Wishbone Gold Plc

FINANCIAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2017

Contents

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REGISTERED NUMBER	103190

Wishbone Gold PLC
Chairman's Statement

Dear Shareholders,

Introduction

2017 has been a year of continued growth for the Wishbone Group. Sales nearly doubled to $8.2m, up from $4.2m in the year ended 31 December 2016. The growth is primarily attributable to the continuing expansion of our operations in Africa. Margins have also increased but it should be noted that these sales are trading only and the higher margins to be gained from the reverse integration strategy we are pursuing are not yet represented in these numbers.

We announced the appointment of Oliver Poole as country head in Uganda in January 2018 and Barrett Kosh, CEO of Black Sand will be visiting Uganda in June 2018 to review artisanal mining sites and assess progress.

In May of this year I visited Nigeria with Barrett and our Security Consultant, Captain Simon Mann to discuss the artisanal mining position in Nigeria with the government. It was a very productive visit and we have been asked to put a proposal to the government for an artisanal mining program.

With various initiatives rolling out, and inroads being made in other African nations, I am optimistic about the suitability of our artisanal mining model in this continent.

After the delays in Honduras, due to the atrocious weather last year, the Company's operation commenced batch production in April 2018. However due primarily to permitting issues we have been unable move to full production but are working proactively with our joint venture partners to find a speedy and effective solution to this. This delay is disappointing as we had hoped to be in full production in May 2018.

As we look ahead, we see opportunities for 2018 in all our areas of operation, namely Central America, Africa and Asia. The geographic spread is beginning to provide some resilience to our trading and, as we complete the reverse integration process, supplying expertise and equipment to artisanal miners, this will serve to lock up the supply chain to a greater extent and improve margins.

With this spread of sources of gold over multiple continents we have a solid trading base for the future.

Financing

On 18th August 2017 the Company entered into three financing agreements arranged through RiverFort Global Capital. The first was an investment agreement for up to US$2,000,000 of which US$400,000 was advanced to the Company at an interest rate of 10%pa; the second was a share subscription agreement for GB£800,000. GB£600,000 of the subscription monies was then returned by the Company to a syndicate led by D-Beta One EQ Ltd ("D-Beta") pursuant to an equity sharing agreement. In addition, in connection with the investment agreement the Company granted warrants to D-Beta to subscribe for 8,934,663 shares in the capital of the Company. Further details of these financing arrangements are set out in the announcement made by the Company on 18th August 2017. At the same time we renegotiated the loan agreement with Sanderson Capital Partners Ltd, to reduce the costs by fixing the interest rate at 10%pa and removing the 0.5% override on all trading done using the facility.

Australia

We continue to meet our exploration commitments on the Australian Exploration Permits and our focus is on the core properties of White Mountains and Wishbone II. In terms of the overall expenditure on exploration our commitment to date is A$350,000 and we have spent A$619,194 so we have a good favourable variance.

The gold market

Gold has had a flat year (again), testing the US$1,360 level a few times but currently at US$1,305. Predictions for 2018 range from falling to US$1,100 to rising to US$1,500 and as always there are the outliers of boom or collapse. China, Russia and India are all building up their gold supplies and this still remains a fundamental element of our belief in a rising gold price.

We have now had introduced into the equation the political uncertainty surrounding the USA's actions on Iran and the Middle East in general. The threats to impose sanctions on countries which deal with Iran puts China and Russia firmly in their sights. One of President Trump's many threats in this regard is limiting or removing access to the SWIFT bank payment system for "offending" companies or countries.

Should the US remove access to the SWIFT bank payment system for certain companies or countries then it is possible that the country with the world`s largest gold reserves, China, would be a major player in international payments.

Change of broker

On 1st March 2018, our broker, Beaufort Securities Plc, was placed into administration by the Financial Conduct Authority. This left a number of companies on AIM and NEX without advisors and sucked a significant amount of liquidity out of the small cap markets in London.

On 27th March 2018 the Company appointed Allenby Capital Limited as its broker.

Quotation on NEX exchange

On 5th March 2018, our shares were admitted to trading on the NEX Exchange Growth Market in addition to AIM. We took advantage of a window whereby there was a fast track admission process for any company that was in good standing on AIM.

Financial overview

At the end of the period under review, Wishbone Gold Plc held cash balances totalling US$256,857 (2016: US$1,065,161). Administrative costs, excluding interest during the year were reduced to US$801,691 (2016: US$937,070) despite higher levels of activity.

On the 1st January 2018 the United Arab Emirates and the Kingdom of Saudi Arabia introduced value added tax. It is intended that this will eventually cover the whole of the Gulf Cooperation Council states. The rate at the moment is 5% but the temptation with taxes is that once the infrastructure is in place it is easy to add a few more percent.

At the moment precious metals trading (such as that done by Black Sand, the Company's subsidiary) is VAT exempt so the Wishbone group is largely unaffected. I think it unlikely that it will be extended to precious metals trading in the future, as this is a substantial industry in Dubai and the UAE government would not want to damage it. However, just in case, we have taken steps to protect your Company.

Financial overview - continued

We announced in February 2018 that we had formed Asian Commerce and Commodities Trading Co Ltd in Thailand. This is a fully licensed gold and precious metals trader. Whilst the primary purpose of this was to establish a footprint in Asia, Thailand is one of the major gold trading centres in the region and could be used for a portion of our trading.

Vale Barry Everingham

It is with great sadness that I have to report to you that Barry Everingham, one of the earliest directors of Wishbone Gold Pty Ltd, died last week. I shall miss Barry's sage advice and counsel but also his irrepressible sense of humour.

