SolGold

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

CORPORATE INFORMATION

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

COMPANY SECRETARY
Karl Schlobohm

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

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

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

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

UK SOLICITORS
Locke Lord LLP
201 Bishopsgate
London EC2M 3AB
United Kingdom

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

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

OPERATIONS REPORT

Your Directors present their report on the company and its controlled entities for the half year ended 31 December 2017. SolGold plc is a public limited company incorporated in England and Wales.

DIRECTORS

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

Brian Moller (Non-Executive Director)
Nicholas Mather (Executive Director)
Robert Weinberg (Non-Executive Director)
John Bovard (Non-Executive Director)
Craig Jones (Non-Executive Director)

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

PRINCIPAL ACTIVITIES

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

REVIEW AND RESULTS OF OPERATIONS

The loss after tax for the Company for the half-year ended 31 December 2017 was A$11,712,027 (31 December 2016 loss of A$1,586,578).

Exploration Activities

Cascabel Project (Ecuador)

The Cascabel Project, SolGold's 85% owned copper-gold porphyry flagship project, is located in the Imbabura province of northwest Ecuador. SolGold holds a registered and beneficial unencumbered 85% interest in Exploraciones Novomining S.A. ("ENSA") which owns 100% of the Cascabel licence subject to a private royalty which may be purchased by SolGold for US$4.0m at development decision. Following the preparation of a Feasibility Study by ENSA, Cornerstone - which currently holds a 15% interest in ENSA - will be obligated to contribute to the funding of ENSA.

At Cascabel, the benefits of the recent equity raisings over the past 12 months has exploration fully funded for the next year as drilling continued to expand the growing world class deposit at Alpala. A review of drilling results has clarified world class intersections at updated metal prices, and geology model analysis is constantly improving drill targeting capabilities.

Drilling to date has not yet constrained the rich Alpala copper-gold deposit, and the deposit continues to grow with each drill hole. SolGold has to date completed over 72,500m to date, along the greater Alpala trend, and this has been accomplished with a workforce of up to 260 Ecuadorean workers and geoscientists, and 6 expatriate Australian geoscientists.

In January 2018, SolGold announced a maiden Mineral Resource Estimate (MRE) at Alpala, completed from 53,616m of drilling reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014).

The Alpala maiden mineral resource estimate totals a current 430 Mt @ 0.8% CuEq (at 0.3% CuEq cut off) in the Indicated category, and 650 Mt @ 0.6% CuEq (at 0.3% CuEq cut off) in the Inferred category; contained metal content of 2.3 Mt Cu in the Indicated category and 2.9 Mt Cu in the Inferred category; and contained metal content of 6.0 Moz Au in the Indicated category and 6.3 Mt Au in the Inferred category.

The higher grade core of the deposit has a current 70 Mt @ 1.8% CuEq (1.2 Mt CuEq) at a 1.1% CuEq cut off in the Indicated category and 50 Mt @ 1.8% CuEq (0.8 Mt CuEq) at a 1.1% CuEq cut off in the Inferred category. If a 0.9% CuEq cut off is used, a further 50 Mt @ 1.0% CuEq (0.5 Mt CuEq) is added to the high grade core in the Indicated category and 50 Mt @ 1.0% CuEq (0.5 Mt CuEq) is added in the Inferred category.

OPERATIONS REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Cascabel Project (Ecuador) (continued)

Drilling to date indicates a true width of the mineralised envelope of up to 700 metres, a length in excess of 1,600 metres and over 100m vertical extent from surface. The year ahead will see drilling along the Alpala trend expanding the existing Mineral Resource grade envelopes around Alpala Central and extending the deposit at depth where mineralisation exhibits a distinct shallow angle plunge towards the northwest.

At Cascabel, all drill holes have been assayed over their entire length, including unmineralised rock, and the average of all drill core at Alpala to date is 0.30% Cu and 0.26 g/t Au.

Exploration activities during the six month period ended 31 December 2017 included:

- Diamond drilling of holes 26 to 35 at Alpala, for a total of approximately 38,250m.
- Preparations for the release of the Maiden Mineral Resource Estimate which was announced to the market on 3 January 2018.
- Petrography and Mineragraphy.
- Spectral alteration interpretation and analysis.
- Ongoing environmental management with strict adherence to guidelines provided by the Ministry of Environment.
- Submission of annual technical and environmental management reports.
- Hybrid “Spartan-Orion” 3D MV IP survey
- 3D geochemical modelling
- Lidar topographic control survey planning.
- Upgrade and expansion of the Alpala field camp and the Rocafuerte field office and core handling and storage facilities.

Other Projects (Ecuador)

SolGold now holds a 100% interest in 77 concessions (3,198km²) through its Ecuadorian subsidiary companies, Carnegie Ridge Resources S.A., Cruz del Sol S.A., Green Rock Resources S.A. and Valle Rico Resources S.A. These concessions are located on the gold-rich northern section of the prolific Andean Copper belt which is renowned as the production base for nearly half of the world’s copper.

In the past 6 months, exploration activity has continued to rapidly increase with additional technical personnel being regularly added to expand the number of teams in the field helping fast track initial exploration and prospect evaluation. Exploration activities conducted in the initial phase of tenement evaluation include stream sediment sampling, heavy panned concentrate collection and Anaconda-style mapping and rock chip sampling of all streams within each concession. Led by highly experienced senior geologists, field teams have made remarkable progress and initially evaluated 60% of all granted concessions.

Along with additional technical personnel, further social and environmental team members have joined SolGold’s Ecuadorian subsidiaries. Social staff are liaising with key land owners to provide field access and the environmental team is working on environmental approvals to expedite auger soil sampling and drill permitting.

Exploration activities to date have located interesting prospects requiring follow up in each of the four subsidiary companies. The best mineralised surface rock chip results have been returned from La Hueca, Porvenir and Timbara projects. These results are briefly summarized below.

