Wishbone Gold Plc

FINANCIAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2019

Consolidated Financial Statements
Contents

Company Information

DIRECTORS	R O'D Poulden JC Harrison Professor MR Mainelli AD Gravett
SECRETARY	AMS Secretaries Limited Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar
REGISTERED OFFICE	Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar
INDEPENDENT AUDITORS	RSM Audit (Gibraltar) Limited 21 Engineer Lane GX11 1AA Gibraltar
BANKERS	Banque J Safra (Monaco) Limited (up to May 2019) La Belle Epoque 15 Bis / 17 Avenue D'Ostende BP 347 MC-98006 Monaco Cedex Monaco Emirates NBD Bank PJSC Baniyas Road, Deira, P.O. Box: 777 Dubai United Arab Emirates
NOMINATED & CORPORATE ADVISOR	Beaumont Cornish Limited (as from 7 February 2019) Building 3 566 Chiswick High Street London W4 5YA United Kingdom Allenby Capital Ltd (up to 6 February 2019) 5 St Helen's Place London EC3A 6AB United Kingdom

BROKER	Peterhouse Capital Limited (as from 2 June 2020) 3rd Floor, 80 Cheapside London, EC2V 6EE United Kingdom
	Turner Pope Investments Limited (up to 2 June 2020) 6th Floor, Beckett House 36 Old Jewry London, EC2R 8DD United Kingdom
	Allenby Capital Ltd (up to 6 February 2019) 5 St Helen's Place London EC3A 6AB United Kingdom
FINANCIAL PUBLIC RELATIONS	Damson Communications (up to 19 October 2019) 128 Wigmore Street London W1U 3SA United Kingdom
LAWYERS	Pinsent Masons LLP 30 Crown Place London EC2A 4ES United Kingdom
	Hassans International Law Firm 57/63 Line Wall road PO Box 119 GX11 1AA Gibraltar
REGISTRARS	Computershare Investor Services (Jersey) Limited (as from 5 February 2019) Queensway House Hillgrove Street St Helier Jersey JE1 1ES Channel Islands

REGISTRARS - continued	Link Market Services (Guernsey) Limited (up to 4 February 2019) Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 LLH Channel Islands
	Computershare Investor Services Plc (as from 5 February 2019) The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
	Link Asset Services (up to 4 February 2019) The Registry 34 Beckenham Road Kent BR3 4TU United Kingdom
REGISTERED NUMBER	103190

Dear Shareholders,

It seems strange to be writing about 2019 at this stage when so much has happened in 2020 to change so many aspects of the way the world operates and in our case, the focus for commodities and mining. Accordingly, I will aim to give as much an overview of where your Company is now, in Q3 2020 and our future plans, as to summarise 2019.

In 2019, the Group's revenue remained almost the same at US$10.8m compared to US$10.9m in 2018. We have already issued a trading update showing revenues of US$3.64m in the first quarter of 2020, but this all occurred prior to the Coronavirus Disease 2019 ("COVID-19") lockdown which I will discuss below. Operations in Hong Kong grew well during 2019 becoming 35% of our revenue. Given the effects of the COVID-19 lockdown on our trading business, we have impaired our investment in Precious Metals International Ltd. by US$561,463.

During the year, we have made provisions of US$125,000 against the operations in Honduras and written down the value of the equipment there to US$25,000. We feel this is prudent in view of the world situation and the position in Honduras. We have also taken the opportunity of writing off certain historic debtor balances as referred to in the notes of US$598,844.

Financial Review and Financing

At the end of the period under review, the accounts show that Wishbone held cash balances totalling US$17,179 (2018: US$24,428). Administrative costs, excluding interest during the year, were US$939,352 (2018: US$1,064,988).

As announced in our trading update in June 2020, although the sales figures for the first quarter of 2020 at US$3.64m were in line with the previous year of US$3.85m, the grounding of Emirates Airlines at the end of March has had a major damaging impact on the gold trade (and other industries) across the UAE.

Subsequent to the year end, during the first 6 months of 2020, the Company completed a financial restructuring. On 10 January 2020, the Company passed resolutions at an EGM to consolidate the Company's shares into 28,458,790 shares consisting of 28,458,790 deferred shares and 28,458,790 new ordinary shares. The new ordinary shares were admitted to trading on AIM and AQSE on 21 January 2020. Under the terms of the resolution, the Company acquired the deferred shares on 17 February 2020 and these were returned to authorised but unissued capital.

On 2 June 2020, the Company appointed Peterhouse Capital Limited as brokers. On the same day, we raised £856,702 consisting of £300,000 in cash and £556,702 in debt and creditor conversions into equity. This was raised at 1.35p per share.

On 20 August 2020, the Company raised £400,000 specifically to focus on expansion of our exploration programs in Australia. This fund raising was at 2p and was accompanied by warrants at 3p issued on a 1 for 2 basis.

On 24 September 2020, the Company announced that 94% of the warrants had been exercised thus raising a further £283,200 at 3p per share.

The net effect of this restructuring and capital raises has been to leave the Company well funded to complete its exploration programs and with cash to pursue additional expansion.

Australia and Exploration

As announced at the time of the capital raisings mentioned above, the Company has refocussed its business to expand the exploration activities on its properties in Queensland, Australia: Wishbone II and White Mountains.

Australia and Exploration - continued

The properties are currently valued in the accounts at the historic cost of exploration expenditure amounting to AUD 555,898 which is the accumulated direct exploration expenditure on the properties excluding administration. The valuation report issued in April 2019 covers a series of different valuation methodologies but comes out with a mid-point of AUD1,218,750. The lowest end of the range is AUD575,000 which is still comfortably above the carrying value.

A full copy of the valuation report is available on the Company's website. This not only gives the valuation but also provides more information on the properties themselves.

During 2020, there has been a marked increase in interest in exploration matching the rise in the gold price and the prevailing economic uncertainty. We believe that this will continue over the coming years.

The gold market

During 2019, the gold price started at just above US$1,280 per ounce and dropped to lows of US$1,269 per ounce in April and May. Then from May onwards, it moved onto a steady upward trend for the duration of 2019 peaking at US$1,546.00 per ounce and closing the year at US$1,514 per ounce.

In 2020, we have seen some of the most exciting gold movements in history. It reached its all-time high (so far) of US$2,067 per ounce in August. The COVID-19 pandemic also saw an unusually wide spread between gold futures and the London bullion market spot market of up to US$100 in some cases. This was due to delivery related issues of gold doré from producing countries and delivery related issues from gold bullion storage hubs such as London. This was largely related to freight issues and in particular the problems with the grounding of Emirates discussed below.

With the current global instability we expect to see, gold continue to trade in a higher range than previously. US$1,800 to US$1900 per ounce would seem reasonable through the end of the year but if there are further lockdowns and further COVID-19 related problems then we will see gold continue to move higher.

COVID-19

The COVID-19 virus officially emerged in Wuhan, China in December 2019. It is a species jump virus similar to MERS, SARS and others which have emerged and diminished in previous years. As such, it is a fast mutating virus (similar to flu and the common cold) and because of this, there may well not be a short term effective vaccine or cure.

The world moved slowly to shut borders and curtail transportation and as a result COVID-19 spread across the world with unprecedented rapidity. Dubai, for example, was still accepting flights from China well into 2020 and only finally grounded Emirates on 24th March. Dubai is the largest passenger transit airport in the world with a 2019 throughput of 86.4m people.

The grounding of the Emirates fleet has had a major impact on all operations in the UAE. Tourism, of course, came to a complete standstill, but a number of industries have also suffered. The gold trade in Dubai has been hit by the removal of the daily Emirates flights to all African capitals and many South American capitals. A lot of high value freight such as gold was carried on passenger flights so although freight flights have resumed it is not with the same frequency as previously. As mentioned above, this had a major impact on our gold trading operations.

Although there are medical issues with COVID-19, it appears that the majority of the fatalities have been of people with pre-existing medical problems. Accordingly, more significant is the economic impact of the various lockdowns and travel bans which have been implemented across the world.

In Wishbone's case, we have had operations slowed in Australia by the ban on crossing state borders, but we took account of this when announcing our exploration programs and currently we are on track with the timetable we planned.

COVID-19 - continued

At the economic level, the considerable uncertainty that COVID-19 and the world response has generated will be good news for gold and thus for gold exploration. The uncertainty in financial markets and the possibility of a financial crisis will make the holding of physical metal far more attractive than derivatives or other virtual instruments.

Because of the geographic spread of Wishbone's operations, our IT infrastructure was already set up to operate remotely so this has not been a problem. The major impact is thus the travel restrictions which remain an unknown for all of us as we move forward.

Thank you all: staff, shareholders and advisers for your hard work and support.

R O'D Poulden

Chairman

30 September 2020

Directors' Report

The directors submit their report and the audited consolidated financial statements of Wishbone Gold Plc ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2019.

Activities, review of business and future developments

The Group's principal activity is a diversified holding company with its principal interests in mineral properties in Australia and precious metals trading in Dubai, United Arab Emirates ("UAE").

The directors' comments concerning the results and future developments are included in the Chairman's Statement.

The Group's business key performance indicators (KPIs) are cash, exploration costs, administrative costs, revenue, sales margins and shareholder reserves, all of which are disclosed in these consolidated accounts.

Results for the year and dividends

The Group's loss after taxation and minority interests is US$2,159,549 (2018: US$1,890,167) after charging the following:

Group	**2019**	**2018**
	US$	**US$**
Revenue	10,760,770	10,896,045
Gross profit	55,762	46,271
Administration costs	(939,352)	(1,064,988)
Write-off of bad debts	(598,844)	-
Gain on settlement of liability	64,980	-
Impairment of goodwill	(561,463)	-
Impairment of property, plant and equipment	(150,000)	-
Loss on equity sharing agreement	-	(797,220)
Other costs (finance costs and exchange loss)	(30,632)	(74,230)
	(2,159,549)	(1,890,167)

The Company's loss after taxation is US$1,656,398 (2018: US$1,824,749) after charging the following:

Company	**2019**	**2018**
	US$	**US$**
Revenue	-	-
Gross profit	-	-
Administration costs	(837,720)	(953,299)
Gain on settlement of liability	64,980	-
Impairment of investments	(561,463)	-
Provision for impairment of related party loans	(292,205)	-
Loss on equity sharing agreement	-	(797,220)
Other costs (finance costs and exchange loss)	(29,990)	(74,230)
	(1,656,398)	(1,824,749)

The directors do not recommend the payment of a dividend for the year ended 31 December 2019 (2018: US$nil).

