gold Stream Agreement with Franco-Nevada and Osisko Gold Royalties, two of the most respected players in the streaming and royalty sector. The first tranche of US$33.4 million of the Initial Deposit was drawn at closing, significantly bolstering the Group's cash position. The remaining US$66.6 million is expected to be drawn as milestones are achieved over the next fifteen-months, providing a clear pathway for funding through to the final investment decision.

The N.I. 43-101 Technical Report titled "Pre-Feasibility Study For the Cascabel Project" (2024 PFS), released on March 8, 2024, demonstrates the Cascabel Project's robust potential over a 28-year mine life, following a 4-year construction period. The execution of the Exploitation Contract (for 33 years) and the granted license period (renewable for the life of the mine) further validate the project's quality and highlight the Ecuadorian government's support. Additionally, the Gold Stream Agreement not only substantiates the project's technical and economic merits but also further secures US$650 million towards the US$1.55 billion initial capital requirement outlined in the 2024 PFS.

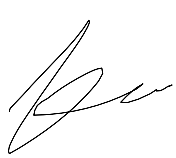
The Directors have considered the ability to meet the draw down conditions in their financial forecasts over the viability period. The base case forecast, incorporating the Gold Stream Agreement and modest additional financing for non-Cascabel expenditures, provides sufficient funding for the Group's operations and Cascabel advancement over this initial period.

The Directors acknowledge that as SolGold transitions from explorer to developer, significant additional funding will be required beyond the initial US$100 million deposit to reach the total US$1.55 billion needed to commence construction. This includes raising approximately US$900 million in addition to the second part of the Gold Stream Agreement (US$650 million). The Directors remain confident in the Group's ability to secure the necessary financing to advance the Cascabel Project. This confidence is underpinned by the project's quality, the significant de-risking anticipated over the next two years, and the extensive technical due diligence completed to date. As the project progresses, the Group will explore a comprehensive range of funding options typically available for projects of this scale and quality. Additionally, the Group remains open to exploring strategic partnerships that could bring valuable expertise in mine development and operations. The specific funding strategy will be evaluated and refined as the project advances and its requirements become more defined. However, the Directors recognize that this phase is subject to greater uncertainty, being reliant on debt and equity market conditions, copper prices, and other external factors.

The involvement of industry leaders like Franco-Nevada and Osisko Gold Royalties, following their rigorous project finance-level due diligence, represents a significant vote of confidence in the Cascabel Project's viability. Their substantial commitment, particularly the upfront nature of the Initial Deposit, signals a strong belief in the Cascabel Project's potential. This investment demonstrates their conviction that Cascabel will successfully advance to become a producing mine. Such external validation from experienced mining investors further supports the Directors' assessment of the Group's prospects and ability to raise further funding.

Based on this assessment and project development at this stage, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet liabilities as they fall due over the period of their assessment. This expectation is underpinned by the executed Gold Stream Agreement, the quality of the Cascabel Project as evidenced by the 2024 PFS and Exploitation Contract, and the Group's commitment to exploring and pursuing appropriate financing strategies as the project advances.

The Strategic Report was authorised for issue and signed on behalf of the Directors by:



**Scott Caldwell**
Director
26 September 2024

# CORPORATE GOVERNANCE REPORT

## CHAIR'S INTRODUCTION

Dear Shareholders,

I am pleased to present the Corporate Governance Report for the financial year ending 30 June 2024.

### BOARD EVOLUTION AND GOVERNANCE

The past year has seen substantial changes to our Board of Directors, reflecting our commitment to evolving our governance structure. We welcomed three new independent Non-Executive Directors: Adrian (Steve) van Barneveld, Jian (John) Liu, and Charles Joseland. Their diverse expertise in project development, corporate finance, and financial accounting strengthens our leadership team and supports our strategic objectives.

As we continue to enhance our Board composition, including the search for a new Chair, we are focusing on implementing governance practices that are both robust and appropriate for a company at our stage of development. The recent reconstitution of our Board Committees is a significant step in this direction, ensuring specialized oversight across critical business areas.

### GOVERNANCE FRAMEWORK AND COMPLIANCE

SolGold has been operating with reference to the UK Corporate Governance Code 2018. However, as we continue to evolve, we recognize that full compliance with this code may not be the most practical approach for a company at our stage of development. We are currently reviewing our governance framework to ensure it remains fit for purpose, supports our strategic objectives, and aligns with shareholder expectations. As part of this review, we are considering a transition to the Quoted Companies Alliance (QCA) Corporate Governance Code, which may be more appropriate for our size and stage of evolution. Details of our current compliance status with the 2018 UK Corporate Governance Code and explanations for any deviations can be found on pages 32 of this report

### SHAREHOLDER ENGAGEMENT

At our Annual General Meeting ("**AGM**") in December 2023, we received valuable feedback from our shareholders on several key resolutions. We have since engaged in constructive dialogues with a broad range of shareholders to better understand their perspectives with respect to the allotment of shares, the disapplication of pre-emption rights, and other topics. These insights are instrumental in shaping our governance practices and strategic decisions moving forward.

### LOOKING AHEAD

As we focus on de-risking the Cascabel Project, the Board is poised to provide robust support to our management team. Our newly constituted committees are well-positioned to contribute their expertise to critical workstreams, ensuring thorough oversight and informed decision-making.

In the coming year, we will continue to refine our governance framework, aiming to enhance our practices in a manner that is proportionate to our size and complexity while meeting the expectations of our stakeholders.

### CONCLUSION

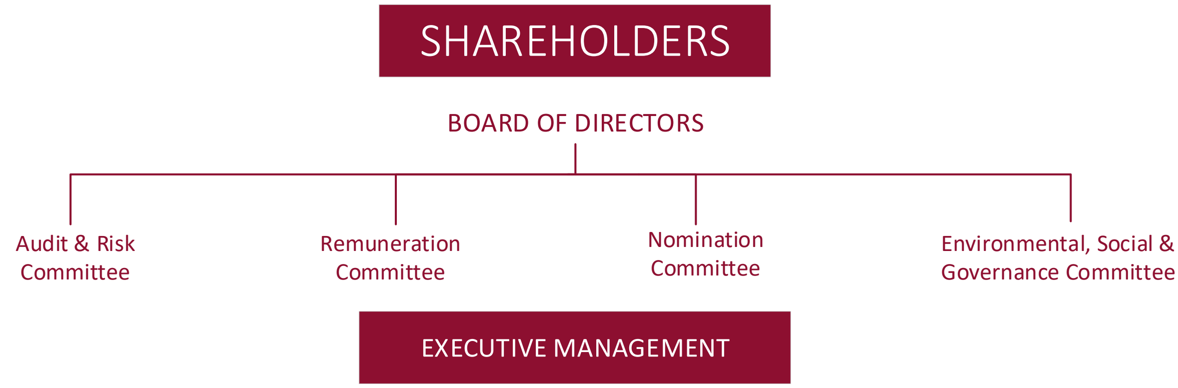
The past year has been one of strategic restructuring for SolGold. I extend my sincere gratitude to our shareholders for their continued support and to our Board members for their unwavering commitment. As we move forward, we remain focused on creating long-term value for all our stakeholders and shareholders.

We look forward to the opportunities that lie ahead and to keeping you informed of our progress.

Sincerely,

**Scott Caldwell**
Director
26 September 2024

## OVERVIEW




### THE BOARD OF DIRECTORS

The Board is responsible for ensuring SolGold's long-term success and making critical decisions. The matters reserved for the Board are available on the Company's website in the Corporate Governance Charter (https://solgold.com.au/documents/corporate-governance-charter/).

The Board has a schedule of matters and responsibilities specifically reserved to itself, the main items of which include:

- CEO appointment and determination of the terms of the appointment
- Strategy, annual budget, balance sheet management and funding strategy
- Approval of the published financial results and other external and regulatory reporting
- Performance assessment of Executive Directors against its strategic goals and financial plans
- Establishment/approval/maintenance of corporate policies, including Corporate Governance
- A lead role in the function of various Board Committees
- Determination of commitments, acquisitions, and divestments within specified limits
- Overview of risk management initiatives and reporting protocols
- Consideration of material contracts and transactions
- Health and safety of our employees through monthly reporting of KPIs to the Environmental, Social, and Governance Committee
- Monitoring investor sentiment regularly and frequently engaging with the Group's major shareholders
- Approval of treasury policy and significant financing arrangements
- Approval of the allotment of equities and other financial instruments

Outside the formal schedule of matters reserved for the Board, the Chair and Non-Executive Directors make themselves available for consultation with the management team as often as necessary.

### MAJOR BOARD DECISIONS

- Approval of the Exploitation Contract for the Cascabel Project
- Entering into a Gold Stream Agreement with Franco-Nevada (Barbados) Corporation and Osisko Bermuda Limited (Post year-end)
- Entering into a bridge loan with Franco-Nevada Corporation
- Appointment of additional Directors
- Approval of the Phased PFS
- Change of Company Secretary

# CORPORATE GOVERNANCE STATEMENT

SolGold plc is committed to maintaining high standards of corporate governance, reflecting our dedication to best practices and transparency. Our governance framework is shaped by multiple regulatory environments due to our listings on the London Stock Exchange (LSE) and Toronto Stock Exchange (TSX).

## REGULATORY FRAMEWORK AND VOLUNTARY COMMITMENTS

The Company's LSE listing requires compliance with the United Kingdom's Financial Conduct Authority's (FCA) UK Listing Rules sourcebook and the Disclosure Guidance and Transparency Rules sourcebook. As a TSX-listed company, SolGold is regulated by the Canadian National Policy 58-201 – Corporate Governance Guidelines.

While our Equity Shares (transition) listing on the LSE does not mandate compliance with the UK Corporate Governance Code 2018 ("**UK Code**"), the Board has voluntarily referenced its principles where appropriate for our size and stage of development. As we evolve, we are actively reviewing our governance framework to ensure it remains fit for purpose, including considering a transition to the Quoted Companies Alliance (QCA) Corporate Governance Code, which may be more suitable for our current stage. The UK Code is available to view on the Financial Reporting Council's website (www.frc.org.uk).

## COMPLIANCE AND EVOLUTION

For the financial year ended 30 June 2024, SolGold has aligned its practices with the UK Code, with some exceptions that reflect our Company's unique position and stage of growth. A comprehensive disclosure table detailing these exceptions and the reasons for non-compliance immediately follows this statement, offering full transparency to our stakeholders.

Our approach to corporate governance continues to evolve, considering SolGold's size, stage of development, and operational complexity. We are committed to maintaining high standards while ensuring our practices are proportionate and add value to the business. As we progress, we remain focused on refining our governance framework to support our strategic objectives, meet regulatory requirements across jurisdictions, and align with shareholder expectations.

| Provision of the Code (Including Reference Number) | Non-Compliance | Reason for Non-Compliance | Compliance or Progress towards compliance |
|---|---|---|---|
| **Provision 2:** Culture | A formal process to monitor culture was not undertaken. | The significant changes at management level did not avail a formal assessment. | As the business grows, a formal culture assessment may be considered. |
| **Provision 3:** Engagement with Shareholders | Throughout the year, the Committee Chairs have not regularly engaged with shareholders on significant matters related to their areas of responsibility. | The changes to Board composition during the period meant that committee functions were generally undertaken by the Board as a whole or by the Executive Director. | It is expected that, with the recent stabilisation of the Board, Committee Chairs will be able to engage with Shareholders directly. |
| **Provision 5:** Engagement with workforce using one of the prescribed methods. | The Board has currently not specified one of the three methods of engagement with the workforce set out in the UK Code. | The Board engages with the workforce in a number of ways, in particular by having the CEO based in Ecuador and regularly spending time with employees at the worksites. Key stakeholder interests and matters set out in s172 of the Companies Act 2006 are considered in Board discussions and decision making. Our s172 disclosure can be found on page 19 | Relationship dynamics between the Board and stakeholders are considered during decision-making at Board and Committee levels. |
| **Provision 9:** The chair should be independent on appointment when assessed against the circumstances set out in Provision 9. The roles of chair and chief executive should not be exercised by the same individual. A chief executive should not become chair of the same company. If, exceptionally, this is proposed by the board, major shareholders should be consulted ahead of appointment. The board should set out its reasons to all shareholders at the time of the appointment and also publish these on the company website. | The Company does not have a chair who was independent on appointment. Furthermore, the position of chair and chief executive are currently being undertaken by the same individual. | The previous chair did not seek re-election at the AGM in 2023 and subsequently ceased his tenure as a director. With the need to appoint one of their own to the role of Chair, the Board considered the requirement for independence of directors to be maintained. The appointment of the CEO to the position preserved such independence. | The Board will look to appoint a new director to the Board to act as chair. Consideration will be given to ensuring that such person is independent upon appointment. |

| Provision of the Code (Including Reference Number) | Non-Compliance | Reason for Non-Compliance | Compliance or Progress towards compliance |
|---|---|---|---|
| Provision 12: The Board should appoint one of the independent non-executive directors to be the senior independent director to provide a sounding board for the chair and serve as an intermediary for the other directors and shareholders. Led by the senior independent director, the non-executive directors should meet without the chair present at least annually to appraise the chair's performance, and on other occasions as necessary. | The role of senior independent director is currently vacant. | Due to the changes at Board level and the limited number of independent directors, the Board did not appoint a senior independent Director during the period under review. | It is the intention that upon the recruitment of a Chair, and the position of Senior Independent Director will be reviewed. |
| Provision 13: Non-executive directors have a prime role in appointing and removing executive directors. Non-executive directors should scrutinise and hold to account the performance of management and individual executive directors against agreed performance objectives. The chair should hold meetings with the non-executive directors without the executive directors present. | No meetings were held during the year of the Board at the exclusion of the executive director. | With no chair and limited independent non-executive directors for the majority of the year, no meetings of this kind were held. | Following the appointment of additional independent non executive directors and a future chair appointment, it is envisaged that additional meetings will be held without executive attendance to review performance. |
| Provision 17: A majority of members of the nomination committee should be independent non-executive directors. The chair of the board should not chair the committee when it is dealing with the appointment of their successor. | During FY2024, the Nomination committee did not have the requisite majority of independent Non-Executive membership. | Throughout the majority of the period under review, there was a limited number of independent Non-Executive Directors. | The Board has recently reconstituted the Nomination Committee and it now complies with the Provision. |
| Provision 20: Open advertising and/or an external search consultancy should generally be used for the appointment of the chair and non-executive directors. If an external search consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the company or individual directors. | During the recruitment of recent Non-Executive Directors, the positions were not filled via open advertising or the use of an external search consultancy. | The Board determined that there were sufficient prospective candidates with the requisite knowledge and experience from the Board's wider networks. | For the appointment of further Non-Executive Directors or the Chair, the Board will consider the use of open advertising or external search consultancies. |
| Provision 21: There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors. | A formal and rigorous annual evaluation of the performance of the Board was not completed. | During the year under review, a process began but due to changes in board membership was not completed. | Post year end, an evaluation process has been instigated. |
| Provision 22: The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified. | A process was not conducted | During the year under review, a formal process was begun but due to changes in board membership was not completed. | Post year end, a formal evaluation has been conducted. |
| Provision 23: The annual Report should describe the work of the nomination committee, including: | | | |
| • the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline; | The Company does not currently have a succession planning process for the Board. | Consideration around Board succession planning is underway. | The Board will continue to review Board succession in FY2025. |
| • how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition. | A Board evaluation was not carried out during the FY2024 year. | Significant changes to the Non-Executive director positions, needing time for the board to stabilise to ensure effectiveness of an evaluation. | An evaluation is currently underway. |
| Provision 24: The Board should establish an audit committee of independent non-executive directors, with a minimum membership of three or, in the case of smaller companies, two. The chair of the board should not be a member. The board should satisfy itself that at least one member has recent and | For some of the year, the ARC was not made up entirely of independent directors. | Until the appointment of additional independent Directors the composition of the Board did not facilitate compliance. | The ARC composition now complies with the provision. |

| Provision of the Code (Including Reference Number) | Non-Compliance | Reason for Non-Compliance | Compliance or Progress towards compliance |
|---|---|---|---|
| relevant financial experience. The committee as a whole shall have competence relevant to the sector in which the company operates. | | | |
| Provision 29: The Board should monitor the Company's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. | The Board has not been involved in a review of operational and compliance controls but has been involved in a review of financial controls. | | The Company will undertake a review of the effectiveness of all material controls in FY2025 and monitor these as well as the risk management framework on an ongoing basis. The Company will report on this monitoring and review in the 2025 Annual Report |
| Provision 32: Before appointment as chair of the Remuneration Committee, the appointee should have served on a remuneration committee for at least 12 months. | During the year, Dan Vujcic was Chair of the Remuneration Committee but had not served at least 12 months on a remuneration committee prior to his appointment to the Remuneration Committee. | The retirement of Non-Executive Directors | The recent appointment of María Amparo Albán fulfils this requirement, having served for more than 12 months on the Remuneration Committee before becoming Chair. |
| Provision 33: The remuneration committee should have delegated responsibility for determining the policy for executive director remuneration and setting remuneration for the chair, executive directors and senior management. It should review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the policy for executive director remuneration. | Whilst the Remuneration Committee reviews executive and senior management remuneration, determination of policy is left to the Board as a whole. | Due to numerous management changes, the Board has taken an active role in this area by reviewing first hand remuneration questions rather than delegating to the Remuneration Committee. | The Board will reconsider this approach in the future and will report on this provision in FY2025. |
| Provision 41: There should be a description of the work of the Remuneration Committee in the annual report, including:<br>• reasons why the remuneration is appropriate using internal and external measures, including pay ratios and pay gaps; | SolGold currently do not have pay ratios nor grading completed. | The number of employees in management positions is limited and analysis of pay ratios and pay gaps are not considered appropriate. | The Board will provide an update on its actions to address this Provision in FY2025. |
| • a description, with examples, of how the remuneration committee has addressed the factors in Provision 40;<br>• what engagement with the workforce has taken place to explain how executive remuneration aligns with wider company pay policy | The factors in Provision 40 have not been analysed or applied.<br>No engagement with workforce. | No analysis of the factors in Provision 40 as no updated policy is being recommended nor has application in the current year due to the time period from when the Executive Directors started his position.<br>Due to the continued decrease in the overall size of the workforce wider company policy is difficult to assess. | Will be analysed when the next remuneration policy is put to shareholders and applied at the next appropriate time.<br>As the Group workforce stabilises along with the executive, engagement will be more appropriate. |

DIVERSITY AND INCLUSION TARGETS

In accordance with the disclosure requirements under FCA UK Listing Rule 22.2.30, as at 30 June 2024, 14% of the individuals on the Board are women, which is below the recommended 40%. Currently a woman does not hold any of the senior positions of Chair, Senior Independent Director, CEO, or CFO. There are three members of the Board who are from a minority ethnic background. The Company has not met the identified targets of women representation on the Board and women holding senior positions due to the resignation of non-executive directors, the vacancies of which have not yet been filled. The Company acknowledges the importance of diversity in its broadest sense, including diversity of thought, experience, and background. The Board recognizes the value that different perspectives can bring to decision-making processes and is committed to maintaining a balanced and effective leadership team. As part of our ongoing commitment to good governance, the Board regularly reviews its composition to ensure it has the right mix of skills, experience, and diversity to drive the Company's strategy forward. Information collected for the purposes of UK Listing Rule 22.2.30, has been collated by management and confirmed individually by the individuals.

GENDER IDENTITY REPORTING (AT 30 JUNE 2024)

| | Number of Board Members | Percentage of the Board | Number of senior positions on the Board (CEO, SID and Chair) | Number in Executive Management | Percentage of Executive Management |
|---|---|---|---|---|---|
| Men | 6 | 86% | 1 | 6 | 86% |
| Women | 1 | 14% | 0 | 1 | 14% |

ETHNIC BACKGROUND REPORTING (AT 30 JUNE 2024)

| | Number of Board Members | Percentage of the Board | Number of senior positions on the Board (CEO, SID and Chair) | Number in Executive Management | Percentage of Executive Management |
|---|---|---|---|---|---|
| White British or other White (including minority-white groups) | 4 | 57% | 1 | 4 | 57% |
| Mixed/Multiple Ethnic groups | - | - | - | 1 | 14% |
| Asian/Asian British | 1 | 14% | - | - | - |
| Black/African/Caribbean/Black British | - | - | - | - | - |
| Other ethnic group | 2 | 29% | - | 2 | 29% |
| Not specified/ prefer not to say | - | - | - | - | - |

Additional information as required by UK Disclosure Guidance and Transparency Rules sourcebook (DTR) 7.2 can be found in the Corporate Governance Report and the Directors report on pages 30 to 67

Further details of the way the Code has been applied can be found on the following pages;

| | | |
|---|---|---|
| Board Leadership and Company Purpose | Promoting the long-term sustainable success of the Company | Pages 39 to 41 |
| | Purpose, values, strategy and culture – we have conducted an extensive analysis of the Company in FY2022/23 | |
| | Resource availability to meet Company objectives and measure performance, including the assessment and management of risk | |
| | Responsibilities to shareholders and stakeholders | |
| | Policies and procedures are consistent with Company values, demonstrate the right to speak up | |
| Division of Responsibilities | Leadership responsibilities from the Chair and effectiveness | Pages 43 to 44 |
| | Board Composition – the Board notes that further appointments to the Board are needed to have the appropriate balance of Executive and Non-Executives and to demonstrate diversity amongst skills, experience and abilities | |
| | Sufficiency of time for Non-Executives to ensure the Board is offered analysis, expert opinion, strategic guidance and to hold management to account | |
| | Board is provided with sufficient resources to manage the Company effectively and efficiently | |
| | Board has a sufficient combination of skills, experience and knowledge | |

| | | |
|---|---|---|
| | Evaluation of the Board to ensure strategic objectives met | |
| Audit, Risk and Internal Control | External audit functions are independent and effective | Page 45 |
| | Ability to present a fair, balanced and understandable assessment of the Company's position and prospects | |
| | Efficient procedures to mitigate risk, manage internal control framework and determine the extent of the Company's risk appetite | |
| Remuneration | Remuneration of the Board was reviewed during the period under review. The remuneration of the CEO is designed to support strategy and promote long-term sustainable success that is aligned with the Company's purpose and values | Pages 52 to 62 |
| | Formal and transparent remuneration procedures, to ensure no Director decided their own remuneration outcome | |
| | Directors apply independent judgement and discretion when considering performance objectives and remuneration outcomes | |

## BOARD OF DIRECTORS

*The Board of SolGold leads the strategic objectives of the Group and is responsible for its long- term growth.*

The members of the Board have extensive and diverse experience in Corporate Governance, geology, mining, strategic planning, accounting, finance and diplomatic relations. The Board currently consists of seven (7) Directors, five (5) of whom are considered independent and six (6) of whom are Non-Executive under the Code.

### Scott Caldwell,

BSc (Mine Engineering)

Executive Director / CEO / Acting Chair

Appointment: November 2022

Nationality: Canadian

Age: 67

Committees

- ESG Committee
- Nomination Committee

Career

Mr. Caldwell is a mining engineer with over 40 years' experience in the global mining industry having held a number of senior executive roles including Chief Executive Officer at both Guyana Goldfields Inc and Allied Nevada Gold Corp., as well as Chief Operating Officer at Kinross Gold Corp.

Prior to those roles, Mr. Caldwell held senior operating roles and has experience building and operating gold and base metal mines worldwide, including in the USA, Canada, Russia, Zimbabwe, Chile, and Indonesia. Mr. Caldwell was previously a Non-Executive Director of SolGold between 2016-17.

Skills and Expertise

Strategy and Leadership, Corporate Strategy,

External Appointments

Stella Minerals Canada ULC

### Nicholas Mather

BSc (Geology)(Hons)

Non-Executive Director

Appointment: May 2005

Nationality: Australian

Age: 67

Committees

- Nomination Committee

Career

Mr. Mather has 35 years of experience in exploration and resource company management in a variety of countries. His career has taken him to numerous countries, exploring for precious and base metals and fossil fuels.

Mr. Mather has focused his attention on the identification of, and investment in, large resource exploration projects. He has, during his career, been instrumental in capital raisings of over A$500 million and the return of A$5.7 billion to shareholders via takeovers.

Skills and Expertise

Strategy & Leadership, Minerals Exploration, Capital Raising, Corporate Strategy, Financial and Contract Management, International Business.

External Appointments

- DGR Global Limited (ASX)
- Armour Energy Limited (ASX) (in liquidation)
- Clara Resources Limited (ASX)
- Lakes Blue Energy NL (ASX)

### María Amparo Albán Ricaurte

JD, MecLaw, SIPA, Cert. Business Excellence

Independent Non-Executive Director

Appointment: October 2020

Nationality: Ecuadorian

Age: 55

Committees

- Audit & Risk Committee
- Remuneration Committee (Chair)
- ESG Committee (Chair)

Career

Mrs. Albán was appointed Non-Executive Director on 21 October 2020 and has more than 25 years of experience in international trade and sustainable development, particularly environmental compliance. Mrs. Albán has worked in a number of countries and was instrumental in the Free Trade Agreement negotiation between Ecuador and the United States on environmental matters.

Skills and Expertise

Strategy & Leadership, Financial Management, Contract Management, Sustainability/ESG, Legal, Risk, Corporate Governance

External Appointments

Nil

### Slobodan (Dan) Vujcic

B. Bus (Hons), CA

Independent Non-Executive Director

Appointment: October 2022

Nationality: Australian

Age: 45

Committees

- Nomination Committee (Chair)

Career

Mr. Vujcic is an investment banker and corporate advisor with almost two decades of experience in global capital markets. Over his career, Mr. Vujcic has advised clients in a diverse range of commodities across numerous jurisdictions, including raising capital in equity and debt markets globally, supporting the growth ambitions of emerging miners, and attaining a significant presence in the industry. Previously, Mr. Vujcic led the effort to expand Jefferies' global footprint by covering emerging small/mid-caps and family offices. He was instrumental in leading First Quantum Minerals Ltd.'s C$5 billion acquisition of Inmet Mining. Mr. Vujcic is currently the Chief Development Officer of Metals Acquisition Limited (NYSE:MTAL) which owns the CSA Copper Mine.

Skills and Expertise

Business Development Acquisitions, APAC, Investment Banking

External Appointments

Nil

## Adrian (Steve) van Barneveld

B. Minerals Technology

### Independent Non-Executive Director

Appointment: December 2023

Nationality: New Zealander

Age: 61

### Committees

- Remuneration Committee
- ESG Committee

### Career

Mr. Barneveld is a seasoned professional with a distinguished career spanning over 35 years in the international resources and infrastructure sectors. In his current role as General Manager, Australia West, Mr. van Barneveld has been a key player at a leading provider of minerals processing and associated infrastructure solutions for the global resources industry. His tenure at the company has been marked by significant growth and expansive international operations. Mr. van Barneveld has a history of impressive leadership roles, including serving as General Manager of Strategy & Growth, Chief Operating Officer, and Principal Engineer, showcasing his versatile skill set and strategic vision in the industry.

### Skills and Expertise

Strategy & Growth, Minerals Processing and Engineering

### External Appointments

Jameson Resources Limited (ASX)

## Jian (John) Liu

B.Sc., MBA

### Independent Non-Executive Director

Appointment: February 2024

Nationality: Canadian

Age: 59

### Committees

- Nomination Committee

### Career

Mr.Liu brings over 30 years of private investment advisory experience to the SolGold board, with a diverse background spanning multiple sectors, including mining, energy, technology, consumer, and healthcare. He previously worked as a partner at Valuestone Advisors for mining investments, as an advisor at Jiangxi Copper Corp for its overseas M&A projects, as a partner at Greenwoods PE Funds, as a director at Mousse Partners and Actis, and as an associate at Merrill Lynch Direct Investment Group. His experience includes assisting portfolio companies in strategy formation, fundraising, investing and corporate governance. Mr. Liu's academic credentials include an MBA from the University of British Columbia in Canada and a B.Sc. in computer science and engineering from Shanghai Jiaotong University in Shanghai, China, underscore his exceptional qualifications and expertise.

### Skills and Expertise

Financial Advisory

### External Appointments

Nil

## Charles Joseland

MA (Classics)

### Independent Non-Executive Director

Appointment: February 2024

Nationality: British

Age: 61

### Committees

- Audit and Risk Committee (Chair)
- Remuneration Committee

### Career

Mr. Joseland joins SolGold's board as a highly experienced finance professional with a career focused on the mining, utilities, and energy sectors. With 32 years previously at PwC and as an audit partner working on large listed international groups, Mr. Joseland brings a wealth of knowledge in financial oversight, governance, and risk management. His extensive career includes working in Spain and the Former Soviet Union and advising many organisations in Africa and North & South America. He currently serves as an independent non-executive director at Kodal Minerals Plc and holds key advisory roles at Southern Housing and Saddle Skedaddle. Mr. Joseland's experience, pragmatic approach and commitment to integrity and teamwork will enhance SolGold's corporate governance practices and strategic decision-making processes.

### Skills and Expertise

Financial oversight, governance, and risk management.

### External Appointments

- Kodal Minerals plc (LSE:AIM)
- Raleigh International Trust (In liquidation)

## BOARD CHANGES DURING FY2024

Mr. Adrian (Steve) van Barneveld was appointed to the Board as an Independent Non-Executive Director on 20 December 2023. Mr. Jian (John) Liu and Mr. Charles Joseland were appointed to the Board as Independent Non-Executive Directors on 25 February 2024 and 27 February 2024, respectively.

Mr. Liam Twigger and Mr. James Clare did not seek re-election at the AGM on 20 December 2023 and, as such, ceased to hold their positions as Directors of the Company with effect from the conclusion of such AGM.

## EXECUTIVE MANAGEMENT TEAM

| Scott Caldwell | Chris Stackhouse |
|---|---|
| BSc (Mine Engineering) | BBA (Hons), CPA, CA |
| Executive Director CEO | Group Chief Financial Officer |
| Career | Career |
| Mr. Caldwell is a mining engineer with over 40 years of experience in the global mining industry, having held several senior executive roles, including Chief Executive Officer at both Guyana Goldfields Inc. and Allied Nevada Gold Corp., as well as Chief Operating Officer at Kinross Gold Corp.<br>Prior to those roles, Mr. Caldwell held several senior operating roles and has experience building and operating gold and base metal mines worldwide, including in the USA, Canada, Russia, Zimbabwe, Chile, and Indonesia. Mr. Caldwell was previously a Non-Executive Director of SolGold between 2016-17. | Mr. Stackhouse is an accomplished finance professional with over 20 years of experience successfully managing development stage assets through operations with extensive experience living and working in South America.<br>Mr. Stackhouse spent seven years with Guyana Goldfields Inc. (acquired by Zijin Mining Group), holding various senior finance roles, including interim CFO, where he was instrumental in the development and operation of the Aurora Gold Mine, including the finalization of the feasibility study and project financing.<br>Mr. Stackhouse obtained his CPA, CA, as an Audit Manager with PricewaterhouseCoopers; he worked and lived for three years in Chile.<br>More recently, Mr. Stackhouse has served as CFO of Rockcliff Metals and VP Finance for Generation Mining. |

## BOARD LEADERSHIP AND COMPANY PURPOSE

### BOARD’S ROLE

The Board’s role is to provide the necessary oversight of the Company’s purpose, values, direction and strategic plans through acts of leadership that support the senior management team to promote and achieve long-term sustainable added value for shareholders and stakeholders. The Board recognises that to achieve its obligations, it requires sound Corporate Governance practices.

The Directors’ diverse range of skills, experience and industry knowledge, and the ability to exercise objective and independent judgement are the driving factors behind bolstering the future success of the Company. SolGold’s business model and strategy are set out on pages 8 to 9 in the Strategic Report and outline the basis upon which the Company intends to generate and preserve value over the long-term.

### PURPOSE, CULTURE AND STRATEGY

The Board has the goal, through improved corporate governance responsibility, to foster and continue a culture of integrity to ensure that SolGold provides a sustainable and enduring economic, social and environmental benefit over the long-term to generate value for shareholders and benefit the wider society. The Board regularly receives feedback from management on these issues and ensures that action is taken to align activities with the Company’s purpose.