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

R O'D Poulden
Chairman
15th June 2018

Wishbone Gold PLC
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 2017.

Activities, review of business and future developments

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

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 was US$913,017 (2016: US$958,120) after charging the following:

Group	**2017 US$**	**2016 US$**
Sales	8,240,821	4,261,446
Gross profit	83,884	20,426
Other administration costs (including interest payable)	(996,901)	(978,546)
	(913,017)	(958,120)

The Company's loss after taxation was US$924,029 (2016: US$909,004) after charging the following:

Company	**2017 US$**	**2016 US$**
Sales	-	-
Gross profit	-	-
Other administration costs (including interest payable)	(924,029)	(909,004)
	(924,029)	(909,004)

The directors do not recommend the payment of a dividend for the year ended 31 December 2017.

Directors

The directors listed on page 3 have served on the board throughout the year ended 31 December 2017 and the year ended 31 December 2016. GS Cardona retired by rotation as a director on 30 September 2017 and did not offer himself for re-election.

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 2017 and 31 December 2016. The Directors have reviewed the financial performance of the Group since 31 December 2017 and have considered the Group's cash projections and funding plan for the 12 months from the date of approval of these financial statements. Taking into account the debt facilities in place, support from the major shareholder and other possible sources of finance, 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$387,242 (2016: US$340,341) 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 the 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 2017, the Group had creditor days of 36 days (2016: 34 days) based on the financial data for the year.

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 will be adopting the QCA Corporate Governance Code (2018) for the year to 31 December 2018 on a comply or explain basis, with the appropriate disclosures as required by the AIM Rules 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.

Corporate Governance – continued

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.

On 5 March 2018, the Company's entire share capital was admitted to trading on the NEX Exchange Growth Market. Since admission, the Company has complied with the NEX Exchange Growth Market – Rules for Issuers.

Events after the reporting year

The following events took place after the year end:

Wishbone Gold set up a new entity in Thailand, named Asian Commerce and Commodities Trading Co Ltd ("ACCT"). ACCT has been formed to expand Wishbone Gold's Asian presence. The entity is currently 51% owned by Wishbone Gold's Thai local partner, who is connected to the ruling Royal Family and 49% owned by Wishbone Gold. After three months of operations, Wishbone Gold will increase its shareholding in AACT to 95% through a transfer or subscription for new shares as per Thai law. It is intended that this will be the ownership structure going forward and the reorganisation is in process.

Wishbone Gold Plc had its entire issued share capital, consisting of 1,305,256,635 fully paid ordinary shares of 0.1 pence each, admitted to trading on the NEX Exchange Growth Market, with effect from 5 March 2018.

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 aware of no 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 appointment of RSM Audit (Gibraltar) Limited will be proposed at the Annual General Meeting.

The financial statements on pages 20 to 48 were approved by the Board of Directors and signed on its behalf by:

Name: R O'D Poulden

Date: 15th June 2018

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 resume 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

15th June 2018

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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 2017, 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 Company's affairs as at 31 December 2017 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; 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 – 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.

This note highlights the inherent uncertainties on the valuation of the resulting goodwill which may differ materially from that that might have been achieved had there been more certainty with the consideration and the fair value of the net assets acquired as at both 31 December 2017 and 31 December 2016. In addition, it notes the requirement to subsequently review goodwill for impairment.

RSM is a Gibraltar registered trading name for the following Gibraltar companies: RSM Gibraltar Limited, RSM Audit (Gibraltar) Limited (FSC licence number FSC0013AUD), RSM Fund Services (Gibraltar) Limited (FSC licence number FSC0234CIS) and RSM Fiduciary (Gibraltar) Limited and its subsidiary companies (FSC licence numbers FSC1241B–FSC1247B). All companies are registered at 21 Engineer Lane, Gibraltar, GX11 1AA.

All the above named companies are members of the RSM network and trade as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

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

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

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.

Risk	Our response to the risk	Key observations communicated to the audit committee
Goodwill impairment assessment • The Group has goodwill of US$748,617 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 there is no impairment 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.

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
Revenue recognition • The Group recognized revenue of US$8.2 million in 2017 (2016: US$4.3 million). • Revenue is inherently deemed a critical risk in accordance with • 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 1, the financial statements have been prepared on a going concern basis. • The Group's cash balances amounted to $256,857 and current liabilities were $1,198,188. • 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 proposed acquisition and exploration activity. Taking into account the debt facilities in place, support from the major shareholder and other possible sources of finance, 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 of the Group, 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.	We concluded that no further disclosures relating to the Company's ability to continue as a going concern need to be made in the financial statements.

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 2017. The following percentage is applied to either the relevant financial result or position to assist in calculating the appropriate level of materiality:

- 5% of Net assets/(liabilities)

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

Group	USD124,000
Wishbone Gold Plc Limited	USD124,000
Wishbone Gold Pty Limited	AUD12,500
Black Sand FZE	USD100,000

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 applicable law in Gibraltar and International Financial Reporting Standards, as adopted for use in the European Union, 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

15 June 2018

Wishbone Gold PLC
Consolidated Income Statement
for the year ended 31 December 2017

	Notes	2017 US$	2016 US$
Sales		8,240,821	4,261,446
Cost of sales		(8,156,937)	(4,241,020)
Gross profit		83,884	20,426
Administration expenses	5	(884,602)	(944,865)
Operating loss		(800,718)	(924,439)
Impairment of investments		(1,568)	(370)
Foreign exchange gains		(31,730)	-
Finance costs		(79,001)	(33,311)
Loss before taxation		(913,017)	(958,120)
Tax on loss	6	-	-
Loss for the financial year		(913,017)	(958,120)
Loss per share:			
Basic and diluted (cents)	7	(0.070)	(0.093)

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year. Precious Metals International Ltd was acquired during the previous reporting year.