La Hueca

The La Hueca Project is located in the south of Ecuador within the eastern Jurassic Belt, which contains the Fruta del Norte epithermal gold deposit (14 million ounces Au), the Mirador copper porphyry deposit (3 million tonnes Cu) and the Santa Barbara gold-(copper) porphyry deposit (8 million ounces Au).

OPERATIONS REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Other Projects (Ecuador) (continued)

Cruz del Sol field teams conducted extensive stream sediment and panned concentrate sampling throughout the La Hueca project. The geochemical results of this work delineated five porphyry copper targets situated along the contact between the Zamora batholith and volcanic rock units. The results delineate a 5km copper-rich porphyry corridor running through the La Hueca project. Results indicate a large copper-rich porphyry system centred on a diorite complex. Elevated copper values are associated with quartz-magnetite-chlorite-chalcopyrite bands and quartz-chalcopyrite-bornite veins within diorite porphyry intrusions.

Porvenir

A stream sediment sampling program at the Porvenir Project delineated two geochemical anomalies within a larger 6km x 5.5km stream anomaly. These anomalous zones are known as the Derrumbo and Bartolo prospects. Initial follow-up stream reconnaissance and rock chip sampling returned very high copper results of up to 4.27% Cu from the Batolo prospect and significant Copper results of up to 0.8% Cu from the Derrumbo prospect. Copper mineralisation in porphyry-style mineralised outcrops consist of chalcopyrite with associated chalcocite – covellite – magnetite. Three main hydrothermal alteration facies can be distinguished at Porvenir:

- Early-stage alteration defined by magnetite-rich and sulphide poor zones with abundant epidote veinlets and disseminations;
- Chlorite –sericite alteration related to the main-stage of chalcopyrite mineralisation; and
- Late-stage, strong quartz-sericite-pyrite alteration.

Timbara

The Timbara Project is also located within the eastern Jurassic Belt. Green Rock field teams have recently prospected the Timbara 4 concession. Early reconnaissance has located promising mineralised outcrops. In particular, a bornite rich vein within a 25m wide zone of quartz – hematite fractures and veining has been sampled. Results from rock chip and stream geochemistry will be followed up by detailed mapping and prospecting to delineate drill targets.

Stream Geochemical Anomalies

Other projects that have returned anomalous stream sediment and heavy panned concentrate results, including the Rio Armarillo, Machos, Chillanes, Cumtza, and Yatubi projects. These projects will be followed up by detailed mapping and prospecting to locate the source of the geochemical anomalism.

Queensland Projects (Australia)

The group holds 6 major project areas in Queensland at Normanby, Rannes, Mt Perry, Cracow West, Westwood and Lonesome.

The Normanby Project is located at the southern margin of eastern Australia's densest cluster of million ounce gold deposits, the nearest of which is the Mt. Carlton Au-Ag mine, located 40km to the northwest of Normanby.

In Australia, drill testing of porphyry style copper-gold mineralisation at the Normanby Project, in northern Queensland commenced in early July. A total of 518m of RC drilling from 7 RC drill holes and 89.2m of diamond coring from 1 drill holes was completed. A significant vertical mineralised structure was intersected in holes MFT19, and MFT17, and a separate shallow dipping zone of mineralisation was also discovered in holes MFT24 and MFT014. Assay results remain pending. Regional-scale stream sediment and rock chip sampling has identified numerous anomalous areas, including the Mt Crompton breccia pipe that require follow up work over the coming year.

Kuma Project (Solomon Islands)

In the Solomon Islands, SolGold has continued negotiations with landowners to obtain access to the project areas at Kuma and Mbetilonga. Currently the Company is awaiting award of these two tenements.

OPERATIONS REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Exploration Outlook

The focus of the Company during the financial year ending 30 June 2018 will be to continue exploration on its Cascabel project in Ecuador and continue carrying out reconnaissance filed mapping and rock chip sampling programs as well as evaluating several mineralised outcropping targets over the 77 new tenements granted to SolGold's four Ecuadorian subsidiaries.

Cascabel Project (Ecuador)

SolGold has drill tested 5 of 15 copper-gold targets delineated in the 50 km2 tenement with a focus on Alpala. The remainder of the targets, including Aguinaga, Trivinio, Moran, Parambas and Tandayama-America are scheduled for testing in 2018 following completion of ground magnetic modelling and Spartan Orion deep IP surveys. Over 120,000 metres of drilling is planned over the 2018 year at Cascabel. To date, SolGold has drill tested 5 of 15 porphyry targets, being Alpala Northwest, Alpala Central, Alpala West, Hematite Hill, and Alpala Southeast. Currently drill testing of Alpala Northwest, Alpala Central and Alpala Southeast targets is underway, with drill testing of the Aguinaga target and other high priority targets to commence during 2018.

There remains strong potential for further growth in the Alpala resource from pending assay results from recent drilling, conversion of current inferred to indicated mineral resources, and discovery of additional mineralisation in unclosed areas such as Alpala East, up dip Alpala Central, and Alpala North West and South East.

Ecuador is undergoing a transformation with significant improvements to infrastructure, including five key sea ports, over 10,000km of new highways, and 10 new hydroelectric projects. These infrastructure improvements are sure to afford the project enormous capital advantages as it moves toward feasibility over the coming years. Completion of a new access road to Alpala Camp via the village of Santa Cecilia in co-operation between the provincial government and the local community is providing vital operational advantages to the project. SolGold has commenced planning for a preliminary economic evaluation of the project and the collection of necessary data to complete a preliminary economic assessment by end 2018.

Other Projects (Ecuador)

Additional staffing is planned for geological, social and environmental teams to fast-track regional exploration activities on SolGold's 77 granted concessions. Whilst the primary focus of exploration in the coming six months will be continued first-pass prospecting of the remaining unexplored granted concessions, aeromagnetic surveys are also being commissioned for all the projects of interest. Work is also underway to advance identified prospects into the next phase of exploration. Environmental applications to allow for auger soil sampling and drill testing are being prepared.