Directors

The directors listed on page 3 have served on the board throughout the year ended 31 December 2019 and the year ended 31 December 2018.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are given in note 18 to the consolidated financial statements.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group is whether potential mineral reserves can be exploited economically and further demand for precious metals will continue. Further information on this can be found in the Chairman's Statement.

Going concern

As disclosed in note 2, the Group has incurred losses during the financial years ended 31 December 2019 and 31 December 2018. The Directors have reviewed the financial performance of the Group since 31 December 2019 and have considered the Group's cash projections and funding plan for the 12 months from the date of approval of these financial statements. The Group's current cash situation without any additional income from trading, as the worst-case scenario caused by COVID-19, will sustain the Company for at least the next twelve months. The intention is for the Group to continue its exploration program in Australia, which can be adjusted in accordance with the results. The Company has also demonstrated that it has the ability to raise capital that it may require to accelerate the exploration program if it desires. At the date of approval of these financial statements, the Company is currently debt free. The Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months.

Exploration and evaluation

Exploration and evaluation costs capitalised as intangible assets amounted to US$388,169 (2018: US$371,923) at the year end. The Directors recognise that the realisation of intangible assets depends on the successful discovery and development of mineral reserves. The Directors have reviewed the proposed work programme for exploration and evaluation assets and on the basis of the results from the exploration programme and the prospects for raising additional funds as required, consider it appropriate to prepare the financial statements on a going concern basis.

Creditor payment policy

The Group does not follow a code or standard on payment practice. Payment terms are normally agreed with individual suppliers at the time of order placement and are honoured, provided that goods and services are supplied in accordance with the contractual conditions.

At 31 December 2019, the Group had creditor days of 26 days (2018:46 days) based on the financial data for the year.

Directors' Report - continued

Corporate governance

The Directors have, in so far as practicable given the Group's size and the constitution of the board, complied with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice which is consistent with the recommendations on Corporate Governance Guidelines of the Quoted Companies Alliance for AIM companies. The Company has adopted the QCA Corporate Governance Code (2018) since the year to 31 December 2018 on a comply or explain basis, with the appropriate disclosures as required by the AIM Rules for Companies.

The Directors have adopted terms of reference for an audit committee and remuneration committee. The Directors do not fully comply with the Corporate Governance Code to the extent that there is no nomination committee as the Board does not consider it appropriate to establish at this stage of the Group's development.

The Directors comply with Rule 21 of the AIM Rules relating to the Directors' dealings as applicable to AIM companies and will also take all reasonable steps to ensure compliance with Rule 21 by the Group's relevant employees.

The Company's Code of Corporate Governance is published on the Company's website: https://wishbonegold.com/company/corporate-governance.html.

Events after the reporting year

The following events took place after the year end:

On 10 January 2020, the Company's existing issued share capital of 2,845,879,000 Existing Ordinary Shares was consolidated on the basis of 100 Existing Ordinary Shares into one Consolidated Share, and in turn, each Consolidated Share was sub-divided into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence. The Capital Reorganisation was undertaken on 20 January 2020 and application was made for the New Ordinary Shares to be admitted to trading on AIM on 21 January 2020. Pursuant to the resolution dated 10 January 2020, the Company acquired the Deferred Shares for nil consideration and these were returned to unissued capital on 17 February 2020.

On 11 March 2020, the World Health Organisation declared the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic. As of date, the outbreak has caused a major impact on the global share market and commodities due to the high levels of uncertainty from the lockdown of businesses and countries. The UAE currently has border restrictions in place as do many other countries, thereby severely disrupting global travel patterns. It is unclear when these restrictions will be removed or relaxed. The gold trade in Dubai has been hit by the removal of the daily Emirates flights to all African capitals and many South American capitals. As a result of this, the Group anticipates a reduction in gold trading revenue.

The Group is implementing strategies to reduce the overall impact of COVID-19. In June 2020, the Company revised its strategy to focus more resources on its exploration properties in Australia. The Company continues to review acquisition opportunities in all sectors. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these financial statements.

On 2 June 2020, Peterhouse Capital Limited was appointed as company broker.

On 2 June 2020, the Company issued and allotted a total of 63,459,420 new ordinary shares of 0.1 pence each which consisted of the following: (1) 22,222,221 Ordinary Shares for the raising of £300,000 (before expenses) through a placing via Peterhouse Capital Limited. £100,000 of this placing was subscribed by Black Swan FZE for 7,407,407 Ordinary Shares; (2) 13,014,002 Ordinary Shares was issued to settle the Directors and Management Fees of £175,689; and (3) 28,223,197 Ordinary Shares for the conversion of the outstanding loans with Sanderson Capital Partners Limited and Black Swan FZE (receiving 8,638,686 Ordinary Shares) and discharged sundry creditors. This resulted in the conversion of £292,890 for both loans and £88,124 for sundry creditors.

Events after the reporting year - continued

On 20 August 2020, the company raised £400,000 before expenses, by placing 20,000,000 new Ordinary Shares at a price of 2 pence per share. The Company also granted each 2 Funding shares subscribed by Funding Investors a warrant to subscribe 1 New Ordinary Share in the capital of the Company at the price of 3.0 pence per ordinary share.

On 24 September 2020, the Company announced that 94% of the warrants had been exercised raising a further £283,200 and that the balance of the warrants had expired.

Statement regarding disclosure of information to the auditors

Each director of the Company has confirmed that, in fulfilling their duties as a director, they are not aware of relevant audit information of which the Group's auditors are not aware and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Gibraltar Companies Act 2014.

Independent auditors

RSM Audit (Gibraltar) Limited were appointed as auditors for the year.

A resolution for the reappointment of RSM Audit (Gibraltar) Limited will be proposed at the Annual General Meeting.

The financial statements on pages 26 to 54 were approved by the Board of Directors and signed on its behalf by:

Name: R O'D Poulden

Date: 30 September 2020

Company's registered number: 103190

Wishbone Gold PLC

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the financial year end and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

a. *select suitable accounting policies and then apply them consistently;*

b. *make judgements and estimates that are reasonable and prudent;*

c. *state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and*

d. *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.*

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2014. Specifically, pursuant to section 248 of the Gibraltar Companies Act 2014, the directors have elected to follow International Financial Reporting Standards as adopted by the European Union. The directors are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate financial statements included on the Company's website. Legislation in Gibraltar governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

R O'D Poulden

Chairman

30 September 2020

Wishbone Gold PLC

Code of Corporate Governance

Wishbone Gold Plc (Wishbone or the Company) is registered in Gibraltar and, as such, complies with the Gibraltar Companies Act 2014. This Act does not provide for a specific corporate governance code and accordingly Wishbone has adopted the principles of the QCA Corporate Governance Code (2018) (the "Corporate Governance Code") on a comply or explain basis, to meet both the requirements of the Alternative Investment Market (AIM) and the Aquis Stock Exchange (AQSE). The Corporate Governance Code also applies to any subsidiaries or companies in which Wishbone has a majority voting interest, unless otherwise stated.

The Statement on the Corporate Governance Code is reviewed annually. Subsequent amendments to the Statement of the Corporate Governance Code will be set out in future Annual Reports and on the Company's website.

Wishbone Corporate Code

1. Establish a strategy and business model which promotes long-term value for shareholders

Wishbone has been focussed on developing and expanding on current trading strategies, specifically in gold exploration and gold bullion trading. One of the company's strategies is reverse integration, where the company supplies equipment and expertise to artisanal miners to increase production.

In June 2020 the Company revised its strategy to focus more resources on its exploration properties in Australia. The Company continues to review acquisition opportunities in all sectors.

2. Seeks to understand and meet shareholder needs and expectations

The Board encourages constructive feedback from its shareholders on their needs and expectations for the Company through question and answer sessions at its annual general meeting and at other online and in-person presentations by board members that the Company organise. The Company also maintains a Twitter account (https://twitter.com/WishboneGoldplc) to provide communications with shareholders. The Chairman and the Board have been mindful of the importance of communication with shareholders and have been successful by communicating via RNS (https://wishbonegold.com/news/rns.html), periodic media interviews (https://wishbonegold.com/news/media-coverage.html) and attendance at investor shows when available.

3. Takes into account wider stakeholder and social responsibilities and their implications for longer term success

Wishbone takes social responsibility extremely seriously. The Chairman has been involved in conservation charities for many years and, the Company is bringing enhanced levels of conservation and care for the environment into the operations with which it is involved.

The Company has an open and compliant approach to its dealings with the regulators concerned with the admission of the Company's shares to trading on the AIM and AQSE. The Board seeks to identify suppliers that provide the right balance of capabilities and cost and are identified purely on an arms-length commercial basis. The Company's suppliers will be paid in line with agreed payment terms and the Board will act in an ethical manner in all dealings and expect the same from its suppliers.

The Board recognises that as it develops, there will be wider stakeholder and social responsibilities, which will have to be taken into account, in particular in relation to employees (currently there are none) and the communities in which it becomes active. The Board will seek constructive feedback (https://wishbonegold.com/contact-us.html) from all its stakeholders and Jonathan Harrison has been designated as the Non-Executive director to whom any stakeholders may provide open and confidential feedback.

4. Embed effective risk management, considering both opportunities and threats throughout the organisation

The Board is responsible for the systems of risk management and internal control, as well as reviewing their suitability and effectiveness.