The Board is responsible for setting the tone from the top, encompassing the Company’s purpose and values as a factor during any decision making. The CEO is the agent, delegated by the Board, to communicate this message throughout the Company.

During the year, with the continued significant changes to our employee stakeholders, no formal assessment of culture was conducted.

### BOARD ACTIVITY DURING THE YEAR

SolGold over the past year witnessed substantial change to the business, being a continuation of the changes implemented in the previous financial year. Further changes to the composition of the Board and the increased activity regarding financing activities meant an increased level of activity, particularly in the second half of the financial year.

The Board has been heavily focused on the demands of integrating SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) into the Group and the restructure of our management team. Financing activities has taken a significant amount of time of the Board’s focus. Performance in some areas, such as the further development of Governance Policies has been impacted whilst the Board focusses on resetting the Group to ensure a great foundation upon which future progress will be based. A summary of the Board’s activities is available in the below table.

| Board Responsibilities | Activities |
|---|---|
| **Strategic**<br>Approve the Group’s strategy and objectives, setting the purpose and values of the Group, reviewing and approving material agreements, exploration | • Integration of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.). to consolidate ownership of the Cascabel project to demonstrate SolGold’s position of supporting Ecuador becoming the next copper frontier<br>• Reviewed and approved the key strategic priorities for the Group for the current Financial Year |

| Board Responsibilities | Activities |
| --- | --- |
| tenements and overseeing the Group's operations and risk appetite statements. | • Received presentations from the CEO at Board Meetings, updating the Board on progress against the Group's strategic goals<br>• Financing activities including reviewing the Gold Stream Financing Proposal<br>• Approval of the Exploitation Licence for the Cascabel Project |
| Governance<br><br>Supervising the Group's corporate policies and procedures, including receiving reports and updates from Board Committees, reviewing and approving the organisational structure and monitoring compliance with the Code and Canadian National Policy 58-201 – Corporate Governance Guidelines. | • Implementation of the Directors' Remuneration Policy<br>• Working towards voluntary compliance with the UK Corporate Governance Code<br>• Reviews of Directors' conflicts of interest and independence of Non-Executive Directors<br>• Reviewed and updated Board Committee memberships |
| Financial<br><br>Scrutiny and overall responsibility for the financial affairs and controls of the Company. | • Considered recommendations from the Audit and Risk Committee to adopt the 2023 Annual Report and Accounts, the 2024 Half-Yearly Report and quarterly MD&A as required for the Company's listings on the LSE and TSX<br>• Review of the Group's ongoing financial position<br>• Review and approval of planned capital expenditure<br>• Review and approval of the 2024-25 budget |
| Employee and Stakeholder Engagement<br><br>Engagement with both our workforce and local communities. | • Received updates from the ESG Committee regarding the work carried out for local communities and environments<br>• Invited members of the management team and their direct reports to attend and present at Board meetings |
| Risk<br><br>To ensure the Group acts within the boundaries set by the Risk Appetite Statement. | • Continued development and review of risk management processes<br>• Review of updates from the Audit and Risk Committee on internal control and assurance functions |

## RESOURCES AND CONTROLS

The Board ensures that the necessary resources and controls are in place to ensure the Company is in the best position to meet its objectives.

The Group has a comprehensive range of policies and procedures, including a full Corporate Governance Charter and a Whistle-blower Policy, both available on the Company's website.

The Group's Corporate Governance Charter contains specific clauses dealing with the Company's:

- Code of Conduct
- Board and Management commitment to the Code of Conduct
- Responsibilities to shareholders and the financial community generally
- Responsibilities to clients, customers, consumers
- Environmental practices
- Employment practices
- Obligations relative to fair trading

In addition, the Group has a range of policies throughout its global operations, including, but not limited to:

- Corporate & Social Responsibility
- Anti-Bribery & Corruption Policy
- Environmental Policy
- Bullying, Harassment & Discrimination Policy
- Grievance, Complaints & Disputes Policy
- Equity, Diversity & Inclusion Policy
- Whistleblower Policy
- Worksite Health & Safety
- Alcohol & Drugs Policy

The Company's Whistle-blower, Anti-Bribery & Anti-Corruption, and Code of Conduct are available on the Company's website at https://solgold.com.au/

## WORKFORCE POLICIES AND PRACTICES

All Directors have access to the advice and support of the Company Secretary and have the right to raise any concerns without prejudice at Board meetings, and additionally have these concerns appropriately recorded in the meeting minutes. The Board has adopted the procedure in accordance with the UK FRC's Guidance on Board Effectiveness, which permits Directors, in appropriate circumstances, to obtain independent professional advice at the Company's expense. Any firms associated with Directors that provide professional services will only assist where those firms have the requisite experience or expertise, and all fees are charged on an arm's length basis. Alternatively, the Company may engage other professional services firms to act for it where greater expertise or expedience may be garnered from elsewhere within the industry.

Where a particular transaction or matter to be resolved by the Board may involve a potential conflict of interest of one or more of the Directors, those parties recuse themselves from deliberation and voting on the matter. In some instances, the disinterested Directors may consent to the attendance of the interested Director(s), and their participation in any discussion of the matter to be resolved, in order to have all views considered ahead of the matter being separately resolved by the disinterested Directors.

## STAKEHOLDER ENGAGEMENT

Enabling a fluid channel of communication with shareholders and stakeholders stands as a paramount objective for the Board. We are dedicated to comprehending and incorporating their perspectives into our decision-making processes.

### WORKFORCE ENGAGEMENT: EMPOWERING THROUGH COLLABORATION

- Recognizing that employee engagement is a collective responsibility, the Board aims to enhance our approach in 2025. Presently, the Board engages with employees through on-site visits and extends invitations to key personnel for Board meetings. Moreover, under the purview of the ESG mandate, the Board is attuned to prevailing social dynamics that impact the Company. Our vigilance over the Group's culture and workforce is fostered through ongoing engagement, encompassing site visits and quarterly townhalls with Senior Management.

### STAKEHOLDER ENGAGEMENT: FOSTERING STRONG CONNECTIONS

- SolGold maintains a consistent dialogue with major corporate and institutional shareholders, actively participating in resource conventions and pertinent industry events. Insights garnered from these interactions hold pivotal significance and are deliberated at both Executive and Board levels to ensure sustained alignment with investor expectations. Investor events and webinars are part of our outreach, offering direct avenues for engagement and query resolution. Management remains accessible to all investors, diligently addressing inquiries.
- Our commitment to transparency is evident through the dissemination of contact points in our market releases. Our online platform encompasses conference presentations, investor materials, and videos, which are available on our website. Social media channels, including LinkedIn and 'X', facilitate real-time updates and engagement with interested parties.

### ACCESSIBILITY AND DISCLOSURE: EMPOWERING STAKEHOLDER PARTICIPATION

- Our website serves as an inclusive repository of information, catering to shareholders, potential investors, and interested stakeholders. A comprehensive array of resources, including Key Securityholder Information, Constitutional documents, Corporate Policies, and Meeting Materials from the Company's last five Annual General Meetings, are readily accessible. The outcomes of each shareholder meeting are promptly released to the market, underscoring our commitment to transparency.

### ANNUAL GENERAL MEETING: A PLATFORM FOR INTERACTION

- The AGM serves as an annual engagement for shareholders and Directors, enabling dialogue about the Company's strategy and business trajectory. Ahead of the AGM, shareholders can pose questions via email or telephone.
- The notice of the AGM, dispatched at least 21 clear working days prior, encompasses distinct resolutions on substantial matters, and voting is conducted through a poll mechanism, reflecting our commitment to democratic representation. Results of votes cast are disclosed via a Regulatory Information Service and displayed on our website.

### STAKEHOLDER FEEDBACK AND RESPONSIVENESS: A COMMITMENT TO GROWTH

- The 2023 AGM noted shareholder concerns regarding the re-election of Mr. Nicholas Mather, and the director requests for the authority to allot shares and disapplication of pre-emption rights. Acknowledging this input, CEO Scott Caldwell engaged with corporate, institutional and smaller shareholders to comprehend their concerns. The Board continues to look to improve adherence to Code provisions. The addition of three independent Non-Executive Directors during the year underlines the importance the Board places on robust governance.
- A comprehensive engagement extends to broader stakeholder groups, including the workforce, where Section 172 on page 19 delves into further details of our inclusive decision-making approach.

The Board aims to ensure an avenue of communication is available and maintained with shareholders and stakeholders to ensure their views are understood and considered.

## DIVISION OF RESPONSIBILITIES

### CHAIR

Liam Twigger stepped down as our Non-Executive Chair on 20 December 2023. Since then, Scott Caldwell has acted as Chair at Board meetings. It is the intention of the Directors to appoint a new Chair to the Board in due course.

### CHIEF EXECUTIVE OFFICER

Scott Caldwell, appointed as CEO on 10 November 2022, is responsible for:

- Executive Management matters of the Group
- Operational performance and resource management
- Implementing Board-established policies and strategies
- Maintaining stakeholder and shareholder relationships
- Ensuring timely and accurate reporting to the Board

### BOARD COMPOSITION, INDEPENDENCE, AND DIVISION OF RESPONSIBILITIES

The Board comprises seven (7) Directors, of whom five (5) are considered independent. This composition provides an appropriate balance of Executive and Non-Executive Directors to advocate shareholder interests and oversee Executive Management practices.

### RECENT CHANGES

- Liam Twigger and James Clare did not seek re-election at the AGM on 20 December 2023.
- Adrian (Steve) van Barneveld was appointed as Non-Executive Director on 20 December 2023.
- Jian (John) Liu and Charles Joseland were appointed as Non-Executive Directors on 25 and 27 February 2024, respectively.

### DIRECTOR INDEPENDENCE

The Board annually reviews the independence of its Non-Executive Directors. All Independent Non-Executive Directors continue to demonstrate objectivity and the ability to challenge Executive Management constructively.

Nicholas Mather is not considered independent due to his previous role as CEO and significant interest in the share capital of the Company. During the year, the Company became compliant with the Code's requirement for at least half the Board, excluding the Chair, to be independent Non-Executive Directors.

| Independent Directors | Non-independent |
|---|---|
| María Amparo Albán Ricaurte | Scott Caldwell |
| Dan Vujcic | Nicholas Mather |
| Adrian (Steve) van Barneveld | Liam Twigger (until 20 Dec 2023) |
| Jian (John) Liu | James Clare (until 20 Dec 2023) |
| Charles Joseland | |

### CONFLICTS OF INTEREST

Directors are bound by the Articles of Association and statutory duty to avoid conflicts of interest. Potential conflicts are recorded in the Company's conflict register and reviewed before every Board Meeting.

## BOARD COMMITTEES

The Company's Board has formal Committees established in the following areas:

- Audit and Risk
- Remuneration
- Nomination
- Environment, Social, and Governance (formerly Health Safety Environment)
- Strategy (disbanded on 16 January 2024)

The Terms of Reference for each of these Committees are set out within the Company's Corporate Governance Charter and are all available on the Company's website. During the period 1 July 2023 to 30 June 2024, there were 16 Board meetings (including one delegated sub-committee meeting). Directors' attendance at Board and Committee meetings which they were eligible to attend during this period was as follows:

| | Board (inc. sub) (16) | Audit and Risk Committee (4) | Remuneration Committee (1) | Nomination Committee (1) | ESG Committee (2) | Strategy Committee (0) |
|---|---|---|---|---|---|---|
| Scott Caldwell | 16/16 | | | | 2/2 | |
| Nicholas Mather | 15/15 | | | 0/1 | | |
| María Amparo Albán Ricaurte | 15/15 | 4/4 | 1/1 | 1/1 | 2/2 | |
| Dan Vujcic | 12/15 | 4/4 | 1/1 | | 1/1 | |
| Adrian (Steve) van Barneveld | 10/10 | 2/2 | 1/1 | | 1/1 | |
| Jian (John) Liu | 6/6 | | | | | |
| Charles Joseland | 5/6 | | | | | |
| Liam Twigger[1] | 6/6 | | | 1/1 | | |
| James Clare[2] | 4/5 | 2/2 | | | | |

*Notes:*
1. *Liam Twigger ceased his role as Chair on 20 December 2023*
2. *James Clare ceased his role as Director on 20 December 2023*

## NON-EXECUTIVE DIRECTORS' ROLE AND TIME COMMITMENT

Non-Executive Directors are expected to provide objective judgement, hold management accountable, and demonstrate sufficient time, knowledge, and skill for their responsibilities. The performance of directors is assessed.

## SENIOR INDEPENDENT DIRECTOR

The Board did not have a formal Senior Independent Director during the year ended 30 June 2024.

## COMPANY SECRETARY

Steven Wood currently serves as Company Secretary and is responsible for Board functioning, maintenance of materials and records, and certain regulatory filings. The Board has access to the Company Secretary's advice and services as required.

## AUDIT, RISK AND INTERNAL CONTROL

### INTERNAL AND EXTERNAL AUDIT

While maintaining overall responsibility, the Board delegates oversight of the internal and external audit functions to the Audit and Risk Committee. The Audit and Risk Committee is responsible for reviewing the relationship and independence of our appointed external Auditors, PricewaterhouseCoopers LLP ("PwC"), and additionally is responsible for scrutinising the integrity of the financial statements prepared by Executive Management to ensure the assessment of SolGold's position is accurately reflected.

The Company's Audit and Risk Committee meets with the Company's external auditors, PwC, and during the year under review, met three times.

### FAIR, BALANCED AND UNDERSTANDABLE ASSESSMENT

The Board and Audit and Risk Committee are responsible for carefully reviewing the Company's quarterly financial, half year and annual results and consider that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

### RISK MANAGEMENT

The Board is responsible for the Company's risk management system, internal controls, and their effectiveness. The Board delegates some responsibilities for risk management oversight to the Audit and Risk Committee, where risk is monitored continually and formally reviewed annually. This enables Executive Management to review the risks, mitigate them and implement controls to ensure the boundaries of the Company's risk appetite are maintained.

Key internal control procedures, which form part of the review of the effectiveness of risk management and internal control, include:

- The Code of Conduct supported by Company policies and procedures, including delegations of authority and divisions of responsibility
- Training of staff on current policies and procedures relevant to their position in Spanish and/or English
- Constant monitoring of business performance, including Key Performance Indicators
- A formal whistleblowing policy, with an external third-party whistleblowing hotline and web submission, the results of which are reported to the Board
- Defined controls and quality assurance over, but not limited to, financial reporting and health and safety procedures

Post year end, the Audit and Risk Committee conducted a robust assessment of the Company's principal and emerging risks. This comprehensive report of the principal and emerging risks and how these are managed and/or mitigated can be found on pages 16 to 18.

# NOMINATION COMMITTEE REPORT

NOMINATION COMMITTEE MEMBERSHIP

| Member | Attendance |
|---|---|
| Dan Vujcic: Chair (from 16 Jan 2024) | |
| Nicholas Mather | 0/1 |
| Jian (John) Liu (from 1 Aug 2024) | |
| Scott Caldwell (16 Jan 2024 – 1 Aug 2024) | |
| Liam Twigger (until 20 Dec 2023) | 1/1 |
| María Amparo Albán Ricaurte (until 1 Aug 2024) | 1/1 |

A statement to shareholders from the Chair of the Nomination Committee.

Dear Shareholders,

I am pleased to present the Nomination Committee Report for 2024.

The primary function of the Nomination Committee is to evaluate the Board with reference to composition, competencies, and diversity and to recommend succession planning, appointment, re-elections, and terminations of Directors. The Nomination Committee is also responsible for assisting the Board in relation to the appointment of members of Management (including, without limitation, the Chief Executive Officer and Chief Financial Officer) to the extent that the Company has or requires such positions. The Nomination Committee Terms of Reference were updated in 2022, and a copy is available on the Company's website.

## OBJECTIVES AND ACHIEVEMENTS IN 2024

The focus for the Nomination Committee Members throughout the year was on Board succession. Following the departure of several Directors during the 2023 financial year, the focus on members was to source and evaluate new director appointments to the Board. The number of meetings throughout the year does not reflect the intensity of the work undertaken by members, with director succession being considered by the Board as a whole.

## BOARD CHANGES

Liam Twigger and James Clare notified the Board that they would not seek re-election at the AGM held on 20 December 2023, and as such, their tenures ended. In order to appoint additional Non-Executive Directors the Nomination Committee sought nominations of potential appointees from management and fellow Directors. Upon review and following discussions with Nomination Committee members and other Directors, the Board proposed that Adrian (Steve) van Barneveld be appointed as a Non-Executive Director. His appointment as a Director of the Company was resolved by shareholders at the AGM held on 20 December 2023. The Nomination Committee used a similar process appointment for Adrian (Steve) van Barneveld and was pleased that Jian (John) Liu and Charles Joseland were appointed as Non-Executive Directors on 25 February 2024 and 27 February 2024 respectively. No external advisers were used in the appointment process as it was felt that the nominations from within the Directors' and managements networks provided appropriate candidates. Diversity and inclusion is considered in the process (as it is when appointments are made at senior management level and their direct reports), but is reviewed as only one aspect of a candidate's appropriateness for the role.

## COMPLIANCE WITH THE CODE

According to the Code, a majority of members of the Nomination Committee should be independent Non-Executive Directors. The Chair of the Board should not chair the committee when it is dealing with the appointment of their successor. During the year under 2/3rds of the Nomination Committee were independent Non-Executive Directors, including the Chair. With the recent reconstitution of the Nomination Committee, compliance with the Code has been attained with the majority of members being Independent Non-Executive Directors.

## KEY OBJECTIVES FOR 2025

The primary focus of the Nomination Committee will be to identify and appoint a new Chair for the Company. Following the changes to the Board and Executive Management over the past 24 months, the Committee will look to reassess the current skills matrix and identify gaps against future needs. As the Company de-risks the Cascabel Project and moves closer to project development, it is clear that future changes, whether that be through addition of further Directors or education of the current membership, will be needed. Consideration of increasing gender and other diversity considerations will be a key part of this process.

**Dan Vujcic**
Chair – Nomination Committee
26 September 2024

# AUDIT AND RISK COMMITTEE REPORT

AUDIT AND RISK COMMITTEE MEMBERSHIP

| Member | Attendance |
|---|---|
| Charles Joseland: Chair | 0/0 |
| Dan Vujcic (Chair until 1 Aug 2024) | 4/4 |
| María Amparo Albán Ricaurte | 4/4 |
| Adrian (Steve) van Barneveld (until 1 Aug 2024) | 2/2 |
| James Clare (until 20 Dec 2024) | 2/2 |

A statement to shareholders from the Chair of the Audit and Risk Committee.

Dear Shareholders,

I am pleased to present my first Audit and Risk Committee (“ARC”) Report for 2024. I became Chair of the ARC on 1 August 2024, post the year under review, and I report on the activities of my predecessors and this year-end's audit.

The ARC is responsible for ensuring that the financial performance, position and prospects of the Group are properly monitored as well as liaising with the Company’s external auditors to discuss the audit of the financial statements and the Group’s internal controls.

In the year under review, the Board and management’s focus was on reducing cost overheads and strengthening the balance sheet of the Company. The execution of the Gold Stream Agreement post year end allows the Company to focus on derisking of the Cascabel project towards a decision on construction.

The CEO, CFO, Group General Counsel & Company Secretary, and external auditors also participate in meetings of the Committee by invitation from the Chair of the ARC. The Committee’s Terms of Reference were updated in 2022 and are available to view on the Company’s website, which includes a list of responsibilities.

## ROLE AND RESPONSIBILITIES

The ARC’s primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:

Audit related:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company’s financial performance and reviewing significant financial reporting judgements contained in them prior to their approval by the Board
- Assessing the Company’s internal financial controls
- Reviewing the appointment, scope and performance results of both external and internal audits
- Monitoring corporate conduct and business ethics and ongoing compliance with laws and regulations
- Maintaining open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged
- Ensuring that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate
- Considering the appointment, reappointment, removal, remuneration and terms of engagement of the external auditors and making recommendations to the Board in respect of the same
- Monitoring and reviewing the external auditors’ independence, objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements

Risk related:

- Ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company’s operations, practices and systems
- Determining the amount and nature of risk that the Company wishes to take in pursuit of its strategy
- Reviewing methods of risk identification
- Setting parameters or guidelines for business risk reviews
- Reviewing and assessing the effectiveness of the Company’s internal control and risk management systems and making informed decisions in respect of the same
- Implementing and reviewing arrangements by which Directors, Management, employees and contractors may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

## COMMITTEE DISCUSSIONS

The ARC met four times during the year ended 30 June 2024 paying particular attention to financial planning, reporting and controls and the Group’s liquidity position. Throughout the period under review, the Board took over some key decisions of the ARC as Board (and Committee) membership changes meant it was better suited to ensuring timely management and discussion of key issues as a whole. The key topics discussed by the Committee are set out on the following pages.

SYSTEM OF INTERNAL CONTROL

| | |
|---|---|
| Review of internal controls<br><br>Reviewing the Group's internal financial controls | With the closure of the Brisbane finance function, the ARC oversaw the transitioning of all finance functions to newly recruited personnel. This is part of the increased focus on developing and strengthening the overall control environment across the Group. |

RISK ASSURANCE

| | |
|---|---|
| Risk management<br><br>Assessing the Group's risk profile and the process by which risks are identified and assessed | The ARC discussed and reviewed the risk management framework and processes with management; also the key risks, related controls and the mitigation plans in place, as well as the rationale for the risk appetite for the identified risks. |
| External audit<br><br>Reviewing the results of the external audit work, evaluating the quality of the external audit and consideration of management letter recommendations | The ARC reviewed and approved the 2024 Audit Plan. They received the presentation of the final audit findings memo from PwC, and discussed the audit findings, control recommendations and other observations. The ARC also met with PwC in private without management present; the previous Chair of ARC and I have had meetings during the year and through the year-end audit process with PwC.<br><br>PwC has been the Group's auditors since its appointment on 11 November 2021, following a competitive tender process. The period of total uninterrupted engagement is three years. |
| Internal audit | The Group does not currently have an internal audit function. This will be kept under review as the internal control framework is improved and embedded and different sources of assurance sought. |

SIGNIFICANT ACCOUNTING ISSUES CONSIDERED BY THE AUDIT AND RISK COMMITTEE IN RELATION TO THE GROUP'S FINANCIAL STATEMENTS

| | |
|---|---|
| Financial statements<br><br>Monitoring the integrity of the financial statements of the Company and Group | The ARC reviewed the presentation of the Group's audited results for the year ended 30 June 2024 and the unaudited results for the six months ended 31 December 2023 as well as the quarterly interim financial statements (Q1 and Q3) to ensure they were fair, balanced and understandable, when taken as a whole. The results were assessed to ensure they provide sufficient information for shareholders and other users of the accounts to assess the Group's position and performance, business model and strategy.<br><br>The ARC reviewed the significant judgements associated with the 2024 financial statements, including "key audit matters", and also reviewed the supporting evidence for the Group being a going concern. In conducting these reviews, particular focus was given to the disclosures included in the basis of preparation in Note 1 in the Notes to the Consolidated Financial Statements in relation to the Group's funding position and the suitability of the going concern assumption and viability statement<br><br>The ARC reviewed papers prepared by the finance team and the findings from the external auditors in relation to the above matters. In particular, accounting judgements on going concern, carrying value of E&E assets, the Net Smelter Royalty agreement and the Company's investments in, and loans to, the subsidiaries were debated. |

EXTERNAL AUDITOR INDEPENDENCE

A key factor that may impair an auditor's independence is the provision of non-audit services by the external auditor. Non-audit work is only undertaken where there is commercial sense in using the auditor without jeopardising auditor independence; for example, where the service is related to the assurance provided by the auditor or benefits from the knowledge the auditor has of the business. The External Auditor provided services as part of the acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) in previous years, but for the year under review has not provided any additional non-audit services apart from the review of the interim results. The ARC has satisfied itself that the external auditors' independence was not impaired with the provision of these services.

WHAT WE WILL DO MOVING FORWARD

While SolGold management has taken appropriate steps to strengthen its risk, governance and controls environment we recognise this is ongoing. The upcoming year will be focussed on ensuring that internal controls, policies and procedures and risk management processes are updated and/or developed to ensure that they are applicable and relevant to our business and ensuring we comply with best practice corporate governance.

Given the early-stage development of the company, consideration will be given to whether the UK Corporate Governance Code is the most appropriate code for the Company at this stage of its evolution, and a move to the Quoted Companies Alliance Code is being considered.

C. Joseland

Charles Joseland
Chair – Audit and Risk Committee
26 September 2024

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE REPORT

ENVIRONMENT, SOCIAL AND GOVERNANCE COMMITTEE MEMBERSHIP

| Member | Attendance |
|---|---|
| María Amparo Albán Ricaurte: Chair | 2/2 |
| Scott Caldwell | 2/2 |
| Adrian (Steve) van Barneveld (from 16 Jan 2024) | 1/1 |
| Dan Vujcic (until 16 Jan 2024) | 1/1 |

A statement to shareholders from the Chair of the Environment, Social and Governance Committee.

Dear Shareholders,

I am pleased to present the Environmental, Social and Governance Committee ("**ESG**") Report for 2024. The ESG Committee is responsible for shaping the Company's policies, objectives, and guidelines on environmental, health, safety, and community relations matters and for analysing and reporting to the Board of Directors on the expectations of the Company's various stakeholders. I encourage shareholders to review the comprehensive "STRATEGIC REPORT: SOLGOLD PLC 2024 SUSTAINABILITY REPORT AND TCFD DISCLOSURES" section of this Annual Report, which provides detailed insights into our sustainability initiatives and climate-related disclosures.

The ESG Committee's Terms of Reference were reviewed and updated in 2022 and are available to view on the Company's website.

## COMMITTEE DISCUSSIONS IN 2024

The Committee met twice during the year ended 30 June 2024. Key matters discussed included:

- Safety, Environment, Community Relations, and Security
- Permitting progress and challenges
- Addressing illegal mining concerns
- Climate-related risks and opportunities, in line with TCFD recommendations
- Progress on our One Million Trees Programme
- Advancements in local community engagement and development initiatives

## HIGHLIGHTS AND ACHIEVEMENTS

I am pleased to report significant progress in our ESG initiatives:

- Achieved zero lost time injuries and a Total Recordable Injury Frequency Rate of 0
- Reduced our Scope 1 and 2 emissions by 71% compared to the previous year
- Planted 22,492 native plants, covering 20.29 hectares as part of our reforestation efforts
- Increased female workforce participation to 17.5%, up 3.9% from last year
- Invested US$1,043,477 in community grants and sponsorships

The ESG Committee commends the excellent work of our local environment and social teams who continue to develop and implement the Group's sustainability initiatives. We remain committed to transparent stakeholder engagement and encourage all employees and stakeholders to speak up on matters of concern, especially regarding safety.

Looking ahead, we will focus on enhancing our climate risk assessment, refining our ESG metrics and targets, and further integrating sustainability into our operational strategies as we progress towards project development.

**María Amparo Albán Ricaurte**
Chair – ESG Committee
26 September 2024

# STRATEGY COMMITTEE REPORT

STRATEGY COMMITTEE MEMBERSHIP

| Member | Attendance |
|---|---|
| Dan Vujcic: Chair | 0/0 |
| Nicholas Mather | 0/0 |
| James Clare | 0/0 |
| Liam Twigger | 0/0 |

**A statement to shareholders from the Final Chair of the Strategy Committee.**

Dear Shareholders,

The Strategy Committee did not meet during the year ended 30 June 2024. During the year, all strategic decisions were made by the Board as a whole and as such the Board disbanded the Strategy Committee in January 2024.

**Dan Vujcic**
Final Chair – Strategy Committee
26 September 2024

# DIRECTORS' REMUNERATION REPORT

REMUNERATION COMMITTEE MEMBERSHIP

| Member | Attendance |
|---|---|
| María Amparo Albán Ricaurte: Chair | 1/1 |
| Adrian (Steve) van Barneveld | 1/1 |
| Charles Joseland | 0/0 |
| Dan Vujcic (until 1 August 2024) | 1/1 |
| Liam Twigger (until 20 Dec 2023) | 0/0 |

A statement to shareholders from the Chair of the Remuneration Committee.

Dear Shareholders,

I am pleased to present the Remuneration Committee Report for the financial year ending 30 June 2024.

The Report has been prepared by the Remuneration Committee on behalf of the Board in accordance with the requirements of the Listing Rules of the FCA, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended in 2013, 2018 and 2019) and the UK Corporate Governance Code 2018. The elements subject to audit are highlighted throughout.

## APPLICATION OF THE REMUNERATION POLICY

The Committee operated under its terms of reference without conflicts of interest and operated under the Director Remuneration Policy which was passed at the EGM held on 30 June 2022. The Committee continues to recognise that a meaningful proportion of shareholders did not support the resolution on the Directors' Policy Remuneration that received 69.2% of votes in favour. Together with the then Chair, Liam Twigger, and the previous CEO, Mr. Darryl Cuzzubbo we sought shareholders' feedback. That feedback indicated that shareholders did not believe it aligned with peer companies and that there was a preference that CEO remuneration be more closely tied to the sale of the Company. SolGold's primary objective is to discover, define and develop world-class copper-gold deposits and the Company is building the capability to advance this strategy, through which it is expected to maximise shareholder value and the potential attractiveness of the Company.

In line with its commitment to good corporate governance, the Committee continues to reflect on the feedback and will continue to receive shareholder feedback and monitor developments in best practices and market trends on executive remuneration. The Board is committed to long-term, sustainable value creation for our shareholders. With this in mind, it is the intention of the Board to update the Director Remuneration Policy at the upcoming AGM. It is envisaged that more flexibility be given to the Board to remunerate directors to take into account the current development stage of the Company and to incentivise the retention and recruitment of appropriate executives.

SolGold's remuneration approach is focused on ensuring we can continue to attract, motivate and retain exceptional people across the global markets in which we operate. SolGold's remuneration framework aims to:

- Attract, retain and motivate the right calibre of talent for the Company;
- Facilitate the achievement of the Company's short- and long-term objectives without rewarding conduct that is contrary to the Company's values or risk appetite;
- Provide appropriate incentives for delivery against agreed-upon measurable objectives;
- Reflect good corporate governance and create value for shareholders; and
- Be robust, transparent and simple to understand and administer.

Members of the Remuneration Committee are independent Non-Executive Directors, including myself (as Chair), Adrian (Steve) van Barneveld and Charles Joseland. I want to thank Dan Vujcic and Liam Twigger, who were also members for some of the period under review. The Remuneration Committee's composition provides a proper balance with different views, both from a geographical and historical perspective.

The Committee has a mandate in the area of remuneration to analyse, formulate and periodically review the remuneration framework applicable to Directors and Senior Executives and to design new remuneration plans that enable the Company to attract, retain and motivate the most outstanding professionals, bringing their interests into line with the strategic objectives of the Company. For this purpose, the Remuneration Committee meets periodically, as convened by its Chair. The Committee has considered market trends and benchmark data where appropriate. Internal departments or independent third parties can also assist the Committee in measuring the level of achievement of the targets set in the Annual Bonuses or Long-Term Incentives. The Committee has had input into the remuneration of other senior management to ensure it aligns with the Executive Director's remuneration. As noted in the Directors' Remuneration Report, no comparison is given between the Executive's remuneration and that of the employees of the parent company due to the significant changes in employee numbers. Similarly, due to significant changes in employee numbers across the Group any comparison would not be useful.

KEY ACTIVITIES OF THE COMMITTEE

This year, the Committee's overall objective has been to ensure that the remuneration structure supports the delivery of the Company's long-term strategy, and alignment with the interests of shareholders while delivering market-competitive remuneration to employees, enabling SolGold to attract, incentivise and retain the best talents. The Committee met on one occasion and also approved items through the execution of a written resolution. Specific activities have included:

- Providing background to and advising the Board regarding the CEO's remuneration;
- Providing background to and advising the Board regarding remuneration for Senior Management;
- Reviewing SolGold's Directors' Remuneration Policy, as approved by Shareholders at the EGM on 30 June 2022;
- Providing input to the Board on Share Incentives for Employees and making recommendations for incentive awards and remuneration increases for senior management; and
- Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent and that our offering is compelling, fair and responsible.