OPERATIONS REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Exploration Outlook (continued)

Along with initial geochemical stream sampling of the remaining concessions, teams will follow up first-pass results to identify the source area of the anomalies. Once mineralised areas are identified, targets will either be tested by grid auger soil programs or advance straight to drill testing.

Queensland Projects (Australia)

The Company will follow up the numerous anomalous areas identified through the regional-scale stream sediment and rock chip sampling program, including the Mt Crompton breccia pipe over the coming year at the Normanby project. A reassessment of the range of other projects held in Queensland resulted in the definition of detailed work programs that will be put in place as exploration funds become available. Joint venture opportunities are being sought for these projects.

Solomon Islands project

The Company is currently awaiting the grant of licences at Kuma and Mbetilonga. If successful in obtaining the licences, the Company will commence fieldwork at the Kuma and Mbetilonga projects. Desktop studies conducted to date have defined a number of porphyry style geochemical anomalies centred on the upper portions of the Kuma lithocap, while several strong copper anomalies remain untested at Mbetilonga Access agreements are being negotiated for both concessions and field programs comprising Anaconda style geological mapping are planned for the coming year as well as reprocessing of existing airborne magnetic data in 3D to define drill targets.

Equity

On 7 July 2017, the Company issued an additional 1,300,000 shares at £0.14 to raise A$0.31 million (£0.18 million) in cash as a result of the exercise of employment options.

On 7 July 2017, the Company issued an additional 1,300,000 shares at £0.28 to raise A$0.62 million (£0.36 million) in cash as a result of the exercise of employment options.

On 9 August 2017, the Company issued a total of 46,762,000 unlisted options to Directors, employees and contractors. The options have a strike price of £0.60 each and are exercisable through to 8 August 2020.

On 11 August 2017, the Company issued an additional 690,000 shares at £0.38 to raise A$0.43 million (£0.26 million) to Newcrest International pursuant to "top-up rights" held by Newcrest International pursuant to the Newcrest Subscription Agreement. The allotment was price was based on a 10 day VWAP, in accordance with the terms of the Newcrest Subscription Agreement.

On 30 November 2017, the Company issued an additional 180,000,000 shares at £0.25 to raise A$77.05 million (£45 million) in cash as a result of a private placement.

At 31 December 2017 the Company had a total of 1,696,245,686 ordinary shares and 88,353,768 options in issue.

OPERATIONS REPORT (continued)

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Corporate

The Group achieved several milestones during the half year ended 31 December 2017. These included:

- The completion of successful fund raisings (including exercise of share options) totalling approximately A$78.4 million. This has resulted in a cash balance of A$138.4 million at 31 December 2017.
- Multiple awards at global mining conferences including Explorer of the year – Latin America (Mines and Money America's) and Explorer of the year (Mines and Money Outstanding Achievements Awards London).
- Exploration and evaluation expenditure of A$26.6 million incurred during the six month period representing predominantly the diamond drilling of 9 holes at Alpala for a total of 38,250 metres at Cascabel.

MATTERS SUBSEQUENT TO THE HALF YEARLY FINANCIAL PERIOD

On 3 January 2018, SolGold announced a maiden Mineral Resource Estimate (MRE) at Alpala, completed from 53,616m of drilling reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014). The Alpala maiden mineral resource estimate totals a current 430 Mt @ 0.8% CuEq (at 0.3% CuEq cut off) in the Indicated category, and 650 Mt @ 0.6% CuEq (at 0.3% CuEq cut off) in the Inferred category; contained metal content of 2.3 Mt Cu in the Indicated category and 2.9 Mt Cu in the Inferred category; and contained metal content of 6.0 Mt Au in the Indicated category and 6.3 Mt Au in the Inferred category.

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

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

Nicholas Mather
Executive Director
Brisbane
14 February 2018

Qualified Person

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

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

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Three months ended 31 December 2017 A$ (unaudited)	Three months ended 31 December 2016 A$ (unaudited)	Six months ended 31 December 2017 A$ (unaudited)	Six months ended 31 December 2016 A$ (unaudited)
Expenses					
Exploration costs written-off		(890)	(111)	(1,877)	(21,400)
Administrative expenses		(3,919,250)	(1,880,943)	(9,756,742)	(2,593,715)
Operating loss	**3**	**(3,920,140)**	**(1,881,054)**	**(9,758,619)**	**(2,615,115)**
Finance income		-	69	66	69
Finance costs		-	(1,750)	-	(72,618)
Loss before tax		**(3,920,140)**	**(1,882,735)**	**(9,758,553)**	**(2,687,664)**
Tax expense (benefit)		1,953,474	(1,101,086)	1,953,474	(1,101,086)
Loss for the period		**(5,873,614)**	**(781,649)**	**(11,712,027)**	**(1,586,578)**
Other comprehensive profit / (loss)					
Items that may be reclassified to profit and loss					
Change in fair value of available for sale financial assets		(1,737,559)	333,823	(4,305,207)	2,748,910
Exchange differences on translation of foreign operations		1,952,266	1,755,161	1,119,011	196,212
Other Comprehensive (loss) / profit , net of tax		**214,707**	**2,088,984**	**(3,186,196)**	**2,945,122**
Total comprehensive (loss) / income for the period		**(5,658,907)**	**1,307,335**	**(14,898,223)**	**1,358,544**
Loss for the half-year attributable to:					
Owners of the parent company		(5,840,273)	(763,981)	(11,655,001)	(1,549,517)
Non-controlling interest		(33,341)	(17,668)	(57,026)	(37,061)
Loss for the period		**(5,873,614)**	**(781,649)**	**(11,712,027)**	**(1,586,578)**
Total comprehensive profit / (loss) for the half-year is attributable to:					
Owners of the parent company		(6,297,138)	805,059	(15,026,549)	1,366,173
Non-controlling interest		638,231	502,276	128,326	(7,629)
Total comprehensive (loss) / income for the period		**(5,658,907)**	**1,307,335**	**(14,898,223)**	**1,358,544**