The Board identifies and addresses all risks based on a considered assessment of the likelihood of a risk occurring and the magnitude of the risk to the Company were it to occur, from both an upside and downside perspective. Currently the Company's risks primarily relate to supplier selection and treasury functions. The Board take a collegiate approach to risk management to avoid problems with risks being placed in silos.

5. Maintain the Board as a well functioning, balanced team led by the Chairman

The Board currently comprises an Executive Chairman and three non-executive directors.

At the senior management level, a Chief Operating Officer controls the day to day running of the business and a Chief Financial Officer controls the accounting and reporting, both of whom report to the Executive Chairman. This is considered appropriate and proportional to the Group's present requirements.

The Board continually reviews Wishbone's blend and range of skills and experience and will make changes and additions if necessary.

The Executive Chairman assisted by the Senior Independent Director (Jonathan Harrison) take a position of leadership on all matters of Corporate Governance. They are supported in this by the Company Secretary, who ensures that the Board (and any Board Committees) are provided with high quality information on a timely manner in order to facilitate a proper assessment of the matters requiring a decision or insight.

Jonathan Harrison, Alan Gravett and Michael Mainelli are considered by the Board to be independent Non-Executive Directors, notwithstanding that under their respective letters of appointment each may be paid in Ordinary Shares as an alternative to cash, at the election of the Company. This matter of independence will be re-visited by the Board on a periodic basis.

With the Company in its current state of development, the Board believes that the single executive director is appropriate, while the three non-executive directors provide a good balance of skills and experience. However, this Board does not comply with the Corporate Governance Code in all respects. Specifically, the office of Chairman and CEO are held by the same person. The Company is considering further executive appointments and the roles of Chairman and CEO will be split in the future as the Company grows.

The Board of Directors is scheduled to meet formally four times a year.

The Company has an Audit Committee. The members of the Audit Committee are Jonathan Harrison and Michael Mainelli. The Audit Committee is scheduled to meet as necessary to conclude the audit, and meet once a year, at which time all members attend.

The Company has a Remuneration Committee. The members of the Remuneration Committee are Michael Mainelli and Jonathan Harrison. The Remuneration Committee is scheduled to meet once a year and met once in the year to 31 December 2019.

The Company does not currently have a Nomination Committee, but the Board will consider whether one is needed once its future business strategy is decided.

6. Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The Board consists of seasoned and well-qualified individuals with a broad range of business and industry expertise. The Board keeps these matters under continual review.

As the Company develops its new business strategy, these matters will need to be reviewed, as will the diversity and gender balance of the Board.

The Board of Directors consists of:

- Richard Poulden, Executive Chairman
- Jonathan Harrison, Senior Non-Executive Director
- Professor Michael Mainelli , Non-Executive Director
- Alan Gravett, Non-Executive Director and Company Secretary

Details of each director's relevant experience, skills and personal qualities can be found here (https://wishbonegold.com/company/directors-management.html). Each board member keeps their skills up to date through a combination of courses, continuing professional development through professional bodies and reading.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

As the Company formulates, approves and implements new business strategies, the Board develops performance and evaluation criteria specifically for each sector. Given the size and development stage of Wishbone this is carried out internally without the assistance of third parties.

The performance of the Board is evaluated through review of board processes against companies at a similar stage of development. The criteria against which board, committee and individual effectiveness is considered through comparison of skill levels and processes at companies of a similar stage of development.

These evaluations were not undertaken in previous years. It is intended that these evaluations shall be undertaken annually, after the end of each financial year but prior to the publication of the respective annual report and accounts.

The Company's approach to succession planning is to bring talented individuals into the group at an operating level with the objective of their graduating to Board level in due course.

It is intended that the Company will include a statement in accordance with Principle 7 in the annual report and accounts for the year to 31 December 2019; no statement in accordance with Principle 7 was included in the annual report and accounts for the year to 31 December 2018.

8. Promote a corporate culture that is based on ethical values and behaviours

As set out in Principle 3 (above) the Board maintains high standards of transparency and integrity in all its business conduct. The current number of employees is below 10. If, and as, the Company increases its payroll, it will develop further policies and working practices to be adopted by employees. The Board will monitor the policies and working practices.

The Board ensures that ethical values and behaviours are recognised and respected through its entire operating structure as set out in Principle 3.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Company holds regular Board meetings and the Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and acquisitions. The Company currently has an Executive Chairman; it does not currently have a Chief Executive Officer. The Executive Chairman's Role is to develop the strategy of the Company in conjunction with the Board and to execute that strategy.

Currently there are two Board Committees, an Audit Committee and Remuneration Committee. Other Committees will be established if and when the business requires. Membership of these committees can be found in the statement regarding Principle 5. The roles of these committees, as well as what matters are respectively reserved for the Board, can be found in the terms of reference of both these committees, which can be viewed on the Company's website.

The Board intends to evolve its approach to Corporate Governance alongside the development of its business.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Executive Chairman of Wishbone has overall responsibility for Corporate Governance. The principles of corporate governance are satisfied through the discharge of specific responsibilities for Leadership, Board Management Relationships, Board Committees, Board Meetings and any other duties, which the Board may request from time-to-time.

Dialogue is maintained through regulatory releases and presentations at investor-oriented events, which generally incorporate question and answer sessions.

The votes at all general meetings of the Company from 2019 will be published on the Company's website.

If any significant proportion of votes (>20% of independent votes) cast are against a resolution, the Board will provide an explanation on the same page of the action it intends to take.

Notices of all general meetings and annual report and accounts published by the Company for the last five years can be viewed here:

https://wishbonegold.com/investors/reports-accounts.html

https://wishbonegold.com/investors/shareholder-circulars.html)

The above information has been updated on 30 September 2020.

RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar
GX11 1AA

T +350 200 74854
F +350 200 51477

www.rsm.gi

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements ("the financial statements") of Wishbone Gold Plc (the "Company") and its subsidiaries ("the Group"), which comprise the company and consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and company and consolidated statement of cash flows for the year then ended, and notes to the company and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2019 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS"); and
- have been prepared in accordance with the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Going concern

The financial statements have been prepared on the assumption that the Group and company will continue as a going concern. As discussed in note 2 to the financial statements, the Group and company have incurred a net loss for the year and have accumulated losses from prior years.

Report on the audit of the consolidated financial statements *(continued)*

Emphasis of matter – Going concern *(continued)*

The going concern ability of the Group and company relies on a number of matters including the continued success of the gold trading business in Black Sand FZE and success of the exploration programme in Wishbone Gold Australia Pty Ltd in a general economy slowdown brought by the coronavirus pandemic ("COVID 19"). These circumstances and conditions raise doubts about the Group's and company's ability to continue as a going concern. Management's plans are described in note 2 together with the disclosures in the Directors Report and Chairman's Statement. In addition, note 23, events after the reporting date, provides further details affecting the going concern.

The directors have also considered the valuation of assets that could be impacted by the above conditions and have provided impairments accordingly as indicated in notes 3, 9, 11, 12 and 21. The assets that have been impaired in the Group and/or company include goodwill, equipment, investment in a subsidiary and inter-company balances.

The consolidated and company financial statements do not include any further adjustments that might result from the outcome of this uncertainty.

Our opinion is not modified in respect of this matter.

Emphasis of matter – Determination and valuation of goodwill

In forming our opinion on the consolidated financial statements, which is not modified in this respect, we have considered the adequacy of the disclosures contained within note 10 to the consolidated financial statements concerning the valuation of the net assets acquired of $50,510, the contingent consideration of 240 million ordinary shares and the resulting goodwill of $748,617, gross of allowance for impairment.

This note highlights the inherent uncertainties on the valuation of the resulting goodwill which may differ materially from that might have been achieved had there been more certainty with the fair value of the net assets acquired as at both 31 December 2019 and 31 December 2018. The goodwill has been impaired during the year as a result of the uncertainty on the going concern described above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters 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.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements *(continued)*

Risk	Our response to the risk	Key observations communicated to the audit committee
Goodwill impairment assessment • The Group has goodwill of US$748,617, gross of allowance for impairment, relating to the Company's acquisition of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE ("the PMI Group"). • Black Sand FZE, the main subsidiary, has incurred losses during the year and has net liabilities. This has increased the risk that the carrying value of goodwill may be impaired. • Management has concluded that an allowance for impairment of US$561,463 is necessary in respect of the goodwill. This conclusion was based on significant management judgement with respect to forecasts.	Our procedures in relation to management's impairment assessment included: • We reviewed management's assessment of the fair value of net assets acquired and agreed back to supporting documentation; • We reviewed management's goodwill calculations and agreed back to supporting documentation; and • We reviewed the impairment status of Black Sand FZE using discounted cash flows based on Management's forecasts.	We concluded that given the uncertainty over the assumptions made in the forecasts, that an emphasis of matter paragraph over the value of the goodwill be included in the audit report.
Revenue recognition • The Group recognized revenue of US$10.8 million in 2019 (2018: US$10.9 million). • Revenue is inherently deemed a critical risk in accordance with IFRS. • We consider that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. For the Group the main income stream is trading in gold. The risk lies in the processing of gold which is usually done without management or employees handling the metal, however there are exceptions.	• We assessed the controls over cash, gold and debtors and the segregation of duties in place; • We assessed the controls over the maintenance of supplier details and changes to bank account details; • We assessed the controls over the raising and approval of manual journals and accounting estimates; and • We assessed the completeness of income, together with the recoverability of associated receivables.	We concluded that the revenue recognised in the year is materially correct.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements *(continued)*

Key Audit Matters *(continued)*

Risk	Our response to the risk	Key observations communicated to the audit committee
Going concern assessment • As disclosed in Note 2, the consolidated financial statements have been prepared on a going concern basis. • In 2019, the Group has incurred net losses of $2,159,549. As at 31 December 2019, the Group has accumulated losses of $10,806,261, while the Group's cash balances amounted to $17,179 and current liabilities were $669,590. • The Group relies on the continued success of its gold trading business and exploration programme in a general economy slowdown brought by COVID 19, which occurred subsequent to year-end. • There is a risk that a material uncertainty could exist related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. • The Group closely monitors and manages its capital position and liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the working capital requirements and planned exploration activity. Taking into account the ability of the Company to raise adequate funding to support its planned exploration program, the Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months.	• We identified that the most significant assumption in assessing the Group's ability to continue as a going concern was the expected future profitability from its exploration program in Australia, as the key determinant of the forecasted capital position. The calculations supporting the assessment require management to make highly subjective judgements. The calculations are based on estimates of future performance, and are fundamental to assessing the suitability of the basis adopted for the preparation of the financial statements; and • We assessed all the relevant going concern matters, including the impact of COVID 19 in the future operations of the Group.	We concluded that no further disclosures relating to the Company's ability to continue as a going concern need to be made in the consolidated financial statements. Nonetheless, given the uncertainties, we have included an emphasis of matter paragraph on going concern in our audit report.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements *(continued)*

Materiality

The concept of materiality is fundamental to the preparation of the Group's and its subsidiaries' financial statements and the audit process. Materiality is an expression of the relative significance or importance of a particular matter in the context of the financial statements as a whole.