CEO REMUNERATION

During the period under review, the Committee carefully considered the terms of our CEO's remuneration arrangements and exercised their discretion to advise the Board on amending Mr. Caldwell's remuneration package in 2024.

In designing a competitive remuneration package, the Committee focused on current market benchmarks, and took into account long-term incentive and performance bonus opportunities subject to performance objectives to ensure that it was appropriate to motivate and incentivise Mr. Caldwell in line with the Company's purpose and values as well as the interests of the shareholders. It is noted that the base remuneration for Mr. Caldwell was well below what would be considered 'market' for his role, and a significant uplift was made to his base remuneration effective 1 January 2024 to bring it more into line with what would be considered 'market.' It is still acknowledged that his base remuneration is still low by 'market' standards. Variable remuneration for Mr. Caldwell was not considered during the course of FY2024.

SENIOR MANAGEMENT REMUNERATION

The Committee considered the remuneration of Senior Management during the year. Having benchmarked senior management remuneration against peers, it was determined that the remuneration was below 'market' and that an increase was warranted. These increases were approved by the Board with effect from 1 January 2024.

NON-EXECUTIVE DIRECTOR REMUNERATION

Non-Executive Director fees were last reviewed in 2021, and the Committee, when reviewing executive pay, also reviewed the fees payable to Non-Executive Directors. Taking into account market data and also being cognisant of the terms of the Director Remuneration Policy and the Company's Articles of Association, it was determined that Non-Executive Director fees should be increased to US$85,000. In addition, the Chair of the Company should receive an additional US$65,000, the Audit & Risk Committee chair – US$8,500, other board committee chairs US$7,500 and the Senior Independent Director ("SID") – US$7,500. Currently, the Chair fee and SID fee are not being paid due to vacancies in those positions.

CONCLUSION

Shareholders will be asked to approve the Annual Remuneration Report as an ordinary resolution at the AGM in December 2024. In line with the statutory requirement for a vote by shareholders on a director remuneration policy every three years, a new policy will be proposed at the upcoming AGM. It is envisaged that amendments to the current policy will be proposed to the policy with the aim of alignment with industry standards and drive success for all stakeholders. Furthermore, shareholders will be asked at the AGM to approve amendments to the Company's Articles of Association in relation to the restriction on Directors' remuneration, and other minor administrative matters. I hope that you find this report informative and that our shareholders remain supportive of our approach to executive and Director pay at SolGold and vote in favour of the resolution.

The Committee welcomes all input on remuneration matters, and if you have any comments or questions on any element of the Remuneration Report, please do not hesitate to contact me at info@solgold.com.au.

María Amparo Albán Ricaurte
Chair – Remuneration Committee
26 September 2024

ANNUAL REPORT ON REMUNERATION

This report outlines how the SolGold Directors' Remuneration Policy will be implemented over the next financial year and provides details regarding remuneration paid to the Executive Director during FY24. A copy of the Directors' Remuneration Policy can be found on the Company's website.

The current Directors' Remuneration Policy was part of the meeting materials at the EGM held on 30 June 2022. This policy was approved with 69.2% support. A remuneration policy shall be presented to the general meeting every three years unless a revised policy is presented to the general meeting before that. The Remuneration Committee shall review the appropriateness of the Policy at least annually. An updated Remuneration Policy will be put to shareholders at the upcoming AGM of the Company.

The Remuneration Committee met once during the year under review.

REMUNERATION POLICY ALIGNMENT WITH THE UK CODE 2018

When determining executive remuneration policy, the Committee includes the following principles during their decision-making process:

| UK CODE PRINCIPLE | APPLICATION |
| --- | --- |
| Clarity | Targets for incentives that are aligned with the implementation of the strategy are monitored through corporate and individual scorecards, which include a list of KPIs specific to each participant. This provides clarity to stakeholders and shareholders on the association between the successful delivery of the Company's strategy and remuneration paid. |
| Simplicity | The structure of incentive is clear to both participants and shareholders through simple and straightforward language, so all stakeholders are clear on the underlying award principles and the way award outcomes are determined. |
| Risk | Malus and clawback provisions apply to all awards to ensure that inappropriate risk-taking is not encouraged and will not be rewarded through employee incentives. |
| Predictability | Employee incentive plans are subject to performance objectives as listed in the participants' individual and corporate scorecard. All Executive Management and the Executive Director are invited to participate in the incentive plans at the beginning of each financial year with their scorecard KPIs. |
| Proportionality | The Committee takes care to exercise its discretion to ensure that remuneration outcomes are aligned with Company performance. |
| Alignment to Culture | The Committee reviews overall pay and conditions for employees across the Company when determining performance objectives and award outcomes. The individual and corporate scorecards include non-financial KPIs linked to the Company's overall culture. |

## AUDITED INFORMATION – DIRECTORS' REMUNERATION

### Single Total Figure of Remuneration

The detailed emoluments received by the Executive and Non-Executive Directors during the financial years ended 30 June 2024 and 2023 are detailed below:

| | Total salary and fees US$ | Taxable Benefits US$ | Bonus US$ | Other US$ | Pensions US$ | Total US$ | Total Fixed Remuneration US$ | Total Variable Remuneration US$ |
|---|---|---|---|---|---|---|---|---|
| **Chair** | | | | | | | | |
| **Liam Twigger** | | | | | | | | |
| *Liam Twigger's period in office ended on 20 December 2023* | | | | | | | | |
| 2024 | 50,622 | - | - | - | 5,570 | 56,192 | 56,192 | - |
| 2023 | 114,697 | - | - | - | 12,029 | 126,726 | 126,726 | - |
| **Non-Executive Directors** | | | | | | | | |
| **Nicholas Mather** | | | | | | | | |
| 2024 | 65,532 | - | - | - | - | 65,532 | 65,532 | - |
| 2023 | 67,049 | - | - | - | - | 67,049 | 67,049 | - |
| **María Amparo Albán** | | | | | | | | |
| 2024 | 81,111 | - | - | - | - | 81,111 | 81,111 | - |
| 2023 | 70,508 | - | - | - | - | 70,508 | 70,508 | - |
| **Dan Vujcic** | | | | | | | | |
| *Dan Vujcic was appointed on 24 October 2022* | | | | | | | | |
| 2024 | 65,672 | - | - | - | 6,919 | 72,591 | 72,591 | - |
| 2023 | 46,664 | - | - | - | 4,261 | 50,925 | 50,925 | - |
| **Adrian (Steve) van Barneveld** | | | | | | | | |
| *Adrian (Steve) van Barneveld was elected 20 December 2023* | | | | | | | | |
| 2024 | 37,909 | - | - | - | 3,844 | 41,753 | 41,753 | - |
| 2023 | - | - | - | - | - | - | - | - |
| **Jian (John) Liu** | | | | | | | | |
| *Jian (John) Liu was appointed 25 February 2024* | | | | | | | | |
| 2024 | 23,192 | - | - | | 1,327 | 24,519 | 24,519 | - |
| 2023 | - | - | - | - | - | - | - | - |
| **Charles Joseland** | | | | | | | | |
| *Charles Joseland was appointed 27 February 2024* | | | | | | | | |
| 2024 | 22,468 | - | - | - | - | 22,468 | 22,468 | - |
| 2023 | - | - | - | - | - | - | - | - |
| **James Clare** | | | | | | | | |
| *James Clare's period in office ended on 20 December 2023* | | | | | | | | |
| 2024 | 32,606 | - | - | - | - | 32,606 | 32,606 | - |
| 2023 | 67,057 | - | - | - | - | 67,057 | 67,057 | - |
| **Keith Marshall** | | | | | | | | |
| Keith Marshall resigned on 12 August 2022 | | | | | | | | |
| 2024 | - | - | - | - | - | - | - | - |
| 2023 | 9,636 | - | - | - | - | 9,636 | 9,636 | - |
| **Elodie Grant Goodey** | | | | | | | | |
| *Elodie Grant Goodey resigned on 23 December 2022* | | | | | | | | |
| 2024 | - | - | - | - | - | - | - | - |
| 2023 | 38,538 | - | - | | - | 38,538 | 38,538 | - |
| **Kevin O'Kane** | | | | | | | | |
| *Kevin O'Kane resigned on 23 December 2022* | | | | | | | | |
| 2024 | - | - | - | - | - | - | - | - |
| 2023 | 34,909 | - | - | - | - | 34,909 | 34,909 | - |
| **Total** | | | | | | | | |
| **2024** | **379,112** | **-** | **-** | **-** | **17,660** | **396,772** | **396,772** | **-** |
| **2023** | **449,058** | **-** | **-** | **-** | **16,290** | **465,348** | **465,348** | **-** |

| | Total salary and fees US$ | Taxable Benefits US$ | Bonus US$ | Other[1] US$ | Pensions US$ | Total US$ | Total Fixed Remuneration US$ | Total Variable Remuneration US$ |
|---|---|---|---|---|---|---|---|---|
| **Chief Executive Officer** | | | | | | | | |
| **Scott Caldwell** | | | | | | | | |
| *Scott Caldwell appointed as a Director on 24 October 2022, Interim Chief Executive officer on 10 November 2022 and Chief Executive Officer on 20 March 2023.* | | | | | | | | |
| 2024 | 250,000[3] | 60,000[4] | - | 93,750 | 3,002 | 406,752 | 406,752 | - |
| 2023 | 125,000 | - | - | 106,250 | - | 231,250 | 231,250 | -[1,2] |
| **Darryl Cuzzubbo** | | | | | | | | |
| 2024 | - | - | - | - | - | - | - | - |
| 2023 | 588,609[5] | - | - | - | 8,323 | 596,932[5] | 596,932[5] | -[2] |
| **Grand Total** | | | | | | | | |
| **2024** | **250,000** | **60,000** | **-** | **93,750** | **3,002** | **406,752** | **406,752** | **-** |
| **2023** | **713,609** | **-** | **-** | **106,250** | **8,323** | **828,182** | **828,182** | **-[2]** |

*Notes:*

1. *Other relates to a sign-on bonus paid to Mr. Caldwell. It has been reported over the two financial years in which it was paid rather than entirely in the year of award. This amount was previously allocated to variable remuneration and has been reclassified to fixed remuneration.*

2. *Historically LTIP Awards were included on an accounting basis and not when all performance criteria had been determined. Previous year information is restated from US$263,012 and US$399,417 for Mr. Caldwell and Mr. Cuzzubbo, respectively.*
3. *During the current period, Mr. Caldwell's salary was increased to US$300,000 per annum effective 1 January 2024.*
4. *For the period 1 January 2024 – 30 June 2024, Mr. Caldwell was eligible for an overseas living allowance of US$10,000 per month. This amount was paid post year end.*
5. *Prior year 'total salary and fees' restated from US$544,136 which was reported in error in the prior year, and the necessary restatement of the total figures.*

### Share option schemes – audited

The Employee Share Option Plan (ESOP) of the Company was adopted by the Board in July 2017 and approved by shareholders at the Annual General Meeting held on 28 July 2017. The ESOP is no longer available and has been replaced with the Long-Term Incentive Plan Rules (LTIP), the Performance Bonus Plan (PBP), and the SolGold Employee Share Option Plan 2023 (ESOP 2023). All options awarded under the ESOP have expired.

As at 30 June 2024, the following options are held by Directors under the LTIP:

| | Balance at 30 June 2023 | Granted as remuneration | Exercised | Forfeited / Lapsed | Balance at 30 June 2024 | Exercise price | Exercise period |
|---|---|---|---|---|---|---|---|
| Scott Caldwell | 30,000,000 | - | - | - | 30,000,000 | 17p | 17/03/26-17/03/33 |
| **Total** | **30,000,000** | **-** | - | - | **30,000,000** | 17p | 17/03/26-17/03/33 |

The Performance conditions associated with these options are outlined on page 58.

### Payments to past Directors – audited

No payments were made to past executive directors in the year ended 30 June 2024.

### Payments for loss of office – audited

No payments were made for loss of office in the year ended 30 June 2024.

### Statement of Directors' shareholding and share interest – audited

*Directors' interests*

The interests of the Directors in the shares of the Company, including family and trustee holdings where appropriate, at 30 June 2024 were as follows:

| | Beneficial | | Non-Beneficial | |
|---|---|---|---|---|
| | 30 June 2023 | 30 June 2024 | 30 June 2023 | 30 June 2024 |
| **Non-Executive Directors** | | | | |
| Nicholas Mather | 84,249,282[1] | 84,249,282 | 5,480,658[2] | 5,480,658[2] |
| María Amparo Albán | 51,676 | 51,676 | Nil | Nil |
| Dan Vujcic | Nil | Nil | Nil | Nil |
| Adrian (Steve) van Barneveld | N/A | Nil | N/A | Nil |
| Jian (John) Liu | N/A | Nil | N/A | Nil |
| Charles Joseland | N/A | Nil | N/A | Nil |
| **Former Directors** | | | | |
| Liam Twigger | 392,156 | N/A | | |
| James Clare | 1,143,137 | N/A | Nil | N/A |
| **Total** | 85,836,251 | 84,300,958 | 5,480,658 | 5,480,658 |
| **Chief Executive Officer** | | | | |
| Scott Caldwell | 18,617,244 | 19,462,244 | N/A | N/A |
| Darryl Cuzzubbo | N/A | N/A | N/A | N/A |
| **GRAND TOTAL** | **104,453,495** | **103,763,202** | **5,480,658** | **5,480,658** |

*Notes:*
1. *Due to a change in persons closely associated with Nicholas Mather prior to 30 June 2023, the number of shares in which Nicholas Mather has a beneficial interest as at 30 June 2023 has been restated – a decrease of 16,770 shares. The totals have been restated accordingly.*
2. *The Non-Beneficial holding of Nicholas Mather are the shares held in the "Mather Foundation" a trust established for the purpose of providing donations to charitable organisations.*

On 6 September 2024, Mr. Mather has stepped down as a Trustee of the Mather Foundation and consequently has no Non-Beneficial Interest to declare as at the date of this document. Prior to him stepping down and post 30 June 2024, the Mather Foundation, sold 450,000 shares. Mr. Joseland acquired 86,000 shares on 1 August 2024.

There are no requirements or restrictions on Directors to hold shares in the Company. The Directors' Remuneration Policy does outline guidelines that each Executive Director is to maintain a shareholding in the Company equivalent to 200% of base salary to drive a long-term focus and alignment with shareholders. Scott Caldwell's holding meets this guideline.

### Relationship between remuneration and Company performance (non-audited)

During the financial year, the Company has generated losses as its principal activity was mineral exploration and project development.

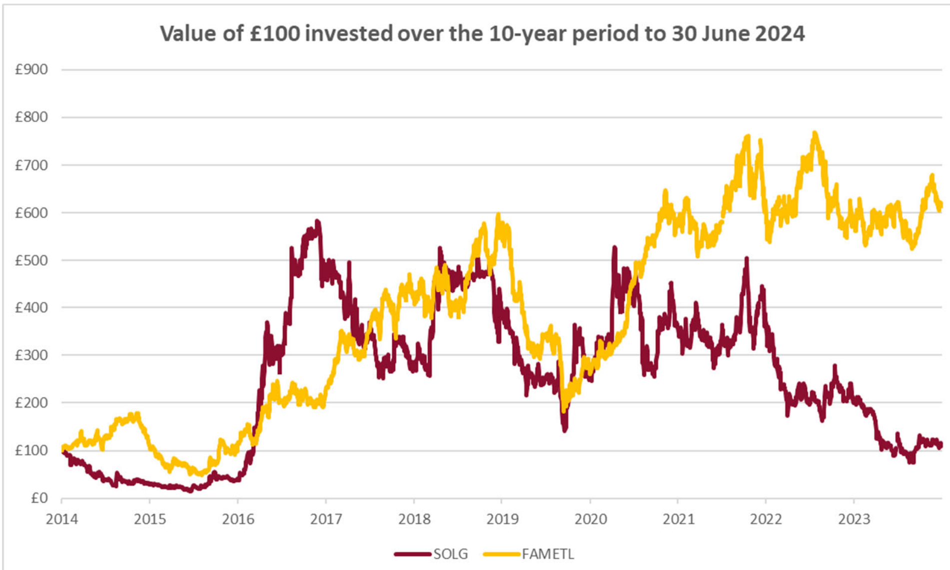
The following table show the share price at the end of the financial year for the Company for the past five years:

| | 30 June 2020 | 30 June 2021 | 30 June 2022 | 30 June 2023 | 30 June 2024 |
|---|---|---|---|---|---|
| Share price at year end | £0.210 | £0.285 | £0.292 | £0.159 | £0.0876 |
| Loss per share (cents) | (0.7) | (1.1) | (1.4) | (2.8) | (2.1) |

There were no dividends paid during the year ended 30 June 2024, and the previous four years.

### 10-year Total Shareholder Return (TSR)

The graph below shows SolGold's TSR against the performance of the FTSE All Share Industrial Metals and Mining Index (FAMETL) over the same 10-year period. The indices shown in the graph were chosen as they include Companies within the mining sector.




### CEO TOTAL REMUNERATION

| Executive Officer | Financial Year | Single total figure of remuneration, US$ | Annual Bonus (STI) (% of maximum) | LTIP (% of maximum) |
|---|---|---|---|---|
| Scott Caldwell | 2024 | 346,752 | 0% | - |
| | 2023 | 231,250[1] | 0% | |
| Darryl Cuzzubbo | 2023 | 996,349 | - | - |
| | 2022 | 271,252 | 40%[3] | - |
| Keith Marshall | 2022 | 376,531 | 90% | - |
| | 2021 | 212,145 | - | - |
| Nicholas Mather | 2021 | 227,381[2] | - | - |
| | 2020 | 400,162 | - | - |
| | 2019 | 539,422 | 100% | 100%[4] |
| | 2018 | 307,480 | - | 100%[4] |
| | 2017 | 314,382 | - | - |
| | 2016 | 109,252 | - | - |
| | 2015 | 15,716 | - | - |
| Alan Martin | 2015 | 268,756 | - | - |

*Notes:*

1. *Previous year restated to remove LTIP element.*
2. *Restated from prior year as previously included an AUD600,000 amount for loss of office payment.*
3. *Considering the terms of the termination of Darryl Cuzzubbo, the Board has determined that his bonus payment for the year ended 30 June 2022 was not payable.*
4. *Options granted at an exercise price of £0.60, which subsequently expired and were not exercised.*

### REMUNERATION OF THE EXECUTIVE DIRECTOR

The Company aims to reward the CEO with a level and mix of remuneration commensurate with their position and responsibilities within the Company, and to:

- Demonstrate a clear relationship between individual performance and remuneration.
- Link rewards to the creation of value to shareholders.

- Comply with all relevant local, legal requirements.

Recruitment Inducement (Sign-on Bonus): Sign-on bonuses are payable based on Remuneration Committee discretion and recommendations to the Board to a maximum of 100% of base salary.

More information can be found in the Directors' Remuneration Policy.

REMUNERATION STRUCTURE FOR THE CURRENT CEO

Fixed Salary: The CEO receives an annual base salary of US$300,000, payable monthly, for the performance of executive duties at the Company. The CEO's base remuneration was increased from US$200,000 with effect from 1 January 2024, however the uplift in amount was only paid post year end.

Benefits: The CEO receives a monthly ex-patriate payment of US$10,000 due to relocating to Ecuador. Lodging, medical insurance and pension contributions are paid to the CEO.

Short-Term Incentive: 50/100/150% (Threshold/Target/Stretch respectively of base salary US$300,000). Payable in 50% cash and 50% shares in Company.

Long-Term Incentive: The maximum long-term incentive is up to 200% of base salary (currently US$300,000) in each financial year (starting with the financial year beginning 1 July 2024).

Recruitment Inducement (Sign-on Bonus): The CEO received a Sign-on Bonus of US$200,000 payable over the first 12 months of employment. In addition, to secure his appointment and for retention purposes, Mr. Caldwell was granted (on 17 March 2023) an exceptional award of 30,000,000 options over ordinary shares in the Company, with an exercise price of £0.17 which will vest and be exercisable subject to the below performance conditions:

| Average Share price | Percentage of Maximum Number of Shares subject to Option that Vest |
|---|---|
| Below Threshold – Average daily price per Share is less than £0.25 pence over three years from grant date | 0% |
| Threshold – Average daily price per Share is equal to £0.25 pence over three years from grant date | 50% |
| Target – Average daily price per Share is equal to or higher than £0.35 pence over three years from grant date | 100% |

CEO PERFORMANCE AND OUTCOMES

The performance assessment of the CEO considers overall company performance against a scorecard with a further qualitative and quantitative assessment of his individual contribution including consideration of risk management and behavioural outcomes. To date, no formal qualitative and quantitative assessment of the CEO's contribution has been concluded.

NON-EXECUTIVE DIRECTOR FEES

During the period, the Remuneration Committee and the Board assessed whether the fees for Non-Executive Directors (NEDs) are competitive, fair and reasonable. The Committee looked at external information when reviewing the fee structure and levels for our Non-Executive Directors.

The Articles of Association of the Company state that Directors are entitled to receive a fee for their services. This aggregate of fees cannot exceed £600,000 per annum unless the shareholders pass a resolution at the Annual General Meeting to amend this. An individual Director may not be involved in determining their own remuneration but may, in their capacity as a member of the Remuneration Committee, be involved in setting as a 'benchmark' the appropriate level of remuneration for Directors generally.

Effective 1 January 2024, the Directors' fee was modified to US$85,000 (from AUD100,000), in line with similar companies. The Chair receives an additional fee of US$65,000 for the additional time commitment needed. The chair of the Audit & Risk Committee receives an additional US$8,500 and the chairs of other Board committees receive an additional US$7,500 each. The Senior Independent Director (when one is appointed) will receive an additional US$7,500.

Other payments may include (and as outlined in the Articles of Association):

- Travel expenses in accordance with the Company's travel policy
- Reimbursement of any taxable or other expenses incurred in performing their role as well as any related tax cost on such reimbursement

The Company will reimburse the Director for all reasonable expenses properly, wholly, and necessarily incurred in the performance of their duties on production of all relevant receipts.

Subject to any statutory provisions, Non-Executive Directors are not eligible to participate in the Company's incentive program(s).

## CHANGES IN DIRECTORS' REMUNERATION

The table below sets out the percentage change in remuneration for the CEO's and Non-Executive Directors. No comparison to remuneration of the employees of the parent company are included as due to the significant changes (both increase and decrease) of employee numbers the comparison would not provide a useful comparison.

| | 2024 | | | 2023 | | | 2022 | | | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Base Salary Fees % Change | Benefits % Change | STI % Change | Base Salary Fees % Change | Benefits % Change | STI % Change | Base Salary Fees % Change | Benefits % Change | STI % Change | Base Salary Fees % Change | Benefits % Change | STI % Change | Base Salary Fees % Change | Benefits % Change | STI % Change |
| CEO | | | | | | | | | | | | | | | |
| Scott Caldwell[1] | 100% | - | - | - | - | - | - | - | - | | | - | | | |
| Darryl Cuzzubbo[2] | (100%) | - | - | 14% | - | - | - | - | - | | | - | | | |
| Keith Marshall[3] | - | - | - | - | - | - | 68% | - | 100% | | | - | | | |
| Nicholas Mather | - | - | - | - | - | - | (91%) | - | - | 102% | | - | (6%) | (100%) | (100%) |
| Non-Executive Directors | | | | | | | | | | | | | | | |
| María Amparo Albán | 15% | - | - | (20%) | - | - | 53% | - | - | - | - | - | | | |
| Dan Vujcic | 41% | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Adrian (Steve) van Barneveld | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Jian (John) Liu | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Charles Joseland | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Nicholas Mather[4] | (2%) | - | - | (22%) | - | - | 276% | - | - | - | - | - | - | - | - |
| Liam Twigger[5] | (56%) | - | - | (21%) | - | - | 28% | - | - | 117% | (100%) | - | - | - | - |
| James Clare[6] | (51%) | - | - | (22%) | - | - | 17% | - | - | 32% | - | - | - | - | - |
| Elodie Grant Goodey[7] | (100%) | - | - | (53%) | - | - | 20% | - | - | - | - | - | - | - | - |
| Kevin O'Kane[8] | (100%) | - | - | (56%) | - | - | 55% | - | - | - | - | - | - | - | - |
| Keith Marshall[9] | (100%) | - | - | - | - | - | 68% | - | 100% | - | - | - | - | - | - |
| Jason Ward[10] | - | - | - | (100%) | - | - | 10% | - | - | (6%) | - | - | 24% | (100%) | - |
| Brian Moller[11] | - | - | - | (100%) | - | - | (49%) | - | - | (12%) | - | - | (6%) | (100%) | - |
| Robert Weinberg[12] | - | - | - | - | - | - | (100%) | - | - | (50%) | - | - | (6%) | (100%) | - |

*Notes:*

1. *Scott Caldwell's compensation base salary increase to USD300,000 per annum was effective 1 January 2024, but such increase was paid after year end. Scott Caldwell effective 1 January 2024 receives an overseas living allowance.*
2. *Darryl Cuzzubbo ceased being a director on 10 November 2022*
3. *Keith Marshall stepped down as Interim CEO on 30 November 2022*
4. *Nicholas Mather resigned as CEO on 31 March 2021*
5. *Liam Twigger ceased being a director on 20 December 2023*
6. *James Clare ceased being a director on 20 December 2023*
7. *Elodie Grant Goodey ceased being a director on 22 December 2022*
8. *Kevin O'Kane ceased being a director on 22 December 2022*
9. *Keith Marshall ceased being a director on 12 August 2022*
10. *Jason Ward ceased being a director on 13 May 2022*
11. *Brian Moller ceased being a director on 15 December 2021*
12. *Robert Weinberg ceased being a director on 17 December 2020*

Pay Ratios Table

We have not included a CEO pay ratio in this report, as the Company has only one non-director employee based in the UK, and any resulting ratios would not be meaningful.

Relative importance of spend on pay

The table below shows the remuneration paid to all employees in the Group, including the Executive Director. The figures have been calculated in accordance with the Group Accounting Policies and drawn from the Company's Consolidated Financial Statement's Note 5 on page 101 and the Consolidated Statements of Cash Flows on page 85.

| | 2024 | 2023 | Difference in spend between years | Difference in spend between years (%) |
|---|---|---|---|---|
| Total Employee Remuneration | 9,797,184 | 21,198,305 | (11,401,121) | (54%) |
| Expenditure of exploration and evaluation | 25,140,364 | 43,297,918 | (18,157,554) | (42%) |
| Dividends paid to shareholders | - | - | - | - |

Shareholder support for the Directors' Remuneration Policy and 2023 Directors' Remuneration Report

The Company received shareholder approval of its Directors' Remuneration Policy at the 2022 EGM on 30 June 2022 to cover a period of three years. The policy applied from the date of approval. The Directors' annual Remuneration Report was put to an advisory shareholder vote at the 2023 AGM of the Company on 20 December 2023. The table below shows full details of the voting outcomes.

| | Votes for | Votes against | Withheld |
|---|---|---|---|
| Remuneration Policy (at the 2022 EGM) | 1,122,761,146 (69.24%) | 498,769,699 (30.76%) | 1,924,635 |
| Remuneration report for the year ended 30 June 2023 (at the 2023 AGM) | 1,715,682,056 (88.94%) | 213,284,080 (11.06%) | 3,419,676 |

The Board notes that the Directors' Remuneration Policy Resolution at the 2022 EGM received more than 20% of the vote against the policy and has engaged with shareholders to address their concerns that resulted in this outcome. For details regarding shareholder feedback and responses, see page 52.

SUMMARY OF DIRECTORS' TERMS

| Non-Executive Director | Appointment Date | Notice Period |
|---|---|---|
| Nicholas Mather | 11 May 2005 | 3 month's notice |
| María Amparo Albán Ricaurte | 21 October 2020 | 3 month's notice |
| Dan Vujcic | 24 October 2022 | 3 month's notice |
| Adrian (Steve) van Barneveld | 20 December 2023 | 3 month's notice |
| Jian (John) Liu | 25 February 2024 | 3 month's notice |
| Charles Joseland | 27 February 2024 | 3 month's notice |
| **Executive Director** | **Appointment Date** | **Notice Period** |
| Scott Caldwell | 10 November 2022<br>(Non-Executive from 24 October 2022<br>until appointment as CEO) | 12 months' notice |

Notice periods in a Director's contract may be paid out in lieu of notice.

Copies of the Executive Director's service contract are available for inspection at the Company's Registered Office.

# DIRECTORS' REMUNERATION POLICY

## STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY

The 2022 Remuneration Policy which was designed to attract, motivate and retain qualified industry professionals. In line with the statutory requirement for a vote by shareholders on a director remuneration policy every three years, a new policy will be proposed at the upcoming AGM. It is envisaged that amendments to the current policy will be proposed to the policy with the aim of alignment with industry standards and drive success for all stakeholders.

## EXECUTIVE REMUNERATION POLICY TABLE

The 2022 Remuneration Policy for the Executive Director is based on the following key principles:

- A significant proportion of remuneration should be tied to the achievement of specific performance conditions that align remuneration with the creation of shareholder value and the delivery of the Company's strategic plans;
- There should be a focus on sustained long-term performance, with performance measured over clearly specified timescales, encouraging executives to take action in line with the Company's strategic plan, using good business management principles and taking well considered risks; and
- Executive Remuneration should support the values and culture of the Group. Pay should be simple and easy to understand, with all aspects clear and openly communicated to stakeholders and with alignment with pay philosophies across the Group.

The remuneration policy table below is an extract of the Group's 2022 Remuneration Policy and sets out the principles for the Executive Director's remuneration.

Further detail on the variable remuneration elements - Short and Long-Term Incentive can be found below the table.

| Component | Link to Company Strategy | Policy Summary |
|---|---|---|
| Base Salary | To attract, retain and motivate the Company's Executive Director(s), and reward the position-holder's ability to carry out the responsibilities of the role. | Base salary and statutory required superannuation/pension obligations.<br>Paid in cash or a portion of base salary in shares of the Company. The share price value is determined by the average of the closing prices for a number of dealing days within a period not exceeding 30 days immediately before that date, as determined by the Remuneration Committee.<br>There is no discretionary supplementary pension or retirement plan. |
| Benefits | Benefits are offered to complement base salary to attract and retain Executive Directors. | Certain allowances, which may include a lump sum relocation allowance, medical insurance, the use of a Company car, personal security, and legal fees (subject to restrictions). |
| Annual Bonus / Short-Term Incentive ('STI') | To incentivise participants to focus on outcomes that are a strategic target for the Company in the financial year and commitment to operating responsibly.<br>The STI reflects performance during the financial year, the STI measures outcomes that are within Director's control. | The amount of STI payable will be based upon the percentage STI opportunity indicated in the employee's contract of employment (and not exceeding the percentage stated in the policy). STI will be paid as a lump sum, in cash, or as an allocation of shares at the discretion of the Remuneration Committee (shares immediately vest). |
| Long-Term Incentive Plan ('LTI') | To directly incentivise sustained shareholder value through delivery of long-term performance objectives and to retain high calibre executive Directors by providing an attractive equity-based incentive that builds an ownership mindset. | Offers to join a LTI are made annually, in the form of shares, options, or in exceptional circumstances, cash. LTI payments have a performance and vesting period of at least 3 years, subject to the meeting of objective performance conditions and continued employment. |

## SHORT-TERM INCENTIVE PLAN (STI) IMPLEMENTATION

The Remuneration Committee believes that a simple and transparent scheme for the annual bonus/STI, with sufficiently stretching targets, ensures that the Executive Director(s) and Executive Management are focused on the delivery of sustainable business performance. The Performance Bonus Plan ("**PBP**") was approved by Shareholders on 30 June 2022. The PBP is a discretionary plan that provides for the grant of performance bonus awards to both Executive Directors and Executive Management of the Group in order to retain and motivate them. Awards can be paid in the form of cash or shares, or a combination of both where performance objectives in both the individual and corporate scorecards are reached.

The Corporate and Individual Scorecard ("**Scorecard**"), as recommended by management, endorsed by the Remuneration Committee, and approved by the Board, determines the specific Key Performance Indicators ("**KPI**") that the participant must achieve over a period of 12 months to receive an award. The Scorecards include a balanced range of measures that consider both financial and non-financial KPIs within the Health & Safety, Value Creation and ESG categories.