	Notes	Six months ended 31 December 2017 Cents (unaudited)	Six months ended 31 December 2016 Cents (unaudited)
Basic earnings per share	4	(0.8)	(0.1)
Diluted earnings per share	4	(0.8)	(0.1)

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2017

	Notes	31 December 2017 A$ (unaudited)	30 June 2017 A$ (audited)
Assets			
Property, plant and equipment		3,349,900	1,777,937
Intangible assets	5	86,369,082	59,723,105
Investment in available for sale securities	6	8,908,208	14,366,304
Loans receivable and other non-current assets		330,590	226,175
Total non-current assets		**98,957,780**	**76,093,521**
Other receivables and prepayments		1,869,518	1,307,344
Cash and cash equivalents		138,440,493	89,312,743
Total current assets		**140,310,011**	**90,620,087**
Total assets		**239,267,791**	**166,713,608**
Equity			
Share capital	7	29,513,563	26,376,265
Share premium	7	272,719,905	199,322,436
Other reserves		17,155,972	15,385,705
Accumulated loss		(88,466,807)	(76,869,038)
Equity attributable to owners of the parent company		230,922,633	164,215,368
Non-controlling interest		(114,609)	(242,935)
Total equity		**230,808,024**	**163,972,433**
Liabilities			
Trade and other payables		8,459,767	2,741,175
Total current liabilities		8,459,767	**2,741,175**
Total liabilities		8,459,767	**2,741,175**
Total equity and liabilities		**239,267,791**	**166,713,608**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Share capital A$	Share premium A$	Available for Sale Financial Asset Reserve A$	Share option reserve A$	Foreign currency translation reserve A$	Change in proportionate interest reserve A$	Accumulated losses A$	Total A$	Non-controlling interests A$	Total equity A$
Balance 30 June 2016	**17,015,019**	**87,488,507**	**(141,299)**	**1,104,337**	**1,948,864**	**(67,864)**	**(72,489,364)**	**34,858,200**	**123,137**	**34,981,337**
Loss for the period	-	-	-	-	-	-	(1,549,517)	(1,549,517)	(37,061)	(1,586,578)
Other comprehensive income	-	-	2,748,910	-	166,780	-	-	2,915,690	29,432	2,945,122
Total comprehensive income for the period	-	-	2,748,910	-	166,780	-	(2,650,603)	1,366,173	(7,629)	1,358,544
New share capital subscribed	7,953,105	63,701,143	-	-	-	-	-	71,654,248	-	71,654,248
Share issue costs		(6,402,805)	-	-	-	-	-	(6,402,805)	-	(6,402,805)
Value of options issued to employees and consultants	-		-	3,845,520	-	-	-	3,845,520	-	3,845,520
Balance 31 December 2016	**24,968,124**	**144,786,845**	**2,607,611**	**4,949,857**	**2,115,644**	**(67,864)**	**(74,038,881)**	**105,321,336**	**115,508**	**105,436,844**
Loss for the period	-	-	-	-	-	-	(2,868,508)	(2,868,508)	(44,886)	(2,913,394)
Other comprehensive income for the period	-	-	6,171,605	-	(1,971,927)	-	-	4,199,678	(313,557)	3,886,121
Total comprehensive income for the period	-	-	6,171,605	-	(1,971,927)	-	(2,868,508)	1,331,170	(358,443)	972,727
New share capital subscribed	1,329,707	53,390,954	-	-	-	-	-	54,720,661	-	54,720,661
Share issue costs	-	(72,269)	-	-	-	-	-	(72,269)	-	(72,269)
Options expired	-	-	-	(38,351)	-	-	38,351	-	-	-
Options exercised	78,434	1,216,906	-	-	-	-	-	1,295,340	-	1,295,340
Value of options issued to employees and consultants	-	-	-	1,619,130	-	-	-	1,619,130	-	1,619,130
Balance 30 June 2017	**26,376,265**	**199,322,436**	**8,779,216**	**6,530,636**	**143,717**	**(67,864)**	**(76,869,038)**	**164,215,368**	**(242,935)**	**163,972,433**
Loss for the period	-	-	-	-	-	-	(11,655,001)	(11,655,001)	(57,026)	(11,712,027)
Other comprehensive income for the period	-	-	(4,305,207)	-	933,659	-	-	(3,371,548)	185,352	(3,186,196)
Total comprehensive income for the period	-	-	(4,305,207)		933,659	-	(11,655,001)	(15,026,549)	128,326	(14,898,223)
New share capital subscribed	3,093,343	74,389,805	-	-	-	-	-	77,483,148	-	77,483,148
Share issue costs	-	(1,871,442)	-	-	-	-	-	(1,871,442)	-	(1,871,442)
Options exercised	43,955	879,106	-	(57,232)	-	-	57,232	923,061	-	923,061
Value of options issued to employees and consultants	-	-	-	5,199,047	-	-	-	5,199,047	-	5,199,047
Balance 31 December 2017	**29,513,563**	**272,719,905**	**4,474,009**	**11,672,451**	**1,077,376**	**(67,864)**	**(88,466,807)**	**230,922,633**	**(114,609)**	**230,808,024**