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Consolidated Statement of Comprehensive Income
for the year ended 31 December 2017

	2017 US$	**2016 US$**
Loss for the financial year	(913,017)	(958,120)
Other comprehensive (expense)/income:		
Exchange differences on translating foreign operations	(788,802)	769,305
Other comprehensive (expense)/income for the year, net of tax	**(788,802)**	**769,305**
Total comprehensive expense for the year attributable to equity owners of the parent	(1,701,819)	(188,815)

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Consolidated Statement of Financial Position
as at 31 December 2017

	Notes	2017	Restated 2016
		US$	US$
Current assets			
Inventories		27,755	2,662
Trade and other receivables	8	568,396	4,139,341
Loans	16	308,656	299,281
Cash and cash equivalents		256,857	1,065,161
		1,161,664	5,506,445
Non-current assets			
Property, plant and equipment	9	250,058	-
Goodwill	10	748,617	748,617
Other intangible assets	10	387,162	340,341
Loans	16	680,476	-
Investments	11	-	1,108
		2,066,313	1,090,066
Total assets		3,227,977	6,596,511
Current liabilities	13	1,198,188	4,251,663
Non-current liabilities	14	-	607,792
Equity			
Share capital	15	1,770,406	1,448,632
Share premium		7,278,748	5,611,582
Share based payment reserve		64,355	58,743
Foreign exchange reserve		98,854	887,656
Accumulated losses		(7,182,574)	(6,269,557)
		2,029,789	1,737,056
Total equity and liabilities		3,227,977	6,596,511

The financial statements were approved by the board and authorised for issue on 15 June 2018 and signed on its behalf by:

J.C. Harrison
Director

R O'D Poulden
Director

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Company Statement of Financial Position
as at 31 December 2017

	Notes	2017	Restated 2016
		US$	US$
Current assets			
Trade and other receivables	8	-	2,346
Loans	16	1,925,031	1,264,214
Cash and cash equivalents		63,638	805,110
		1,988,669	2,071,670
Non-current assets			
Loans	16	680,476	-
Investments	11	949,669	936,541
		1,630,145	936,541
Total assets		3,618,814	3,008,211
Current liabilities	13	1,180,566	347,106
Non-current liabilites	14	-	607,792
Equity			
Share capital		1,770,406	1,448,632
Share premium		7,278,748	5,611,582
Share based payment reserve		64,355	58,743
Foreign exchange reserve		394,715	1,034,568
Accumulated losses		(7,069,976)	(6,100,212)
		2,438,248	2,053,313
Total equity and liabilities		3,618,814	3,008,211

The financial statements were approved by the board and authorised for issue on 15 June 2018 and signed on its behalf by:

J.C. Harrison
Director

R O'D Poulden
Director

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Consolidated Statement of Changes in Equity
as at 31 December 2017

	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 2016	1,128,351	4,569,658	70,165	(5,311,437)	118,351	575,088
Shares issued during the year (net of issue costs)	503,964	1,785,815	-	-	-	2,289,779
Loss for the financial year	-	-	-	(958,120)	-	(958,120)
Foreign exchange	(183,683)	(743,891)	(11,422)	-	769,305	(169,691)
Balance at 31 December 2016	1,448,632	5,611,582	58,743	(6,269,557)	887,656	1,737,056
Shares issued during the year (net of issue costs)	184,685	1,129,789	-	-	-	1,314,474
Loss for the financial year	-	-	-	(913,017)	-	(913,017)
Foreign exchange	137,089	537,377	5,612	-	(788,802)	(108,724)
Balance at 31 December 2017	1,770,406	7,278,748	64,355	(7,182,574)	98,854	2,029,789

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Consolidated Statement of Cash Flows
for the year ended 31 December 2017

	Notes	2017 US$	Restated 2016 US$
Cash flows from operating activities			
Loss before tax		(913,017)	(958,120)
Reconciliation to cash generated from operations:			
Foreign exchange loss		31,730	64,313
Interest expense		79,001	33,310
Impairment losses		1,108	370
Administrative expenses converted into ordinary shares		204,399	257,432
Operating cash flow before changes in working capital		(596,779)	(602,695)
Increase in inventories		(25,093)	(2,662)
Decrease/(increase) in receivables		3,571,645	(4,023,383)
(Decrease)/increase in payables		(3,853,477)	4,051,002
Cash outflow used in operations		(903,704)	(577,738)
Cash flows from investing activities			
Purchase of property, plant and equipment		(250,058)	-
Net movement in investments		-	90,044
Net movement in other intangible assets		(46,821)	(748,617)
Net movement in loans receivable		(9,375)	(299,281)
Other investing activities		(680,476)	-
Net cash flows used in investing activities		(986,730)	(957,854)
Cash flows from financing activities			
Issue of shares for cash		1,080,824	1,059,196
Net movement in loans payable		(192,210)	607,792
Net cash flows from financing activities		888,614	1,666,988
Effects of exchange rates on cash and cash equivalents		193,516	670,024
Net (decrease)/increase in cash and cash equivalents		(808,304)	801,420
Cash and cash equivalents at 1 January		1,065,161	263,741
Cash and cash equivalents at 31 December		256,857	1,065,161

The notes on pages 27 to 48 form part of these financial statements.