The Remuneration Committee ensures and has ensured that the incentive structure for senior management does not raise ESG risks by inadvertently motivating irresponsible behaviour.

The Board is provided with the discretion to modify the STI outcomes in extenuating circumstances.

Achievement and performance against each participant's Scorecard is assessed annually as part of the Company's broader performance review process. As soon as practicable after the Company's financial results becoming available following the end of each Performance Period, the Board shall:

1) review the Group's, and, if applicable, any relevant Group company's performance and the Participant's performance during the Performance Period and determine whether and to what extent the Performance Conditions have been satisfied;
2) determine the total value of the Bonus Award payable to each Participant;
3) if any proportion of the total value of the Bonus Award is to be paid in cash, determine the amount of the Cash Award; and
4) if any proportion of the total value of the Bonus Award is to be settled in Bonus Shares, determine the number of Bonus Shares by reference to the Market Value on the date of determination.

### LONG-TERM INCENTIVE PLAN (LTIP) IMPLEMENTATION

The Remuneration Committee believes in setting demanding objectives, which reward progressive growth, in order to incentivise and encourage long-term growth and enhance shareholder value.

The Long-Term Incentive Plan (LTIP) is operated in conjunction with the Long-Term Incentive Plan Rules (LTIP Rules) approved by Shareholders on 30 June 2022. Performance conditions, including non-financial metrics, are relevant, stretching and designed to promote the long-term success of the Company. The LTIP's purpose is to encourage employee retention and to incentivise the creation of long-term value for shareholders by the Executive Director(s) and Executive Management.

The LTIP opportunity level reflects the capacity of the participant to influence long-term sustainable growth and performance.

The Directors' remuneration report has been approved by the Board and signed on behalf of the Board by:

**María Amparo Albán Ricaurte**
Director
Remuneration Committee Chair
26 September 2024

# DIRECTORS' REPORT

The Directors present the Annual Report of SolGold plc together with the audited financial statements for the year ended 30 June 2024.

In accordance with section 415 of the Companies Act 2006 (UK), the Directors present their report which incorporates the Strategic Report, Corporate Governance Report and responsibility statements required under the Disclosure Guidance and Transparency Rules sourcebook ("DTRs") of the United Kingdom's Financial Conduct Authority as set out on pages 5 to 62, for listed companies and the audited accounts for the year ended 30 June 2024 as set out on pages 80 to 132.

## PRINCIPAL ACTIVITIES

SolGold plc ("SolGold" or the "Company") is a mineral exploration and development company headquartered in Perth, Australia. The Company is a UK incorporated public limited company with the registration number 05449516 and registered address of 1 Cornhill, London, EC3V 3ND, United Kingdom. SolGold is listed on both the LSE and TSX (SOLG on both exchanges) and has a leading exploration and project team focused on copper-gold exploration and mine development with its primary assets in Ecuador and other mineral exploration assets in Australia and Chile.

## REVIEW OF BUSINESS

A review of the current and future development of the Group's business is given in the Strategic Report on pages 5 to 29 which forms part of, and by reference is incorporated in, this Directors' Report.

Financial risk management has been assessed within Note 24 to the financial statements.

## RESULTS AND DIVIDENDS

The Directors do not recommend the payment of a dividend (2023: nil). The results for the year are set out in the consolidated financial statements for the year ended 30 June 2024.

## SHARE CAPITAL

Details of the issued share capital of the Company, including details of ordinary shares issued during the year, is set out in Note 18 of the financial statements.

As at the date of this report, the Company's issued share capital consisted of 3,001,106,975 ordinary shares of GBP0.01 each. Whilst the Company does not hold any shares in Treasury, its subsidiary, SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.), holds 157,141,000 shares in the Company. These shares were acquired as part of the acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.). They are available to be sold by SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) at its full discretion. The Company has one class of ordinary share, with the rights set out in the Articles of Association. All issued shares are fully paid, and each share has the right to one vote at a Company general meeting. There are no specific restrictions either on the size of a holding or on the transfer of shares, which are both governed by our Articles of Association. There are no special rights attached to the control of the Company or special rights attached to shares under any employee share scheme.

The Directors may only issue shares to the extent authorised by the shareholders in a general meeting, unless an exemption applies.

Details of the Company's Employee Incentive Plans, including the Incentive Plans approved by shareholders at the EGM on 30 June 2022 and by the Directors on 17 March 2023, are set out in Note 23. No votes are cast in respect of the options under the Incentive Plans until such time the options are converted to shares. No person has any special rights of control over the Company's share capital and all issued shares are fully paid. As at 30 June 2024, there were 56,000,000 options outstanding for the issue of ordinary shares under the current employee incentive plans.

The current power to allot shares was granted by shareholder resolution at the 2023 Annual General Meeting ("AGM") and a new authority will be sought at the 2024 AGM within the limits which will be set out in the notice of meeting for the 2024 AGM.

### DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company who held office during the year were as follows:

| | Appointed | Resigned |
|---|---|---|
| Scott Caldwell | 24 October 2022 | |
| Nicholas Mather | 11 May 2005<br>CEO: May 2005 – March 2021 | |
| María Amparo Albán Ricaurte | 21 October 2020 | |
| Slobodan (Dan) Vujcic | 24 October 2022 | |
| Adrian (Steve) van Barneveld | 20 December 2023 | |
| Jian (John) Liu | 25 February 2024 | |
| Charles Joseland | 27 February 2024 | |
| Liam Twigger | 17 June 2019<br>Chair: 5 August 2020 | 20 December 2023[1] |
| James Clare | 1 May 2018 | 20 December 2023[2] |

*Notes*:
1. *Mr. Twigger did not seek re-election at the AGM held on 20 December 2023, and as such his tenure as a director ceased at the conclusion of that meeting.*
2. *Mr. Clare did not seek re-election at the AGM held on 20 December 2023, and as such his tenure as a director ceased at the conclusion of that meeting.*

Further details about the current Directors and their roles within the Company are available in the Directors' biographies on page 37 to 38. Details of the remuneration of the Directors, and their interests in the shares of the Company are contained in the Directors' Remuneration Report on pages 52 to 62.

The Board has the power at any time to elect any person to be a Director, but the number of Directors must not exceed the maximum number determined by the Articles of Association. The Board will continue to regularly review and monitor its composition and performance having regard to the evolving complexity of the Company's activities and operations and make changes as appropriate. Under the Company's Articles of Association, each Director submits himself or herself for re-election by shareholders at least every three (3) years, and any director appointed by the Directors also submits himself or herself for election at his or her first AGM. However, all Directors intend to stand for re-election at the 2024 AGM to be held later this year in accordance with the Board's decision to voluntary comply with the Code.

### DIRECTORS' INTERESTS

Before each Board meeting, all Directors are to disclose whether they hold any interests in any matters to be reviewed at the Board meeting. The Company Secretary is notified promptly of any changes to those reported interests. Information on Directors' interests in shares of the Company is set out in the Directors' Remuneration Report on page 56.

### DIRECTORS' INDEMNITY

The Company has maintained Directors' and Officers' insurance during the year. Such provisions remain in force at the date of this report.

The Company has entered into deeds of indemnity with each of the Directors and which were in force as at the date of this Directors' report.

### SUBSTANTIAL SHAREHOLDING

At 30 June 2024, the Company has been notified or is aware of the following interests in the Shares of the Company of 3% or more of the Company's total issued share capital.

| Name | Number | % of ISC |
|---|---|---|
| BHP Billiton Holdings Limited | 310,965,736 | 10.36% |
| Newcrest International Pty Ltd | 309,309,996 | 10.31% |
| DGR Global Ltd | 204,151,800 | 6.80% |
| Jiangxi Copper (Hong Kong) Investment Company Limited | 180,753,608 | 6.02% |
| SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) | 157,141,000 | 5.24% |
| Maxit Capital LP | 153,366,663 | 5.11% |
| Tenstar Trading Limited | 107,877,393 | 3.59% |
| Norges Bank Investment Management | 91,526,468 | 3.05% |

### CORPORATE GOVERNANCE

The Corporate Governance Statement as required by DTR 7.2.1 can be found on pages 32 to 36 for a description of the Company's Corporate Governance structure and policies. The Board has made a concerted effort to ensure the Company's governance practices and policies are current and implemented within the business of the Company. The Corporate Governance Report as found on pages 30 to 62 forms part of this Directors' Report and is incorporated by cross reference.

### WHISTLE-BLOWER REPORTS

During the year ended 30 June 2024, we received two new reports to our dedicated confidential whistleblower hotlines, which have been investigated, reported upon and finalised. There are no active whistleblowing cases. The Whistleblowing Policy is available on the Company's website and all reports are individually investigated both internally and, in some instances, completing an external third-party investigation. The introduction of the whistle-blower hotline allows both employees and stakeholders to raise concerns with a guarantee that the matter will be investigated.

## EQUAL OPPORTUNITIES/EMPLOYEES WITH DISABILITIES

SolGold values diversity and aims to make the best use of everyone's skills and abilities. We have given full and fair consideration to applications for employment by the Company made by disabled persons, having regard to their particular aptitudes and abilities.

If any employees of the Company become disabled while they work for us, where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

## EMPLOYEES

Employees receive regular briefings and updates via internal communications concerning specific events, and announcements and presentations by the CEO to inform them of the performance of the business and issues affecting the business. Communications are tailored to location and delivered in the local language.

## BRANCHES

For the purposes of Chapter 3 of the *Companies Act 2006* (UK), the Company is headquartered in Australia.

## FINANCIAL INSTRUMENTS

The Company does not undertake financial instrument transactions that are speculative or unrelated to the Company's or Group's activities. The Group's financial instruments consist of deposits with banks, accounts payable, other financial liabilities in the form of the Franco-Nevada NSR Financing Agreement and Osisko NSR Financing Agreement, the Franco-Nevada Barbados/Osisko Bermuda Gold Stream Agreement and derivative liabilities associated with the option issued to BHP in December 2019. The loans provided to employees under the Company Funded Loan Plan ("CFLP") expired on 21 December 2023, see Note 14. In addition to the Group's financial instruments, the Company's financial instruments also include its loans to subsidiaries. Further details of financial risk management objectives and policies, and exposure of the Company to financial risks are provided in Note 24 in the Financial Statements.

## POLITICAL DONATIONS

No political donations were made during the year.

## GOING CONCERN

The Directors consider it appropriate to prepare the financial statements on a going concern basis, and have identified no material uncertainties as to the Group's ability to continue as a going concern for a period of twelve-months from the date of approval of the financial statements for the year ended 30 June 2024. Further details of the Directors' going concern analysis are included at Note 1(b)(ii) to the financial statements for the year ended 30 June 2024.

Further details of the Company's cash balances and borrowings are included in Note 17and Note 21 in the Financial Statements from pages 116 and 118.

## PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

### *CARBON REPORTING*

Streamlined Energy and Carbon Reporting ("SECR") regulations came into effect on 1 April 2019. The Company must report energy consumption and resultant carbon emissions as well as a suitable intensity ratio in its Directors' Report. The Company applies the practice of "reduce, reuse and recycle" and is considerate of the resources used as well as the direct and indirect impact our operations may have. Furthermore, the Company now has a roadmap to build the world's first large scale carbon neutral copper mine at Cascabel.

### *METHODOLOGY*

The methodology used for the calculation of emissions was the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard (revised edition to 2015). The standard covers the accounting and reporting of seven greenhouse gases: carbon dioxide ($CO_2$), methane ($CH_4$), nitrous oxide ($N_2O$), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride ($SF_6$) and nitrogen trifluoride ($NF_3$), and it covers the Company's operational boundaries.

Scope 1 emissions from direct activities of the operation, included: 1) the use of vehicles owned by the company for transportation of machinery, material and personnel, operation of machinery for perforation, the use of generators for electricity in the camps, Liquefied Petroleum Gas (LPG) in camps, composting activities and the treatment of wastewater from the camps and water used for drilling operations. Methane calculations were made separately for both wastewater sources, and $N_2O$ generation was only calculated for wastewater from camps. These calculations were made using GHG Protocol for Cities ("GPC") methodology.

Scope 2 emissions are from activities of the operation associated with the consumption and purchase of electricity from the grid for the camps.

Reported annual emissions are presented in tonnes of carbon dioxide equivalent $CO_2$eq. Regarding the emissions factors, for energy and fuel, the updated emissions factors provided by the Government of Ecuador were used and the IPCC emissions factors were used for the waste sector.

Third party consultant, Felipe Castillo, produced SolGold's emission reports. The Company reported on all of the emission sources required under the *Companies Act 2006* (UK) (Strategic Report and Directors' Reports). The Company does not have responsibility for any emission sources that are not included in its consolidated statements.

*INTENSITY RATIO*

In previous years, we reported an intensity ratio based on mt$CO_2$e/metre drilled. However, due to the cessation of all drilling operations in FY2024, this metric is no longer applicable or meaningful for our current operations. We continue to monitor and report our absolute GHG emissions and are evaluating alternative metrics that better reflect our current operational profile and environmental impact. For further details on the Company's emissions report and details refer to page 24.

## CURRENCY

The functional currency of the subsidiaries in Australia is considered to be Australian Dollars (AUD). The functional currency of the subsidiaries in Solomon Islands is considered to be Solomon Islands Dollars (SBD). The functional currency of the subsidiaries in Ecuador is considered to be United States Dollars (US$). The functional currency of the subsidiary in Switzerland is considered to be United States Dollars (US$). The functional currency of the subsidiaries in Canada is considered to be Canadian Dollars (CAD). The presentational currency of the Company and the Group is United States Dollars and all amounts presented in the Directors' Report and financial statements are presented in United States Dollars unless otherwise indicated.

## TAKEOVER

There are no significant agreements that take effect, alter or terminate on change of control of the Company following a takeover. Certain employees may receive compensation on a change of control of the Company following a takeover, in some instances, subject to the discretion of the Board regarding their Employee Share Incentive Plans.

Furthermore, under the Directors Remuneration Policy approved on 30 June 2022, Directors are not provided with compensation for loss of office or employment that occurs because of a takeover bid.

## RELATED PARTY TRANSACTIONS

Details of related party transactions for the Group and Company are given in Note 26. Key management personnel remuneration disclosures are given in Note 5.

## SUBSEQUENT EVENTS

Details of significant events since the balance sheet date are contained in Note 29 to the financial statements. The Directors are not aware of any other significant changes in the state of affairs of the Group and Company or events after the reporting date that would have a material impact on the consolidated or Company financial statements.

## SECTION 172 STATEMENT

A statement of how the Board has performed its duties under section 172 of the *Companies Act 2006* (UK) can be found on page 19 of the Strategic Report.

In accordance with the *Companies Act 2006* (UK), other section 172 considerations have been reported in other sections of the Annual Report and are included in this Directors' Report by reference in the details of stakeholder engagement (page 19).

A separate communication will be sent to shareholders and published on the Company's website regarding the Company's 2024 AGM, which is likely to be held by December 2024.

## WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on the Company's website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## ARTICLES OF ASSOCIATION

The Company's amended Articles of Association were adopted by shareholders at the Company's EGM held on 30 June 2022. Any amendment to the Articles requires the approval of shareholders by a special resolution at a general meeting of the Company. It is the intention of the Directors to seek Shareholder approval to make amendments to the Company's Articles of Association in relation to the restriction on Directors' remuneration, and other minor administrative matters, at the upcoming AGM to be held in 2024. Further information on this change will be included in the Notice of Meeting to be sent to shareholders with respect to the AGM.

DISCLOSURE OF AUDIT INFORMATION

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's Auditors are aware of that information.

The Group's Auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and, on the recommendation of the Audit Committee and in accordance with section 489 of the Act, a resolution for their reappointment will be put to the 2024 AGM.

By order of the Board

Steven Wood
Company Secretary
SolGold plc
Level 5/191 St Georges Terrace
Perth WA 6000
Australia
26 September 2024

# DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards. In preparing the Group and Company financial statements, the Directors have also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRSs as issued by IASB).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- state whether applicable UK-adopted international accounting standards and IFRSs issued by IASB have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## DIRECTORS' CONFIRMATIONS

Each of the Directors, whose names and functions are listed in Annual Report and the financial statements confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards and IFRSs issued by IASB, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the loss of the Group
- the Annual Report and the financial statements include a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces

Board Approval – 26 September 2024

On behalf of the Board,

**Scott Caldwell**
Director
SolGold plc
26 September 2024

# Independent auditors' report to the members of SolGold plc

## Report on the audit of the financial statements

### Opinion

In our opinion, SolGold plc's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2024 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company Statements of Financial Position as at 30 June 2024; the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated and Company Statements of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

### Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1(a) to the financial statements, the Group and Company, in addition to applying UK-adopted international accounting standards, have also applied international financial reporting standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

In our opinion, the Group and Company financial statements have been properly prepared in accordance with IFRSs as issued by the IASB.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 3(b), we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

## Our audit approach

### Overview

Audit scope

- The Group's assets and operations are primarily located in Ecuador. We conducted a full scope audit over three components of the Group, namely Exploraciones Novomining S.A ("ENSA"), SolGold Ecuador S.A and the Company, SolGold plc. In addition, we performed an audit of specific account balances at four other components: SolGold Finance AG, Green Rock Resources GRR S.A., Carnegie Ridge S.A. and Cruz del Sol CSSA S.A.
- Financial reporting is undertaken for the consolidated Group by management in both North America and in London, UK. Our scope enabled us to obtain 98.7% coverage of the Group's consolidated total assets and 90.8% coverage of the Group's consolidated loss before tax.

Key audit matters

- Carrying value of Intangible assets (Group)
- Carrying value of Investments in subsidiaries and loans with subsidiaries (Company)

Materiality

- Overall Group materiality: US$4.6 million (Prior year: US$4.8 million) based on 1% of Total Assets.
- Overall Company materiality: US$4.2 million (Prior year: US$3.9 million) based on 1% of Total Assets.
- Performance materiality: US$3.4 million (Prior year: US$2.4 million) (Group) and US$3.1 million (Prior year: US$1.9 million) (Company).

### The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

### Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The acquisition of Cornerstone Capital Resources Inc (Group) and the Material uncertainty related to going concern (Group), which were key audit matters last year, are no longer included because the business combination, and the related accounting for the acquisition, do not have an impact on the current year financial statements and there is no longer a material uncertainty related to going concern. Otherwise, the key audit matters below are consistent with last year.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| *Carrying value of Intangible assets (Group)*<br>Refer to Note 13 (Intangible assets).<br>As at 30 June 2024, the Group has intangible assets of US$425.5 million, relating to deferred exploration costs.<br><br>IFRS 6 *"Exploration for and evaluation of mineral resources"* sets out that exploration and evaluation (E&E) assets shall be assessed for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount; if such indications exist, management is required to undertake an impairment assessment of the E&E assets under the requirements of IAS 36, *"Impairment of assets"*.<br><br>In line with the requirements of IFRS 6, at 30 June 2024, management's impairment trigger assessment considered factors such as:<br>● whether the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;<br>● whether substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned;<br>● whether exploration for, and evaluation of, mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and<br>● whether sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the | We evaluated management's assessment of potential indicators of impairment of the intangible assets, being the deferred exploration costs.<br><br>We undertook the following procedures in our evaluation of management's impairment indicator assessment:<br>● Assessed whether the Group has retained the right of tenure for all its exploration licence areas by obtaining licence status records from relevant state government online databases, and verification of licence status to supporting documentation and through discussion with external lawyers, in order to confirm legal title;<br>● Obtained management's committed spend, the timing thereof and understood the legal implications of not meeting the committed spend in the agreed terms of the original licences, supporting their assessment of indicators of impairment, along with their plans for future expenditure to meet minimum licence requirements; and<br>● Obtained management's assessment of the viability of the future economic benefits of the concessions in each region to assess management's decision to continue exploration activities and to determine whether the |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| E&E asset is unlikely to be recovered in full by successful development or by sale.<br><br>As a result of their impairment trigger assessment at 31 December 2023, being the Group's half year, management concluded that there were indicators of impairment relating to all seven Australian tenements that were not expected to be approved for renewal and were not considered to have commercial recoverability. The entire tenement balance of US$8.3 million was written off at 31 December 2023.<br><br>As at 30 June 2024, management did not identify any impairment indicators relating to the remaining intangible assets. However, they recognise the need for additional funding to maintain non-Cascabel exploration licences. Without this funding, they may have to halt spending on the Regional Ecuadorian Properties, which would result in an impairment trigger for the E&E assets.<br>Impairment assessments can require significant judgement and there is a risk that the carrying value of the assets may not be supported by their recoverable amount. As such this was a key area of focus for our audit due to the material quantum of intangible assets and the significant judgement involved. | carrying amount is supportable by successful development or sale.<br><br>We assessed the completeness and accuracy of the impairment charges recognised in respect of the seven Australian tenements by obtaining licence status records from the Queensland Department of Resources to confirm that the Australian entities no longer held the rights to the licences and thus no additional costs were anticipated in relation to losing the tenements. Based on the work performed, we are satisfied that the impairment charges recognised against the seven Australian tenements are appropriate.<br><br>As a result of the other procedures performed, we determined that no other indicators of impairment existed for the remaining intangible assets as at 30 June 2024 and that adequate disclosures have been made in the financial statements. |
| *Carrying value of Investments in subsidiaries and loans with subsidiaries (Company)*<br><br>Refer to Note 9 (Investment in subsidiaries), Note 10 (Intercompany loans with subsidiaries).<br><br>At 30 June 2024, the Company held Investments in subsidiaries amounting to US$258.1 million, as well as Intercompany loans with subsidiaries of US$205.6 million.<br><br>In assessing for impairment indicators of the investments, management considered whether the underlying net assets of the investments support the carrying amount, the nature of the underlying assets and whether other facts and circumstances could also be indicative of an impairment. The Company's market capitalisation was below its net assets as at 30 June 2024 but was not considered a trigger for impairment considering other internal and external sources of information. For the loan balances, management considered whether the relevant subsidiary could repay the loans if they were demanded at the balance sheet date.<br><br>Based on management's assessment, an impairment was recognised in respect of the carrying value of investments in subsidiaries, in line with the impairments of the Australian tenements. No expected credit losses | In respect of the Company's Investments in subsidiaries, we independently performed an assessment of internal and external factors, including considering the market capitalisation of the Group with reference to the carrying value of the Company's investments in subsidiaries, to identify other possible impairment indicators.<br><br>We also evaluated the ability of the subsidiaries to repay the loan balances.<br><br>Based on the procedures performed, we are satisfied with the completeness and accuracy of the impairment of the carrying value of the Company's investments in subsidiaries, being the impairment charges recognised against the Australian tenements. We determined the recognition of no expected credit losses on intercompany loans as at 30 June 2024 was appropriate, and are satisfied with the related disclosures in the financial statements. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| on intercompany loans were identified at the balance sheet date.<br><br>The carrying value of Investments in subsidiaries and Intercompany loans with subsidiaries was included as a key audit matter given that this is an area of focus for the audit of the Company due to the size of the balances. | |

### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's assets and operations are primarily located in Ecuador. In establishing the overall approach to the Group audit, we determined the type of work required to be performed for the consolidated financial statements by the Group audit team, or through the involvement of our component audit teams in Ecuador. We identified three significant components which, in our view, required an audit of their complete financial information, either due to their size or risk characteristics. This included the two main operating subsidiaries in Ecuador, namely Exploraciones Novomining S.A ("ENSA") and SolGold Ecuador S.A, and the Company, SolGold plc. In addition, we, together with PwC Ecuador, performed an audit of specific account balances at four other components: SolGold Finance AG, audited by PwC UK, and Green Rock Resources GRR S.A., Carnegie Ridge S.A. and Cruz del Sol CSSA S.A., audited by PwC Ecuador.

Our component audit teams, under the Group team's direction and supervision, performed walkthroughs to understand and evaluate the key financial processes and controls across the Group. Where work was performed by our component audit teams in Ecuador, we determined the level of our involvement in the audit work for the consolidated Group in order to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

As part of our year end audit, we spent time with our component audit teams in Quito, Ecuador, during the year-end phase of the audit. In addition to the site visit, we conducted oversight of the component audit teams through regular dialogue via conference calls, video conferencing and email communication, as considered necessary. We performed remote and in-person working paper reviews to satisfy ourselves as to the appropriateness of audit work performed by the component audit teams. We also attended key meetings virtually and in person with Group and local management. Further specific audit procedures over the Group consolidation and procedures over the Annual Report and the audit of the financial information disclosures were directly performed by the Group audit team. These procedures gave us the evidence we needed for our opinion on the Group financial statements as a whole.

### The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the Group's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the Group's and Company's financial statements.

## Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

| | **Financial statements - Group** | **Financial statements - Company** |
|---|---|---|
| *Overall materiality* | US$4.6 million (Prior year: US$4.8 million). | US$4.2 million (Prior year: US$3.9 million). |
| *How we determined it* | 1% of Total Assets | 1% of Total Assets |
| *Rationale for benchmark applied* | We deemed total assets to be an appropriate benchmark for the Group, given the Group's current focus on exploration and evaluation assets. In addition, the Directors utilise this measure as a key performance indicator for the Group. | We determined that the most suitable benchmark for the Company, which primarily functions as a holding company with substantial investments in subsidiary undertakings, is total assets. The Company's materiality has been capped at approximately 90% of Group materiality. |

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was US$0.8 million to US$4.2 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 25% (Prior year: 50%) of overall materiality, amounting to US$3.4million (Prior year: US$2.4 million) for the Group financial statements and US$3.1 million (Prior year: US$1.9 million) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the lower end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above US$231,900 (Group audit) (Prior year: US$238,500) and US$210,000 (Company audit) (Prior year: US$192,950) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and reviewing the Group's board-approved cashflow forecasts for the going concern period covering 15 months to 31 December 2025, including both the base case and severe but plausible downside scenarios, challenging and evaluating management's assumptions used and verifying that these assumptions are consistent with our knowledge and understanding of the business;
- Assessing the reasonableness of management's assessment, evaluating the assumptions used, and assessing management's ability to take mitigating actions, including delaying exploration expenditure, particularly relating to non-Cascabel exploration, reducing costs and verifying that the Group is able to meet its exploration and working capital commitments within the going concern period under this scenario;
- Discussions with management regarding the ability to draw down on current funding available through the stream agreement and to fulfil certain conditions precedent included in this agreement;
- Testing the cash flow forecast model for mathematical accuracy; and
- Assessing the completeness and adequacy of management's going concern disclosures provided in note 1 to the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

#### Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

### Corporate governance statement

ISAs (UK) require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code, which the Listing Rules of the Financial Conduct Authority specify for review by auditors of premium listed companies. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' Responsibility Statement, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with environmental regulations, health and safety regulations, and anti-bribery and corruption laws in the jurisdictions in which the Group operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and applicable tax legislation in the jurisdictions in which the Group has material operations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. The Group engagement team shared this risk assessment with the component audit teams so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component audit teams included:

- Enquiries of Directors, management and the Group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Examination of management's responses to whistle-blowing allegations made during the year;
- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Identifying and testing journal entries based on our risk assessment, in particular any journal entries posted with unusual account combinations, that could be used to manipulate the results;
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias; and
- Review of related work performed by the component audit teams, including their responses to risks related to management override of controls.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

# Other required reporting

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Appointment**

Following the recommendation of the Audit and Risk Committee, we were appointed by the members on 11 November 2021 to audit the financial statements for the year ended 30 June 2022 and subsequent financial periods. The period of total uninterrupted engagement is three years, covering the years ended 30 June 2022 to 30 June 2024.

# Other matter

The Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R - 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 September 2024

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2024

| | Note(s) | Group Year ended 30 June 2024 US$ | Group Year ended 30 June 2023 US$ |
|---|---|---|---|
| **Expenses** | | | |
| Exploration costs written-off | 13 | (8,277,279) | (1,059,317) |
| Reversal of exploration costs written-off | 13 | - | 3,780,099 |
| Administrative expenses | 3 | (12,519,277) | (41,198,678) |
| **Operating loss** | | **(20,796,556)** | **(38,477,896)** |
| Other income | | 389,733 | 122,443 |
| Finance income | 6 | 307,345 | 94,056 |
| Finance costs | 6 | (18,307,253) | (13,194,858) |
| Movement in fair value of derivative liability | 22 | 239,000 | 2,147,000 |
| Remeasurement of amortised cost of financial liability | 21 | (24,145,761) | - |
| **Loss before tax** | | **(62,313,492)** | **(49,309,255)** |
| Tax benefit / (expense) | 7 | 2,013,539 | (1,130,490) |
| **Loss for the year** | | **(60,299,953)** | **(50,439,745)** |
| | | | |
| **Other comprehensive (loss)/profit** | | | |
| *Items that may be reclassified to profit or loss* | | | |
| Exchange differences on translation of foreign operations | | (201,378) | (283,344) |
| *Items that will not be reclassified to profit or loss* | | | |
| Remeasurement of post-employment benefits | | (41,158) | 1,173,254 |
| Change in fair value of financial assets, net of tax | | - | (69,627) |
| **Other comprehensive (loss)/profit, net of tax** | | **(242,536)** | **820,283** |
| **Total comprehensive (loss)** | | **(60,542,489)** | **(49,619,462)** |
| | | | |
| **Loss for the year attributable to:** | | | |
| Owners of the parent company | | (60,299,953) | (50,336,363) |
| Non-controlling interest | | - | (103,382) |
| | | **(60,299,953)** | **(50,439,745)** |
| | | | |
| **Total comprehensive loss for the year attributable to:** | | | |
| Owners of the parent company | | (60,542,489) | (49,516,080) |
| Non-controlling interest | | - | (103,382) |
| | | **(60,542,489)** | **(49,619,462)** |
| | | | |
| **Loss per share (cents)** | | | |
| Basic loss per share | 8 | (2.0) | (2.0) |
| Diluted loss per share | 8 | (2.0) | (2.0) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2024
*SolGold plc – Registered Number 05449516*

| | Notes | Group As at 30 June 2024 US$ | Group As at 30 June 2023 US$ |
|---|---|---|---|
| Assets | | | |
| Intangible assets | 13 | 425,548,038 | 411,434,084 |
| Property, plant and equipment | 12 | 23,014,517 | 23,669,380 |
| Financial assets held at fair value through OCI | 11 | - | 5,328 |
| Financial assets at amortised cost | 20 | 1,706,305 | 1,729,033 |
| Other receivables and prepayments | 16 | 4,407,796 | - |
| **Total non-current assets** | | **454,676,656** | **436,837,825** |
| Other receivables and prepayments | 16 | 1,988,382 | 6,920,292 |
| Loans receivable and other current assets | 14 | 1,152,493 | 2,099,527 |
| Cash and cash equivalents | 17 | 6,028,043 | 32,481,606 |
| **Total current assets** | | **9,168,918** | **41,501,425** |
| **Total assets** | | **463,845,574** | **478,339,250** |
| Equity | | | |
| Share capital | 18 | 40,452,643 | 40,452,643 |
| Share premium | 18 | 459,986,179 | 459,986,179 |
| Own shares reserve | 18 | (25,389,208) | (25,389,208) |
| Merger relief reserve | 18 | 78,692,861 | 78,692,861 |
| Other reserves | 18 | 12,755,050 | 11,612,697 |
| Accumulated loss | | (306,351,714) | (247,097,272) |
| Foreign currency translation reserve | | (5,533,489) | (5,332,111) |
| **Total equity** | | **254,612,322** | **312,925,789** |
| Liabilities | | | |
| Trade and other payables | 19 | 6,503,000 | 12,689,439 |
| Lease liabilities | | 70,510 | 379,239 |
| Borrowings | 21 | 10,002,796 | - |
| Provisions | | 716,170 | 716,170 |
| **Total current liabilities** | | **17,292,476** | **13,784,848** |
| Lease liabilities | | 136,808 | 169,457 |
| Other financial liabilities | 22 | 1,076,806 | 240,000 |
| Deferred tax liabilities | 15 | 1,780,898 | 4,200,444 |
| Borrowings | 21 | 188,946,264 | 147,018,712 |
| **Total non-current liabilities** | | **191,940,776** | **151,628,613** |
| **Total liabilities** | | **209,233,252** | **165,413,461** |
| **Total equity and liabilities** | | **463,845,574** | **478,339,250** |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The financial statements on pages 80 to 132 were approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

Scott Caldwell
Chief Executive Officer

| | Notes | Company As at 30 June 2024 US$ | Company As at 30 June 2023 US$ |
|---|---|---|---|
| Assets | | | |
| Property, plant and equipment | 12 | - | 299,025 |
| Investment in subsidiaries | 9 | 258,109,300 | 261,013,212 |
| Loans with subsidiaries | 10 | 205,600,844 | 181,525,074 |
| Financial assets held at fair value through OCI | 11 | - | 1,425 |
| Financial assets at amortised cost | 20 | 584,518 | 734,248 |
| **Total non-current assets** | | **464,294,662** | **443,572,984** |
| Other receivables and prepayments | 16 | 288,074 | 247,178 |
| Loans receivable and other current assets | 14 | 1,152,493 | 2,099,527 |
| Cash and cash equivalents | 17 | 4,124,142 | 29,041,499 |
| **Total current assets** | | **5,564,709** | **31,388,204** |
| **Total assets** | | **469,859,371** | **474,961,188** |
| Equity | | | |
| Share capital | 18 | 40,452,643 | 40,452,643 |
| Share premium | 18 | 459,975,555 | 459,975,555 |
| Merger relief reserve | 18 | 78,692,861 | 78,692,861 |
| Other reserves | 18 | 12,122,374 | 10,898,248 |
| Accumulated loss | | (130,532,612) | (116,812,665) |
| Foreign currency translation reserve | | (5,006,473) | (5,006,473) |
| **Total equity** | | **455,704,348** | **468,200,169** |
| Liabilities | | | |
| Trade and other payables | 19 | 3,435,057 | 5,479,091 |
| Lease liabilities | | - | 299,594 |
| Borrowings | 21 | 10,002,796 | - |
| Provisions | | 716,170 | 716,170 |
| **Total current liabilities** | | **14,154,023** | **6,494,855** |
| Lease liabilities | | - | 26,164 |
| Other financial liabilities | 22 | 1,000 | 240,000 |
| **Total non-current liabilities** | | **1,000** | **266,164** |
| **Total liabilities** | | **14,155,023** | **6,761,019** |
| **Total equity and liabilities** | | **469,859,371** | **474,961,188** |

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

A separate statement of comprehensive income for the parent company has not been presented as permitted by section 408 of the *Companies Act 2006* (UK). The Company's loss for the year was US$14,651,303 (2023: US$20,644,167).