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Notes	Three months ended 31 December 2017 A$ (unaudited)	Three months ended 31 December 2016 A$ (unaudited)	Six months ended 31 December 2017 A$ (unaudited)	Six months ended 31 December 2016 A$ (unaudited)
Cash flows from operating activities					
Loss before tax		(3,920,140)	(1,882,735)	(9,758,553)	(2,687,664)
Depreciation		11,897	10,846	23,924	12,891
Share based payments expense		2,951,473	3,845,620	5,199,047	3,845,520
Write-off of exploration expenditure		890	111	1,877	21,400
(Increase) decrease in other receivables and prepayments		(153,856)	155,734	(564,657)	(149,243)
Increase (decrease) in trade and other payables		(1,444,779)	(4,333,877)	390,974	(4,713,677)
Net cash outflow from operating activities		**(2,554,515)**	**(2,204,301)**	**(4,707,388)**	**(3,670,773)**
Cash flows from investing activities					
(Acquisition of property, plant and equipment		(1,179,864)	(547,128)	(1,595,887)	(547,128)
Payments for security deposits		(30,791)	-	(120,816)	-
Acquisition of exploration and evaluation assets		(12,392,029)	(4,413,342)	(20,251,265)	(6,004,660)
Net cash (outflow)from investing activities		**(13,602,684)**	**(4,960,470)**	**(21,967,968)**	**(6,551,788)**
Cash flows from financing activities					
Proceeds from the issue of ordinary share capital		76,942,611	42,064,249	78,296,004	62,466,043
Payment of issue costs		(2,554,622)	5,509	(2,554,622)	(21,906)
Proceeds from borrowings		-	8	-	852,736
Net cash inflow from financing activities		**74,387,989**	**42,069,766**	**75,741,382**	**63,296,873**
Net increase in cash and cash equivalents		**58,230,790**	**34,904,995**	**49,066,026**	**53,074,312**
Cash and cash equivalents at beginning of period		78,475,169	18,361,604	89,312,743	94,933
Effects of exchange rate changes on cash and cash equivalents		1,734,534	2,852,630	61,724	2,949,984
Cash and cash equivalents at end of period		**138,440,493**	**56,119,229**	**138,440,493**	**56,119,229**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

As required by the Disclosure and Transparency Rules of the UK's Financial Services Authority this consolidated half year financial report for the half year ended 31 December 2017 has been prepared in accordance with IAS 34 *Interim Financial Reporting* and International Financial Reporting Standards as adopted by the European Union ('IFRSs') and their interpretations issued by the International Accounting Standards Board (IASB) and the Listing Rules. The half year condensed consolidated financial statements also comply with IFRS as issued by the IASB, as is required as a result of our listing on TSX in Canada.

The financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures for the year ended 30 June 2017 are based upon the latest statutory accounts, which have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under Section 489 (2) or (3) of the Companies Act 2006. The half year condensed consolidated financial statements for the half year ended 31 December 2017 was authorised for issue in accordance with a resolution of the Directors on 14 February 2018.

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

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

The half year financial report should be read in conjunction with the annual report for the year ended 30 June 2017 and considered together with any public announcements made by SolGold plc and its controlled entities during the half year ended 31 December 2017.

The same accounting policies and methods of computation have been followed in this half-year financial report was applied in the most recent annual financial report.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The Company has not generated revenues from operations. In common with many exploration companies, the Company raises finance for its exploration and appraisal activities in discrete tranches. At the reporting date, the Group had a net working capital surplus of A$131,850,244 (31 December 2016: A$54,457,737).

It should be noted that the current working capital levels will not be sufficient to bring the Group's projects into full development and production and, in due course, further funding will be required. In the event that the Company is unable to secure further finance either through other finance arrangements or capital raisings, it may not be able to fully develop its projects and this may have a consequential impact on the carrying value of the related exploration assets and the investment of the parent company in its subsidiaries. In the absence of these matters being successful, there exists a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and therefore, it may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

Comparatives

When required by Accounting Standards, comparatives have been adjusted to conform to changes in presentation for the current financial year.

The share based payments expense recognised during the half year ended 31 December 2016 was reduced by A$1,059,523 to recognise the expense over the vesting period rather than upfront on grant of share options.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

(i) Subsidiaries

The half year condensed consolidated financial statements comprise the financial statements of SolGold plc and its controlled entities as at 31 December 2017.

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

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

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

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

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

(ii) Transactions eliminated on consolidation

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

Financial Instruments

Recognition and Initial Measurement
Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus transactions 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments (continued)

Classification and Subsequent Measurement

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(ii) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. These assets are measured at fair value with gains or losses recognised in the profit or loss.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets comprise investments in listed and unlisted entities and non-derivatives that are either designated in this category or not classified in any other categories. After initial recognition, these investments are measured at fair value with gains or losses recognised in other comprehensive income.

(iv) *Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(v) *Derivatives*

Derivative financial instruments, consisting of embedded conversion options in convertible loan notes, are initially measured at fair value on the contract date and are re-measured to fair value at subsequent reporting dates.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all other financial assets and liabilities, where appropriate, including recent arm's length transactions, reference to similar instruments and option pricing models.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of financial assets

An assessment is made at each reporting date to determine whether there is objective evidence that a specific financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined from available information such as quoted market prices or by calculating the net present value of future anticipated cash flows. In estimating these cash flows, management makes judgements about a counter-party's financial situation and the net realisable value of any underlying collateral. Impairment losses are recognised in the profit or loss.

Impairment losses on assets measured at amortised cost using the effective interest rate method are calculated by comparing the carrying value of the asset with the present value of estimated future cash flows at the original effective interest rate.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments (continued)

Impairment of financial assets (continued)

Where there is objective evidence that an available for sale financial asset is impaired (such as a significant or prolonged decline in the fair value of an available for sale financial asset) the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. When a subsequent event reduces the impairment of an available for sale debt security the impairment loss is reversed through profit or loss. When a subsequent event reduces the impairment of an available for sale equity instrument the fair value increased is recognised in other comprehensive income.

New standards and interpretations not yet adopted

The Group has elected not to early adopt the following revised and amended standards, which are not yet mandatory in the EU. The list below includes only standards and interpretations that could have an impact on the Consolidated Financial Statements of the Group.