Wishbone Gold PLC
Company Statement of Cash Flows
for the year ended 31 December 2017

	2017 US$	Restated 2016 US$
Cash flows from operating activities		
Loss before tax	(924,029)	(909,004)
Reconciliation to cash generated from operations:		
Foreign exchange loss	30,887	1,587
Interest expense	79,001	7,795
Impairment losses	-	370
Administrative expenses converted into ordinary shares	204,399	257,432
Operating cash flow before changes in working capital	(609,742)	(641,820)
(Increase)/decrease in receivables	(2,346)	2,346
Increase in payables	33,458	164,328
Cash outflow from operations	(578,630)	(475,146)
Cash flows from investing activities		
Net movement in loans receivable	(660,117)	(257,137)
Net movement in investments	(13,128)	(1,181,946)
Other investing activities	(680,476)	-
Net cash flow used in investing activities	(1,353,721)	(1,439,083)
Cash flows from financing activities		
Issue of shares for cash	1,080,824	1,083,599
Net movement in loans payable	(192,210)	607,792
Net cash flow from financing activities	888,614	1,691,391
Effects of exchange rates on cash and cash equivalents	302,265	812,198
Net (decrease)/increase in cash and cash equivalents	(741,472)	589,360
Cash and cash equivalents at 1 January	805,110	215,750
Cash and cash equivalents at 31 December	63,638	805,110

The notes on pages 27 to 48 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 2017 were authorised for issue in accordance with a resolution of the Company's directors on 13 June 2018.

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 £3,000,000 divided into 3,000,000,000 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 2 July 2013, the Company approved the conversion of £207,222 of expenses and debts into 11,841,307 ordinary shares to the Directors at a price of 1.75p to satisfy debts and expenses incurred on behalf of the Company.

On 18 December 2013, the Company approved the conversion of £7,500 of expenses into 272,727 shares at the price of 2.75p.

On 7 March 2014, the Company issued 45,772,693 ordinary shares in exchange for 1,031,360 ordinary shares in Global Resources Investment Trust, net of issue costs of US$34,450.

The Company undertook a conditional Placing and Open Offer on 4 April 2014. A total of new issues, including commission shares, of 33,677,181 new ordinary shares were admitted to trading AIM on 28 April 2014 which raised US$780,792 net of expenses of US$32,682.

On 17 July 2014, the Company approved the conversion of £7,500 of expenses into 500,000 new ordinary shares at the price of 1.5p.

On 1 September 2015, the Company approved the issue of 100,000,000 shares at a price of 0.25p per share to raise £250,000 gross.

On 11 September 2015, the Company settled £992,123 of debts including outstanding directors' fees and expenses and repaid loans from the Black Swan group through the issue of 396,849,129 shares at a price of 0.25p per share.

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.

On 3 June 2016, Wishbone agreed a two-year loan facility of US$3m from Sanderson Capital Partners Limited.

A 10% commitment fee was payable in ordinary shares of Wishbone. The 38,657,037 shares of 0.1p each, was issued at a price of 0.54p per ordinary share, being the closing mid-market price of the company's shares on 3 June 2016.

On 28 September 2016, Wishbone raised £600,000 (before expenses) through a placing via its broker, Beaufort Securities Limited of 80,000,000 new ordinary shares of 0.001p each at a price of 0.0075p per ordinary share. The Company has also issued 5,000,000 warrants with an exercise price of 1.2p with a life of two years to Beaufort Securities Limited.

On 27 October 2016, Wishbone raised £400,000 (before expenses) through a placing via its broker, Beaufort Securities Limited, of 50,000,000 new ordinary shares of 0.1p each at a price of 0.8p per ordinary share. The Company has also issued 3,076,923 warrants with an exercise price of 1.3p with a life of two years to Beaufort Securities Limited.

General Information - continued

On 18 August 2017, Wishbone raised £800,000 (before expenses) through a fundraising from institutional investors, arranged by RiverFort Global Capital at an issue price of 0.7 pence per new ordinary share. The arrangement included up to US$2 million via an Investment Agreement ('Investment') with YA II PN, Ltd arranged by RiverFort with an initial drawdown of US$400,000 repayable on the first anniversary of the date of drawdown. Any further tranches may be drawn down if agreed with the Company and at YA II's absolute discretion. The Company granted 8,934,663 warrants. All warrants granted have a strike price of 140% of the 5 day VWAP of the Ordinary Shares prior to the date of the relevant grant of warrants. The warrants are non-transferable and capable of exercise in whole or in part at any time prior to the third anniversary of the date of grant.

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.

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$924,029 (2016 loss: US$909,004).

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 2017.

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 2017.

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 22 and the consolidated statement of cash flows on page 25. As at 31 December 2017, the Group cash balances amounted to US$256,857 and current liabilities were US$1,198,188. 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. Taking into account the debt facilities in place, support from the major shareholder and other possible sources of finance, 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.

2. Accounting Policies - continued

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of the Company and its subsidiaries prepared to 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 values 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.

Exploration and evaluation assets

Costs arising from exploration and evaluation activities are accumulated separately for each area of interest and only capitalised where such costs are expected to be recovered through successful development, or through sale, or where exploration and evaluation activities have not, at the reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Expenditure capitalised comprises direct costs that have a specific connection with a particular area of interest. Capitalised expenditure in respect of areas of interest is written off in the income statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount.

Capitalised costs in respect of an area of interest that is abandoned are written off in the period in which the decision to abandon is made.

Once production commences, capitalised expenditure in respect of an area of interest will be amortised on a unit of production basis by reference to the reserves of that area of interest.