For the purposes of an audit, misstatements, including omissions, are considered to be material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. Materiality is considered at both the overall financial statement level ("financial statement materiality") and, if applicable, in relation to individual account balances, classes of transactions and disclosures ("element materiality") and is used as a threshold or benchmark against which errors or differences of opinion between management and ourselves can be evaluated.

Our financial statement materiality calculation is based on the Group's net assets for the year ended 31 December 2019. The following percentage is applied to either the relevant financial result or position to assist in calculating the appropriate level of materiality:

- 0.50% of total revenue applied to the Group
- 3% of net assets/(liabilities) applied at Company level

Financial statement materiality is calculated for the parent entity and at Group level. The following levels of financial statement materiality were calculated for the Group and its main subsidiaries:

Group	USD54,000
Wishbone Gold Plc	USD42,000
Wishbone Gold Pty Limited	AUD20,000
Black Sand FZE	AED190,840

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion 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, 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 in this regard.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements *(continued)*

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and applicable law in Gibraltar, and for such internal control as the directors determine is necessary to enable the presentation 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 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 Company, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

Report on the audit of the consolidated financial statements *(continued)*

Auditor's responsibilities for the audit of the financial statements *(continued)*

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the consolidated financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

In the light of the knowledge and understanding of the Group, and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the matter where the Companies Act 2014 requires us to report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

Independent auditor's report
To the shareholders of Wishbone Gold Plc

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 257 of the Companies Act 2014 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.

SVM Cohen
Statutory auditor

For and on behalf of
RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar

30 September 2020

Wishbone Gold PLC

Consolidated Income Statement
for the year ended 31 December 2019

	Notes	2019 US$	2018 US$
Revenue		10,760,770	10,896,045
Cost of sales		(10,705,008)	(10,849,774)
Gross profit		55,762	46,271
Administration expenses	5	(939,352)	(1,064,988)
Operating loss		(883,590)	(1,018,717)
Loss on equity sharing agreement		-	(797,220)
Write-off of bad debts	8,15	(598,844)	-
Gain on settlement of liability	13	64,980	-
Impairment of goodwill	10	(561,463)	-
Impairment of property, plant and equipment	9	(150,000)	-
Foreign exchange loss		(9,539)	(10,223)
Finance costs		(21,093)	(64,007)
Loss before taxation		(2,159,549)	(1,890,167)
Tax on loss		-	-
Loss for the financial year		(2,159,549)	(1,890,167)
Loss per share:			
Basic and diluted (cents)	7	(0.077)	(0.130)

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year.

The notes on pages 33 to 54 form part of these financial statements.

Wishbone Gold PLC

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2019

	2019 US$	2018 US$
Loss for the financial year	(2,159,549)	(1,890,167)
Other comprehensive income:		
Exchange differences on translating foreign operations	43,234	8,129
Other comprehensive income for the year, net of tax	**43,234**	**8,129**
Total comprehensive income for the year attributable to equity owners of the parent	(2,116,315)	(1,882,038)

The notes on pages 33 to 54 form part of these financial statements.

Consolidated Statement of Financial Position
as at 31 December 2019

	Notes	2019 US$	2018 US$ *(As restated – Note 23)*
Current assets			
Trade and other receivables	8	117,831	583,834
Loans	15	-	199,864
Cash and cash equivalents		17,179	24,428
		135,010	808,126
Non-current assets			
Property, plant and equipment - net	9	25,000	212,500
Goodwill	10	187,154	748,617
Other intangible assets	10	388,169	371,923
		600,323	1,333,040
Total assets		735,333	2,141,166
Current liabilities	13	669,590	863,176
Equity			
Share capital	14	3,776,911	2,872,843
Share premium		7,306,550	7,306,550
Foreign exchange reserve		(211,457)	(254,691)
Accumulated losses		(10,806,261)	(8,646,712)
		65,743	1,277,990
Total equity and liabilities		735,333	2,141,166

The financial statements were approved by the board and authorised for issue on 30 September 2020 and signed on its behalf by:

J.C. Harrison

Director

R O'D Poulden

Director

The notes on pages 33 to 54 form part of these financial statements.

Wishbone Gold PLC

Company Statement of Financial Position
as at 31 December 2019

	Notes	2019 US$	2018 US$ *(As Restated – Note 23)*
Current assets			
Trade and other receivables		20,389	4,965
Loans	15	1,181,210	1,600,018
Cash and cash equivalents		4,318	2,255
		1,205,917	1,607,238
Non-current assets			
Investments	11	391,306	952,769
		391,306	952,769
Total assets		1,597,223	2,560,007
Current liabilities	13	638,856	849,310
Equity			
Share capital	14	3,776,911	2,872,843
Share premium		7,306,550	7,306,550
Accumulated losses		(10,125,094)	(8,468,696)
		958,367	1,710,697
Total equity and liabilities		1,597,223	2,560,007

The financial statements were approved by the board and authorised for issue on 30 September 2020 and signed on its behalf by:

J.C. Harrison

Director

R O'D Poulden

Director

The notes on pages 33 to 54 form part of these financial statements.

Wishbone Gold PLC

Consolidated Statement of Changes in Equity as at 31 December 2019

	Note	Share capital US$	Share premium US$	Share based payment reserve US$	Accumulated losses US$	Foreign exchange reserve US$	Total equity US$
Balance at 1 January 2018		1,770,406	7,278,748	64,355	(7,182,574)	98,854	2,029,789
Shares issued during the year (net of issue costs)		1,102,437	27,802	-	-	-	1,130,239
Loss for the financial year		-	-	-	(1,890,167)	-	(1,890,167)
Translation adjustments		-	-	-	-	8,129	8,129
Balance at 31 December 2018		2,872,843	7,306,550	64,355	(9,072,741)	106,983	1,277,990
Correction of error in accounting for foreign exchange reserves	23	-	-	-	361,674	(361,674)	-
Transfer of share-based payment reserves	23	-	-	(64,355)	64,355	-	-
Balance at 31 December 2018, as restated		2,872,843	7,306,550	-	(8,646,712)	(254,691)	1,277,990
Shares issued during the year (net of issue costs)		904,068	-	-	-	-	904,068
Loss for the financial year		-	-	-	(2,159,549)	-	(2,159,549)
Translation adjustments		-	-	-	-	43,234	43,234
Balance at 31 December 2019		3,776,911	7,306,550	-	(10,806,261)	(211,457)	65,743

The notes on pages 33 to 54 form part of these financial statements.

Wishbone Gold PLC

Consolidated Statement of Cash Flows
for the year ended 31 December 2019

	Notes	2019 US$	2018 US$
Cash flows from operating activities			
Loss before tax		(2,159,549)	(1,890,167)
Reconciliation to cash generated from operations:			
Foreign exchange loss		9,539	10,223
Interest expense		21,093	64,007
Impairment of goodwill	10	561,463	-
Impairment of property, plant and equipment	9	150,000	-
Write-off of bad debts	8,15	598,844	-
Write-off of receivables	5	126,279	107,509
Loss on equity sharing agreement		-	797,220
Depreciation	5,9	37,500	37,500
Administrative expenses converted into ordinary shares		-	382,950
Gain on settlement of liability	13	(64,980)	-
Operating cash flow before changes in working capital		(719,811)	(490,758)
Decrease in inventories		-	27,755
Decrease/ (increase) in receivables		81,054	(15,437)
Increase/ (decrease) in payables		107,722	(335,012)
Cash outflow used in operations		(531,035)	(813,452)
Cash flows from investing activities			
Additions of intangible assets	10	(16,246)	15,239
Other investing activities		-	(116,744)
Net cash flows used in investing activities		(16,246)	(101,505)
Cash flows from financing activities			
Issue of shares for cash		500,680	747,289
Net movement in loans payable		-	(64,007)
Net cash flows from financing activities		500,680	683,282
Effects of exchange rates on cash and cash equivalents, including effects of foreign exchange reserve		39,352	(754)
Net decrease in cash and cash equivalents		(7,249)	(232,429)
Cash and cash equivalents at 1 January		24,428	256,857
Cash and cash equivalents at 31 December		17,179	24,428

The notes on pages 33 to 54 form part of these financial statements.