Effective period commencing on or after		
IFRS 9	Financial instruments	1 Jan 2018
IFRS 15	Revenue from contracts with customers	1 Jan 2018
IFRS 16[1]	Leases	1 Jan 2019
IAS 12[1]	Amendment – Recognition of deferred tax assets for unrealised losses	1 Jan 2017
IAS 7[1]	Amendment – Disclosure initiative	1 Jan 2017
IFRS 2[1]	Amendment – Classification and measurement of share based payment transactions	1 Jan 2018

[1] Not yet adopted by the European Union

IFRS 9 Financial instruments
The complete standard was issued in July 2014 including the requirements previously issued and additional amendments. The new standard replaces IAS 39 and includes a new expected loss impairment model, changes to the classification and measurement requirements of financial assets as well as to hedge accounting. The new standard becomes effective for financial years beginning on or after 1 January 2018. The Group has reviewed its existing arrangements in place and has concluded that the adoption of this standard is not expected to have a material impact in the future periods.

IFRS 15 Revenue from contracts with customers
The new standard was issued in May 2014. IFRS 15 is intended to introduce a single framework for revenue recognition and clarify principles of revenue recognition. This standard modifies the determination of when to recognise revenue and how much revenue to recognise. The new standard becomes mandatory for financial years beginning on or after 1 January 2018. The effect will be assessed and disclosure will be made once the Group has assessed the impact of applying IFRS 15. The adoption of this standard is not expected to have a material impact in the future periods until the Group commences generating revenues from its exploration projects.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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. The tax expense (benefit) recognised at the reporting date is predominantly reflects the tax effect on the mark to market of the available-for-sale financial assets.

NOTE 2 OPERATING SEGMENTS

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

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

	31 December 2017 (unaudited)						
	Finance Income A$	Income A$	Loss for the period A$	Share Based Payments A$	Assets A$	Liabilities A$	Non-current asset additions A$
Cascabel project*	-	-	(380,175)	-	74,560,293	6,103,831	22,932,224
Other Ecuadorian projects	-	-	(12,718)	-	8,704,043	310,257	5,095,785
Queensland projects	-	-	(4,559)	-	12,771,723	12,233	483
Solomon Islands projects	-	-	(39,925)	-	48,033	251	-
Corporate	66	-	(11,274,650)	5,199,047	143,183,699	2,033,195	(5,164,233)
Total	**66**	**-**	**(11,712,027)**	**5,199,047**	**239,267,791**	**8,459,767**	**22,864,259**

	30 June 2017 (audited)						
	Finance Income A$	Income A$	Loss for the period A$	Share Based Payments A$	Assets A$	Liabilities A$	Non-current asset additions A$
Cascabel project*	-	-	(546,315)	-	49,132,923	1,783,879	16,590,892
Other Ecuadorian projects	-	-	(6,487)	-	3,355,760	186,211	3,355,760
Queensland projects	30	30	(2,692)	-	12,466,324	8,408	484
Solomon Islands projects	39	39	(31,942)	-	29,406	-	-
Corporate	-	-	(3,912,536)	2,239,533	101,729,194	762,677	12,944,385
Total	**69**	**69**	**(4,499,972)**	**2,239,533**	**166,713,607**	**2,741,175**	**32,891,521**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 2 OPERATING SEGMENTS (CONTINUED)

	31 December 2016 (unaudited)						
	Finance Income A$	Other Income A$	Loss for the period A$	Share Based Payments A$	Assets A$	Liabilities A$	Non-current asset additions A$
Cascabel project*	-	-	(247,074)	-	31,938,967	1,365,466	5,250,745
Other Ecuadorian projects	-	-	-	-	-	-	-
Queensland projects	-	-	(1,115)	-	9,271,537	30,644	64,750
Solomon Islands projects	-	-	(537)	-	321,754	9,946	249
Corporate	69	-	(1,337,852)	3,845,520	69,393,803	746,606	5,797,918
Total	**69**	**-**	**(1,586,578)**	**3,845,520**	**110,926,061**	**2,152,662**	**11,113,662**

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

Geographical information

Non-current assets	31 December 2017 A$	30 June 2017 A$
UK	-	-
Australia	19,562,937	24,726,686
Solomon Islands	-	-
Ecuador	79,394,843	51,366,835
	98,957,780	**76,093,521**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 3 OPERATING LOSS

	Three months ended 31 December 2017 A$	Three months ended 31 December 2016 A$	Six months ended 31 December 2017 A$	Six months ended 31 December 2016 A$
The operating loss is stated after charging (crediting)				
Interest revenue – external parties	-	69	69	143
	-	**69**	**69**	**143**
Administrative and consulting expenses	2,419,417	706,270	4,033,397	1,355,274
Employment expenses	270,997	170,937	562,098	330,014
Depreciation	11,897	10,846	23,924	12,891
Foreign exchange (gains)	(1,734,534)	(2,852,630)	(61,724)	(2,949,984)
Share based payments	2,951,473	3,845,520	5,199,047	3,845,520
	3,919,251	**1,880,943**	**9,756,742**	**2,593,715**

NOTE 4 LOSS PER SHARE

	Six months ended 31 December 2017	Six months ended 31 December 2016
Calculation of basic and diluted loss per share is in accordance with IAS 33 *Earnings per Share.*		
Loss per ordinary share		
Basic loss per share (cents per share)	(0.8)	(0.1)
Diluted loss per share (cents per share)	(0.8)	(0.1)
Net loss used in calculating basic and diluted loss per share (A$)	(11,712,027)	(1,586,578)
	Number	**Number**
Weighted average number of ordinary share used in the calculation of basic loss per share	1,546,315,360	1,226,022,320
Weighted average number of dilutive options	6,763,730	7,210,611
Weighted average number of ordinary shares used in the calculation of diluted loss per share	1,553,079,090	1,233,232,931