The company financial statements were approved by the Board of Directors on 26 September 2024 and signed on its behalf by Scott Caldwell, Chief Executive Officer.

Scott Caldwell
Chief Executive Officer

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2024

| | Note | Share capital | Share premium | Own shares reserve | Merger relief reserve | Financial assets held at fair value through other comprehensive income | Share based payment reserve | Employee benefit reserve | Accumulated loss | Foreign currency translation reserve | Total | Non-controlling interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ |
| **Balance at 1 July 2022** | | **32,350,699** | **426,793,240** | **-** | **-** | **2,047,393** | **9,350,670** | **(466,305)** | **(132,587,252)** | **(5,048,767)** | **332,439,678** | **(1,191,172)** | **331,248,506** |
| Loss for the year | | - | - | - | - | - | - | - | (50,336,363) | - | (50,336,363) | (103,382) | (50,439,745) |
| Other comprehensive (loss) / profit | | - | - | - | - | (69,627) | - | 1,173,254 | - | (283,344) | 820,283 | - | 820,283 |
| **Total comprehensive loss for the year** | | **-** | **-** | **-** | **-** | **(69,627)** | **-** | **1,173,254** | **(50,336,363)** | **(283,344)** | **(49,516,080)** | **(103,382)** | **(49,619,462)** |
| Shares issued to Directors and employees | 18 | 36,572 | 762,905 | - | - | - | - | - | 31,433 | - | 830,910 | - | 830,910 |
| Shares issued to new investors | 18 | 1,780,000 | 33,820,000 | - | - | - | - | 7,500 | - | - | 35,607,500 | - | 35,607,500 |
| Transfer of reserves to retained earnings | 28 | - | - | - | - | (1,977,766) | - | - | 1,977,766 | - | - | - | - |
| Acquisition of remaining Cornerstone (renamed to SolGold Canada Inc.) business, net of tax | 28 | 6,285,375 | - | (25,389,208) | 78,692,861 | - | 1,876,910 | - | (67,688,135) | - | (6,222,200) | 1,294,554 | (4,927,646) |
| Tax adjustments through reserves | 28 | - | - | - | - | - | - | - | 576,679 | - | 576,679 | - | 576,679 |
| Share issue costs | 18 | - | (1,389,966) | - | - | - | - | - | - | - | (1,389,966) | - | (1,389,966) |
| Options expired | 23 | - | - | - | - | - | (928,600) | - | 928,600 | - | - | - | - |
| Value of options issued to Directors and employees | 23 | - | - | - | - | - | 599,267 | - | - | - | 599,267 | - | 599,267 |
| **Balance at 30 June 2023** | | **40,452,643** | **459,986,179** | **(25,389,208)** | **78,692,861** | **-** | **10,898,247** | **714,450** | **(247,097,272)** | **(5,332,111)** | **312,925,789** | **-** | **312,925,789** |
| Loss for the year | | - | - | - | - | - | - | - | (60,299,953) | - | (60,299,953) | - | (60,299,953) |
| Other comprehensive loss | | - | - | - | - | - | - | (41,158) | - | (201,378) | (242,536) | - | (242,536) |
| **Total comprehensive loss for the year** | | **-** | **-** | **-** | **-** | **-** | **-** | **(41,158)** | **(60,299,953)** | **(201,378)** | **(60,542,489)** | **-** | **(60,542,489)** |
| Value of options issued to directors and employees | 23 | - | - | - | - | - | 2,155,483 | - | - | - | 2,155,483 | - | 2,155,483 |
| Options expired | 23 | - | - | - | - | - | (931,356) | - | 931,356 | - | - | - | - |
| Employee benefit reserve adjustment | | - | - | - | - | - | - | (40,616) | 114,155 | - | 73,539 | - | 73,539 |
| **Balance at 30 June 2024** | | **40,452,643** | **459,986,179** | **(25,389,208)** | **78,692,861** | **-** | **12,122,374** | **632,676** | **(306,351,714)** | **(5,533,489)** | **254,612,322** | **-** | **254,612,322** |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## COMPANY STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2024

| | Notes | Share capital | Share premium | Merger relief reserve | Financial assets held at fair value through other comprehensive income | Share based payment reserve | Accumulated loss | Foreign currency translation reserve | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | US$ | US$ | US$ | US$ | US$ | US$ | US$ | US$ |
| Balance at 1 July 2022 | | 32,350,699 | 426,793,240 | - | 2,047,393 | 9,350,670 | (99,567,549) | (5,006,473) | 365,967,980 |
| Loss for the year | | - | - | - | - | - | (20,664,167) | - | (20,664,167) |
| Other comprehensive loss | | - | - | - | (69,627) | - | - | - | (69,627) |
| Total comprehensive loss for the year | | - | - | - | (69,627) | - | (20,664,167) | - | (20,733,794) |
| Shares issued to Directors and employees | 18 | 36,572 | 762,905 | - | - | - | - | - | 799,477 |
| Shares issued to new investors | 18 | 1,780,000 | 33,820,000 | - | - | - | - | - | 35,600,000 |
| Acquisition of own shares | 18 | 6,285,372 | - | 78,692,861 | (1,977,766) | 1,876,910 | 2,490,453 | - | 87,367,831 |
| Share issue costs | 18 | - | (1,400,590) | - | - | - | - | - | (1,400,590) |
| Options expired | 23 | - | - | - | - | (928,598) | 928,598 | - | - |
| Value of options issued to Directors and employees | 23 | - | - | - | - | 599,266 | - | - | 599,266 |
| Balance at 30 June 2023 | | 40,452,643 | 459,975,555 | 78,692,861 | - | 10,898,248 | (116,812,665) | (5,006,473) | 468,200,169 |
| Loss for the year | | - | - | - | - | - | (14,651,303) | - | (14,651,303) |
| Other comprehensive loss | | - | - | - | - | - | - | - | - |
| Total comprehensive loss for the year | | - | - | - | - | - | (14,651,303) | - | (14,651,303) |
| Options expired | 23 | - | - | - | - | (931,357) | 931,356 | - | (1) |
| Value of options issued to directors and employees | 23 | - | - | - | - | 2,155,483 | - | - | 2,155,483 |
| Balance at 30 June 2024 | | 40,452,643 | 459,975,555 | 78,692,861 | - | 12,122,374 | (130,532,612) | (5,006,473) | 455,704,348 |

The above Company Statement of Changes in Equity should be read in conjunction with the accompanying notes.

| | Notes | Group Year ended 30 June 2024 US$ | Group Year ended 30 June 2023 US$ | Company Year ended 30 June 2024 US$ | Company Year ended 30 June 2023 US$ |
|---|---|---|---|---|---|
| Cash flows from operating activities | | | | | |
| Loss for the year | | (60,299,953) | (50,439,745) | (14,651,303) | (20,664,167) |
| Depreciation | 12 | 406,004 | 298,075 | 287,435 | 283,948 |
| Loss on disposal of depreciable assets | | 88,912 | - | 10,268 | - |
| Interest on lease liabilities | | - | 46,610 | - | 34,702 |
| Interest on NSR | 21 | 17,781,791 | 13,148,231 | - | - |
| Interest on loan to SolGold Finance AG | 10 | - | - | (6,563,897) | (6,430,256) |
| Interest on loan to SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) | 10 | - | - | (978,176) | (332,707) |
| Interest on loan from SolGold Finance AG | 10 | - | - | 2,333,300 | 2,246,679 |
| Impairment of investments in subsidiaries | | - | - | 11,919,586 | - |
| Advances to subsidiaries prior to business combination | | - | (1,912,102) | - | - |
| Share based payment expense | 5 / 23 | 2,155,483 | 998,682 | 2,155,483 | 998,682 |
| Capitalised exploration costs written-off | 13 | 8,277,279 | 1,059,317 | 11,794 | - |
| Reversal of capitalised exploration costs written-off | 13 | - | (3,780,099) | - | (131,314) |
| Foreign exchange (gain)/loss | | (256,006) | 235,952 | 18,558 | 214,647 |
| Expected credit loss – Company Funded Loan Plan | 14 | 925,993 | 1,433,420 | 925,993 | 1,433,420 |
| Accretion of interest – short-term loan facility | 21 | 497,531 | - | 497,531 | - |
| Movement in fair value of derivative liability | 22 | (239,000) | (2,147,000) | (239,000) | (2,147,000) |
| Remeasurement of amortised cost of financial liability | 21 | 24,145,761 | - | - | - |
| Tax benefit | 7 | (2,419,546) | 1,130,490 | - | 1,381,331 |
| Decrease / (increase) in other receivables and prepayments | | 415,454 | 601,347 | (39,781) | 2,731,458 |
| (Decrease) / increase in trade and other payables | | (1,722,193) | 5,662,014 | (2,028,879) | 3,804,119 |
| **Net cash outflow from operating activities** | | **(10,242,490)** | **(33,664,808)** | **(6,341,088)** | **(16,576,458)** |
| Cash flows from investing activities | | | | | |
| Acquisition of property, plant and equipment | | (241,459) | (1,670,405) | (1,725) | (2,511) |
| Acquisition of exploration and evaluation assets | | (25,140,364) | (43,297,918) | - | - |
| Net cash acquired on business combination | | - | 1,047,190 | - | - |
| Loans advanced to subsidiaries | | - | - | (1,355,564) | (21,447,533) |
| Advances in investment in subsidiaries | | - | - | (9,027,468) | (17,567,933) |
| Loan repayments from subsidiaries | | - | - | 187,698 | - |
| Redemption of bank term deposit | | 137,832 | - | 137,832 | - |
| **Net cash outflow from investing activities** | | **(25,243,991)** | **(43,921,133)** | **(10,059,227)** | **(39,017,977)** |
| Cash flows from financing activities | | | | | |
| Proceeds from the issue of ordinary share capital | 18 | - | 36,000,000 | - | 36,000,000 |
| Payment of issue costs | | - | (1,453,969) | - | (1,977,208) |
| Proceeds from NSR financing | 21 | - | 50,000,000 | - | - |
| Payment of NSR costs | 21 | - | (205,596) | - | - |
| Proceeds from short-term loan facility | 21 | 10,000,000 | - | 10,000,000 | - |
| Costs of short-term loan facility | | (494,735) | - | (494,735) | - |
| Repayments of lease liabilities | | (452,503) | (225,755) | (323,175) | (303,906) |
| Loans advanced from subsidiaries | 10 | - | - | - | 49,975,286 |
| Repayment of loans to subsidiaries | 10 | - | - | (17,699,132) | (19,936,627) |
| **Net cash inflow from financing activities** | | **9,052,762** | **84,114,680** | **(8,517,042)** | **63,757,545** |
| **Net (decrease) / increase in cash and cash equivalents** | | **(26,433,719)** | **6,528,739** | **(24,917,357)** | **8,163,110** |
| Cash and cash equivalents at the beginning of year | 17 | 32,481,606 | 26,102,133 | 29,041,499 | 21,032,524 |
| Effect of foreign exchange rate changes | | (19,844) | (149,266) | - | (154,135) |
| **Cash and cash equivalents at end of year** | 17 | **6,028,043** | **32,481,606** | **4,124,142** | **29,041,499** |

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

## NOTE 1 | ACCOUNTING POLICIES

SolGold Plc ("the Company" or "SolGold") and its subsidiaries (the "Group") is a mineral exploration and development company headquartered in Brisbane, Australia. The Company is a UK (London) incorporated (on 11 May 2005) and domiciled, public company limited by shares, with the company registration number 05449516. SolGold is dual listed on the London Stock Exchange and the Toronto Stock Exchange. The address of the Company's registered office is 1 Cornhill, London EC3V 3ND, United Kingdom.

### Note 1(a) Statement of compliance

The consolidated financial statements and Company financial statements have been prepared in accordance with UK adopted International Accounting Standards and the requirements of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdoms' Financial Conduct Authority. The consolidated and Company financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments.

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

The preparation of the Group Financial Statements in compliance with generally accepted accounting principles requires management to make estimates and exercise judgement in applying the Group's accounting policies. In preparing the Group Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are disclosed in Note 1(v).

### Note 1(b) Basis of preparation of financial statements and going concern

*(i)* Basis of preparation

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

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

*(ii) Going concern*

At the year end, the Group had cash on hand of US$6,028,043 and net current liabilities of US$8,123,558. The Directors have reviewed the cash position of the Group and the Company for the fifteen-month period to 31 December 2025 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 Company has a proven ability to execute equity and other financings as demonstrated by the successfully completed $750 million gold stream agreement announced on 15 July 2024 (borrowed amounts are limited to the advancement of Cascabel); the Osisko Gold Royalty Inc. royalty agreement in November 2022; the share issue in December 2022; and the SolGold Canada Inc (formerly Cornerstone Capital Resources Inc.) acquisition in February 2023.

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.

Subsequent to the year-end, SolGold executed the US$750 million gold stream agreement with Franco-Nevada and Osisko Gold Royalties; this funding covers the ongoing operational requirements for the Cascabel Project and associated administration expenses, for at least fifteen-months following the date of approval of the Annual Report. The first tranche of US$33.4 million of the Initial Deposit was drawn at closing, significantly bolstering the Group's cash position. The remaining US$66.6 million is expected to be drawn as milestones are achieved over the period to 31 December 2025, providing a clear pathway for funding through to the final investment decision. Further funding is required to fund regional Ecuadorian projects.

In the Group's and Company's financial forecasts, the Directors have considered the conditions precedent to drawing funds under the gold stream financing under a base case and also a severe, but plausible, scenario reflecting unanticipated cost overruns to meet the conditions precedent, and no financing received for projects outside Cascabel. The base case, incorporating the stream transaction and modest additional financing for non-Cascabel expenditures, provides sufficient funding for operations and Cascabel advancement over this period. Even in a severe but plausible scenario, the Group's ability to continue as a going concern and advance the Cascabel Project remains intact, though the carrying value of certain non-Cascabel projects might be impacted, as it may not be able to obtain the funding to fully develop these exploration projects.

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

*(ii) Going concern (Continued)*

In the event that the Company is unable to secure sufficient funding for the non-Cascabel projects, management has mitigating options including farm-outs, the relinquishment of licences across Ecuador, or the sale of the Company's own treasury shares.

Therefore, the Directors consider it appropriate that the going concern basis of accounting, for the Group and Company, be adopted for the period of at least twelve months from the date of the approval of these financial statements.

*(iii) Historical cost convention*

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

### Note 1(c) Basis of consolidation

*(i) Subsidiaries*

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

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

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

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

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

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

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(c) Basis of consolidation (continued)

*(ii) Transactions eliminated on consolidation*

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

### Note 1(d) Foreign currency

*(i)* Translation into the functional currency

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

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

The functional currency of the Company and its subsidiaries are detailed in the tables below:

| Listing of Company and Subsidiaries' Functional Currencies | |
|---|---|
| SolGold Plc – US$ (2024 and 2023) | |
| | |
| **Subsidiaries Using US$ (2024 and 2023)** | |
| SolGold Finance AG | Gestion Minera S.A. |
| Exploraciones Novomining S.A. | Bellamaria Mining S.A. |
| Carnegie Ridge Resources S.A. | Canabrava Mining S.A. |
| Green Rock Resources GRR S.A. | Exploaurum S.A. |
| Valle Rico Resources VRR S.A. | Cornerstone Ecuador S.A. |
| Cruz del Sol CSSA S.A. | Cornerstone Exploraciones Ecuador S.A. |
| SolGold Ecuador S.A. | Vetasgrandes Mining S.A. |
| Novoproyectos-Sustentables S.A. | |
| | |
| **Subsidiaries Using AU$ (2024 and 2023)** | |
| Australian Resource Management Pty Ltd | Honiara Holdings Pty Ltd |
| Acapulco Mining Pty Ltd | Guadalcanal Exploration Pty Ltd |
| Central Minerals Pty Ltd | |
| | |
| **Subsidiaries Using CAD (2024 and 2023)** | |
| SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) | SolGold Canadian Callco Corp. |
| Cornerstone Exploration Inc. | SolGold Canadian Exchangeco Corp. |
| | |
| **Subsidiaries Using SBD (2024 and 2023)** | |
| Solomon Operations Ltd | |
| | |
| **Subsidiaries Using CLP (2024 and 2023)** | |
| Minera Cornerstone Chile Limitada | |

| Currency | Exchange rate at 30 June 2024 | Exchange rate at 30 June 2023 | Average exchange rate for the year ended 30 June 2024 | Average exchange rate for the year ended 30 June 2023 |
|---|---|---|---|---|
| US$ | n/a | n/a | n/a | n/a |
| AU$ | 0.6676 | 0.6660 | 0.6557 | 0.6732 |
| CAD | 0.7307 | 0.7549 | 0.7382 | 0.7467 |
| SBD | 0.1185 | 0.1186 | 0.1185 | 0.1213 |
| CLP | 0.0011 | 0.0012 | 0.0011 | 0.0012 |

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(d) Foreign currency (Continued)

*(ii)* Translation into presentation currency

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

### Note 1(e) Property, plant and equipment

*(i) Owned assets*

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

*(ii) Leased assets*

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

*(iii) Subsequent costs*

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

*(iv) Depreciation*

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

| | |
|---|---|
| Office Equipment | 3 years |
| Furniture and Fittings | 5 years |
| Motor Vehicles | 5 years |
| Plant and Equipment | 5 – 10 years |
| Land | Not depreciated |

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

As capitalised exploration and evaluation expenditure are not definite lived intangible assets, they are not amortised.

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

### Note 1(f) Intangible assets (as per IFRS 6 - Exploration for and Evaluation of Mineral Resources)

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

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

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

Once the work completed to date on an area of interest is sufficient such that the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be an evaluated mineral property.

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(f) Intangible assets (as per IFRS 6 - Exploration for and Evaluation of Mineral Resources) (Continued)

Following determination of the technical feasibility and commercial viability of a mineral resource, the relevant expenditure is transferred from exploration and evaluation assets to evaluated mineral property.

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

### Note 1(g) Cash and cash equivalents

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

### Note 1(h) Impairment of non-financial assets

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

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

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

Reviews for reversal of impairment for capitalised exploration and evaluation expenditures are carried out on the same basis as impairment reviews for capitalised exploration and evaluation expenditure, with each project representing a potential single cash generating unit. An impairment reversal review is undertaken when there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased, typically when one or more of the following circumstances apply:

- The period for which the entity has the right to explore in the project area is renewed, after having previously been impaired due to an expectation that the project exploration rights would not be renewed;
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the project area is planned; and
- Exploration for, and evaluation of, mineral resources near or geologically related to the project area have led to the discovery of commercially viable quantities of mineral resources and the entity has reasonable evidence from prior or recently completed activity to indicate that the project area is likely to become recoverable.

### Note 1(i) Share capital

*(i) Ordinary share capital*

The Company's ordinary shares are classified as equity.

*(ii) Shares issued to settle liabilities*

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

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

## Note 1(j) Employee benefits

*(i) Share based payment transactions*

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

*(ii) Retirement benefits*

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

*(iii) Company Funded Loan Plan*

The Company Funded Loan Plan (“CFLP”) provided financial assistance to certain employees who exercised share options. The financial assistance provided to employees is by way of a full recourse interest free loan. The CFLP is secured by the SolGold shares issued upon the exercise of share options under the CFLP to that employee. These shares are held in custody by the Company’s broker.

CFLP loans to employees were initially recognised at fair value, which was determined by discounting loans to their net present value using the risk-free interest rate at the time of the loan and an estimated repayment schedule. Following initial recognition, they were carried at amortised cost using the effective interest rate method. Changes in the carrying value of the CFLP loans are recognised within Administrative expenses in the statement of profit or loss. The cost of providing the benefit to employees is recognised as an employee expense in the statement of profit or loss on a straight-line basis over the expected life of the CFLP loan. Following further changes to the scheme, which is now closed, the loans are carried at amortised cost less expected credit losses which takes into account the current share price and time to settle the loans. Further details of the CFLP are disclosed in Note 14.

*(iv) Derivative Financial Instruments*

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

## Note 1(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

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

## Note 1(l) Trade and other payables

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

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(m) Financing costs and income

*(i) Financing costs*

Financing costs comprise interest payable on borrowings calculated using the effective interest rate method and lease liabilities using the incremental borrowing rate method.

*(ii) Finance income*

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

### Note 1(n) Taxation

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

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

The Group's tax losses relate to subsidiaries that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on taxes are disclosed in Note 7.

### Note 1(o) Segment reporting

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

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

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

### Note 1(p) Project Financing

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

### Note 1(q) Leases

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

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

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

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

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(q) Leases (continued)

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

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

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

### Note 1(r) Financial Instruments

*Recognition and Initial Measurement*

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

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

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

Financial assets

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

*Financial assets at amortised cost*

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

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

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

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

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

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

*Impairment of financial assets*

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

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(r) Financial Instruments (continued)

of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Please refer to Note 14 for the CFLP.

Financial liabilities

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

*Financial liabilities measured subsequently at amortised cost*

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

*Financial liabilities measured at fair value through profit or loss*

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

*Derecognition*

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

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

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

### Note 1(s) Accounting policies for the Company

The accounting policies applied to the Company are consistent with those adopted by the Group, to the extent that they are relevant to an entity (as opposed to a consolidated) set of financial statements, with the exception of the following:

*(i) Subsidiary investments*

Investments in subsidiary undertakings are stated at cost less impairment losses. Expenditure incurred by the Company on behalf of a subsidiary, and where the subsidiary does not reimburse the Company for assets that could be capitalised in accordance with IFRS 6, is recorded within investments in subsidiary undertakings. Where investments are passed down into the underlying operating subsidiaries where no reimbursement is expected this is recorded as an investment in subsidiary undertakings. Within Investments in Subsidiaries we also include Loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future.

*(ii) Intercompany loans*

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

### Note 1(t) Nature and purpose of reserves

*(i) Own shares reserve*

The own shares reserve is used to recognise the outstanding shares in the Company held in SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) at amortised cost in the consolidated financial statements only.

*(ii) Merger relief reserve*

The merger relief reserve represents the merger relief applied under section 612 of the Companies Act 2006 when shares were issued for the acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.).

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(t) Nature and purpose of reserves (Continued)

*(iii) Financial assets at fair value through other comprehensive reserve*

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

*(iv) Share based payment reserve*

The share based payment reserve is used to recognise:

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

*(v) Foreign currency translation reserve*

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

At a Company level the foreign currency translation reserve relates to the change in presentational currency in previous periods (2016).

*(vi) Other reserves*

This reserve is used to adjust the actuarial assessed fair value for the defined benefit pension obligation linked to the Group's employees in Ecuador.

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(u) Changes in accounting policies - New standards and amendments in the year

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.

| Standard | Description of Standard | Effective period commencing on or after | Impact of adoption |
|---|---|---|---|
| *Amendments to IAS 12* | *International Tax Reform – Pillar Two Model Rules*<br><br>Issued in May 2023, the amendments introduce an immediate temporary mandatory exception from accounting for deferred tax related to GloBE top-up tax. However, companies will be required to provide new disclosures about their potential exposure to the top-up tax at the reporting date in periods in which a tax law is enacted but the top-up tax does not yet apply. The disclosure requirements apply from December 31, 2023. No disclosures are required in interim periods ending on or before December 31, 2023. | 1 January 2023 | No significant impact |
| *Amendments to IAS 12* | *Deferred Tax Related to Costs and Liabilities Arising from a Single Transaction*<br><br>The amendment clarifies that the exemption does not apply to transactions for which entities recognise both an asset and a liability and that give rise to equal taxable and deductible temporary differences. This may be the case for transactions such as leases and decommissioning, restoration and similar obligations. | 1 January 2023 | No significant impact |
| *Amendments to IAS 1 and IFRS Practice Statement 2* | *Disclosure of Accounting Policies*<br><br>The IASB amended *IAS 1 Presentation of Financial Statements* to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' (being information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements) and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.<br><br>To support this amendment, the IASB also amended IFRS Practice Statement 2 - Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures. | 1 January 2023 | No significant impact |

Details of the impact that these standards had is detailed in the table above. Other new and amended standards and Interpretations issued by the IASB do not impact the Group or Company as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(u) Changes in accounting policies (Continued) - New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the company. Amendments to IAS 21 *Lack of Exchangeability Between Currencies* and IFRS 19 *Subsidiaries with Public Accountability: Disclosures* are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions. The impact of IFRS 18 *Presentation and Disclosure in Financial Statements* has not been assessed.

| Standard | Description of Standard | Effective for annual reporting periods commencing on or after |
|---|---|---|
| Amendments to IAS 21 | Lack of Exchangeability Between Currencies | 1 January 2025 |
| IFRS 18 | Presentation and Disclosure in Financial Statements | 1 January 2027 |
| IFRS 19 | Subsidiaries without Public Accountability: Disclosures | 1 January 2027 |

### Note 1(v) Critical Accounting Estimates and Judgements

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

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

### Note 1(v)(1) Critical Accounting Estimates and Judgements: Accounting Estimates

*NSR royalty interest - Group*

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

In the case of the Franco Nevada NSR royalty, the Company arrived at an effective interest rate (“EIR”) of 11.84%. In the case of the Osisko NSR royalty, the Company arrived at an EIR of 8.87%. Total interest for the financial year is calculated at US$17,781,791 (2023: US$13,148,231) (Note 6). Based upon cash flow forecasts covering the latest PFS mine plan, a 5% increase in the sales prices for copper, gold, and silver would decrease finance expense by approximately US$3,905,834 (2023: decrease of US$184,000), noting that in 2023, the increased pricing would decrease the EIR of the Franco Nevada NSR royalty, payments of which are subject to a minimum metal production adjustment.

### Note 1(v)(2) Critical Accounting Estimates and Judgements: Accounting Judgements

*Exploration and evaluation expenditure – Group*

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

The carrying values of exploration and evaluation expenditure were assessed for indicators of impairment and impairment reversal based upon internal and external sources of information, which includes information particular to the Group and Company and their projects. In forming this assessment, the Group considered the external Mineral Resources Estimate, the status of its permits, and internal economic models and financing which supported the carrying value of the projects. A key judgement in the assessment is that the additional funding required to maintain and progress regional Ecuadorian projects will be obtained.

The Directors have carried out an assessment of the carrying values of exploration and evaluation expenditure and indicators of impairment as detailed in Note 13.

## NOTE 1 | ACCOUNTING POLICIES (CONTINUED)

### Note 1(v)(2) Critical Accounting Estimates and Judgements: Accounting Judgements (Continued)

*Investments in Subsidiaries and Intercompany* Loans *– Company*

The Company's recovery of investments in subsidiaries and intercompany loans is dependent upon the value of the mining exploration projects owned by the subsidiaries. The recoverability of intercompany loans has been evaluated on a mineral property by mineral property basis, considering the ability of each legal entity holding exploration and evaluation assets to repay its obligations.

As of 30 June 2024, no indicators of impairment were identified with respect to the carrying value of the exploration and evaluation assets, including the Cascabel project held by ENSA. All recovery strategies indicate that the carrying value of intercompany loans will be fully recovered.

The carrying values of capitalised exploration and evaluation costs were assessed for indicators of impairment based on the estimated recoverability from expected future development and production. The assessment considered the external Mineral Resources Estimate, the status of its permits, internal economic models, the impact of any impairment reversals, and financing which supported the carrying value of the projects.

The Directors acknowledge that the Company's market capitalisation was below the value of its net assets during 2024. This was considered as a potential indicator of impairment under IAS 36. However, after evaluating market capitalisation, recoverability of capitalised exploration and evaluation costs, and other internal and external sources of information, management have made the judgement that the fact of net assets exceeding market capitalisation was not an indicator of impairment.

Management has made a judgement relating to loans with subsidiaries where settlement is neither planned nor likely to occur in the foreseeable future. These loans are considered as part of the Company's investments in subsidiaries.