Wishbone Gold PLC

Company Statement of Cash Flows
for the year ended 31 December 2019

	Notes	2019 US$	2018 US$
Cash flows from operating activities			
Loss before tax		(1,656,398)	(1,824,749)
Reconciliation to cash generated from operations:			
Foreign exchange loss		8,897	10,216
Interest expense		21,093	64,007
Provision for impairment of related party loans	21	292,204	-
Write-off of receivables	5	126,279	107,509
Loss on equity sharing agreement		-	797,220
Impairment of investments	10	561,463	-
Gain on settlement of liability	13	(64,980)	-
Administrative expenses converted into ordinary shares		-	382,950
Operating cash flow before changes in working capital		(711,442)	(425,347)
Increase in receivables		(1,393)	(4,965)
Increase/ (decrease) in payables		90,853	(331,257)
Cash outflow from operations		(621,982)	(761,569)
Cash flows from investing activities			
Net movement in investments		-	3,099
Other investing activities		-	116,744
Net cash flow from investing activities		-	119,843
Cash flows from financing activities			
Issue of shares for cash		500,680	747,289
Repayments/(additions) to related party loans - net	21	126,604	(64,007)
Net cash flow from financing activities		627,284	683,282
Effects of exchange rates on cash and cash equivalents		(3,239)	(102,939)
Net increase/ (decrease) in cash and cash equivalents		2,063	(61,383)
Cash and cash equivalents at 1 January		2,255	63,638
Cash and cash equivalents at 31 December		4,318	2,255

The notes on pages 33 to 54 form part of these financial statements.

1. General Information

The consolidated financial statements of Wishbone Gold Plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Company's directors on 30 September 2020.

The Company was incorporated in Gibraltar under the name of Wishbone Gold Plc as a public company under the Gibraltar Companies Act 2014. The authorised share capital of the Company is £8,000,000 divided into 8,000,000,000 shares of £0.001 each. The registered office is located at Suite 16, Watergardens 5, Waterport Wharf GX11 1AA, Gibraltar. The Group's principal activity is a diversified holding company with its principal interests in precious metals trading in Dubai, UAE and in mineral properties in Australia.

On 5 February 2016, Wishbone acquired Precious Metals International Ltd ("PMI") and its wholly owned subsidiary, Black Sand FZE in an all-share transaction.

The terms of the acquisition are an initial payment of 240,000,000 ordinary shares of 0.1p each in the Company with a further payment of an additional 240,000,000 ordinary shares once the annual profit after tax of the PMI Group exceeds US$1m. This values the initial consideration for the PMI Group at £648,000 (US$779,127), based on the Company's closing mid-market. The net assets acquired were US$50,510 leading to goodwill of US$748,617.

Further share allotments have been made as disclosed in note 14.

2. Accounting Policies

Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") applied in accordance with the provisions of the Gibraltar Companies Act 2014 ("the Act").

In accordance with the Gibraltar Companies Act 2014, the individual statement of financial position of the Company has been presented as part of these financial statements. The individual statement of comprehensive income has not been presented as part of these financial statements as permitted by Section 288 of the Act. The individual statement of comprehensive income of the Company shows a loss for the year of US$1,656,398 (2018: US$1,824,749).

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") and there is an on-going process of review and endorsement by the European Commission. The accounts have been prepared on the basis of the recognition and measurement principles of IFRS that are applicable for the year commencing 1 January 2019.

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies set out below have been consistently applied to all years presented other than changes from the new and amended standards and interpretations effective from 1 January 2019.

2. Accounting Policies – continued

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Report and Directors' Report. The financial position of the Group at the year end and its cash flows and liquidity position are included in the consolidated statement of financial position on page 28 and the consolidated statement of cash flows on page 31. As at 31 December 2019, the Group cash balances amounted to US$17,179 and current liabilities were US$669,590. The Group closely monitors and manages its capital position and liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the working capital requirements and proposed acquisition and exploration activity.

The Directors have reviewed the financial performance of the Group since 31 December 2019 and have considered the Group's cash projections and funding plan for the 12 months from the date of approval of these financial statements. The Group's current cash situation without any additional income from trading, as the worst-case scenario caused by COVID-19, will sustain the Company for at least the next twelve months. The intention is for the Group to continue its exploration program in Australia, which can be adjusted in accordance with the results. The Company has also demonstrated that it has the ability to raise capital that it may require to accelerate the exploration program if it desires. At the date of approval of these financial statements, the Company is currently debt free. The Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months.

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of the Company and its subsidiaries prepared at 31 December each year. Control is achieved where the company has power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement 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 used into line with those used by the Group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated accounts.

In the parent company financial statements, the investment in the subsidiaries is accounted for at cost.

Business combinations and goodwill

On acquisition, the assets and liabilities, and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair value of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

2. Accounting Policies – continued

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. Exploration and expenditure ceases after technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the Directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to tangible assets as 'Developed mineral assets' following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost is depreciated on a straight-line basis over their expected useful lives as follows:

Machinery	15% per annum

Investments

Investments in group undertakings

Investments in group undertakings are measured at cost less any impairments arising should the fair value after disposal costs be lower than cost.

Impairment

At each year end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Accounting Policies – continued

Impairment - continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior periods. A reversal of impairment loss is recognised in the income statement immediately. During the year the Group and Company recognised impairment of goodwill of US$561,463 (2018: nil), and impairment of the fixed assets of US$150,000 (2018: nil). Furthermore, the Company recognised impairment of the related party loans of US$292,205 (2018: nil).

Foreign currencies

The consolidated financial statements are presented in United States Dollars (“US$”), the presentation and functional currency of the Company. All values are rounded to the nearest US$. Transactions denominated in a foreign currency are translated into US$ at the rate of exchange at the date of the transaction or using the average rate for the financial year. At the year-end date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the income statement.

On consolidation, the assets and liabilities of foreign operations which have a functional currency other than US$ are translated into US$ at foreign exchange rates ruling at the year-end date. The revenues and expenses of these subsidiary undertakings are translated at average rates applicable in the period. All resulting exchange differences are recognised as a separate component of equity. Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation are recognised in the consolidated statement of comprehensive income and disclosed as a separate component of equity, such foreign exchange gains or losses are reclassified from equity to the income statement on disposal of the net foreign operation. The same foreign exchange gains or losses are recognised in the stand-alone income statements of either the parent or the foreign operation.

In the statement of cash flows, cash flows denominated in foreign currencies are translated into the presentation currency of the Group at the average exchange rate for the year or the prevailing rate at the time of the transaction where more appropriate.

The closing exchange rate applied at the year-end date was AUD 1.4321 per US$1 (2018: AUD 1.4193). The average exchange rate applied at the year-end date was AUD 1.4387 per US$1 (2018: AUD 1.3390).

The closing exchange rate applied at the year-end date was AED 3.67 per US$1 (2018: AED 3.67). The average exchange rate applied at the year-end date was AED 3.67 per US$1 (2018: AED 3.67).

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole. Segment loss represents the loss incurred by each segment without allocation of foreign exchange gains or losses, investment income, interest payable and tax. This is the measure of loss that is reported to the Board of Directors for the purpose of the resource allocation and the assessment of the segment performance.

When assessing segment performance and considering the allocation of resources, the Board of Directors review information about segment assets and liabilities. For this purpose, all assets and liabilities are allocated to reportable segments (note 4).

2. Accounting Policies – continued

Revenue recognition

The Group earns solely its revenues from gold trading, which is recognised at a point in time. Revenue is recognised when control of a good or service transfers to a customer. A new five-step approach is applied before revenue can be recognised:

- *identify contracts with customers;*
- *identify the separate performance obligation;*
- *determine the transaction price of the contract;*
- *allocate the transaction price to each of the separate performance obligations; and*
- *recognise the revenue as each performance obligation is satisfied.*

The revenue recognition under IFRS 15 is similar to how the Company has previously accounted for its revenues under the old revenue accounting standards.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Impairment of financial assets

The Group has adopted the expected credit loss model ("ECL") in IFRS 9. The ECL is to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group only holds cash and trade and other receivables with no financing component and therefore has adopted an approach similar to the simplified approach to ECLs.

Provision for impairment (or the ECL) is established based from full lifetime ECL and when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at effective interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise on demand deposits held with banks, with original maturity of three months or less.

Trade and other payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

2. Accounting Policies – continued

Taxation - continued

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted (or substantively enacted) by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by a group entity are recorded at the proceeds received, net of any direct issue costs.

Share based payments

The Company has historically issued warrants and share options in consideration for services. The fair value of the warrants have been treated as part of the cost of the service received and is charged to share premium with a corresponding increase in the share based payment reserve. As of 31 December 2018, the subscriber warrants already lapsed, thus, the share based payment reserve was transferred to retained earnings.

Standards, amendments and interpretations to existing standards that are effective in 2019

The following new standards, amendments and interpretations to existing standards have been adopted by the Group during the year but have had no significant impact on the financial statements of the Group:

(i) *IFRS 16, 'Leases'.* The new standard eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The standard requires lessees to recognise assets and liabilities for most leases. Lessees applying IFRS 16 will have a single accounting model where all leases will be recorded on the statement of financial position as liabilities, at the present value of the future lease payments, along with an asset reflecting the right to use the asset over the lease term. Rent expense will be replaced with depreciation and interest expenses. Two possible exemptions are available for leases with a maximum term of twelve months or less and leases of low value assets (something in the region of circa £3,000 or less, irrespective of how many such leases there are). Lessors applying IFRS 16 will classify leases using the same principle as in IAS 17 and lessor accounting is substantially unchanged. The adoption of this new standard did not have a significant impact on the Group's financial position and results as the Group's lease contract has a lease term of 12 months or less and contains no purchase options which falls within the recognition exemption available under IFRS 16.

(ii) *IFRIC 23, 'Uncertainty over Income Tax Treatments'.* The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. The adoption of this interpretation did not have a significant impact on the Group's financial position and results.

2. Accounting Policies - continued

Standards, amendments and interpretations to existing standards that are effective in 2019 - continued:

(iii) *IFRS 9 (amendment), 'Prepayment Features with Negative Compensation'.* The amendment revises the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The adoption of this new amendment did not have a significant impact on the Group's financial position and results.

(iv) *IAS 28 (amendment), 'Long-term Interests in Associates and Joint Ventures'.* The amendment clarifies that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.. The adoption of this amendment did not have a significant impact on the Group's financial position and results.