NOTE 5 INTANGIBLE ASSETS

	Deferred exploration costs A$
Cost	
Balance at 1 July 2016	**92,810,120**
Additions	18,660,501
Balance at 30 June 2017	**111,470,621**
Additions	26,647,854
Balance at 31 December 2017	**138,118,475**
Impairment losses	
Balance at 1 July 2016	**(51,730,206)**
Impairment charge	(17,310)
Balance at 30 June 2017	**(51,747,516)**
Impairment charge	(1,877)
Balance at 31 December 2017	**(51,749,393)**
Carrying amounts	
At 30 June 2016	41,079,914
At 30 June 2017	59,723,105
At 31 December 2017	86,369,082

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

NOTE 6 INVESTMENT IN AVAILABLE FOR SALE SECURITIES

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

	31 December 2017 A$	30 June 2017 A$
Movements in available for sale assets		
Opening balance at the beginning of the reporting period	14,366,304	1,622,711
Fair value adjustment through other comprehensive income	(5,458,096)	12,743,593
Closing balance at the end of the reporting period	**8,908,208**	**14,366,304**

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 6 INVESTMENT IN AVAILABLE FOR SALE SECURITIES (CONTINUED)

(b) Fair value

Fair value hierarchy

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

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

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

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

	A$ Level 1	A$ Level 2	A$ Level 3	A$ Total
31 December 2017				
Available for sale financial assets	8,908,208	-	-	8,908,208
30 June 2017				
Available for sale financial assets	14,366,304	-	-	14,366,304

The available for sale financial assets are measured based on the quoted market prices at 31 December 2017 and 30 June 2017.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 7 SHARE CAPITAL

	Half Year Ended 31 December 2017 A$	Full Year Ended 30 June 2017 A$
a) Issued capital and share premium		
Ordinary shares fully paid up	**302,233,468**	**225,698,701**
b) Movement in ordinary shares		
At the beginning of the reporting period	225,698,701	104,503,526
Shares issued during the period	78,406,209	127,670,249
Transaction costs on share issue	(1,871,442)	(6,475,074)
At reporting date	**302,233,468**	**225,698,701**

	Half Year Ended 31 December 2017 Number	Full Year Ended 30 June 2017 Number
c) Movement in number of ordinary shares on issue		
Shares at the beginning of the reporting period	1,512,955,685	953,897,601
- Shares issued at £0.06 – Placement 28 August 2016	-	268,819,004
- Shares issued at £0.13 – Placement 17 October 2016	-	206,250,000
- Shares issued at £0.14 – Exercise of options 17 January 2017	-	900,000
- Shares issued at £0.30 – Newcrest share issue 31 January 2017	-	100,000
- Shares issued at £0.14 – Exercise of options 3 February 2017	-	1,200,000
- Shares issued at £0.14 – Exercise of options 21 February 2017	-	900,000
- Shares issued at £0.38 – Newcrest share issue 1 March 2017	-	240,000
- Shares issued at £0.41 – Placement 16 June 2017	-	78,889,080
- Shares issued at £0.14 – Exercise of options 26 June 2017	-	880,000
- Shares issued at £0.28 – Exercise of options 26 June 2017	-	880,000
- Shares issued at £0.14 – Exercise of options 7 July 2017	1,300,000	-
- Shares issued at £0.28 – Exercise of options 7 July 2017	1,300,000	-
- Shares issued at £0.38 – Newcrest share issue 11 August 2017	690,000	-
- Shares issued at £0.25 – Placement 30 November 2017	180,000,000	-
Shares at the reporting date	1,696,245,686	**1,512,955,685**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 8 SHARE OPTIONS

At 31 December 2017 the Company had 88,353,768 options outstanding for the issue of ordinary shares (31 December 2016: 48,051,768).

Options

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

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

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

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

Share options issued

There were 46,762,000 options granted during the period ended 31 December 2017 (31 December 2016: 41,591,768).

On 9 August 2017, the Company issued a combined total of 46,762,000 unlisted share options over ordinary shares of the Company, including:

- 36,750,000 share options to Directors following approval granted by shareholders at the Company's AGM on 28 July 2017;
- 10,000,000 share options to its two key geologists; and
- 12,000 share options to a third party as part of the capital raising fees for the Company's last equity placement.

The options are exercisable at £0.60 and expire on 8 August 2020. The share options for Directors and the geological executives have a vesting period of 18 months unless triggered by a change of control transaction.

The share options outstanding at 31 December 2017 are as follows:

Date of grant	Exercisable from	Exercisable to	Exercise prices	Number granted	Number at 31 December 2017
17 October 2016	The options vested immediately through to 17 October 2018	17 October 2018	£0.14 £0.28	9,795,884 9,795,884	9,795,884 9,795,884
17 November 2016	The options vest on the earlier of: (a) the expiry of 75% of the Term, or (b) a Change of Control Transaction	28 October 2018	£0.28	22,000,000	22,000,000
9 August 2017	The options vest on the earlier of: (a) 18 months, or (b) a Change of Control Transaction	8 August 2020	£0.60	46,750,000	46,750,000
9 August 2017	The options vested immediately, through to 8 August 2020	8 August 2020	£0.60	12,000	12,000
				88,353,768	**88,353,768**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 8 SHARE OPTIONS (CONTINUED)

Share-based payments

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

	Weighted average exercise price 31 December 2017	Number of options 31 December 2017	Weighted average exercise price 31 December 2016	Number of options 31 December 2016
Outstanding at the beginning of the period	£0.25	44,191,768	£0.27	21,380,000
Exercised during the period	£0.21	(2,600,000)	-	-
Lapsed during the period	-	-	-	-
Granted during the period	£0.60	46,762,000	-	-
Outstanding at the end of the period	£0.44	88,353,768	£0.27	21,380,000
Exercisable at the end of the period	£0.21	19,591,768	-	-

The options outstanding at 31 December 2017 have exercise prices of £0.14, £0.28 and £0.60 (31 December 2016: £0.14 - £0.28) and a weighted average contractual life of 1.76 years (31 December 2016: 1.81 years).