## NOTE 2 | SEGMENT REPORTING

### Note 2(a) Operating Segments

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

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

| 30 June 2024 | Finance Income US$ | Depreciation US$ | Capitalised exploration costs written-off US$ | Loss for the year US$ | Assets US$ | Liabilities US$ | Share Based Payments US$ | Non-current asset additions / (disposals) US$ |
|---|---|---|---|---|---|---|---|---|
| Cascabel project | 50,248 | - | - | 775,809 | 319,269,300 | 3,459,516 | - | 20,037,462 |
| Other Ecuadorian projects | 55,414 | 101,341 | - | 2,342,228 | 136,170,085 | 1,443,512 | - | 7,825,837 |
| Other projects | - | (1,039) | 8,277,279 | 8,285,076 | 149,057 | 1,926 | - | (9,554,428) |
| Corporate | 201,683 | 305,702 | - | 48,896,840 | 8,257,132 | 204,328,298 | 2,155,483 | (470,040) |
| Total | 307,345 | 406,004 | 8,277,279 | 60,299,953 | 463,845,574 | 209,233,252 | 2,155,483 | 17,838,831 |

| 30 June 2023 | Finance Income US$ | Depreciation US$ | Impairment of E&E US$ | Loss for the year US$ | Assets US$ | Liabilities US$ | Share Based Payments US$ | Non-current asset additions / (disposals) US$ |
|---|---|---|---|---|---|---|---|---|
| Cascabel project | 42,052 | (58,740) | - | 2,260,431 | 303,474,003 | 5,425,778 | - | 30,590,591 |
| Other Ecuadorian projects | 46,560 | 53,127 | 478,817 | 8,404,502 | 131,510,493 | 1,800,742 | - | 17,829,097 |
| Other projects | - | 2,172 | 580,500 | 601,858 | 9,734,663 | 17,271 | - | (738,538) |
| Corporate | 5,444 | 301,516 | - | 39,172,954 | 33,620,091 | 158,169,670 | 998,682 | (5,608,357) |
| **Total** | **94,056** | **298,075** | **1,059,317** | **50,439,745** | **478,339,250** | **165,413,461** | **998,682** | **42,072,793** |

### Note 2(b) Geographical Information

| Non-current assets | 2024 US$ | 2023 US$ |
|---|---|---|
| Switzerland | 53,762 | 73,624 |
| Australia | 596,201 | 10,647,500 |
| Chile | 123,006 | 76,315 |
| Ecuador | 453,903,687 | 426,040,386 |
| | 454,676,656 | 436,837,825 |

## NOTE 3 | ADMINISTRATIVE EXPENSES

### Note 3(a) Components of Administrative Expenses

| Group Administrative Expenses | 2024 US$ | 2023 US$ |
|---|---|---|
| Administrative and consulting expenses | 4,387,083 | 7,785,779 |
| Auditors' remuneration | 900,011 | 1,474,849 |
| Insurance | 291,458 | 488,976 |
| Acquisition-related costs[1] | (1,379,150) | 16,054,495 |
| Employment expenses | 3,777,237 | 10,300,752 |
| Expected credit loss (Note 14) | 925,993 | 1,433,420 |
| Depreciation | 406,004 | 298,075 |
| Legal fees | 985,879 | 2,127,698 |
| Foreign exchange losses | 69,279 | 235,952 |
| Share based payments | 2,155,483 | 998,682 |
| **Administrative expenses, as reported** | **12,519,277** | **41,198,678** |

*Notes:*

1 *During the year ended 30 June 2024, liabilities, which were accrued at 30 June 2023, were re-negotiated and settled at a gain on settlement. The liability was recognised in administrative expenses when originally recorded (in the prior year, and the gain on settlement during the year ended 30 June 2024 has accordingly been offset against administrative expenses).*

### Note 3(b) Auditors' Remuneration

The following table discloses remuneration to PricewaterhouseCoopers LLP, the auditors who opined on the financial statements as at and for the year ended 30 June 2024. In 2024, the Group remunerated other auditors, who performed audits of certain Group subsidiaries for statutory requirements, US$93,706. Together with the US$900,011 remunerated to PricewaterhouseCoopers LLP.

| Remuneration to PricewaterhouseCoopers LLP | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| Details of auditors' remuneration: | | |
| Incurred for audit of SolGold plc annual report | 573,674 | 589,121 |
| Incurred for audit of other services to the Group: | | |
| Audit of Group subsidiaries | 201,260 | 885,729 |
| **Auditors' remuneration reported in operating loss** | **774,934** | **1,474,850** |
| Audit-related assurance services | 125,077 | 111,021 |
| Other assurance services | - | 1,457,033 |
| **Total auditors' remuneration** | **900,011** | **3,042,904** |

## NOTE 4 | STAFF NUMBERS AND COSTS

### Note 4(a) Staff Numbers

| Monthly averages during the year | Group Staff number 2024 | Group Staff number 2023 | Company Staff number 2024 | Company Staff number 2023 |
|---|---|---|---|---|
| Finance and administration | 29 | 36 | 6 | 11 |
| Technical – permanent | 259 | 425 | - | 1 |
| Technical – temporary | 8 | 127 | - | - |
| | 296 | 588 | 6 | 12 |

## NOTE 4 | STAFF NUMBERS AND COSTS (CONTINUED)

### Note 4(b) Aggregate Payroll Costs of Employees

| | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Wages and salaries | 9,797,184 | 21,198,305 | 2,289,724 | 6,198,717 |
| Contributions to superannuation | 29,590 | 96,564 | 29,590 | 96,201 |
| Share based payments | 2,155,483 | 998,682 | 2,155,483 | 998,682 |
| Pensions | 37,003 | 311,598 | 19,721 | 58,429 |
| Social security costs | 21,955 | 277,318 | 12,875 | 273,473 |
| **Total staff costs** | **12,041,215** | **22,882,467** | **4,507,393** | **7,625,502** |

Included within total Group staff costs is US$5,694,712 (2023: US$10,503,286) which has been capitalised as part of capitalised exploration and evaluation expenditure.

## NOTE 5 | REMUNERATION OF KEY MANAGEMENT PERSONNEL

| 2024 | Basic Annual Salary/Director Fee US$ | Bonus US$ | Other Benefits[1] US$ | Pensions US$ | Total Remuneration US$ |
|---|---|---|---|---|---|
| Directors | | | | | |
| Scott Caldwell | 250,000 | 93,750 | 978,047 | 3,002 | 1,324,799 |
| Nicholas Mather | 65,532 | - | - | - | 65,532 |
| James Clare[2] | 32,606 | - | - | - | 32,606 |
| Liam Twigger[2] | 50,622 | - | - | 5,570 | 56,192 |
| María Amparo Albán Ricaurte | 81,111 | - | - | - | 81,111 |
| Slobodan (Dan) Vujcic | 65,672 | - | - | 6,919 | 72,591 |
| Adrian (Steve) van Barneveld[3] | 37,909 | - | - | 3,844 | 41,753 |
| Jian (John) Liu[4] | 23,192 | - | - | 1,327 | 24,519 |
| Charles Joseland[4] | 22,468 | - | - | - | 22,468 |
| **Other key management personnel[5]** | **928,321** | **279,831** | **1,237,435** | **39,930** | **2,485,517** |
| **Total for Key Management Personnel** | **1,557,433** | **373,581** | **2,215,482** | **60,592** | **4,207,088** |

*Notes*

1. *Other Benefits represents the fair value of the share options granted during the year based on the Black-Scholes model considering the effects of the vesting conditions. For the period 1 January 2024 – 30 June 2024, Mr. Caldwell was eligible for an overseas living allowance of US$10,000 per month. This amount was paid post year end.*
2. *Mr. James Clare and Mr. Liam Twigger ended their periods in office on 20 December 2023*
3. *Mr. Adrian (Steve) van Barneveld was appointed 20 December 2023*
4. *Mr. Jian (John) Liu and Mr. Charles Joseland were appointed 25 and 27 February 2024 respectively*
5. *Other key management personnel consist of the aggregated remuneration of Chris Stackhouse (Chief Financial Officer); Ryan Wilson (Group General Counsel), Christina Robinson (Director of Operations and Communications), Ryan Kee (VP Finance); Perry Holloway (Strategic Advisor); Christina Weber (Director of SolGold Finance AG); and Joerg Eichenberger (Director of SolGold Finance AG).*

## NOTE 5 | REMUNERATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

| 2023 | Basic Annual Salary/Director Fee US$ | Bonus US$ | Other Benefits[1] US$ | Pensions US$ | Total Remuneration US$ |
|---|---|---|---|---|---|
| Directors | | | | | |
| Scott Caldwell[2] | 125,000 | 106,250 | 263,012 | 2,755 | 497,017 |
| Darryl Cuzzubbo | 588,609 | - | 399,417 | 8,323 | 996,349 |
| Keith Marshall[3] | 9,636 | - | - | - | 9,636 |
| Nicholas Mather | 67,049 | - | - | - | 67,049 |
| James Clare | 67,057 | - | - | - | 67,057 |
| Liam Twigger | 114,697 | - | - | 12,029 | 126,726 |
| Elodie Grant Goodey[4] | 40,132 | - | - | 58,429 | 98,561 |
| Kevin O'Kane[4] | 34,909 | - | - | - | 34,909 |
| María Amparo Albán Ricaurte | 70,508 | - | - | - | 70,508 |
| Slobodan (Dan) Vujcic[5] | 46,664 | - | - | 4,261 | 50,925 |
| **Other key management personnel[6]** | **2,526,059** | **69,291** | **336,253** | **54,899** | **2,986,502** |
| **Total paid to key management personnel** | **3,690,320** | **175,541** | **998,682** | **140,696** | **5,005,239** |

*Notes:*

1 *Other Benefits represents the fair value of the share options granted during the year based on the Black-Scholes model considering the effects of the vesting conditions.*
2 *Scott Caldwell was appointed as a Director on 24 October 2022 and as Chief Executive Officer on 20 March 2023.*
3 *Includes consultancy fees paid post resignation as an independent Non-Executive Director on 12 August 2022. Payments post resignation US$9,636.*
4 *Resigned from the Board on 23 December 2022.*
5 *Elected as an Independent Non-Executive Director on 24 October 2022.*
6 *Other key management personnel consist of the aggregated remuneration of Ryan Wilson (Group General Counsel), Rufus Gandhi (former Company Secretary), Dennis Wilkins (former Company Secretary), Chris Stackhouse (Chief Financial Officer), Keith Pollocks (former Interim Chief Financial Officer), Ayten Saridas (former Chief Financial Officer), Fawzi Hanano (former Head of Investor Relations), Benn Whistler (former Technical Services Manager), Steve Botts (former President, SolGold Ecuador S.A), Harold 'Bernie' Loyer (former Vice President Projects) and Tania Cashman (former Chief Human Resources Officer).*

## NOTE 6 | FINANCE INCOME AND COSTS

### Note 6(a) Finance Income

| | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| Interest income earned from bank deposits | 307,345 | 94,056 |
| **Finance income** | **307,345** | **94,056** |

### Note 6(b) Finance Costs

| | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| General interest | 550 | 17 |
| Accretion on short-term loan facility (Note 21) | 497,531 | - |
| Interest on lease liability | 27,381 | 46,610 |
| Interest on NSR (Note 21) | 17,781,791 | 13,148,231 |
| **Finance costs** | **18,307,253** | **13,194,858** |

## NOTE 7 | TAX EXPENSE

### Note 7(a) Factors affecting the tax charge for the current year

SolGold's headquarters is in Australia and as the Company has its central management and control in Australia, the applicable tax rates are Australian. The tax profit for the year is higher than the credit resulting from the application of the standard rate of corporation tax in Australia of 30% (2023: 30%) being applied to the profit before tax arising during the year. The differences are explained below.

| | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| **Tax reconciliation** | | |
| Profit / (loss) before tax | (62,313,492) | (49,309,255) |
| Tax at 30% (2023: 30%) | (18,694,048) | (14,792,777) |
| **Add / (less) tax effect of:** | | |
| Permanent differences | 3,724,353 | 8,610,987 |
| Derecognised current year tax losses | 4,609,150 | 1,071,135 |
| (Recognise) / derecognise prior year losses | - | 795,731 |
| Current year true-up related to prior year tax items | (481,527) | - |
| Prior year tax expense attributable to Ecuador | - | (61,460) |
| Current year tax expense attributable to Ecuador | - | (189,380) |
| Other | - | (6,056) |
| Impact of tax rate differences | 6,542,911 | 2,425,379 |
| Temporary differences not recognised | 2,285,622 | 3,276,930 |
| **Income tax (benefit) / expense on loss** | **(2,013,539)** | **1,130,491** |
| | | |
| **Components of tax expense on other comprehensive income comprise of:** | | |
| Tax on valuation loss on investments held at fair value through OCI (see note 15) | - | 804,652 |
| **Income tax expense on other comprehensive income** | **-** | **804,652** |
| | | |
| **Amounts recognised directly in equity** | | |
| Attributable to prior periods | - | - |
| Net deferred tax credited directly to equity | - | 576,679 |
| **Income tax expense recognised directly in equity** | **-** | **576,679** |

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

### Note 7(b) Factors that may affect future tax charges

The Group has carried forward gross tax losses of approximately US$119,400,720 (2023: US$106,225,848). These losses may be deductible against future taxable income dependent upon the on-going satisfaction by the relevant Group company of various tax integrity measures applicable in the jurisdiction in which the tax loss has been incurred. The jurisdictions in which tax losses have been incurred include US$76,213,878 in Australia (2023: US$72,217,913); US$10,718,447 in Ecuador (2023: US$9,779,611); US$28,757,525 in Switzerland (2023:US$21,914,423); and US$3,710,870 in Canada (2023:US$2,313,901). Tax losses in Australia of US$76,213,878 can be carried forward indefinitely, while tax losses in Ecuador of US$10,718,447 may be carried forward and offset against profits in the following five years, provided that the amount offset does not exceed 25% of the year's profits.

## NOTE 8 | LOSS PER SHARE

| | 2024<br>Cents per share | 2023<br>Cents per share |
|---|---|---|
| Basic loss per share | (2.0) | (2.0) |
| Diluted loss per share | (2.0) | (2.0) |

| | 2024<br>US$ | 2023<br>US$ |
|---|---|---|
| (a) Loss | | |
| Loss used to calculate basic and diluted loss per share | (60,299,953) | (50,439,745) |
| | Number of shares | Number of shares |
| (b) Weighted average number of shares | | |
| Used in calculating basic LPS | 3,001,106,975 | 2,576,779,125 |
| Weighted average number of dilutive options | - | - |
| Weighted average number of ordinary shares and potential ordinary shares used in calculating dilutive LPS | 3,001,106,975 | 2,576,779,125 |

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

## NOTE 9 | INVESTMENT IN SUBSIDIARIES (COMPANY)

### Note 9(a) Information of Subsidiaries

| Entity | Country of incorporation and operation | Registered Address | Principal activity | SolGold plc's effective interest 2024 | SolGold plc's effective interest 2023 |
|---|---|---|---|---|---|
| Australian Resource Management (ARM) Pty Ltd | Australia | Level 5/191 St Georges Terrace Perth WA 6000 Australia | Exploration | 100% | 100% |
| Acapulco Mining Pty Ltd | Australia | | Exploration | 100% | 100% |
| Central Minerals Pty Ltd | Australia | | Exploration | 100% | 100% |
| Honiara Holdings Pty Ltd | Australia | | Exploration | 100% | 100% |
| Guadalcanal Exploration Pty Ltd | Australia | | Exploration | 100% | 100% |
| Solomon Operations Ltd[1] | Solomon Islands | C/- Morris & Sojnocki Chartered Accountants, 1st Floor, City Centre Building, Mendana Avenue, Honiara, Solomon Islands | Exploration | 100% | 100% |
| Exploraciones Novomining S.A. | Ecuador | Avenida La Coruna No. E25-58 y calle SAN IGNACIO Edificio: ALTANA PLAZA Número de oficina: 406 piso: 4 Quito, Ecuador | Exploration | 100% | 100% |
| Carnegie Ridge Resources S.A. | Ecuador | | Exploration | 100% | 100% |
| Green Rock Resources GRR S.A. | Ecuador | | Exploration | 100% | 100% |
| Valle Rico Resources VRR S.A. | Ecuador | | Exploration | 100% | 100% |
| Cruz del Sol CSSA S.A. | Ecuador | | Exploration | 100% | 100% |
| SolGold-Ecuador S.A. | Ecuador | | Services Management and land holding | 100% | 100% |
| Novoproyectos-Sustentables S.A.[2] | Ecuador | | Project development | 100% | 100% |
| SolGold Canadian Callco Corp. | Canada | 4500, 855 – 2nd Street S.W, Calgary, Alberta T2P 4K7 | Investment | 100% | 100% |
| SolGold Canadian Exchangeco Corp. | Canada | | Investment | 100% | 100% |
| SolGold Finance AG | Switzerland | Industriestrasse 47, 6300 Zug, Switzerland | Investment | 100% | 100% |
| SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) | Canada | c/o Bennett Jones LLP 4500, 855 - 2nd Street SW Calgary, Alberta T2P 4K7 | Investment | 100% | 100% |
| Cornerstone Exploration Inc. | Canada | 1730 St. Laurent Blvd., Suite 800 Ottawa, Ontario K1G 5L1 | Investment | 100% | 100% |
| Gestion Minera S.A. | Ecuador | Av. 12 de Octubre N24-562 y Luis Cordero Edificio World Trade Center Quito, Ecuador | Services Management | 100% | 100% |
| Bellamaria Mining S.A. | Ecuador | | Exploration | 100% | 100% |
| Canabrava Mining S.A. | Ecuador | | Exploration | 100% | 100% |
| Exploaurum S.A.[3] | Ecuador | | Exploration | 84%[2] | 84% |
| Cornerstone Ecuador S.A. | Ecuador | | Exploration | 100% | 100% |
| Cornerstone Exploraciones Ecuador S.A. | Ecuador | | Investment | 100% | 100% |
| Vetasgrandes Mining S.A. | Ecuador | | Exploration | 100% | 100% |
| Minera Cornerstone Chile Limitada | Chile | Av. Isadora Goyenechea 3000 Piso 21, Las Condes Santiago, Chile | Exploration | 100% | 100% |

The Company's indirect 12.5% interest in Bramaderos S.A. is accounted for at fair value through other comprehensive income.

*Notes:*

1 *Solomon Operations Ltd is in the process of being wound up.*
2 *Novoproyectos-Sustentables S.A. has been liquidated effective 27 August 2024.*
3 *The Group legally holds 100% of Exploaurum S.A. although its contractual interest upon completion of conditions with its partners is expected to be 84%.*

## NOTE 9 | INVESTMENT IN SUBSIDIARIES (COMPANY) (CONTINUED)

### Note 9(b) Schedule of Investments in Subsidiaries

| | Intercompany loans US$ | Subsidiary investments US$ | Total investment US$ |
|---|---|---|---|
| Cost | | | |
| Balance at 1 July 2022 | 161,721,822 | 26,419,165 | 188,140,987 |
| Reclassification | (23,675,342) | 23,675,342 | - |
| Acquisitions and advances in the year | 15,463,322 | 92,587,013 | 108,050,335 |
| Balance at 30 June 2023 | 153,509,802 | 142,681,520 | 296,191,322 |
| Advances in the year | 7,981,096 | 1,026,358 | 9,007,454 |
| **Balance at 30 June 2024** | 161,490,898 | 143,707,878 | **305,198,776** |
| | | | |
| Expected credit and impairment losses | | | |
| Balance at 1 July 2022 | (35,178,110) | - | (35,178,110) |
| Balance at 30 June 2023 | (31,602,416) | (3,575,694) | (35,178,110) |
| Impairments during the year | (7,550,422) | (4,360,944) | (11,911,366) |
| **Balance at 30 June 2024** | (39,152,838) | (7,936,638) | **(47,089,476)** |
| | | | |
| Carrying amounts | | | |
| Balance at 30 June 2022 | 126,543,712 | 26,419,165 | 152,962,877 |
| Balance at 30 June 2023 | 121,907,386 | 139,105,826 | 261,013,212 |
| **Balance at 30 June 2024[1]** | 122,338,060 | 135,771,240 | **258,109,300** |

*Notes:*
1 *Loans which are not expected to be repaid are included in investment in subsidiaries (see Note 1 (s)).*

The Company's investments in its subsidiaries, Acapulco Mining Pt Ltd, and Central Minerals Pty Ltd, were fully impaired during the year ended 30 June 2024, following the impairment of those subsidaries' capitalised exploration costs (Note 13).

## NOTE 10 | INTERCOMPANY LOANS WITH SUBSIDIARIES (COMPANY)

| Intercompany Loans with Subsidiaries | US$ |
|---|---|
| Cost | |
| **Balance at 1 July 2022** | **185,599,916** |
| Advances in the year | 21,447,515 |
| Borrowings in the year | (49,975,286) |
| Repayments of loans in the year | 19,936,627 |
| Interest accrued in the year | 6,762,964 |
| Interest incurred in the year | (2,246,662) |
| **Balance at 30 June 2023** | **181,525,074** |
| Advances in the year | 1,355,564 |
| Borrowings in the year | - |
| Repayments of debts in the year | (187,698) |
| Repayments of loans in the year | 17,699,132 |
| Interest accrued in the year | 7,542,072 |
| Interest incurred in the year | (2,333,300) |
| **Balance at 30 June 2024** | **205,600,844** |
| | |
| Amortisation and impairment losses | |
| Balance at 1 July 2022 | - |
| Balance at 30 June 2023 | - |
| **Balance at 30 June 2024** | **-** |
| | |
| Carrying amounts | |
| Balance at 30 June 2022 | 185,599,916 |
| Balance at 30 June 2023 | 181,525,074 |
| **Balance at 30 June 2024** | **205,600,844** |

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

## NOTE 11 | INVESTMENTS

### Note 11(a) Investments accounted for as financial assets held at fair value through OCI

| | Group | | Company | |
|---|---|---|---|---|
| | 2024 US$ | 2023 US$ | 2024 US$ | 2023 US$ |
| **Movements in financial assets** | | | | |
| Opening balance at 1 July | 5,328 | 5,351,844 | 1,425 | 5,346,323 |
| Fair value adjustment through OCI | (5,328) | (361,785) | (1,425) | (360,167) |
| Deemed disposal of investment on business acquisition | - | (4,984,731) | - | (4,984,731) |
| **Balance at 30 June** | **-** | **5,328** | **-** | **1,425** |

In the prior year, financial assets comprised an investment in the ordinary issued capital of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.), previously listed on the TSX Venture Exchange, and an investment in the ordinary issued capital of Aus Tin Mining Ltd, a company listed on the Australian Securities Exchange. On acquisition of the remaining outstanding shares of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.), the investment was disposed. In the current year, financial assets comprised an investment in the ordinary issued capital of Aus Tin Mining Ltd, for which nil approximates the quoted market price value.

### Note 11(b) Fair value

*Fair value hierarchy*

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

***Level 1***: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

***Level 2***: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

***Level 3***: Unobservable inputs for the asset or liability.

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

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

| | US$ Level 1 | US$ Level 2 | US$ Level 3 | US$ Total |
|---|---|---|---|---|
| 2024 | | | | |
| Financial assets held at fair value through OCI | - | - | - | - |
| 2023 | | | | |
| Financial assets held at fair value through OCI | 5,328 | - | - | 5,328 |

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

## NOTE 12 | PROPERTY, PLANT AND EQUIPMENT

### Note 12(a) Property, Plant and Equipment

| | Group Land | Group Plant and Equipment | Group Other depreciable assets [1] | Group Total | Company Total [2] |
|---|---|---|---|---|---|
| | US$ | US$ | US$ | US$ | US$ |
| COST | | | | | |
| Cost balance – 1 July 2022 | 20,350,021 | 3,756,175 | 2,308,217 | 26,414,413 | 1,678,737 |
| Effect of foreign exchange on opening balance | - | (20,069) | (1,464) | (21,533) | (25,947) |
| Additions | 1,904,767 | 247,947 | 52,838 | 2,205,552 | 15,470 |
| Disposals | - | (234,557) | (215,114) | (449,671) | (299,286) |
| Assets acquired through business combinations | - | 65,059 | 409,052 | 474,111 | - |
| Cost balance - 30 June 2023 | 22,254,788 | 3,814,555 | 2,553,529 | 28,622,872 | 1,368,974 |
| Effect of foreign exchange on opening balance | - | 5,292 | 44 | 5,336 | 4,023 |
| Additions | 120,000 | 117,120 | 4,339 | 241,459 | 1,725 |
| Disposals | - | (15,216) | (431,302) | (446,518) | (25,580) |
| Cost balance - 30 June 2024 | 22,374,788 | 3,921,751 | 2,126,610 | 28,423,149 | 1,349,142 |
| DEPRECIATION AND IMPAIRMENT LOSSES | | | | | |
| Depreciation and impairment losses balance – 1 July 2022 | - | (2,251,748) | (2,078,175) | (4,329,923) | (1,079,818) |
| Effect of foreign exchange on opening balance | - | 13,038 | 1,201 | 14,239 | 13,252 |
| Depreciation charge for the year | - | (208,934) | (89,141) | (298,075) | (283,948) |
| Depreciation capitalised to exploration | - | (436,645) | (85,407) | (522,052) | (358) |
| Disposals | - | 227,703 | 202,105 | 429,808 | 280,923 |
| Assets acquired through business combinations | - | (33,905) | (213,584) | (247,489) | - |
| Depreciation and impairment losses balance - 30 June 2023 | - | (2,690,491) | (2,263,001) | (4,953,492) | (1,069,949) |
| Effect of foreign exchange on opening balance | - | (24,179) | (76,123) | (100,302) | (6,947) |
| Depreciation charge for the year | - | (379,405) | (26,599) | (406,004) | (286,941) |
| Depreciation capitalised to exploration | - | (232,079) | (74,361) | (306,440) | - |
| Disposals | - | 44,132 | 313,474 | 357,606 | 14,695 |
| Depreciation and impairment losses balance - 30 June 2024 | - | (3,282,022) | (2,126,610) | (5,408,632) | (1,349,142) |
| CARRYING AMOUNTS | | | | | |
| At 30 June 2022 | 20,350,021 | 1,504,427 | 230,042 | 22,084,490 | 598,919 |
| At 30 June 2023 | 22,254,788 | 1,124,064 | 290,528 | 23,669,380 | 299,025 |
| At 30 June 2024 | 22,374,788 | 639,729 | - | 23,014,517 | - |

*Notes:*
1 *Includes office equipment, furniture and fittings, and motor vehicles. All motor vehicles were sold during 2024.*
2 *Comprised of right-of-use assets for office lease and office furniture and equipment.*

### Note 12(b) Other Disclosures of Property, Plant and Equipment

The gross carrying amount of fully depreciated assets still in use is US$307,303 (2023: US$930,562). See Note 21 for descriptions of assets pledged as security against borrowings.

## NOTE 13 | INTANGIBLE ASSETS

### Note 13(a) Capitalized Exploration and Evaluation Costs

| | US$ |
|---|---|
| COST | |
| **Cost balance at 1 July 2022** | **406,810,799** |
| Effect of foreign exchange on opening balances | (286,667) |
| Additions – expenditure | 43,420,485 |
| **Cost balance at 30 June 2023** | **449,944,617** |
| Effect of foreign exchange on opening balances | 169,183 |
| Additions – expenditure | 22,222,050 |
| **Cost balance at 30 June 2024** | **472,335,850** |
| | |
| ACCUMULATED EXPLORATION COSTS WRITTEN-OFF | |
| **Accumulated impairment losses balance at 1 July 2022** | **(41,231,315)** |
| Exploration costs written-off | (1,059,317) |
| Reversal of exploration costs previously written-off | 3,780,099 |
| **Accumulated exploration costs written-off balance at 30 June 2023** | **(38,510,533)** |
| Exploration costs written-off | (8,277,279) |
| Reversal of exploration costs previously written-off | - |
| **Accumulated exploration costs written-off balance at 30 June 2024** | **(46,787,812)** |
| | |
| Carrying amounts | |
| At 30 June 2022 | 365,579,484 |
| At 30 June 2023 | 411,434,084 |
| **At 30 June 2024** | **425,548,038** |

The accounting treatment of capitalised exploration and evaluation expenditure is described in Note 1(f).

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; successful development and commercial exploitation are dependent upon the availability of funding.

An impairment charge of US$8,277,279 (2023: US$1,059,317) was recognised in the year for exploration expenditure associated with concessions in Australia which were not expected to be approved for renewal and did not have commercial recoverability.

A reversal of prior impairment of $Nil (2023: US$3,780,099) was reported for the year ended 30 June 2024. The 2023 impairment reversal related to properties which were planned for relinquishment by previous management but were reassessed and considered to be recoverable by later management.

An assessment of the carrying values of capitalised exploration and evaluation expenditure is provided in notes 13(b) and 13 (c).

See Note 21 for details on pledges and restrictions made under NSR financings.

### Note 13(b) Cascabel Project

The Alpala deposit, discovered at Cascabel, is in northern Ecuador, lying upon the gold-rich section of the northern section of the prolific Andean Copper belt, renowned as the base for nearly half of the world's copper production. The project area hosts mineralisation from the Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project is a three-hour drive north of Quito, close to water, power supply and Pacific ports. On 17 July 2023, the Company announced a 25-year term renewal (until the year 2048) for the Cascabel concession. The term renewal confirmed that Cascabel comprises 4,979 contiguous hectares and is a large-scale mining regime in accordance with Ecuador's mining regulations. A PFS for the Cascabel project was published in April 2022 including consideration of environmental, social and economic impacts. A revised PFS (announced 12 March 2024) reported the successful completion of the updated Cascabel Pre-Feasibility Study ("PFS") incorporating a phased approach plan. The study presents significantly reduced initial capital costs, a pre-tax NPV8% of US$5.4 billion, 33% IRR, and a post-tax NPV8% of US$3.2 billion with a 24% IRR, along with significant copper, gold, and silver production estimates over a 28-year mine life. The PFS included updated mineral resource and reserve statements for the Alpala Deposit and an updated mineral resource statement for the Tandayama America deposit.

## NOTE 13 | INTANGIBLE ASSETS (CONTINUED)

### Note 13(b) Cascabel Project (Continued)

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

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

Accordingly, management have assessed that there are no indicators of impairment.

### Note 13(c) Regional concessions granted for 100% SolGold Ecuador S.A. subsidiaries

The eight 100% owned subsidiary companies in Ecuador: Carnegie Ridge Resources S.A., Green Rock Resources GRR S.A., Cruz del Sol CSSA S.A., Valle Rico Resources VRR S.A., Cornerstone Ecuador S.A., Canabrava Mining S.A., Vetasgrandes Mining S.A., and Bellamaria Mining S.A. hold 75 mining concessions in Ecuador for which the companies were successful in bidding as part of the auction process in 2016 and 2017, as well as 13 mining concessions obtained through the acquisition during the year ended 30 June 2023 of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc., refer to Note 28). Initial exploration work programmes have been carried out on these concessions and a listing of priority projects has been identified. The ongoing exploration programme on these projects continues to focus on:

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

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

- continues to have the right to explore the area;
- has not lost access rights to any areas and is working pro-actively with communities to build a strong licence to operate ahead of major field work;
- has met its expenditure commitments;
- remains positive around the prospectivity of the projects, with encouraging geological results encountered to date;
- concluded insufficient data exists to abandon or relinquish any of these projects; and
- had plans for further exploration, as well as the intent to raise funding to execute those plans at 30 June 2024, and noting that management has made the judgement that successfully obtaining the required additional funding is feasible.

Based on its analysis, management have assessed that there are no indicators of impairment. New sources of funding will be required to progress planned exploration activities for regional Ecuadorian concessions.

In January 2024, management received notifications from the Queensland Department of Resources that four licences would not be recommended for renewal. The four licences for which non-renewal notifications were received included: EPM 19410 Normanby Consolidated (held by Acapulco Mining Pty Ltd), as well as EPM 18032 Cracow West, EPM 19639 Goovigen Consolidated, and EPM 27211 Mount Pring (held by Central Minerals Pty Ltd). Management evaluated the recoverability of these licences and the other remaining Australian licences held and determined that successful development and commercial exploitation is now considered unlikely, and the carrying values are therefore no longer recoverable. Accordingly, the associated capitalised exploration costs were expensed, resulting in the recognition of an impairment of US$8,277,279 in exploration costs written-off expense (2023: US$1,059,317). Following this write-off of capitalised exploration costs, the aggregate carrying value of all Australian properties reported by the Company was $Nil (2023: US$9,457,439).

## NOTE 14 | LOANS RECEIVABLE AND OTHER CURRENT ASSETS

| Company Funded Loan Plan receivable | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Balance at beginning of year | 2,099,527 | 3,553,291 | 2,099,527 | 3,553,291 |
| Proceeds received from repayment of the loans during the year | - | (4,522) | - | (4,522) |
| Effect of foreign exchange | (21,041) | (15,822) | (21,041) | (15,822) |
| Expected credit loss | (925,993) | (1,433,420) | (925,993) | (1,433,420) |
| **Balance at end of year** | **1,152,493** | **2,099,527** | **1,152,493** | **2,099,527** |

The Company Funded Loan Plan (the "CFLP") is a legacy plan established by the Company to assist employees in exercising share options. On 29 October 2018, the Company assisted certain employees to exercise 19,950,000 options previously issued to employees of the Company in 2016 via the CFLP. Since inception and until 30 June 2024, repayments of US$3,478,278 have been received against the loans provided. As at 30 June 2024, 3 employees remain beneficiaries of the Plan.

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

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

The Board of Directors in June 2021 resolved to extend the CFLP until 31 March 2022. 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. On 24 August 2022, the CFLP was extended for three individuals whom due to their positions in the Company had additional restrictions from trading during the year ended 30 June 2022. This extension saw their loan repayment terms extended until 21 December 2023, and the Board of Directors did not resolve to extend the due date, and as such the loans are due. The Company has the ability to sell the shares, and accordingly the exposure to credit risk is limited to the value of the shares. Management does not intend to liquidate shares, until the share price appreciates to at least the price of the original loan, which was £0.28.