(v) *Annual Improvements to IFRS Standards 2015–2017 Cycle makes amendments to the following standards:*

- *IFRS 3 and IFRS 11* - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- *IAS 12* - The amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- *IAS 23* - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The adoption of these amendments did not have an impact on the Group's financial position and results.

(vi) *IAS 19 (amendment), 'Plan Amendment, Curtailment or Settlement'.* If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The adoption of this amendment did not have an impact on the Group's financial position and results.

New standards, amendments and interpretations to existing standards that are not yet effective or have not been early adopted by the Group

At the date of authorisation of these consolidated financial statements, the following standards and interpretations were in issue but not yet mandatorily effective and have not been applied in these financial statements:

(i) *Definition of Material (Amendments to IAS 1 and IAS 8).* The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards. The amendments are effective for annual periods beginning on or after 1 January 2020.

2. Accounting Policies - continued

(ii) *Interest Rate Benchmark Reform (Amendments to IFRS 9 and IFRS 7).* The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The amendments are effective for annual periods beginning on or after 1 January 2020.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

3. Critical accounting estimates and judgements

The critical accounting estimates and judgements made by the Group regarding the future or other key sources of estimation, uncertainty and judgement that may have a significant risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial year are:

Critical judgements in applying the group's accounting policies

Going concern (including impact of COVID-19)

The preparation of the financial statements is based on the going concern assumption as disclosed in note 2. The Board of Directors, after taking into consideration the additional funding received, believe the going concern assumption is appropriate.

Impairment of exploration and evaluation assets

The Board of Directors continue to budget for the exploration and evaluation commitments noted in note 20 and continue to invest in these. The Board of Directors do not consider that the exploration and evaluation assets are impaired. The carrying value of these assets is dependent on the judgements reached in relation to going concern in order to fund and develop these assets.

Impairment of property, plant and equipment

In assessing impairment, management estimates the recoverable amount of the equipment in Wishbone Honduras based on expected future cash flows. Estimation uncertainty relates to determination of future cash flows, including the potential value if the equipment is to be sold to a third party. In 2019, management has determined that the equipment has become idle, thus, has not put into use in the operations. Accordingly, the Board of Directors considered that the equipment shall be impaired as it believes that the recoverable amount is lower than the carrying value of the property, plant and equipment.

Impairment of goodwill

In 2019, the Board of Directors considered that the goodwill arising from the acquisition of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE (“the PMI Group”) was overvalued. Thus, the directors calculated a 75% impairment would more accurately reflect the goodwill. The Directors have again reviewed the carrying value for the current financial year and consider that it accurately reflects the value of the investment.

Determination of functional currency

The Directors considers the US$ to be the currency that most faithfully represents the economic effect of the underlying transactions, cash flows, events and conditions of the Company. The US$ is the currency in which the Company measures its performance and reports its results, as well as the currency in which it assesses the viability of projects.

3. Critical accounting estimates and judgements – continued

Parent company statement of financial position - impairment of the investment in a subsidiary and related party receivables

At the reporting date, the Australian subsidiary had net liabilities of US$199,608 (AUD (285,858) (2018: US$185,310 (AUD 263,009)). As noted above, the Board of Directors do not consider that the exploration and evaluation assets are impaired. An independent valuation of the assets last year provided a midpoint value of AUD1,218,750 and therefore there is no indication of impairment of the investment in and loan to the Australian subsidiary of US$388,169 (2018: US$371,923) and US$554,597 (2018: US$528,596) respectively.

At the reporting date, the UAE subsidiary had net liabilities of US$559,448 (AED 2,054,575) (2018: US$32,072 (AED 117,783)). The Company provided an allowance for impairment on the loan to the UAE subsidiary, with gross balance of US$668,818 (2018: US$1,071,422), amounting to US$167,205 (2018: nil).

At the reporting date, the Company provided an allowance for impairment on its loan to Wishbone Gold Honduras Ltd. amounting to US$125,000 (2018: nil).

Valuation of warrants and options

As described in note 16, the fair value of the warrants and options granted was calculated using the Black & Scholes model which requires the input of highly subjective assumptions, including volatility of the share price. Changes in subjective input assumptions may materially affect the fair value estimate.

Valuation of investment in subsidiaries

The Company's investment in its subsidiaries is carried at cost less provision for impairment. The values of the investments are inherently linked to the assets held by and or the performance of the subsidiaries and an impairment review is undertaken by management annually to assess whether any permanent diminution in value has occurred.

4. Segmental analysis

Management has determined the operating segments by considering the business from both a geographic and product perspective. For management purposes, the Group is currently organised into two operating divisions: resource evaluation (Australia) and gold trading (UAE). The division is the business segment for which the Group reports its segment information internally to the Board of Directors.

5. Administrative expenses

	2019 **US$**	**2018** **US$**
Fees payable to the Company's auditor for the audit of the Group consolidated financial statements	79,826	52,852
Other administrative costs	547,728	729,084
Depreciation	37,500	37,500
Write-off of receivables	126,279	107,509
Remuneration of directors of the Group	148,019	138,043
	939,352	1,064,988

Remuneration to the directors of the Group may be settled via the issue of equity in the Company and cash, as disclosed in note 21. During the year ended 31 December 2019, the directors' fees remain unpaid.

Staff costs for the year ended 31 December 2019 were US$ 6,764 (2018: US$6,982).

6. Taxation

The Company is subject to corporation tax in Gibraltar on any profits, which are accrued in or derived from Gibraltar or any passive income which is taxable. The corporation tax rate in Gibraltar for the year ended 31 December 2019 is 10% (2018: 10%). The Company has no operations in Gibraltar which are taxable.

The Company has taxable losses to carry forward, consequently no provision for corporate tax has been made in these financial statements.

The Group's subsidiary, Wishbone Gold Pty Ltd, is subject to corporate income tax in Australia. The corporate income tax rate in Australia for the year ended 31 December 2019 is 30% (2018: 30%).

This subsidiary has taxable losses to carry forward, consequently no provision for corporate tax has been made in these financial statements.

Note that there are no group taxation provisions under the tax laws of Gibraltar.

The Ajman Free Zone where the UAE based subsidiary, Black Sand FZE operates is a tax-free zone and has no corporate income taxes levied on companies operating within the Zone. On 1 January 2018, the UAE introduced VAT at the rate of 5%. Black Sand FZE took the precaution of registering for VAT but currently the gold trading operations are zero-rated items of VAT.

As at 31 December 2019 and as at 31 December 2018, the Company has no deferred tax assets and no deferred tax liabilities.

7. Loss per share

	2019 US$	2018 US$
Loss for the purpose of basic loss per share being net loss attributable to equity owners of parent	(2,159,549)	(1,890,167)
Loss for the purpose of diluted earnings per share	(2,159,549)	(1,890,167)
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic and diluted loss per share	2,802,036,973	1,445,346,675
Basic and diluted (cents)	(0.077)	(0.130)

Due to the Company and the Group being loss making, the share options (note 16) are antidilutive.

8. Trade and other receivables

Group	2019 US$	2018 US$
Debtors	74,105	528,003
Prepayments	1,030	13,135
Loans from directors	42,696	42,696
	117,831	583,834

8. Trade and other receivables – continued

During the year, the letter of credit margin amounting to US$398,980 included in the debtors balance in the previous year has been written off.

9. Property, plant and equipment

Group	2019 US$	2018 US$
Cost		
As at 1 January and 31 December	250,000	250,000
Accumulated Depreciation and Impairment		
As at 1 January	(37,500)	-
Depreciation charges during the year	(37,500)	(37,500)
Impairment charges during the year	(150,000)	-
As at 31 December	(225,000)	(37,500)
Net Book Value		
As at 31 December	25,000	212,500

The plant in Honduras is currently not in production. Given the status of the Honduran operations, Management deemed that the value of the property, plant and equipment be impaired by US$150,000 as at 31 December 2019.

10. Intangible assets

Group	Goodwill US$	Exploration & evaluation assets US$	Total US$
Cost			
At 1 January 2018	748,617	387,162	1,135,779
Foreign exchange revaluation	-	(15,239)	(15,239)
At 31 December 2018	748,617	371,923	1,120,540
At 1 January 2019	748,617	371,923	1,120,540
(Impairment)/additions	(561,463)	19,573	(541,890)
Foreign exchange revaluation	-	(3,327)	(3,327)
At 31 December 2019	187,154	388,169	575,323

The Group holds Exploration Permits for Mining ("EPMs") to four tenements, which have initial expiration dates ranging from 2019 and beyond. The renewal of the EPMs is for a maximum further period of 5 years. Permits are not automatically renewed but require an application to the Queensland Department of Natural Resources and Mines.

In 2016, Wishbone acquired 100% of the share capital of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE (“the PMI Group”).

10. Intangible assets – continued

The Company carried out its own valuation of the net assets acquired. There are inherent limitations in any fair value estimation and material differences could arise that could have an impact on the fair value of the net assets acquired and on the resulting goodwill.

In the directors' opinion, there is no difference between the fair value and book values of the assets acquired.

The resulting goodwill of US$748,617 reflects the fair value of the net assets acquired and the value of the consideration at the time of acquisition.

The goodwill currently has an unlimited useful economic life as its subsidiary Black Sand FZE has decreased in value than when purchased, and hence, in the director's opinion, the goodwill has been impaired by 75%, bringing the value of the goodwill to US$187,184 at year end.

11. Investments

Shares in subsidiary undertakings

Company	2019 US$	2018 US$
Cost		
As at 1 January and 31 December	952,769	952,769
Accumulated Impairment		
As at 1 January	-	-
Impairment charges during the year (see note 12)	(561,463)	-
As at 31 December	(561,463)	-
Net Book Value		
As at 31 December	391,306	952,769

Company	Class of shares held	% held	Country of registration or incorporation	2019 US$
Wishbone Gold Pty Ltd	110,000,000 ordinary shares of AUD 0.001 each	100%	Australia	117,086
Precious Metals International Ltd.	100 common shares of USD 1 each	100%	British Virgin Islands	1,498
Wishbone Gold Honduras Ltd.	2,000 ordinary shares of GBP 1 each	100%	Gibraltar	3,100
Wishbone Gold FZ-LLC	10 ordinary shares of AED 1,000 each	100%	United Arab Emirates	2,722

11. Investments - continued

Wishbone Gold Pty Ltd is an exploration company. The Company is incorporated in Australia and the registered office address is PKF, RSL Centre, Level 5, 9 Beach Road, Surfer's Paradise QLD 4217, Australia.