Share options held by Directors are as follows:

Share options held	At 31 December 2017	At 31 December 2016	Option Price	Exercise Period
Nicholas Mather	26,250,000	-	60p	07/02/19 – 08/08/20
	-	750,000	14p	08/07/14 – 08/07/17
	-	750,000	28p	08/07/14 – 08/07/17
Brian Moller	3,750,000	-	60p	07/02/19 – 08/08/20
	-	550,000	14p	08/07/14 – 08/07/17
	-	550,000	28p	08/07/14 – 08/07/17
Robert Weinberg	2,250,000	-	60p	07/02/19 – 08/08/20
	-	440,000	14p	08/07/14 – 08/07/17
	-	440,000	28p	08/07/14 – 08/07/17
John Bovard	2,250,000	-	60p	07/02/19 – 08/08/20
	-	440,000	14p	08/07/14 – 08/07/17
	-	440,000	28p	08/07/14 – 08/07/17
Craig Jones	2,250,000	-	60p	07/02/19 – 08/08/20

NOTE 8 SHARE OPTIONS (continued)

Share-based payments (continued)

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

Fair value of share options and assumptions	£0.14 Options 17 October 2016	£0.28 Options 17 October 2016	£0.28 Options 28 October 2016	£0.60 Options 9 August 2017
Number of options	9,795,884	9,795,884	22,000,000	46,762,000
Fair value at issue date	£0.12	£0.09	£0.14	£0.365-£0.375
Exercise price	£0.14	£0.28	£0.28	£0.60
Expected volatility	99.744%	99.744%	99.744%	89.714%
Option life	2.00 years	2.00 years	2.00 years	3.00 years
Expected dividends	0.00%	0.00%	0.00%	0.00%
Risk-free interest rate (short-term)	0.53%	0.53%	0.66%	0.461%
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

	A$	A$	A$	A$
Share based payments expense recognised in statement of comprehensive income	-	-	1,599,304	3,599,741
Share based payments expense recognised as share issue costs	-	-	-	3,411
Share based payments expense to be recognised in future periods	-	-	1,066,202	9,311,176

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 9 RELATED PARTIES

Transactions with Directors and Director-Related Entities

(i) The Company had a commercial agreement with Samuel Capital Ltd ("Samuel") for the engagement of Nicholas Mather as Chief Executive Officer and Executive Director of the Company. For the half year ended 31 December 2017 A$200,000 was paid or payable to Samuel (2016: A$75,000). The total amount outstanding at the end of the half year was A$ nil (31 December 2016: A$ nil, 30 June 2017 A$26,725).

(ii) SolGold plc has a standing Administration and Services Agreement with DGR Global Ltd, an entity associated with Nicholas Mather (a Director) and Brian Moller (a Director) whereby DGR Global Ltd has agreed to provide certain services including the provision by DGR Global Ltd of its premises (for the purposes of conducting the Company's business operations), use of existing office furniture, equipment and certain stationery, together with general telephone, reception and other office facilities (''Services''). In consideration for the provision of the Services, the Company shall reimburse DGR Global Ltd for any expenses incurred by it in providing the Services. DGR Global Ltd was paid A$180,000 (2016: A$180,000) for the provision of administration, management and office facilities to the Company during the half year. The total amount outstanding at half year end is A$30,000 (31 December 2016: A$ nil, 30 June 2017 A$22,011).

(iii) Mr Brian Moller (a Director), is a partner in the Australian firm Hopgood Ganim Lawyers. Hopgood Ganim were paid A$181,330 (2016: A$172,631) for the provision of legal services to the Company during the half year. These services were based on normal commercial terms and conditions. The total amount outstanding at half year end is A$33,263 (31 December 2016: A$26,253, 30 June 2017 A$92,350).

NOTE 10 COMMITMENTS AND CONTINGENT ASSET AND LIABILITIES

A 2% net smelter royalty is payable to Santa Barbara Resources Limited, who were the previous owners of the Cascabel tenements. These royalties can be bought out by paying a total of US$4 million. Fifty percent (50%) of the royalty can be purchased for US$1 million 90 days following the completion of a feasibility study and the remaining 50% of the royalty can be purchased for US$3 million 90 days following a production decision.

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

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

NOTE 11 SUBSEQUENT EVENTS

On 3 January 2018, SolGold announced a maiden Mineral Resource Estimate (MRE) at Alpala, completed from 53,616m of drilling reported in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014). The Alpala maiden mineral resource estimate totals a current 430 Mt @ 0.8% CuEq (at 0.3% CuEq cut off) in the Indicated category, and 650 Mt @ 0.6% CuEq (at 0.3% CuEq cut off) in the Inferred category; contained metal content of 2.3 Mt Cu in the Indicated category and 2.9 Mt Cu in the Inferred category; and contained metal content of 6.0 Mt Au in the Indicated category and 6.3 Moz Au in the Inferred category.

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

DIRECTORS' RESPONSIBILITY STATEMENT AND REPORT ON PRINCIPAL RISKS AND UNCERTAINTIES

Responsibility statement:

We confirm to the best of our knowledge:

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

This report contains forward-looking statements. These statements are based on current estimates and projections of management and currently available information. Future statements are not guarantees of the future developments and results outlined therein. Rather, future developments and results are dependence on a number of factors; they involve various risks and uncertainties and are based upon assumptions that may not prove to be accurate. Risks and uncertainties identified by the Group are set out on page x of the 2017 Annual Report and Accounts. We do not assume any obligation to update the forward-looking statements contained in this report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Nicholas Mather
Executive Director

Brisbane
14 February 2018