Management has considered the recoverability of the loans based on the movement in the share price over the year and has calculated an expected credit loss for the year ended 30 June 2024 of US$925,993 (2023: US$1,433,420).

## NOTE 15 | DEFERRED TAXATION

### Note 15 (a) Recognised deferred tax assets and liabilities

The full balance of the deferred tax liability is expected to be recovered or settled more than twelve months after 30 June 2024.

| Group<br>2024 | Opening balance<br>US$ | Net (charged) /credited to income<br>US$ | Net (charged) / credited to other comprehensive income<br>US$ | Net (charged) / credited to equity<br>US$ | Net movement on unwind / transfer<br>US$ | Closing balance<br>US$ |
|---|---|---|---|---|---|---|
| Recognised deferred tax assets | | | | | | |
| Carried forward tax losses | 8,556,178 | 610,157 | - | - | - | 9,166,335 |
| Accruals / provisions | 1,629,137 | (575,284) | - | - | - | 1,053,853 |
| **Potential benefit** | **10,185,315** | **34,873** | **-** | **-** | **-** | **10,220,188** |
| | | | | | | |
| Recognised deferred tax liabilities | | | | | | |
| Derivative liabilities | (666,121) | - | - | - | - | (666,121) |
| NSR liability borrowings | (4,200,444) | 1,789,745 | - | - | - | (2,410,699) |
| Capitalised exploration and evaluation costs | (2,213,366) | 594,929 | - | - | - | (1,618,437) |
| Foreign exchange gains/losses | (7,181,086) | - | - | - | - | (7,181,086) |
| Property, plant and equipment | (176) | - | - | - | - | (176) |
| IFRS 16 right of use asset | (124,567) | - | - | - | - | (124,567) |
| **Potential benefit** | **(14,385,759)** | **2,384,674** | **-** | **-** | **-** | **(12,001,086)** |
| | | | | | | |
| **Net deferred taxes** | **(4,200,444)** | **2,419,546** | **-** | **-** | **-** | **(1,780,898)** |
| | | | | | | |
| Deferred tax assets not recognised | | | | | | |
| Unused tax losses | 37,189,361 | (16,378,789) | - | - | - | 20,810,572 |
| Unused capital losses | 425,452 | - | - | - | - | 425,452 |
| Temporary differences | 15,660,869 | 7,003,047 | - | - | - | 22,663,916 |
| **Tax benefit** | **53,275,682** | **(9,375,742)** | **-** | **-** | **-** | **43,899,940** |

## NOTE 15 | DEFERRED TAXATION (CONTINUED)

Note 15(a) Recognised deferred tax assets and liabilities (continued)

| Group<br>2023 | Opening balance US$ | Net (charged)/credited to income US$ | Net (charged) / credited to other comprehensive income US$ | Net (charged) / credited to equity US$ | Net movement on unwind / transfer US$ | Closing balance US$ |
|---|---|---|---|---|---|---|
| **Recognised deferred tax assets** | | | | | | |
| Carried forward tax losses | 6,295,129 | 2,261,049 | - | - | - | 8,556,178 |
| Accruals / provisions | 1,084,728 | (32,270) | - | 576,679 | - | 1,629,137 |
| **Potential benefit** | **7,379,857** | **2,228,779** | **-** | **576,679** | **-** | **10,185,315** |
| **Recognised deferred tax liabilities** | | | | | | |
| Financial assets held at fair value through other comprehensive income | (832,003) | 27,351 | - | 804,65 | - | - |
| Derivative liabilities | (47,110) | (619,011) | - | - | - | (666,121) |
| NSR Liability (borrowings) | (4,200,444) | - | - | - | - | (4,200,444) |
| Exploration and evaluation assets | (2,452,342) | 238,976 | - | - | - | (2,213,366) |
| Foreign exchange gains/losses | (3,843,124) | (3,337,962) | - | - | - | (7,181,086) |
| Property, plant and equipment | (1,069) | 893 | - | - | - | (176) |
| IFRS 16 right of use asset | (204,209) | 79,643 | - | - | - | (124,567) |
| **Potential benefit** | **(11,580,301)** | **(3,610,110)** | **-** | **804,652** | **-** | **(14,385,759)** |
| **Net deferred taxes** | **(4,200,444)** | **(1,381,331)** | **-** | **1,381,331** | **-** | **(4,200,444)** |
| **Deferred tax assets not recognised** | | | | | | |
| Unused tax losses | 21,296,512 | 15,892,849 | - | - | - | 37,189,361 |
| Unused capital losses | - | 425,452 | - | - | - | 425,452 |
| Temporary differences[1] | 15,660,869 | - | - | - | - | 15,660,869 |
| **Tax benefit** | **36,957,381** | **16,318,301** | **-** | **-** | **-** | **53,275,682** |

*Notes:*

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

## NOTE 15 | DEFERRED TAXATION (CONTINUED)

Note 15(a) Recognised deferred tax assets and liabilities (continued)

| Company<br>2024 | Opening balance<br>US$ | Net (charged) / credited to income<br>US$ | Net (charged) / credited to other comprehensive income<br>US$ | Net (charged) / credited to equity | Closing balance<br>US$ |
|---|---|---|---|---|---|
| **Recognised deferred tax assets** | | | | | |
| Carried forward tax losses | 6,348,709 | - | - | - | 6,348,709 |
| Accruals / provisions | 455,530 | - | - | - | 455,530 |
| Capital raising costs | 847,556 | - | - | - | 847,556 |
| Other temporary differences | 286,588 | - | - | - | 286,588 |
| **Potential benefit** | **7,938,383** | **-** | **-** | **-** | **7,938,383** |
| | | | | | |
| **Recognised deferred tax liabilities** | | | | | |
| Derivative liabilities | (666,122) | - | - | - | (666,122) |
| Foreign exchange gains / (losses) | (7,186,195) | - | - | - | (7,186,195) |
| Property, plant and equipment | (176) | - | - | - | (176) |
| IFRS 16 right of use asset | (85,889) | - | - | - | (85,889) |
| **Potential benefit** | **(7,938,383)** | **-** | **-** | **-** | **(7,938,383)** |
| | | | | | |
| **Net deferred tax liabilities** | **-** | **-** | **-** | **-** | **-** |
| **Deferred tax assets not recognised** | | | | | |
| Unused tax losses | 15,616,779 | (7,499,139) | - | - | 8,117,640 |
| Unused capital losses | - | - | - | - | - |
| Temporary differences | - | 1,927,460 | - | - | 1,927,460 |
| **Tax benefit** | **15,616,779** | **(5,571,679)** | **-** | **-** | **10,045,100** |

The deferred tax asset has not been recognised as future taxable profit is not anticipated within the foreseeable future.

## NOTE 15 | DEFERRED TAXATION (CONTINUED)

### Note 15(a) Recognised deferred tax assets and liabilities (continued)

| Company<br>2023 | Opening balance<br>US$ | Net (charged) / credited to income<br>US$ | Net (charged) / credited to other comprehensive income<br>US$ | Net (charged) / credited to equity<br>US$ | Closing balance<br>US$ |
|---|---|---|---|---|---|
| **Recognised deferred tax assets** | | | | | |
| Carried forward tax losses | 3,847,148 | 2,501,561 | - | - | 6,348,709 |
| Accruals / provisions | 341,446 | 114,084 | - | - | 455,530 |
| Capital raising costs | 662,016 | (391,139) | - | 576,679 | 847,556 |
| Other temporary differences | 49,200 | 237,388 | - | - | 286,588 |
| **Potential benefit** | **4,899,810** | **2,461,894** | **-** | **576,679** | **7,938,383** |
| | | | | | |
| **Recognised deferred tax liabilities** | | | | | |
| Financial assets held at fair value through other comprehensive income | (832,004) | 832,004 | - | - | - |
| Derivative liabilities | (47,111) | (619,011) | - | - | (666,122) |
| Foreign exchange gains / (losses) | (3,848,385) | (3,337,810) | - | - | (7,186,195) |
| Property, plant and equipment | (1,069) | 893 | | | (176) |
| IFRS 16 right of use asset | (171,241) | 85,353 | - | - | (85,889) |
| **Potential benefit** | **(4,899,810)** | **(3,038,571)** | **-** | **-** | **(7,938,383)** |
| | | | | | |
| **Net deferred tax liabilities** | **-** | **(576,679)** | **-** | **576,679** | **-** |
| **Deferred tax assets not recognised** | | | | | |
| Unused tax losses | 14,863,578 | 753,201 | - | - | 15,616,779 |
| Unused capital losses | - | - | - | - | - |
| Temporary differences | - | - | - | - | - |
| **Tax benefit** | **14,863,578** | **753,201** | **-** | **-** | **15,616,779** |

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

## NOTE 16 | OTHER RECEIVABLES AND PREPAYMENTS

### Note 16(a) Other Receivables and Prepayments - Current

| | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Other receivables and prepayments | 568,843 | 2,104,349 | 14,500 | 14,335 |
| Taxes receivable | 1,174,726 | 4,614,942 | 70,424 | 51,361 |
| Prepayments | 244,813 | 201,001 | 203,150 | 181,482 |
| **Other receivables and prepayments** | **1,988,382** | **6,920,292** | **288,074** | **247,178** |

### Note 16(b) Other Receivables and Prepayments - Non-current

At 30 June 2024, the balance of US$4,407,796 represents value added tax recoverable in Ecuador pertaining to the Cascabel project. The amount becomes recoverable upon commencement of production, which is longer than twelve months from 30 June 2024, and is therefore classified as non-current. The comparable balance at 30 June 2023 was US$3,662,732 and was reported within the current amount of other receivables and prepayments (within Taxes receivable in the table in Note 16(a)).

## NOTE 17 | CASH AND CASH EQUIVALENTS

| | Group 30 June 2024 US$ | Group 30 June 2023 US$ | Company 30 June 2024 US$ | Company 30 June 2023 US$ |
|---|---|---|---|---|
| Cash at bank | 6,028,043 | 32,481,606 | 4,124,142 | 29,041,499 |
| **Cash and cash equivalents in the statement of cash flows** | **6,028,043** | **32,481,606** | **4,124,142** | **29,041,499** |

## NOTE 18 | ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES

### Note 18(a) Share Capital

| | No. of Shares | Nominal Value £ |
|---|---|---|
| At 1 July 2022 – Ordinary shares | 3,375,532,033 | 33,745,320 |
| Previous increase in authorised capital having expired | (1,529,211,000) | (15,282,110) |
| Increase in authorised share capital on 22 December 2022 | 1,530,701,000 | 15,307,010 |
| **At 30 June 2023 – Ordinary shares** | **3,377,022,033** | **33,770,220** |

| | No. of Shares | Nominal Value £ |
|---|---|---|
| At 1 July 2023 – Ordinary shares | 3,377,022,033 | 33,770,220 |
| Previous increase in authorised capital having expired | (1,530,701,000) | (15,307,010) |
| Increase in authorised share capital on 20 December 2023 | 2,000,738,000 | 20,007,380 |
| **At 30 June 2024 – Ordinary shares** | **3,847,059,033** | **38,470,590** |

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

## NOTE 18 | ALLOTTED, CALLED-UP AND FULLY PAID SHARE CAPITAL AND RESERVES (CONTINUED)

### Note 18(b) Changes in Allotted, Called-up and Fully Paid Share Capital and Share Premium

| | No. of Shares | Nominal Value US$ | Share Premium[1] US$ | Total US$ |
|---|---|---|---|---|
| Ordinary shares of 1p each at 1 July 2022 | 2,293,816,433 | 32,350,699 | 426,793,240 | 459,143,939 |
| Shares issued at £0.241 – Executive share issue | 1,336,182 | 16,572 | 382,845 | 399,417 |
| Shares issued at £0.274 – Executive share issue | 898,886 | 10,602 | 280,439 | 291,041 |
| Shares issued at US$0.20 – Directors share issue 12 December 2022 | 2,000,000 | 20,000 | 380,000 | 400,000 |
| Shares issued at US$0.20 – Jiangxi share issue 12 December 2022 | 155,000,000 | 1,550,000 | 29,450,000 | 31,000,000 |
| Shares issued at US$0.20 – Maxit Capital share issue 12 December 2022 | 23,000,000 | 230,000 | 4,370,000 | 4,600,000 |
| Shares issued on business acquisition – SolGold Canada Inc. | 525,954,360 | 6,285,372 | - | 6,285,372 |
| Shares cancelled for nil consideration | (898,886) | (10,602) | (280,439) | (291,041) |
| Share issue costs charge to share premium account | - | - | (1,389,906) | (1,389,906) |
| **Ordinary shares of 1p at 30 June 2023** | **3,001,106,975** | **40,452,643** | **459,986,179** | **500,438,822** |

| | No. of Shares | Nominal Value US$ | Share Premium[1] US$ | Total US$ |
|---|---|---|---|---|
| Ordinary shares of 1p each at 1 July 2023 | 3,001,106,975 | 40,452,643 | 459,986,179 | 500,438,822 |
| **Ordinary shares of 1p at 30 June 2024** | **3,001,106,975** | **40,452,643** | **459,986,179** | **500,438,822** |

*Notes:*
1 *Share premium for the Group and the Company are comprised of the same transactions and balances, except for a difference of US$10,624, which is comprised of share issue costs reported by the Company but not the Group.*

### Note 18(c) Other Reserves

| | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Own shares reserve[1] | (25,389,208) | (25,389,208) | - | - |
| Merger relief reserve[2] | 78,692,861 | 78,692,861 | 78,692,861 | 78,692,861 |
| Share based payment reserve | 12,122,374 | 10,898,248 | 12,122,374 | 10,898,248 |
| Employee benefit reserve | 632,676 | 714,450 | - | - |
| **Total Other Reserves** | **66,058,703** | **64,916,351** | **90,815,235** | **89,591,109** |

*Notes:*
1 *Represents outstanding shares in the Company acquired with the acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.).*
2 *The Group has applied merger relief under section 612 of the Companies Act 2006 as part of with the acquisition of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.).*

### Note 18(d) Capital Management

The Group's objective when managing capital is to optimise long-term shareholder value, which includes: safeguarding the Group's ability to continue as a going concern; ensuring the Group has sufficient cash available to continue exploration and development activities; and optimising its capital structure to minimise the cost of capital. Management manages share capital and borrowings as capital. Management assesses the Group's financial risks and adjusts its capital structure in response to changes in these risks and in the market and these responses include share issues and borrowing considerations. Given the nature of the Group's current activities, the entity will remain dependent on a combination of equity and borrowed funding in the short to medium term until such time as the Group becomes self-financing from the commercial production of mineral resources. Management is meeting its capital management objectives by raising sufficient cash to enable the completion of strategic milestones.

| | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Borrowings, non-current (Note 21) | 188,946,264 | 147,018,712 | - | - |
| Borrowings, current (Note 21) | 10,002,796 | - | 10,002,796 | - |
| Equity attributable to owners of the parent company | 254,612,322 | 312,925,789 | 455,704,348 | 468,200,169 |
| | **453,561,382** | **459,944,501** | **465,707,144** | **468,200,169** |

## NOTE 19 | TRADE AND OTHER PAYABLES

| | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Current | | | | |
| Trade payables | 1,683,668 | 2,225,163 | 1,904,549 | 488,839 |
| Accrued expenses | 1,495,952 | 4,254,655 | 1,119,747 | 4,254,654 |
| Other payables[1] | 3,323,380 | 6,209,621 | 410,761 | 735,598 |
| **Trade and other current payables** | **6,503,000** | **12,689,439** | **3,435,057** | **5,479,091** |

*Notes:*
1 *Includes sundry payables and employee benefits payable.*

## NOTE 20 | FINANCIAL ASSETS AT AMORTISED COST

| Financial assets at amortised cost | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Security bonds – office leases[1] | 592,692 | 743,846 | 584,518 | 734,248 |
| Security bonds – Ecuador[2] | 1,101,929 | 971,469 | - | - |
| Security bonds – Australia[3] | 11,684 | 13,718 | - | - |
| **Closing balance at the end of the year** | **1,706,305** | **1,729,033** | **584,518** | **734,248** |

*Notes:*
1 *Cash security held against office premises (Level 27, 111 Eagle Street, Brisbane QLD Australia)*
2 *Cash backed bank guarantees held by the Ecuadorian Ministry of Environment against Ecuadorian exploration tenements held by the Group*
3 *Cash security held by the Queensland Department of Natural Resources and Mines against Queensland exploration tenements held by the Group*

## NOTE 21 | BORROWINGS

### Note 21(a) Balances of Borrowings

| | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| **Non-current liability** | | |
| Net Smelter Royalties (Note 21(b)) | 188,946,264 | 147,018,712 |
| **Current liability** | | |
| Short term loan facility (Note 21(c)) | 10,002,796 | - |
| **Balance at the end of the year** | **198,949,060** | **147,018,712** |

### Note 21(b) Net Smelter Royalty Financing

| NSR Financing | Group 2024 US$ | Group 2023 US$ |
|---|---|---|
| Balance at beginning of reporting year | 147,018,712 | 84,076,077 |
| Additions – funds received under new agreements | - | 50,000,000 |
| Transaction costs | - | (205,596) |
| Accreted interest | 17,781,791 | 13,148,231 |
| Remeasurement of amortised cost | 24,145,761 | - |
| **Balance at end of the year** | **188,946,264** | **147,018,712** |
| | | |
| **NSR Financing balances owed to:** | | |
| Franco-Nevada Corporation (Note 21(b)(1)) | 131,783,326 | 94,579,463 |
| Osisko Gold Royalties Ltd (Note 21(b)(2)) | 57,162,938 | 52,439,249 |
| **Balance at end of the year** | **188,946,264** | **147,018,712** |

## NOTE 21 | BORROWINGS (CONTINUED)

### Note 21(b)(1) Net Smelter Royalty Financing: Franco-Nevada Corporation ("Franco-Nevada")

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 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 US$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; and
- Proceeds to fund the costs to complete the feasibility study, with any surplus to be used for SolGold's share of the development of Alpala.

The Franco-Nevada NSR is secured by substantially all Group assets invested directly or indirectly in the Cascabel project.

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 resulted in a discount rate of 11.84% (real).

During the year ended 30 June 2024, a remeasurement of US$24,265,654 was recorded against the NSR financial liability, which represented a loss. The remeasurement was triggered by Board approval in February 2024 of the revised Preliminary Feasibility Study (announced in March 2024) 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.

Management has reviewed its assessment and considers that the buy-back option is not an embedded derivative which needs to be separately accounted for as it is closely related. As such, it is not required to be accounted for as a separate instrument in accordance with IFRS 9. In previous years Management assessed that the fair value of this embedded derivative was nil or immaterial, as there is no expectation or likelihood that the buy-back option will be exercised by SolGold.

The financial liability for the Franco Nevada NSR will next be re-measured using the latest Qualified Person ("QP") approved assumptions from the Technical Report when this is materially updated and approved by the Board.

### Note 21(b)(2) Net Smelter Royalty Financing: Osisko

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 US$50 million; and
- 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.

The Osisko NSR is secured by substantially all Group assets invested directly or indirectly in the Cascabel project.

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 resulted in a discount rate of 8.87% (real). Key inputs for the estimation of future cash flows of the effective interest rate were:

## NOTE 21 | BORROWINGS (CONTINUED)

### Note 21(b)(2) Net Smelter Royalty Financing: Osisko (Continued)

- All operating assumptions are based on the latest available development plan, which was consistent with the plan used for the Franco-Nevada NSR Financing Agreement;
- Gold price of US$1,700 per ounce;
- Copper price of US$7,937 per tonne; and
- Silver price of US$19.90 per ounce.

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 at 30 June 2024 (2023: nil).

During the year ended 30 June 2024, a remeasurement of US$119,893 was recorded against the NSR financial liability, which represented a gain. The remeasurement was triggered by Board approval in February 2024 of the revised Preliminary Feasibility Study (announced in March 2024) resulting in amendments to anticipated cash flows of the NSR agreement. This remeasurement was a non-cash flow book entry accounting for the financial liability at amortised cost.

The financial liability for the Osisko NSR will next be re-measured using the latest QP approved assumptions from the Technical Report when this is materially updated and approved by the Board.

### Note 21(c) Short-term Loan Facility borrowed from Franco Nevada

| Short term loan facility | Group 2024 US$ | Group 2023 US$ | Company 2024 US$ | Company 2023 US$ |
|---|---|---|---|---|
| Balance at beginning of reporting year | - | - | - | - |
| Additions | 10,000,000 | - | 10,000,000 | - |
| Transaction costs | (494,735) | - | (494,735) | - |
| Accreted interest | 497,531 | - | 497,531 | - |
| **Balance at end of reporting year** | **10,002,796** | **-** | **10,002,796** | **-** |

On 14 May 2024, the Group announced interim funding of US$10,000,000 under a "Short-term Loan Facility" provided by Franco-Nevada Corporation, and further information about the Short-term Loan Facility was announced on 25 June 2024. The Short-term Loan Facility accrued interest at 12% per annum and was to mature on 19 July 2024. Subsequent to 30 June 2024, all amounts due under the loan were paid off with a payment of US$10,211,242. The funds were borrowed to provide working capital until the Gold Stream Agreement (Note 29(a)) was completed. The Short-term Loan Facility was secured by substantially all Group assets invested directly or indirectly in the Cascabel project.

## NOTE 22 | OTHER FINANCIAL LIABILITIES

### Note 22(a) Schedule of Other Financial Liabilities

| | Group | | Company | |
|---|---|---|---|---|
| Balance comprised of: | 2024 US$ | 2023 US$ | 2024 US$ | 2023 US$ |
| Derivative liability for options issued to BHP | 1,000 | 240,000 | 1,000 | 240,000 |
| Non-current employee benefits | 1,075,806 | - | - | - |
| **Balance at 30 June** | **1,076,806** | **240,000** | **1,000** | **240,000** |

| | Group | | Company | |
|---|---|---|---|---|
| Movements in derivative liabilities | 2024 US$ | 2023 US$ | 2024 US$ | 2023 US$ |
| Balance at 1 July | 240,000 | 2,387,000 | 240,000 | 2,387,000 |
| Additions | - | - | - | - |
| Fair value adjustment through profit or loss | (239,000) | (2,147,000) | (239,000) | (2,147,000) |
| **Balance at 30 June** | **1,000** | **240,000** | **1,000** | **240,000** |

Other financial liabilities include the derivative liability for options issued to BHP as part of the share subscriptions on 2 December 2019. The fair values of these financial liabilities approximate their carrying amounts principally due to their short-term nature or the fact that they are measured and recognised at fair value.

## NOTE 22 | OTHER FINANCIAL LIABILITIES (CONTINUED)

### Note 22(b) Financial Liabilities Measured and Recognized at Fair Value

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

| | US$<br>Level 1 | US$<br>Level 2 | US$<br>Level 3 | US$<br>Total |
|---|---|---|---|---|
| **2024** | | | | |
| Derivative liability at fair value through profit or loss | - | - | 1,000 | 1,000 |
| **2023** | | | | |
| Derivative liability at fair value through profit or loss | - | - | 240,000 | 240,000 |

### Note 22(b)(1) Valuation of Liability Measured at Fair Value

The derivative liability at fair value through profit or loss has been valued using the Monte Carlo Simulation method. Following are the inputs used in the valuation.

| Fair value of share options and assumptions | £0.37 Options<br>30 June 2024 | £0.37 Options<br>30 June 2023 |
|---|---|---|
| Number of options (Note 23) | 19,250,000 | 19,250,000 |
| Share price at valuation date | £0.0876 | £0.159 |
| Exercise price | £0.37 | £0.37 |
| Expected volatility | 72.46% | 57.3% |
| Time to expiry | 0.42 years | 1.43 years |
| Expected dividends | 0.00% | 0.00% |
| Risk-free interest rate (short-term) | 4.58% | 5.31% |
| Fair value | $0.00004 | $0.012 |
| Valuation methodology | Monte Carlo Value | Monte Carlo Value |

### Note 22(c) Movement in Derivative Liability Recognized in Other Comprehensive (Loss) / Profit

| For the financial year ended 30 June | 2024<br>US$ | 2023<br>US$ |
|---|---|---|
| Movement in derivative liability recognised in other comprehensive (loss) / profit | (239,000) | (2,147,000) |

## NOTE 23 | SHARE OPTIONS

### Note 23(a) Share Option Plan and Grant Information

Share options are granted to employees under the company's Employee Share Option Plan 2023 ("ESOP") and Directors under the Long-Term Incentive Plan ("LTIP"). The ESOP and LTIP are designed to align participants' interests with those of shareholders.

Unless otherwise documented with the Company, when a participant ceases employment prior to the vesting of their share options, the share options are forfeited after 90 days unless cessation of employment is due to termination for cause, whereupon they are forfeited immediately.

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

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

## NOTE 23 | SHARE OPTIONS (CONTINUED)

### Note 23(b) Options Issued and Outstanding

At 30 June 2024 the Company had 98,725,000 options outstanding for the issue of ordinary shares (2023: 95,028,125).

There were 20,000,000 options granted during the year ended 30 June 2024 (2023: 79,778,125).

| Date of grant | Vesting | Exercisable to | Exercise price | Number granted | Number outstanding at 30 June 2024 | Number outstanding at 30 June 2023 |
|---|---|---|---|---|---|---|
| Granted prior to 1 July 2022 | | | | | | |
| 27-Nov-19 | On grant | 27-Nov-24 | £0.37 | 19,250,000 | 19,250,000 | 19,250,000 |
| 27-Nov-20 | On grant | 27-Apr-20 | £0.25 | 7,000,000 | - | - |
| 2-Mar-21 | On grant | 2-Mar-24 | £0.36 | 3,000,000 | - | 3,000,000 |
| 22-Feb-24 | On grant | 15-Jun-24 | £0.26 | 3,000,000 | - | 3,000,000 |
| Total granted prior to 1 July 2022 | | | | 32,250,000 | *19,250,000* | *19,250,000* |
| | | | | | | |
| Granted during 2023 | | | | | | |
| 1-Jul-23 | On 1 Dec 2022 | 1-Dec-25 | £0.292 | 4,000,000 | - | - |
| 1-Jul-23 | On 1 Dec 2023 | 1-Dec-26 | £0.35 | 3,000,000 | - | - |
| 1-Jul-23 | On 1 Dec 2024 | 1-Dec-27 | £0.50 | 3,000,000 | - | - |
| 24-Feb-23 | On grant | 12-Sep-23 | £0.174 | 10,303,125 | - | 10,303,125 |
| 24-Feb-23 | On grant | 6-Aug-24 | £0.162 | 6,375,000 | 6,375,000 | 6,375,000 |
| 24-Feb-23 | On grant | 10-Aug-26 | £0.162 | 7,350,000 | 7,350,000 | 7,350,000 |
| 24-Feb-23 | On grant | 29-Mar-27 | £0.182 | 4,125,000 | 4,125,000 | 4,125,000 |
| 24-Feb-23 | On grant | 13-Jul-27 | £0.133 | 5,625,000 | 5,625,000 | 5,625,000 |
| 17-Mar-23 | On 17 March 2026 | 17-Mar-33 | £0.17 | 30,000,000 | 30,000,000 | 30,000,000 |
| 18-Apr-23 | On 18 April 2024 | 18-Apr-33 | £0.1982 | 2,000,000 | 2,000,000 | 2,000,000 |
| 18-Apr-23 | On 18 April 2025 | 18-Apr-33 | £0.21 | 2,000,000 | 2,000,000 | 2,000,000 |
| 18-Apr-23 | On 18 April 2026 | 18-Apr-33 | £0.25 | 2,000,000 | 2,000,000 | 2,000,000 |
| Total granted during 2023 | | | | 79,778,125 | *59,475,000* | *69,778,125* |
| | | | | | | |
| Granted during 2024 | | | | | | |
| 6-Jul-23 | On 6 July 2024 | 5-Jul-33 | £0.17 | 2,000,000 | 2,000,000 | - |
| 6-Jul-23 | On 6 July 2025 | 5-Jul-33 | £0.21 | 2,000,000 | 2,000,000 | - |
| 6-Jul-23 | On 6 July 2026 | 5-Jul-33 | £0.25 | 2,000,000 | 2,000,000 | - |
| 27-Jul-23 | On 27 July 2024 | 26-Jul-33 | £0.17 | 500,000 | 500,000 | - |
| 27-Jul-23 | On 27 July 2025 | 26-Jul-33 | £0.21 | 500,000 | 500,000 | - |
| 27-Jul-23 | On 27 July 2026 | 26-Jul-33 | £0.25 | 500,000 | 500,000 | - |
| 25-Aug-23 | On 25 Aug 2024 | 24-Aug-33 | £0.17 | 1,000,000 | 1,000,000 | - |
| 25-Aug-23 | On 25 Aug 2025 | 24-Aug-33 | £0.21 | 1,000,000 | 1,000,000 | - |
| 25-Aug-23 | On 25 Aug 2026 | 24-Aug-33 | £0.25 | 1,000,000 | 1,000,000 | - |
| 12-Apr-24 | 1/3 on 1 January 2025, 1/3 on 1 January 2026, and 1/3 on 1 January 2027 | 11-Apr-30 | $0.10 | 9,500,000 | 9,500,000 | - |
| Total granted during 2024 | | | | 20,000,000 | *20,000,000* | - |
| | | | | | | |
| Totals | | | | 112,028,125 | 98,725,000 | 95,028,125 |

*Notes:*

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 23 | SHARE OPTIONS (CONTINUED)

### Note 23(b) Options Issued and Outstanding (Continued)

Share options held by the following individuals are as follows:

| Share options held | At 30 June 2024 Number | At 30 June 2023 Number | Option Price | Exercise Period |
|---|---|---|---|---|
| Scott Caldwell | 30,000,000 | 30,000,000 | £0.17 | 17/3/2026 – 17/3/2033 |
| Chris Stackhouse | 9,000,000 | 6,000,000 | £0.10285 - £0.25 | 18/4/2024 – 24/8/2033 |
| Former Cornerstone[1] option holders | 23,475,000 | 33,778,125 | £0.133 - £0.182 | 24/2/2023 – 13/7/2027 |
| **Total / Range** | **62,475,000** | **69,778,125** | **£0.10285 - £0.25** | **18/4/2024 –24/8/2033** |

*Notes:*
1 *Cornerstone Capital Resources Inc, renamed to SolGold Canada Inc. after it was acquired by the Company.*

### Note 23(c) Movement in Share Options Outstanding and Exercisable

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

| | Weighted average exercise price 2024 | Number of options 2024 | Weighted average exercise price 2023 | Number of options 2023 |
|---|---|---|---|---|
| Outstanding at the beginning of the year | £0.22 | 95,028,125 | £0.33 | 32,250,000 |
| Expired/lapsed during the year | £0.22 | (16,303,125) | £0.25 | (7,000,000) |
| Forfeited during the year | - | - | £0.37 | (10,000,000) |
| Granted during the year | £0.16 | 20,000,000 | £0.20 | 79,778,125 |
| **Outstanding at the end of the year** | **£0.20** | **98,725,000** | **£0.22** | **95,028,125** |
| **Exercisable at the end of the year** | **£0.25** | **44,725,000** | **£0.25** | **59,028,125** |

### Note 23(d) Fair Valuation and Expense of Share Options

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, the dividend policy of the Company, and historical volatility of the Company's quoted market share price.

| Fair value of share options and assumptions | 2024 £0.10285 Options 24 April 2024 | 2024 £0.21 Options 25 August 2023 (Weighted average) | 2024 £0.21 Options 27 July 2023 (Weighted average) | 2024 £0.21 Options 06 July 2023 (Weighted average) |
|---|---|---|---|---|
| Number of options | 9,500,000 | 3,000,000 | 1,500,000 | 6,000,000 |
| Share price at issue date | £0.0996 | £0.1462 | £0.1648 | £0.1604 |
| Exercise price | £0.10285 | £0.21 | £0.21 | £0.21 |
| Expected volatility | 60.56% | 59.26% | 59.44% | 59.61% |
| Option life (years) | 3.9 | 6.0 | 6.0 | 6.0 |
| Expected dividends | 0.00% | 0.00% | 0.00% | 0.00% |
| Risk-free interest rate | 4.08% | 4.44% | 4.34% | 4.77% |
| Fair value | £0.0480 | £0.0750 | £0.0891 | £0.0869 |
| Valuation methodology | Monte Carlo | Black-Scholes | Black-Scholes | Black-Scholes |
| For the financial year ended 30 June 2024 | US$ | US$ | US$ | US$ |
| Share based payment expense recognised in statement of statement of profit or loss and other comprehensive income | 84,357 | 177,209 | 104,097 | 405,736 |

| | 2024 (US$) | 2023 (US$) |
|---|---|---|
| Share based payment expense recognised in statement of statement of profit or loss and other comprehensive income | 2,155,481 | 998,682 |

## NOTE 24 | FINANCIAL INSTRUMENTS

### Note 24(a) Financial instruments by category (Group)

| Financial assets | Financial assets at amortised cost 2024 US$ | 2023 US$ | Financial assets held at fair value through OCI 2024 US$ | 2023 US$ |
|---|---|---|---|---|
| Cash and cash equivalents | 6,028,043 | 32,481,606 | - | - |
| Other receivables (current) | 568,843 | 2,104,349 | - | - |
| Financial assets at amortised cost | 1,706,305 | 1,729,033 | - | - |
| Loans receivable and other current assets | 1,152,493 | 2,099,527 | - | - |
| Equity investments | - | - | - | 5,328 |
| **Total financial assets** | **9,455,684** | **38,414,515** | **-** | **5,328** |

| Financial liabilities | Financial liabilities at amortised cost 2024 US$ | 2023 US$ | Financial liabilities at fair value through profit or loss 2024 US$ | 2023 US$ |
|---|---|---|---|---|
| Trade and other payables | 3,179,620 | 6,479,818 | - | - |
| Derivative liability | - | - | 1,000 | 240,000 |
| NSR | 188,946,264 | 147,018,712 | - | - |
| Short-term Loan Facility | 10,002,796 | - | - | - |
| Lease liabilities | 207,318 | 548,696 | - | - |
| **Total financial liabilities** | **202,335,998** | **154,047,226** | **1,000** | **240,000** |

### Note 24(b) Financial instruments by category (Company)

| Financial assets | Financial assets at amortised cost 2024 US$ | 2023 US$ | Financial assets held at fair value through OCI 2024 US$ | 2023 US$ |
|---|---|---|---|---|
| Cash and cash equivalents | 4,124,142 | 29,041,499 | - | - |
| Other receivables | 14,500 | 14,335 | - | - |
| Financial assets at amortised cost | 584,518 | 734,248 | - | - |
| Loans receivable and other current assets | 1,152,493 | 2,099,527 | - | - |
| Loans with subsidiaries | 205,600,844 | 181,525,074 | - | - |
| **Total financial assets** | **211,476,497** | **213,414,683** | **-** | **-** |

| Financial liabilities | Financial liabilities at amortised cost 2024 US$ | 2023 US$ | Financial liabilities at fair value through profit or loss 2024 US$ | 2023 US$ |
|---|---|---|---|---|
| Trade and other payables | 3,024,296 | 4,743,494 | - | - |
| Derivative liability | - | - | 1,000 | 240,000 |
| Lease liabilities | - | 325,758 | - | - |
| **Total financial liabilities** | **3,024,296** | **5,069,252** | **1,000** | **240,000** |

If required, the Board of Directors determines the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate risks. The main risks for which such instruments may be appropriate are foreign currency risk and liquidity risk, each of which is discussed below.