Precious Metals International Ltd. is a holding company that controls Black Sand FZE in the UAE. Precious Metals International Ltd. is incorporated in the British Virgin Islands and the registered office address is Nerine Chambers, P.O. Box 905, Road Town, Tortola, British Virgin Islands.

Wishbone Gold Honduras Ltd. is a company incorporated in Gibraltar and the registered office address is at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar. In the previous years, the company has not been consolidated into the financial statements since there were no transactions in the company which are material at a group level.

Wishbone Gold FZ-LLC is a company incorporated in the UAE and the registered office address is at Al Jazirah Al Hamra, RAKEZ Business Zone-FZ, Ras Al Khaimah, UAE. The company has not been consolidated into the financial statements since there were no transactions in the company which are material at a group level.

12. Impairment of investments

Company	**2019 US$**	**2018 US$**
Impairments recognised during the year	(561,463)	-

During the year, the Company considered its investment in Precious Metals International Ltd. to be impaired given the current situation of the global share market and commodities and high levels of uncertainty from the lockdown of businesses and countries brought by COVID-19.

13. Current liabilities

Group	**2019 US$**	**2018 US$**
Trade payables	404,074	241,258
Accruals and deferred income	59,398	176,296
Loan from Canon Street Investments Ltd	-	21,783
Loan from Sanderson Capital Partners Limited	206,118	423,839
	669,590	863,176

Company	**2019 US$**	**2018 US$**
Trade payables	387,737	240,063
Accruals and deferred income	45,000	162,884
Unpaid share capital	-	3,100
Loan from Sanderson Capital Partners Limited	206,118	423,839
Amount due to related party undertaking	-	19,424
	638,855	849,310

13. Current liabilities - continued

The loan from Sanderson Capital Partners Limited falls due for payment within 12 months from end of both reporting periods and therefore is recognised as a current liability as at 31 December 2019 and 2018. During the year, the Company converted £258,500 (US$328,058) of the Sanderson loan facility including accrued interest to 207,297,514 new ordinary shares of 0.1 pence each with a total par value of £207,298 (US$263,079) at a price of 0.1247 pence per share, resulting on a gain on settlement of liability amounting to US$64,980. The outstanding loan from Sanderson Capital Partners Limited was fully settled for shares on 2 June 2020 as discussed in note 24.

14. Share capital – Group and Company

	2019 US$	**2018 US$**
Authorised:		
8,000,0000,0000 (2018: 3,000,000,000) Ordinary Shares of £0.001 (US$0.0016) each	12,800,000	4,800,000

Allotted and called up:

	2019 Number of shares	**2019 Share capital US$**	**2019 Share premium US$**	**2018 Number of shares**	**2018 Share capital US$**	**2018 Share premium US$**
As at 1 January	2,144,831,466	2,872,843	7,306,550	1,305,256,635	1,770,406	7,278,748
Issued during the year						
Placing of shares	300,000,000	388,949	-	566,764,286	747,409	-
Settlement of liability through shares (see note 13)	207,297,514	263,078	-	60,600,000	77,009	-
Exercise of warrants last year with shares issued this year	1,750,000	2,279	-	-	-	-
Exercise of warrants and shares issued this year (see note 16)	192,000,000	249,762	-	-	-	-
Capitalisation of amounts owing to directors	-	-	-	212,210,545	278,019	27,802
As at 31 December	2,845,878,980	3,776,911	7,306,550	2,144,831,466	2,872,843	7,306,550

Share allotments and issuances during the year, including comparative, are laid out below:

On 17 October 2018, Wishbone raised £566,764 (before expenses) through a placing via its broker, Turner Pope Investments Limited, of 566,764,286 new ordinary shares of 0.1p each at a placing price of 0.1p per ordinary share. The company also issued 212,210,545 shares to the Directors of the company in lieu of outstanding fees and expenses as well as 60,600,000 shares to suppliers in lieu of outstanding invoices. The Company has also issued 347,800,000 warrants with an exercise price of 0.1p with a life of two years to Turner Pope Investments Limited.

14. Share capital – Group and Company - continued

On 21 December 2018, the Company raised a total of £300,000 (before expenses) through a placing via its broker, Turner Pope Investments Limited, of 300,000,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share.

On 31 December 2018, the Company converted £258,500 of the Sanderson loan facility of 207,297,514 new ordinary shares of 0.1 pence each at a price of 0.1247 pence per share.

On 31 December 2018, the Company has issued upon receipt of a notice to exercise warrants for a total of 1,750,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The Company has received the exercise consideration of £1,750.

On 11 January 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 4,500,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The Company has received the exercise consideration of £4,500.

On 29 January 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 12,500,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The Company has received the exercise consideration of £12,500.

On 26 February 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 175,000,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The exercise consideration has a total value of £175,000.

On 2 July 2019, the Company, through an extraordinary general meeting, proposed the increase in authorised share capital from £3,000,000 subdivided into 3,000,000,000 shares of £0.001 each to £8,000,000 subdivided into 8,000,000,000 shares of £0.001 and the Memorandum of Association has been amended accordingly.

Ordinary shares carry a right to receive notice of, attend, or vote at any Annual General and Extraordinary General Meetings of the company. The holders are entitled to receive dividends declared and paid by the Company.

15. Loans

Group	**2019 US$**	**2018 US$**
Current		
Loan to EcoGreen del Peru SAC	-	199,864
	-	199,864

The loan was related to the provision of interest-free loan facilities to EcoGreen del Peru SAC to support their gold mining and procurement operations. During the year, the loan has been written-off as this was determined to be non-recoverable.

Company	**2019 US$**	**2018 US$**
Current		
Amounts owed by subsidiary undertakings (note 21)	1,181,120	1,600,018
	1,181,210	1,600,018

16. Share based payments

Details of the warrants and share options in issue during the year ended 31 December are as follows:

	Number of Warrants / options 2019 No	Average exercise price 2019 US$	Number of Warrants / options 2018 No	Average exercise price 2018 US$
Outstanding at 1 January	346,050,000	1.1511	17,011,586	1.0986
Lapsed/terminated during the year	-	-	(17,011,586)	0.9590
Issued during the year	-	-	347,800,000	1.2708
Exercised during the year	(192,000,000)	1.0000	(1,750,000)	1.2761
Outstanding at 31 December	154,050,000	1.0756	346,050,000	1.1511

Fair value is measured by use of the Black & Scholes model with the assumption of 50% future market volatility and a future interest rate of 1% per annum based on the current economic climate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions. The fair value of share options and warrants granted as at 31 December 2019 was US$nil (2018: US$nil).

17. Financial instruments

The Group's financial instruments comprise of cash and cash equivalents, borrowings and items such as trade payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Classification of financial instruments

All Group financial assets are classified at amortised cost. All of the Group's financial liabilities classified as other financial liabilities are also held at amortised cost. The carrying value of all financial instruments approximates to their fair value.

Fair values of financial instruments

In the opinion of the directors, the book values of financial assets and liabilities represent their fair values.

18. Financial risk management

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. The Directors do not believe the Group is exposed to any material equity price risk. The policies are set by the Board of Directors.

Credit risk

Credit risk is the risk that a counterparty will be unable or unwilling to meet the commitments that it has entered into with the Group. Credit risk arises from cash and cash equivalents, and trade and other receivables (including the Company's receivables from related parties). As for the cash and cash equivalents, these are deposited at reputable financial institutions, therefore management do not consider the credit risk to be significant.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was US$135,010 (2018: US$808,126).

18. Financial risk management - continued

Credit risk - continued

At the reporting date, significant portion of the trade and other receivables includes receivable from directors and a cash deposit from the Group that is currently held by one of its customers to whom it is trading gold and from whom it can offset the receivable to. Based on this information, the directors believe that there is a low credit risk arising from these receivables.

Interest rate risk

The Group's interest-bearing assets comprise only cash and cash equivalents and earn interest at a variable rate. The Group has a policy of maintaining debt at fixed rates which are agreed at the time of acquiring debt to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of the policy should the Group's operations change in size or nature.

No sensitivity analysis for interest rate risk has been presented as any changes in the rates of interest applied to cash balances would have no significant effect on either profit or loss or equity.

The Group has not entered into any derivative transactions during the year under review.

Liquidity risk

The Group actively maintains cash balances that are designed to ensure that sufficient funds are available for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. All of the Group's financial liabilities are measured at amortised cost. Details of the Group's funding requirements are set out in note 19.

Non-derivative financial liabilities, comprising loans payable, trade payables and accruals of US$669,590 (2018: US$863,176) are repayable within 1-12 months from the year end, apart from directors' fees which are due within 12 months. The amounts represent the contractual undiscounted cash flows, balances due equal their carrying balances as the impact of discounting is not significant.

Foreign currency exchange rate risk

The Group undertakes certain transactions in foreign currencies. Hence, exposure to exchange rate fluctuations arises.

The Group incurs foreign currency risk on transactions denominated in currencies other than its functional currency. The principal currency that gives rise to this risk at Group level is the Australian Dollar. At the year end, the Group's exposure to the currency is minimal; accordingly any increase or decrease in the exchange rates relative to the functional currency would not have a significant effect on the financial statements.

19. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group defines capital as being share capital plus reserves. The Board of Directors monitor the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary, by issuing new shares. The Group is not subject to any externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

20. Commitments

Annual expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various authorities**.**

These obligations are subject to periodic renegotiations. These obligations are not provided for in the financial statements and as at 31 December 2019 and 31 December 2018 are payable as follows:

	2019 US$	2018 US$
Within one year	233,479	122,718
After one year but not more than five years	183,565	420,808
	417,044	543,526

21. Related parties

The Company wholly owns Wishbone Gold Pty Ltd, an Australian entity that is engaged in the exploration of gold in Australia. The Company's investment in Wishbone Pty Ltd was US$150,542 as at 31 December 2019 (2018: US$ 150,542). The financial and operating results of this subsidiary have been consolidated in these financial statements.

Wishbone Pty Ltd, as at 31 December 2019, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2019 US$	2018 US$
Outstanding at 1 January	528,596	524,802
Additions during the year	26,000	3,794
Outstanding at 31 December	554,596	528,596

Precious Metals International Ltd., through the subsidiary Black Sand FZE as at 31 December 2019, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2019 US$	2018 US$
Outstanding at 1 January	1,071,422	1,291,464
Repayments during the year	(152,604)	(220,042)
Assignment of loan	(250,000)	-
	668,818	1,071,422
Impairment provision recognised during the year	(167,204)	-
Outstanding at 31 December	501,614	1,071,422

The above company also has a loan outstanding to Wishbone Gold Plc of the following amounts:

	2019 US$	2018 US$
Outstanding at 1 January	19,424	-
(Repayments)/additions during the year	(19,424)	19,424
Outstanding at 31 December	-	19,424

21. Related parties - continued

The Company wholly owns Wishbone Gold Honduras Ltd. ("Wishbone Honduras"), a company registered in Gibraltar. Solent Nominees Ltd previously held the shares of Wishbone Honduras on behalf of the Company. During the year, the title of the shares have been transferred to the Company as the legal and beneficial owner. In addition, Black Sand FZE transferred the title of the Group's equipment to Wishbone Honduras during the previous year.

The above company also has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2019 US$	2018 US$
Outstanding at 1 January	-	-
Assignment of loan	250,000	-
Impairment provision recognised during the year	(125,000)	-
Outstanding at 31 December	125,000	-

The intercompany loans are repayable on demand and do not attract any interest.

Asian Commerce and Commodities Trading Co. Ltd. (ACCT), a company registered in Thailand, is 49% owned by the Company. The fair value of the net assets of this affiliate have been assessed as having no value, thus, not recognised in both the Group and the Company's accounts. Management had the option to increase its shareholdings to 95% in order to gain control but did not exercise that option. Management believes that it has no control over this entity and therefore, not consolidated in the group level. During the year, Black Sand FZE charged management fees to ACCT amounting to US$25,000 (2018: US$60,000) recognised in the Group's profit and loss as other income.

The Company wholly owns Wishbone Gold FZ-LLC, a company registered in the United Arab Emirates. The purpose of this company is solely to hold a bank account in the U.A.E., as it simplifies payments that need to be made in that country. The company does not trade and its sole asset is the bank account. During the year, the cash in bank amounting to US$6,357 of Wishbone Gold FZ-LLC which is under the control of Wishbone Gold Plc has been recognised as other receivable in the books of the Parent. This has been eliminated upon consolidation.

The following summarises the fees incurred in respect of directors' and officers' services for the year ended 31 December 2019 and 2018, and the amounts settled by the Company by way of share issues and cash. All of these fees were settled for shares on 2 June 2020.

31 December 2019	Balance as at 1 January 2019 US$	Charge for the year US$	Settled in shares US$	Settled in cash US$	Balance as at 31 December 2019 US$
Richard Poulden	29,646	100,000	-	-	129,646
Jonathan Harrison	5,808	16,391	-	-	22,199
Alan Gravett	4,195	16,391	-	-	20,586
Professor Michael Mainelli	5,554	16,391	-	-	21,945
Total	45,203	149,173	-	-	194,376

21. Related parties - continued

31 December 2018	Balance as at 1 January 2018 US$	Charge for the year US$	Settled in shares US$	Settled in cash US$	Balance as at 31 December 2018 US$
Richard Poulden	81,462	100,000	(151,816)	-	29,646
Jonathan Harrison	16,875	16,900	(27,967)	-	5,808
Alan Gravett	16,875	16,900	(29,580)	-	4,195
Professor Michael Mainelli	11,251	16,899	(22,596)	-	5,554
Total	126,463	150,699	(231,959)	-	45,203

Richard Poulden's services are billed by Black Swan FZE, in which Richard Poulden, a director of the Company, has an interest, for consultancy services. During the year, the Company was billed by Black Swan FZE for various administrative expenses of US$93,606 (2018: US$133,226) which Black Swan had paid on behalf of the Company.

Jonathan Harrison's services are billed by Easy Business Consulting Limited, in which Jonathan Harrison, a director of the Company, has an interest, for consultancy services. Professor Michael Mainelli's services are billed by Z/Yen Group Limited, in which Professor Michael Mainelli, a director of the Company, has an interest, for consulting services.

Damson Communications ("Damson") is a related party by virtue of it being partly owned by a family trust of Richard Poulden being a shareholder of the related party. During the year, the Company was billed by Damson for professional fees of US$19,043 (2018: US$40,964).

22. Ultimate controlling party

The directors believe that there is no single ultimate controlling party.

23. Restatement of 2018 accounts

Certain prior year amounts have been reclassified for consistency with the current year presentation. The reclassification between the reserves and the profit and loss account had no effect on the reported results of operations, as the table below summarises:

Group

	31 December 2018 Before restatement US$	31 December 2018 As restated US$
Share based payment reserve	64,355	-
Foreign exchange reserve	106,983	(254,691)
Accumulated losses	(9,072,741)	(8,646,712)
	(8,901,403)	(8,901,403)

23. Restatement of 2018 accounts - continued

Company

	31 December 2018 Before restatement US$	31 December 2018 As restated US$
Share based payment reserve	64,355	-
Foreign exchange reserve	361,674	-
Accumulated losses	(8,894,725)	(8,468,696)
	(8,468,696)	(8,468,696)

The reclassification of the share based payment reserve arose due to the lapsing of the validity of the subscriber warrants which were issued in 2014. The reclassification of the foreign exchange reserve arose due to a correction of an error in accounting for foreign exchange reserves in the books of the Parent.

24. Events after the reporting date

The following events took place after the year end:

On 10 January 2020, the Company's existing issued share capital of 2,845,879,000 Existing Ordinary Shares was consolidated on the basis of 100 Existing Ordinary Shares into one Consolidated Share, and in turn, each Consolidated Share was sub-divided into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence. The Capital Reorganisation was undertaken on 20 January 2020 and application was made for the New Ordinary Shares to be admitted to trading on AIM on 21 January 2020. Pursuant to the resolution dated 10 January 2020, the Company acquired the Deferred Shares for nil consideration and these were returned to unissued capital on 17 February 2020.

On 11 March 2020, the World Health Organisation declared the outbreak of the Coronavirus Disease 2019 ("COVID-19") pandemic. As of date, the outbreak has caused a major impact on the global share market and commodities due to the high levels of uncertainty from the lockdown of businesses and countries. The UAE currently has border restrictions in place as do many other countries, thereby severely disrupting global travel patterns. It is unclear when these restrictions will be removed or relaxed. The gold trade in Dubai has been hit by the removal of the daily Emirates flights to all African capitals and many South American capitals. As a result of this, the Group anticipates a reduction in gold trading revenue.

The Group is implementing strategies to reduce the overall impact of COVID-19. In June 2020, the Company revised its strategy to focus more resources on its exploration properties in Australia. The Company continues to review acquisition opportunities in all sectors. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of authorisation of these financial statements.

On 2 June 2020, Peterhouse Capital Limited was appointed as company broker.

On 2 June 2020, the Company issued and allotted a total of 63,459,420 new ordinary shares of 0.1 pence each which consisted of the following: (1) 22,222,221 Ordinary Shares for the raising of £300,000 (before expenses) through a placing via Peterhouse Capital Limited. £100,000 of this placing was subscribed by Black Swan FZE for 7,407,407 Ordinary Shares; (2) 13,014,002 Ordinary Shares was issued to settle the Directors and Management Fees of £175,689; and (3) 28,223,197 Ordinary Shares for the conversion of the outstanding loans with Sanderson Capital Partners Limited and Black Swan FZE (receiving 8,638,686 Ordinary Shares) and discharged sundry creditors. This resulted in the conversion of £292,890 for both loans and £88,124 for sundry creditors.

24. Events after the reporting date - continued

On 20 August 2020, the company raised £400,000.00 before expenses, by placing 20,000,000 new Ordinary Shares at a price of 2 pence per share. The Company also granted each 2 Funding shares subscribed by Funding Investors a warrant to subscribe 1 New Ordinary Share in the capital of the Company exercisable for a period of 12 months from admission of the Funding shares at the price of 3.0 pence per ordinary share. The warrants have an accelerator clause whereby if the price of the Company's shares is sustained at greater than 3p for five consecutive days the Company may choose to force execution of the warrants. The Company is obliged to write to each Warrant holder providing 7 calendar days' notice to exercise the warrants, after which each Warrant holder will have up to 14 days to pay for the exercise of their Warrants, subject to the terms of the Warrant Deed. The warrants will not be traded on an exchange.

On 24 September 2020, the Company announced that 94% of the warrants had been exercised raising a further £283,200 and that the balance of the warrants had expired.

25. Availability of accounts

The full report and accounts are being posted on the Company's website, www.wishbonegold.com.

26. Contingent liability

There is some risk that native title, as established by the High Court of Australia's decision in the Mabocase, exists over some of the land over which Wishbone Gold Pty Limited holds tenements or over land required for access purposes. Wishbone has historically had good relationships with Indigenous Australians and the board will do their utmost to continue this.

Nonetheless we have to state that Wishbone Gold Pty Limited is unable to determine the prospects for success or otherwise of the future claims and, in any event, whether or not and to what extent the future claims may significantly affect Wishbone Gold Pty or its projects.

There are no contingent liabilities outstanding at 31 December 2019 and 31 December 2018.