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	25% per annum

However, the Group’s property, plant and equipment were acquired at the close of the financial year and hence, no depreciation has been applied to these assets as at yearend.

2. Accounting Policies – continued

Inventories

Raw material are stated at the lower of cost and net realizable value. Finished goods or polished diamonds are stated at the lower of cost and net realizable value. Cost includes cost of raw materials on weighted average cost basis and other costs related to converting them into finished goods. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

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.

Investments held for resale

Investments held for resale are designated at fair value through profit or loss at inception. Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Group has transferred substantially all risks and rewards of ownership. Investments held for resale are initially recognised at cost. Subsequent to initial recognition, these investments held for resale are measured at fair value in the statement of financial position. Gains and losses arising from changes in the fair value of these assets are presented in profit or loss in the period in which they arise. During the year the Group and Company recognised impairments of US$1,108 (2016: US$370).

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.

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.

2. Accounting Policies – continued

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 1.2797 per US$1 (2016: AUD 1.3885). The average exchange rate applied at the year-end date was AUD 1.3051 per US$1 (2016: AUD 1.346).

The closing exchange rate applied at the year-end date was AED 3.67 per US$1 (2016: AED 3.67). The average exchange rate applied at the year-end date was AED 3.67 per US$1 (2016: 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).

Revenue recognition

Revenue is recognised only when the following have occurred:

- The product has been despatched to the purchaser and is no longer under the physical control of the producer;
- The product is in a form that can be delivered to a purchaser, requiring no additional processing by the producer; or on
- The quantity and quality of the product can be determined with reasonable accuracy; and
- The selling price can be determined with reasonable accuracy.

2. Accounting Policies – continued

Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Provision for impairment is established 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.

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 Company issued warrants as disclosed in note 17 in 2016 and 2017. 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 2017, the warrants remain outstanding.

2. Accounting Policies – continued

Standards, amendments and interpretations to existing standards that are effective in 2017:

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:

- IAS 12 (amendment), 'Income Taxes'. The amended standard clarifies the recognition of deferred tax assets for unrealised losses. The amendment is effective for annual periods beginning on or after 1 January 2017. The amendment further clarifies the following aspects: (a) Unrealised losses on debt instruments measured at fair value and measure at cost for tax purposes shall give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use. (b) The carrying amount of an asset does not limit the estimation of probable future taxable profits. (c) Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences. An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.
- IAS 7 (amendment), 'Statement of Cash Flows' - Disclosure Initiative. The amended standard is effective for annual periods beginning on or after 1 January 2017 and clarifies existing IAS 7 requirements. The amendments carry the objective for entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The following changes in liabilities arising from financing activities are required to be disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes. The amendments also state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities. The adoption of this amended standard is not expected to have a significant impact on the Group's financial position or results.
- IFRS 12 (amendment), 'Disclosure of Interests in Other Entities'. The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 No*n-current Assets Held for Sale and Discontinued Operations.* The amendment to IFRS 12 are effective for annual periods beginning on or after 1 January 2017. The adoption of this new standard is not expected to have a significant 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 Company:

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:

- IFRS 1 (amendment), 'First-time Adoption of International Financial Reporting Standards'. The amendment is to delete the short-term exemptions in paragraphs E3-E7 of IFRS 1, because they have now served their intended purpose. The amendments are effective for annual periods beginning on or after 1 January 2018. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.

2. Accounting Policies - continued

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

- IFRS 2 (amendment), 'Share-based Payment'. The amendments clarify the classification and measurement of share-based payment transactions. Guidance has been added that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments. The amendments are effective for annual periods beginning on or after 1 January 2018. Earlier application is permitted. The amendments are to be applied prospectively. The adoption of this new standard is not expected to have a significant impact on the Group's financial position or results.
- IFRS 9, 'Financial Instruments'. This standard introduces new requirements for the classification and measurement of financial assets and liabilities, including some hybrid contracts. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Upon adoption of IFRS 9, modified prior period disclosures may be required. IFRS 9 represents the completion of the first part of a three-part project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 uses business model and contractual cash flow characteristics to determine whether a financial asset is measured at amortised cost or fair value, replacing the four category classification in IAS 39. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The adoption of this new standard is not expected to have a significant impact on the Group's financial position or results.
- IFRS 15, 'Revenue from Contracts with Customers'. This standard is based on the principle that revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The standard establishes a five-step model that will apply to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements will also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not an output of the entity's ordinary activities (e.g., sales of property, plant and equipment or intangibles). Extensive disclosures will be required, including disaggregation of total revenue; information about performance obligations; changes in contract asset and liability account balances between periods and key judgements and estimates. The adoption of this new standard is not expected to have a significant impact on the Group's financial position or results.
- IFRS 15 (amendment), 'Revenue from Contracts with Customers'. The amended standard are clarifications seeking to address certain implementation issues of IFRS 15. The amended standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. The amendments address three areas which are identifying performance obligations, principal versus agent considerations, and licensing and provide some transition relief for modified contracts and completed contracts. The adoption of this new standard is not expected to have a significant impact on the Group's financial position or results.