There have been no changes in financial risks from the previous year. During the years ended 30 June 2024 and 2023 no trading in commodity contracts was undertaken.

## NOTE 24 | FINANCIAL INSTRUMENTS (CONTINUED)

### Note 24(c) Market risk

### Note 24(c)(1) Market risk: Interest rate risks

The Group's and Company's policy is to retain its surplus funds on the most advantageous terms of deposit available up to twelve months' maximum duration. An increase/decrease of 2% in interest rates will impact the Group's income statement by a gain / (loss) of approximately US$385,000 / (US$307,000) (2023: US$649,630 / (US$649,630)) and the Company's income statement by a gain / (loss) of approximately US$331,000 / (US$200,000) (2023: US$580,830 / (US$580,830)). The Group considers that a +/- 2% movement in interest rates represents reasonable possible changes.

### Note 24(c)(2) Market risk: Foreign currency risk

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

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

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

The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

| Group | 30 June 2024 Cash at bank | 30 June 2024 Trade and other payables | 30 June 2023 Cash at bank | 30 June 2023 Trade and other payables |
|---|---|---|---|---|
| Australian dollar (AU$) | 391,698 | (728,716) | 380,158 | (3,184) |
| Canadian dollar (CAD) | 65,710 | (1,236,561) | 479,597 | (677,654) |
| Swiss franc (CHF) | 9,113 | (97,553) | 59,333 | - |
| Chilean Peso (CLP) | 9,599,718 | - | - | - |
| Pound Sterling (GBP) | 27,780 | (118,955) | 108,955 | (105,000) |

| Company | 30 June 2024 Cash at bank | 30 June 2024 Trade and other payables | 30 June 2023 Cash at bank | 30 June 2023 Trade and other payables |
|---|---|---|---|---|
| Australian dollar (AU$) | 391,541 | (728,716) | 143,917 | - |
| Canadian dollar (CAD) | 24,012 | (807,878) | 105,496 | (499,189) |
| Pound Sterling (GBP) | 30,855 | (238,596) | 108,955 | (105,000) |

### Note 24(c)(2) Market Risk: Foreign currency risk

In 2024, the main currency exposure related to the effect of re-translation of the Group's assets and liabilities in Canadian dollar (CAD). This changed from prior year due to the impairment of substantially all of the Group's Australian dollar denominated assets during 2024, and the limited ongoing activity and associated liabilities in Australian dollars. A 10% change in the CAD$/US$ exchange rate would give rise to a change of approximately US$95,890 in the Group's net assets and reported earnings.

In 2023, the main currency exposure related to the effect of the re-translation of the Group's assets and liabilities in Australian dollars (AUD) and the Pound Sterling (GBP). A 10% increase in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$39,152 in the Group's net assets and reported earnings. A 10% decrease in the A$/US$ and GBP/US$ exchange rates would give rise to a change of approximately US$23,420.

The Group does not hedge foreign currency exposures and manages net exposures by buying and selling foreign currencies at spot rates where necessary. In respect of other monetary assets and liabilities held in currencies other than United States dollars, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

## NOTE 24 | FINANCIAL INSTRUMENTS (CONTINUED)

### Note 24(d) Credit risk

The Group is exposed to credit risk primarily from the financial institutions with which it holds cash and cash deposits and loans receivable under the CFLP. Credit risk of the CFLP is also linked to market risks due to the Company's underlying shares held as security for repayment of the CFLP.

Including other receivables, the maximum exposure to credit risk at the reporting date is the carrying value of these assets and was US$12,179,409 (2023: US$39,047,192).

The Company is also exposed to credit risk due to the cash balance it holds directly. It is also exposed to credit risk on the CFLP receivable. At 30 June 2024, the Company had US$4,124,142 in cash and cash equivalents (2023: US$29,041,499) and US$1,152,493 of CFLP receivable (2023: US$2,099,527). The maximum exposure to credit risk at the reporting date was US$5,276,635 (2023: US$31,141,026).

Credit risk is managed by primarily dealing with reputable banks and limiting funds maintained in banks in jurisdictions where preferred banks are unavailable. Furthermore, funds are deposited with banks of high standing in order to obtain market interest rates. Credit risk over the CFLP is reduced due to the loan being secured by shares and the Company has full recourse to recover the loans from the employees in the event that there is a shortfall when the shares are exercised.

### Note 24(e) Liquidity risks

The Group and Company raise funds as required on the basis of budgeted expenditure for the next 12 to 24 months, dependent on a number of prevailing factors. Funds are generally raised in capital markets from a variety of eligible private, corporate and fund investors, or from interested third parties (including other exploration and mining companies) which may be interested in earning or purchasing an interest in the Group's projects.

In addition to traditional funding sources, subsequent to year end, the Group has secured a significant liquidity boost through a Gold Stream Agreement, providing access to $100 million of capital expected over the next 24 months. This agreement substantially enhances the Group's liquidity position and provides a stable funding base for ongoing operations and development of the Cascabel project. However, the Group will still need to raise additional funds for regional exploration.

The success of capital raisings is dependent upon a variety of factors including general equities and metals market sentiment, macro-economic outlook, project perspectivity, operational risks and other factors from time to time. When funds are sought, the Group balances the costs and benefits of equity financing versus alternate financing options, including strategic agreements such as the aforementioned gold stream.

Funds are provided to subsidiaries monthly, based on the subsidiaries' forecast expenditure. The combination of traditional funding methods and the Gold Stream Agreement provides the Group with a diversified and robust approach to managing its liquidity risks, particularly for the Cascabel project.

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

| Contractual maturities of financial liabilities | Less than 6 months US$ | 6 – 12 months US$ | Between 1 and 2 years US$ | Between 2 and 5 years US$ | Over 5 years US$ | Total contractual cash flows US$ |
|---|---|---|---|---|---|---|
| As at 30 June 2024 | | | | | | |
| Trade payables | 6,503,000 | - | - | - | - | 6,503,000 |
| Borrowings | 10,002,796 | - | - | - | 745,512,584 | 755,515,380 |
| Lease liabilities | - | 70,510 | 136,808 | - | - | 207,318 |
| Derivative liabilities | 1,000 | - | - | - | - | 1,000 |
| **Total** | **16,506,796** | **70,510** | **136,808** | **-** | **745,512,584** | **762,226,698** |

| Contractual maturities of financial liabilities | Less than 6 months US$ | 6 – 12 months US$ | Between 1 and 2 years US$ | Between 2 and 5 years US$ | Over 5 years US$ | Total contractual cash flows US$ |
|---|---|---|---|---|---|---|
| As at 30 June 2023 | | | | | | |
| Trade payables | 6,479,818 | - | - | - | - | 6,479,818 |
| Borrowings | - | - | - | - | 694,054,604 | 694,054,604 |
| Lease liabilities | 205,165 | 205,165 | 185,778 | - | - | 596,108 |
| Derivative liabilities | - | - | 240,000 | - | - | 240,000 |
| **Total** | **6,684,983** | **205,165** | **425,778** | **-** | **694,054,604** | **701,370,530** |

Note 24(f) Fair values

In the Directors' opinion, there is no material difference between the book value and fair value of the Group's and Company's financial instruments, except Borrowings. The Group has determined that the fair value of total Borrowings at 30 June 2024 is US$198,949,060 (2023: US$147,018,712).

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

## NOTE 25 | COMMITMENTS

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

Ecuadorian tenement area exploration commitments are made on a calendar year basis. The calendar year 2024 commitment of $6,932,784 had been met as at 30 June 2024, and the 2025 commitments in the table below are estimates of the expected calendar year 2025 commitments.

Commitments to spend on tenements are as follows:

| Region | Up to 12 Months | 13 Months to 5 Years | Later than 5 Years |
|---|---|---|---|
| Ecuador | 7,279,423 | - | -- |
| Queensland (exploration work programs) | 449,980 | 942,005 | - |
| **Total** | **7,729,403** | **942,005** | **-** |

The Group also has the ability to meet expenditure requirements by joint venture or farm in agreements. Management does not currently intend to complete the Queensland exploration work programs.

The Group and Franco-Nevada have each committed to contribute US$450,000, for a total of US$900,000, to a community recycling and waste management initiative in the vicinity of the Cascabel project. No funds have been contributed to the initiative. Management expects to contribute US$320,000 in 2025 and US$130,000 in 2026.

## NOTE 26 | RELATED PARTIES

### Note 26(a) Group

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

| | | At and for the year ended 30 June | |
|---|---|---|---|
| | | 2024 US$ | 2023 US$ |
| Samuel Capital Pty Ltd ("Samuel") | Paid or owed | 65,892 | 74,741 |
| | Amount outstanding | 6,425 | 6,106 |
| *Commercial agreement with Samuel for the engagement of Mr. Nicholas Mather as Non-Executive Director of the Company.* | | | |
| Bennett Jones LLP | Paid or owed | 716,602 | 1,574,012 |
| | Amount outstanding | 974,000 | Nil |
| *Mr. James Clare (a former Director whose period in office ended on 20 December 2023), is a partner in the Canadian law firm Bennett Jones LLP which has provided legal services and is also a shareholder in the Company. Included in the amounts disclosed above at 30 June 2024, are accrued expenses of approximately US$635,000 for services rendered and not billed as well as approximately US$339,000 for Mr. James Clare's Director fees.* | | | |
| D.R. Loveys and Associates Inc. | Paid or owed | 33,209 | 54,849 |
| | Amount outstanding | Nil | Nil |
| *A service company which provides accounting and management consulting services, is owned by Mr. David Loveys, a shareholder of the Company and a director of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.).* | | | |
| Loyer CMS LLC | Paid or owed | Nil | 695,513 |
| | Amount outstanding | Nil | Nil |
| *A consultancy company owned by Mr. Harold 'Bernie' Loyer, a former employee, provided management consulting services to the Group.* | | | |
| DGR Global Limited ("DGR") | Paid or owed | 5,188 | 17,735 |
| | Amount outstanding | 58 | Nil |
| *Provision of exploration licence maintenance and administration services. Mr. Nicholas Mather, Non-Executive Director, is a director of DGR, and DGR is an owner of 204,151,800 shares of the Company.* | | | |
| Maxit Capital LP | Paid or owed | Nil | 5,182,210 |
| | Amount outstanding | Nil | Nil |
| *A shareholder of the Company with a financial advisory agreements with the Company.* | | | |

Repayments totalling $nil (2023: US$4,522) were made to the Company by former employees as beneficiaries of the of the Company Funded Loan Plan.

Share and Option transactions of Directors are shown under Notes 5, 18 and 23.

## NOTE 26 | RELATED PARTIES (CONTINUED)

### Note 26(b) Company

| | | At and for the year ended 30 June 2024 US$ | 2023 US$ |
|---|---|---|---|
| Samuel Capital Pty Ltd ("Samuel") | Paid or owed | 65,892 | 74,741 |
| | Amount outstanding | 6,425 | 6,106 |
| *Commercial agreement with Samuel for the engagement of Mr. Nicholas Mather as Non-Executive Director of the Company.* | | | |
| Bennett Jones LLP | Paid or owed | 716,602 | 1,574,012 |
| | Amount outstanding | 974,000 | Nil |
| *Mr. James Clare (a former Director whose period in office ended on 20 December 2023), is a partner in the Canadian law firm Bennett Jones LLP which has provided legal services and is also a shareholder in the Company. Included in the amounts disclosed above at 30 June 2024, the Company has accrued approximately US$635,000 for services rendered and not billed as well as approximately US$339,000 for Mr. James Clare's Director fees.* | | | |
| Loyer CMS LLC | Paid or owed | Nil | 695,513 |
| | Amount outstanding | Nil | Nil |
| *A consultancy company owned by Mr. Harold 'Bernie' Loyer, a former employee, provided management consulting services to the Company.* | | | |
| Maxit Capital LP | Paid or owed | Nil | 1,440,000 |
| | Amount outstanding | Nil | Nil |
| *A shareholder of the Company with various commercial agreements with the Company, including advisory services pertaining to the capital fundraising in December 2022.* | | | |
| SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) | Paid or owed | 1,426,447 | Nil |
| | Amount outstanding | 1,426,447 | Nil |
| *A subsidiary of the Company which bills for corporate support services.* | | | |

The Company has related party relationships with its subsidiaries (see Note 9 and Note 10) as well as Directors and other key personnel (see Notes 5, 18 and 23).

### Note 26(b)(1) Company - Subsidiaries

The Company has an investment in subsidiaries balance of US$258,109,300 (2023: US$261,013,212). The transactions during the year have been included in Note 9. The Company also has an intercompany loans with a balance of US$205,600,844 (2023: US$181,525,074) - the transactions during the year have been included in Note 10.

### Note 26(b)(2) Company - Ultimate Controlling Party

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

## NOTE 27 | CONTINGENT ASSETS AND LIABILITIES

### Note 27(a) 2% Net Smelter Royalty Payable to Santa Barbara Resources Limited - Group

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 approximately US$4,000,000. Fifty percent (50%) of the royalty can be purchased for approximately US$1,000,000 90 days following the completion of a definitive-feasibility study and the remaining 50% of the royalty can be purchased for approximately US$3,000,000 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 30 June 2024 and as such there is significant uncertainty over the timing of any payments that may fall due.

### Note 27(b) Term Sheet Between SolGold plc and Group Subsidiaries – Group and Company

The terms of the Term Sheet (“Term Sheet”) previously signed between SolGold plc (assigned and assumed to/by SolGold Finance AG), SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.), SolGold Canada Inc.'s (formerly Cornerstone Capital Resources Inc.) subsidiary Cornerstone Ecuador S.A. (“CESA”), and Exploraciones Novomining S.A. (“ENSA”) became an internal arrangement which was eliminated upon consolidation of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) due to the Company’s acquisition of the remaining shares of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) executed on 24 February 2023. The Term Sheet documented CESA’s obligation to repay SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) for its proportionate 15% share of Cascabel expenditures. The amount receivable from CESA and associated provision for impairment were eliminated for consolidated reporting, although the arrangement still exists.

### Note 27(c) Provision for Legal and Employee Expenses – Group and Company

A provision of US$716,170 has been recognised at 30 June 2024 (30 June 2023: US$716,170) for legal and employee expenses.

There are no other material contingent assets and liabilities.

## NOTE 28 | BUSINESS COMBINATIONS

### Note 28(a) Business Combinations in Current Year

There were no business combinations during the year ended 30 June 2024.

### Note 28(b) Business Combination in Prior Year - SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.)

On 24 February 2023, SolGold acquired all of the issued and outstanding shares of SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) (“Cornerstone”), other than the Cornerstone Shares already held, directly or indirectly, by SolGold. The acquisition consolidated ownership of the Cascabel Project, along with a robust portfolio of other projects primarily across Ecuador.

Consideration for the acquisition was paid using SolGold shares and options, with Cornerstone Shareholders receiving 15 SolGold shares and options for each Cornerstone share and option, respectively. The business combination consisted of the repurchase of the Group’s non-controlling interest in ENSA, the purchase of the Company’s own shares and acquisition of Cornerstone’s net identifiable assets. Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

| Purchase consideration | 2023<br>US$ |
|---|---|
| Cash paid | Nil |
| Shares issued to shareholders of Cornerstone (94.5%) | 84,978,233 |
| Replacement Options of Cornerstone options holders | 1,876,910 |
| **Total consideration paid** | **86,855,143** |
| | |
| Fair value of SolGold’s existing ownership in Cornerstone (5.5%) | 4,984,731 |
| *Less*: Consideration for Cornerstone’s existing ownership in Exploraciones Novomining S.A (15%) | (64,417,777) |
| *Less*: Fair value of Cornerstone’s existing ownership in SolGold (6.3%) | (25,389,208) |
| **Total consideration paid for the remaining business** | **2,032,890** |

The fair value of the 525,954,360 shares issued as part of the consideration paid for Cornerstone was based on the published share price on 24 February 2023 of £0.1352 per share. The fair value of the 33,778,125 replacement options issued was calculated using the Black–Scholes pricing model.

## NOTE 28 | BUSINESS COMBINATIONS (CONTINUED)

### Note 28(b) Business Combination in Prior Year - SolGold Canada Inc. (formerly Cornerstone Capital Resources Inc.) (Continued)

The assets and liabilities recognised as a result of the acquisition were as follows:

| Calculation of Goodwill | 2023 US$ |
|---|---|
| Cash and cash equivalents | 1,047,190 |
| Financial assets held at fair value through OCI | 827 |
| Other receivables and prepayments | 1,166,756 |
| Property, plant and equipment | 226,622 |
| Trade and other payables | (408,505) |
| Net identifiable assets acquired | 2,032,890 |
| | |
| Goodwill | Nil |

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

*Acquisition-related costs*

Acquisition-related costs of US$16,054,495 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

*Purchase Consideration – Cash Outflow*

| Inflow/(Outflow) of cash to acquire subsidiary, net of cash acquired | 2023 US$ |
|---|---|
| Cash consideration | Nil |
| *Less: Balances acquired* | |
| Cash and cash equivalents | 1,047,190 |
| Net inflow of cash – investing activities | 1,047,190 |

## NOTE 29 | SUBSEQUENT EVENTS

### Note 29(a) Gold Stream Agreement with Franco Nevada and Osisko

On 15 July 2024, the Company announced entry into a syndicated Gold Stream Agreement ("Agreement") with Franco-Nevada (Barbados) Corporation ("Franco-Nevada") and Osisko Bermuda Limited ("Osisko") (together, the "Syndicate") for the provision of US$750 million in project advancement funding and a proportion of development funding ("Deposit") in exchange for a percentage of the gold to be produced from the Cascabel Project ("Cascabel" or the "Project"). The percentage of gold will be 20% of recovered gold until 750,000 ounces of gold have been provided, after which the percentage will be 12% for the remaining life of the mine.

The Deposit comprises two funding segments, of which Franco-Nevada and Osisko will contribute 70% and 30%, respectively:

i) the initial deposit ("Initial Deposit"): US$100 million paid over three tranches, a third of which was received in July 2024, allocated towards de-risking, permitting, completion of the development funding package and completion of the feasibility study ("FS") on the Project to take it to a Final Development Investment Decision, and

ii) the construction deposit ("Construction Deposit") of US$650 million to be contributed to funding the construction of the Project.

In exchange for the Deposit and ongoing payments to SolGold equivalent to 20% of the spot gold price at the time, the Syndicate will receive an amount in reference to 20% of the recovered gold in concentrate from Cascabel until 750,000 ounces of gold have been provided, after which the percentage will reduce to 12% for the life of the mine.

The Agreement includes a buyback option for five years following the closing of the Gold Stream Agreement, exercisable upon a change of control transaction, to reduce the Gold Stream Agreement by 50% within three years of the closing date of the Agreement or by 33.33% thereafter until the fifth anniversary of the closing date of the Agreement.

# ADDITIONAL INFORMATION

## GRI CONTENT INDEX

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| GRI 2: General disclosures | | |
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| 2-2 Entities included in the organisation's sustainability reporting | SolGold corporate structure: Page 3<br>Notes to the Financial Statements: Page 86 | |
| 2-3 Reporting period, frequency and contact point | Chief Executive's review: Pages 7<br>Directors' report: Pages 63 | |
| 2-4 Restatements of information | | |
| 2-5 External assurance | Independent auditors' report to the Members of SolGold Plc: Pages 69 | |
| 2-6 Activities, value chain and other business relationships | Business model: Page 8<br>Engaging with our stakeholders: Page 19<br>Sustainability report: Page 20<br>Corporate Governance statement: Page 30 | |
| 2-7 Employees | Engaging with our stakeholder: Page 19<br>Sustainability report: Page 20 | |
| 2-8 Workers who are not employees | Engaging with our stakeholder: Page 19 | |
| 2-9 Governance structure and composition | Corporate Governance statement: Page 32<br>Executive Management team: Pages 39<br>Board leadership and company purpose: Pages 39 | |
| 2-10 Nomination and selection of the highest governance body | Risk management: Page 16<br>Nomination Committee Report: 46 | |
| 2-11 Chair of the highest governance body | Corporate Governance statement: Page 30<br>Board leadership and company purpose: Page 39 | |
| 2-12 Role of the highest governance body in overseeing the management of impacts | Corporate Governance statement: Page 30<br>Executive Management team: Page 39<br>Board leadership and company purpose: Page 39<br>Division of responsibilities: Page 43<br>Directors' Report: Page 63<br>Directors' Responsibility Statement: Page 68 | |
| 2-13 Delegation of responsibility for managing impacts | Executive Management team: Page 39<br>Division of responsibilities: Page 43 | |
| 2-14 Role of the highest governance body in sustainability reporting | Environment, Social and Governance (ESG) Committee Report: Page 50 | |
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| 2-21 Annual total compensation ratio | Directors' Remuneration Report: Page 52 | |
| 2-22 Statement on sustainable development strategy | Sustainability report: Page 20 | |
| 2-23 Policy commitments | Not available | |
| 2-24 Embedding policy commitments | Corporate Governance statement: Pages 78-81<br>Executive Management team: Page 39<br>Board leadership and company purpose: Page 39<br>Division of responsibilities: Page 43 | |
| 2-25 Processes to remediate negative impacts | Sustainability Report: Page 20 | |

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| **2-27** Compliance with laws and regulations | Sustainability report: Page 20-28<br>Corporate Governance statement: Page 32 | |
| **2-28** Membership associations | Sustainability report: Page 20 | |
| **2-29** Approach to stakeholder engagement | Engaging with our stakeholders: Page 19 | |
| **2-30** Collective bargaining agreements | Not available | |
| GRI 3: Material topics | | |
| **3-1** Process to determine material topics | Not available | |
| **3-2** List of material topics | Not available | |
| **3-3** Management of material topics | Not available | |
| GRI 201: Economic performance | | |
| **201-1** Direct economic value generated and distributed | Business model: Page 8<br>Sustainability report: Page 20 | |
| **201-2** Financial implications and other risks and opportunities due to climate change | Not stated | |
| **201-3** Defined benefit plan obligations and other retirement plans | Not available | |
| **201-4** Financial assistance received from government | Not available | |
| GRI 202: Market presence | | |
| **202-1** Ratios of standard entry level wage by gender compared to local minimum wage | Not available | |
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| GRI 203: Indirect Economic Impacts | | |
| **203-1** Infrastructure investments and services supported | Sustainability report: Page 20 | |
| **203-2** Significant indirect economic impacts | Business model: Page 8<br>Sustainability report: Page 20 | |
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| **204-1** Proportion of spending on local suppliers | Sustainability report: Page 20 | |
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| **205-1** Operations assessed for risks related to corruption | Not stated | |
| **205-2** Communication and training about anti-corruption policies and procedures | Risk management: Page 16<br>Board leadership and company purpose: Pages 40 | |
| **205-3** Confirmed incidents of corruption and actions taken | Directors' report: Page 63<br>Independent Auditors' Report to the Members of SolGold Plc: Page 69**Error! Bookmark not defined.** | |
| GRI 206: Anti-competitive behaviour | | |
| **206-1** Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | N/A | |
| GRI 207: Tax | | |
| **207-1** Approach to tax | Notes to the Financial Statements: Page 86 | |
| **207-2** Tax governance, control, and risk management | Not stated | |
| **207-3** Stakeholder engagement and management of concerns related to tax | Not stated | |
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| 301-1 Materials used by weight or volume | Sustainability report: Page 20 | |
| 301-2 Recycled input materials used | Sustainability report: Page 20 | |
| 301-3 Reclaimed products and their packaging materials | Not stated | |
| GRI 302: Energy | | |
| 302-1 Energy consumption within the organisation | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |
| 302-2 Energy consumption outside of the organisation | Not available | |
| 302-3 Energy intensity | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |
| 302-4 Reduction of energy consumption | Sustainability report: Page 20 | |
| 302-5 Reductions in energy requirements of products and services | Not available | |
| GRI 303: Water and effluents | | |
| 303-1 Interactions with water as a shared resource | Sustainability report: Page 20 | |
| 303-2 Management of water discharge-related impacts | Sustainability report: Page 20 | |
| 303-3 Water withdrawal | Sustainability report: Page 20 | |
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| GRI 304: Biodiversity | | |
| 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Sustainability report: Page 20 | |
| 304-2 Significant impacts of activities, products and services on biodiversity | Sustainability report: Page 20 | |
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| 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | Sustainability report: Page 20 | |
| GRI 305: Emissions | | |
| 305-1 Direct (Scope 1) GHG emissions | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |
| 305-2 Energy indirect (Scope 2) GHG emissions | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |
| 305-3 Other indirect (Scope 3) GHG emissions | Not stated | |
| 305-4 GHG emissions intensity | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |
| 305-5 Reduction of GHG emissions | Sustainability report: Page 20 | Felipe Castillo (third-party consultant) |

| Disclosure | Commentary / section and page number references for the FY2024 Annual Report | External assurance |
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| GRI 306: Waste | | |
| 306-1 Waste generation and significant waste-related impacts | Sustainability report: Page 20 | |
| 306-2 Management of significant waste-related impacts | Sustainability report: Page 20 | |
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| GRI 308: Supplier environmental assessment | | |
| 308-1 New suppliers that were screened using environmental criteria | Not stated | |
| 308-2 Negative environmental impacts in the supply chain and actions taken | Not stated | |
| GRI 401: Employment | | |
| 401-1 New employee hires and employee turnover | Sustainability report: Page 20 | |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | Not stated | |
| 401-3 Parental leave | Not stated | |
| GRI 402: Labour/Management relations | | |
| 402-1 Minimum notice periods regarding operational changes | Not stated | |
| GRI 403: Occupational health and safety | | |
| 403-1 Occupational health and safety management system | Sustainability report: Page 20 | |
| 403-2 Hazard identification, risk assessment, and incident investigation | Not stated | |
| 403-3 Occupational health services | Not stated | |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | Sustainability report: Page 20 | |
| 403-5 Worker training on occupational health and safety | Sustainability report: Page 20 | |
| 403-6 Promotion of worker health | Sustainability report: Page 20 | |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Risk management: Page 16 | |
| 403-8 Workers covered by an occupational health and safety management system | Not stated | |
| 403-9 Work-related injuries | Sustainability report: Page 20 | |
| 403-10 Work-related ill health | Sustainability report: Page 20 | |
| GRI 404: Training and education | | |
| 404-1 Average hours of training per year per employee | Sustainability report: Page 20 | |
| 404-2 Programs for upgrading employee skills and transition assistance programs | Not stated | |
| 404-3 Percentage of employees receiving regular performance and career development reviews | Noted stated | |

| Disclosure | Commentary / section and page number references for the FY2024 Annual Report | External assurance |
|---|---|---|
| GRI 405: Diversity and equal opportunity | | |
| 405-1 Diversity of governance bodies and employees | Engaging with our stakeholders: Page 42<br>Sustainability report: Page 20 | |
| 405-2 Ratio of basic salary and remuneration of women to men | Sustainability report: Page 20 | |
| GRI 406: Non-discrimination | | |
| 406-1 Incidents of discrimination and corrective actions taken | Sustainability report: Page 20 | |
| GRI 407: Freedom of association and collective bargaining | | |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Not stated | |
| GRI 408: Child labour | | |
| 408-1 Operations and suppliers at significant risk for incidents of child labour | Not stated | |
| GRI 409: Forced or compulsory labour | | |
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour | Not stated | |
| GRI 410: Security practices | | |
| 410-1 Security personnel trained in human rights policies or procedures | Not stated | |
| GRI 411: Rights of indigenous peoples | | |
| 411-1 Incidents of violations involving rights of indigenous peoples | Not stated | |
| GRI 413: Local communities | | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | Sustainability report: Pages 20 | |
| 413-2 Operations with significant actual and potential negative impacts on local communities | Risk management: Page 16<br>Engaging with our stakeholder: Page 19 | |
| GRI 414: Supplier social assessment | | |
| 414-1 New suppliers that were screened using social criteria | Not stated | |
| 414-2 Negative social impacts in the supply chain and actions taken | Not stated | |
| GRI 415: Public policy | | |
| 415-1 Political contributions | Directors' Report: Page 65 | |
| GRI 416: Customer health and safety | | |
| 416-1 Assessment of the health and safety impacts of product and service categories | Not applicable | |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | Not applicable | |
| GRI 417: Marketing and labelling | | |
| 417-1 Requirements for product and service information and labelling | Not applicable | |
| 417-2 Incidents of non-compliance concerning product and service information and labelling | Not applicable | |
| 417-3 Incidents of non-compliance concerning marketing communications | Not stated | |
| GRI 418: Customer privacy | | |

| Disclosure | Commentary / section and page number references for the FY2024 Annual Report | External assurance |
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| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | Not available | |

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