2. Accounting Policies - continued

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

- 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 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted. 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 is not expected to have a significant impact on the Group's financial position and results.
- IAS 17, 'Leases' will be superseded by IFRS 16 Leases as of 1 January 2019. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.
- IAS 18 'Revenue' will be superseded by IFRS 15 *Revenue from Contracts with Customers* as of 1 January 2018. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.
- IAS 23 (amendment), 'Borrowing Costs'. 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 amendments are effective for annual periods beginning on or after 1 January 2019. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.
- IAS 28 (amendment), 'Investments in Associates and Joint Ventures'. The amendment clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The amendments are effective for annual periods beginning on or after 1 January 2018. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.
- IAS 39, 'Financial Instruments: Recognition and Measurement' will be largely replaced by IFRS 9 *Financial Instruments* for annual periods beginning on or after 1 January 2018. The adoption of this new standard is not expected to have a significant impact on the Group's financial position and results.
- IFRIC 22, 'Foreign Currency Transactions and Advance Consideration'. The new standard is to clarify the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. It is effective for annual reporting periods beginning on or after 1 January 2018. Earlier application is permitted. The adoption of this new standard is expected to have a significant impact on the Group's financial position and results.

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

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 21 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 goodwill

The Directors do not consider that the goodwill arising from the acquisition of the Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE ("the PMI Group") is impaired. The goodwill currently has an unlimited useful economic life as its subsidiary Black Sand FZE is more valuable than when purchased due to new agreements, in particular Honduras.

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.

Parent company statement of financial position - impairment of the investment in and loan to the subsidiary

At the reporting date, the Australian subsidiary had net liabilities of US$192,538 (AUD 246,397) (2016: US$266,254 (AUD 213,883)). As noted above, the Board of Directors do not consider that the exploration and evaluation assets are impaired and therefore there is no indication of impairment of the investment in and loan to the Australian subsidiary of US$387,242 (2016: US$340,341) and US$524,802 (2016: US$518,302) respectively.

At the reporting date, the UAE subsidiary had net assets of US$55,285 (AED 203,042) (2016: US$23,354 (AED 85,709)). There is no indication of impairment of the loan to the UAE subsidiary of US$1,291,464 (2016: US$500,692).

Key accounting estimates

Valuation of warrants and options

As described in note 17, 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.

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 three operating divisions: resource evaluation (Australia), gold trading (UAE) and gold production (Honduras). The division is the business segment for which the Group reports its segment information internally to the Board of Directors.

5. Administrative expenses

	2017 US$	2016 US$
Fees payable to the company's auditor for the audit of the Group consolidated financial statements	58,905	74,302
Other assurance services	33,776	8,578
Accounting and tax compliance	45,482	41,420
Other administrative costs	588,658	719,741
Remuneration of directors of the Group	110,380	92,182
Remuneration of directors of subsidiaries	47,401	8,642
	884,602	944,865

Remuneration paid to the directors of the Group has been settled via the issue of equity in the Company and cash, as disclosed in note 22.

The Group has used the services of Mr. Barrett Kosh. Staff costs for the year ended 31 December 2017 were US$36,821 (2016: US$52,338).

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 2017 is 10% (2016: 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 2017 is 30% (2016: 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 took the precaution of registering for VAT but currently the gold trading operations are VAT exempt.

As at 31 December 2017 and as at 31 December 2016 the Company has no deferred tax assets and no deferred tax liabilities.

7. Loss per share

	2017 US$	2016 US$
Loss for the purpose of basic loss per share being net loss attributable to equity owners of parent	(913,017)	(958,120)
Loss for the purpose of diluted earnings per share	(913,017)	(958,120)
Number of shares:		
Weighted average number of ordinary shares for the purpose of the basic and diluted loss per share	1,305,256,635	1,029,542,339
Basic and diluted (cents)	(0.070)	(0.093)

Due to the Company and the Group being loss making, the share options (note 17) are antidilutive.

8. Trade and other receivables

Group	2017 US$	Restated 2016 US$
Debtors	500,023	4,136,995
Prepayments	68,373	2,346
	568,396	4,139,341

Company	2017 US$	Restated 2016 US$
Prepayments and accrued income	-	2,346
	-	2,346

9. Property, plant and equipment

	2017	**2016**
Group	**US$**	**US$**
Cost		
Additions	250,058	-
As at 31 December 2017	250,058	-
Accumulated Depreciation		
Charges during the year	-	-
As at 31 December 2017	-	-
Net Book Value		
As at 31 December 2017	250,058	-

The Group's property, plant and equipment were acquired at the close of the financial year and hence, no depreciation has been applied to these assets as at the year-end.

10. Intangible assets

	Goodwill	**Exploration & evaluation assets**	**Total**
Group	**US$**	**US$**	**US$**
Cost			
At 1 January 2017	748,617	340,341	1,088,958
Additions	-	17,948	17,948
Foreign exchange revaluation	-	28,873	28,873
At 31 December 2017	748,617	387,162	1,135,779

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 the previous year, Wishbone acquired 100% of the share capital of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE ("the PMI Group").

The fair value of the net assets acquired was $50,510 and the initial consideration of USD 799,127 was paid in shares.

The terms of acquisition of the PMI Group involved the aforementioned initial consideration and a further contingent payment of an additional 240,000,000 ordinary shares if annual profit after tax of the PMI Group exceeds $1m. At the end of the reporting year, the value of this contingent consideration cannot be ascertained.

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.

10. Intangible assets - continued

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

The resulting goodwill of USD 748,617 reflects uncertainty on the fair value of the net assets acquired and on the value of the consideration reflected in these financial statements.

The goodwill currently has an unlimited useful economic life as its subsidiary Black Sand FZE is more valuable than when purchased due to new agreements, in particular Honduras, and hence, in the director's opinion, goodwill is not impaired.

11. Investments

	Group		Company	
	2017	**2016**	**2017**	**2016**
	US$	**US$**	**US$**	**US$**
Shares in subsidiary undertakings	-	1,108	949,669	936,541
	-	1,108	949,669	936,541

Company	Class of shares held	% held	Country of registration or incorporation	2017 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 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.

During the reporting year, Wishbone Gold Tasmania Pty Limited, a dormant ex-subsidiary was dissolved and therefore the Company's investment in this subsidiary was written-off (see note 12).

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 Limited is a company incorporated in Gibraltar and the registered office address is at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar. The company is a wholly-owned subsidiary but has not been consolidated into the financial statements since there are no transactions in the company which are material at a group level.

12. Impairment of investments

	2017	2016
	US$	**US$**
Impairments recognised during the year	1,108	370

13. Current liabilities

	2017 US$	2016 US$
Group		
Trade payables	233,378	3,950,018
Accruals and deferred income	72,316	65,599
Directors fees accrued and expenses payable	-	143,554
Loan from Canon Street Investments Ltd	-	92,492
Loan from YAII PN Ltd (note 1)	368,156	-
Loan from Sanderson Capital Partners Limited	524,338	-
	1,198,188	4,251,663

Company	2017 US$	2016 US$
Trade payables	229,168	61,327
Accruals and deferred income	58,904	49,733
Directors fees accrued and expenses payable	-	143,554
Loan from Canon Street Investments Ltd	-	92,492
Loan from YAII PN Ltd (note 1)	368,156	-
Loan from Sanderson Capital Partners Limited	524,338	-
	1,180,566	347,106

The loan from Sanderson Capital Partners Limited falls due for payment within 12 months from 31 December 2017 and therefore is recognised as a current liability as at 31 December 2017.

14. Non-current liabilities

Group and Company	2017 US$	2016 US$
Loan from Sanderson Capital Partners Limited	-	607,792

15. Share capital – Group and Company

	2017 US$	2016 US$
Authorised: 3,000,000,000 Ordinary Shares of £0.001 (US$0.0016) each	4,800,000	4,800,000

	2017 No	2016 No	2017 US$	2016 US$
Alloted and called up: Ordinary shares of £0.001 (US$ 0.0016) each	1,305,256,635	1,168,557,401	1,770,406	1,448,632

15. Share capital – Group and Company - continued

On 2 July 2013, the Company approved the conversion of £207,222 of expenses and debts into 11,841,307 ordinary shares to the Directors at a price of 1.75p to satisfy debts and expenses incurred on behalf of the Company.

On 18 December 2013, the Company approved the conversion of £7,500 of expenses into 272,727 shares at the price of 2.75p.

On 7 March 2014, the Company issued 45,772,693 ordinary shares in exchange for 1,031,360 ordinary shares in Global Resources Investment Trust, net of issue costs of US$34,450.

The Company undertook a conditional Placing and Open Offer on 4 April 2014. A total of new issues, including commission shares, of 33,677,181 new ordinary shares were admitted to trading AIM on 28 April 2014 which raised US$780,792 net of expenses of US$32,682.

On 17 July 2014, the Company approved the conversion of £7,500 of expenses into 500,000 new ordinary shares at the price of 1.5p.

On 1 September 2015, the Company approved the issue of 100,000,000 shares at a price of 0.25p per share to raise £250,000 gross.

On 11 September 2015, the Company settled £992,123 of debts including outstanding directors' fees and expenses and repaid loans from the Black Swan group through the issue of 396,849,129 shares at a price of 0.25p per share.

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 $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.

On 3 June 2016, Wishbone agreed a two-year loan facility of $3m from Sanderson Capital Partners Limited.

A 10% commitment fee was payable in ordinary shares of Wishbone. The 38,657,037 shares of 0.1p each, was issued at a price of 0.54p per ordinary share, being the closing mid-market price of the company's shares on 3 June 2016.

On 28 September 2016, Wishbone raised £600,000 (before expenses) through a placing via its broker, Beaufort Securities Limited of 80,000,000 new ordinary shares of 0.001p each at a price of 0.0075p per ordinary share. The Company has also issued 5,000,000 warrants with an exercise price of 1.2p with a life of two years to Beaufort Securities Limited.

On 27 October 2016, Wishbone raised £400,000 (before expenses) through a placing via its broker, Beaufort Securities Limited, of 50,000,000 new ordinary shares of 0.1p each at a price of 0.8p per ordinary share. The Company has also issued 3,076,923 warrants with an exercise price of 1.3p with a life of two years to Beaufort Securities Limited.

On 18 August 2017, Wishbone raised £800,000 (before expenses) through a fundraising from institutional investors, arranged by RiverFort Global Capital at an issue price of 0.7 pence per new ordinary share. The arrangement included up to US$2 million via an Investment Agreement ('Investment') with YA II PN, Ltd arranged by RiverFort with an initial drawdown of US$400,000 repayable on the first anniversary of the date of drawdown. Any further tranches may be drawn down if agreed with the Company and at YA II's absolute discretion. The Company granted 8,934,663 warrants. All warrants granted have a strike price of 140% of the 5 day volume weighted average price of the ordinary shares prior to the date of the relevant grant of warrants. The warrants are non-transferable and capable of exercise in whole or in part at any time prior to the third anniversary of the date of grant.

15. Share capital – Group and Company - continued

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.

16. Loans

Group	2017 US$	Restated 2016 US$
Current		
Loan to EcoGreen del Peru SAC	199,891	200,000
Loan to Narh Global Services Ltd	108,765	99,281
	308,656	299,281
Non-current		
Equity sharing agreement	680,476	-
	680,476	-

Company	2017 US$	Restated 2016 US$
Current		
Loan to Narh Global Services Ltd	108,765	99,981
Amounts owed by subsidiary undertakings (note 22)	1,816,266	1,164,933
	1,925,031	1,264,914
Non-current		
Equity sharing agreement	680,476	-
	680,476	-

The loans relate to the provision of interest-free loan facilities to Narh Global Services Ltd and EcoGreen del Peru SAC to support their gold mining and procurement operations. The loan facilities are repayable on demand.

During the year, the Company agreed to an equity sharing arrangement with D-Beta One EQ, a syndicate, to raise US$1M, before expenses, by way of subscription for 114,285,714 ordinary shares with par value of 0.1p @ 0.7p per share. Of the gross proceeds, 75% will be temporarily loaned to the syndicate and will be repaid to the Company in 18 monthly instalments depending on the value of the shares.

17. 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 2017 No	Average exercise price 2017 US$	Number of Warrants / options 2016 No	Average exercise price 2016 US$
Outstanding at 1 January	8,076,923	1.2381	-	-
Issued/(lapsed) during the year	8,934,663	0.9590	8,076,923	1.2381
Outstanding at 31 December	17,011,586	1.0986	8,076,923	1.2381

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 2017 was US$nil (2016: US$nil).

18. Financial instruments

The Group's financial instruments comprise 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 as loans and receivables, and are held 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.

19. 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

The Group's credit risk is primarily attributable to its cash and cash equivalents. However, these are deposited at reputable financial institutions, therefore management do not consider the 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$1,746,012 (2016: US$5,501,437).

The total of other receivables and cash and cash equivalents constitutes all of the financial assets within the IAS 39 category; loans and receivables held by the Group.

19. Financial risk management - continued

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 2.

Non-derivative financial liabilities, comprising loans payable, trade payables and accruals of US$1,198,188 (2016: US$4,859,455) 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.

20. 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.

21. 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.

21. Commitments - continued

These obligations are subject to periodic renegotiations. These obligations are not provided for in the financial statements and as at 31 December 2017 and 31 December 2016 are payable as follows:

	2017 US$	2016 US$
Within one year	96,906	128,174
After one year but not more than five years	598,280	473,511
	695,186	601,685

22. 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$150,551, as at 31 December 2017 (2016: US$ 137,415). The financial and operating results of this subsidiary have been consolidated in these financial statements.

Wishbone Pty Ltd, as at 31 December 2017, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2017 US$	2016 US$
Outstanding at 1 January	464,241	495,589
Additions/(repayments) during the year	60,561	(31,348)
Outstanding at 31 December	524,802	464,241

Precious Metals International Ltd., through the subsidiary Black Sand FZE as at 31 December 2017, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2017 US$	2016 US$
Outstanding at 1 January	700,692	-
Additions during the year	590,772	700,692
Outstanding at 31 December	1,291,464	700,692

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

22. Related parties - continued

The following summarises the fees incurred in respect of directors' and officers' services for the year ended 31 December 2017 and 2016, and the amounts settled by the Company by way of share issues and cash:

31 December 2017	Balance as at 1 January 2017 US$	Charge for the year US$	Settled in shares US$	Settled in cash US$	Balance as at 31 December 2017 US$
Richard Poulden	47,548	152,452	(100,000)	(18,538)	81,462
Jonathan Harrison	24,239	16,875	(16,910)	(7,329)	16,875
George Cardona	24,233	12,656	(16,875)	(7,358)	12,656
Alan Gravett	24,233	16,875	-	(24,233)	16,875
Professor Michael Mainelli	23,301	18,887	(30,937)	-	11,251
Total	143,554	217,745	(164,722)	(57,458)	139,119

31 December 2016	Balance as at 1 January 2016 US$	Charge for the year US$	Settled in shares US$	Settled in cash US$	Balance as at 31 December 2016 US$
Richard Poulden	16,718	30,830	-	-	47,548
Jonathan Harrison	9,132	15,107	-	-	24,239
George Cardona	8,818	15,415	-	-	24,233
Alan Gravett	8,818	15,415	-	-	24,233
Professor Michael Mainelli	7,886	15,415	-	-	23,301
Total	51,372	92,182	-	-	143,554

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.

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 a family trust of Richard Poulden having a minority stake in Damson. Mr. Poulden is not a trustee or beneficiary of the trust and takes no part in its management. During the year, the Company was billed by Damson for professional fees of US$20,806 (2016: US$23,677).

23. Ultimate controlling party

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

24. Events after the reporting date

The following events took place after the year end:

Wishbone Gold set up a new entity in Thailand, named Asian Commerce and Commodities Trading Co Ltd ("ACCT"). ACCT has been formed to expand Wishbone Gold's Asian presence. The entity is currently 51% owned by Wishbone Gold's Thai local partner, who is connected to the ruling Royal Family and 49% owned by Wishbone Gold. After three months of operations, Wishbone Gold will increase its shareholding in AACT to 95% through a transfer or subscription for new shares as per Thai law. It is intended that this will be the ownership structure going forward.

Wishbone Gold Plc had its entire issued share capital, consisting of 1,305,256,635 fully paid ordinary shares of 0.1 pence each, admitted to trading on the NEX Exchange Growth Market, with effect from 5 March 2018.

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 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 2017 and 31 December 2016.

27. Reclassification of comparative amounts

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform to the current year's presentation. The reclassifications include comparative amounts of current loans receivable previously included in the Company's financial statements as non-current loans receivable and as trade receivable.

The directors believe that the above reclassifications reflect a more accurate presentation and do not have any impact on the prior year's results.