Wishbone Gold plc

Report and Consolidated Accounts

For the year ended 31 December 2012

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J C Harrison
G S Cardona
Professor M R Mainelli
A D Gravett

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Company's Registered Number
103190

Chairman's Statement

Dear Shareholders

It is with great pleasure that I write to you as fellow shareholders for the first time since our Company was admitted to the Alternative Investment Market (AIM).

Highlights:

- Progress made towards delivering our strategy to acquire and advance our portfolio of highly prospective gold projects;
- Existing tenements cover 11,100 hectares in north east Queensland, a proven gold bearing region;
- Highly encouraging results of preliminary sampling programmes on Wishbone II and White Mountain licences – confirming the presence of gold mineralisation;
- Admission to AIM on 16 July 2012;
- Commencement of a non-capital raising American Depository Receipt Programme sponsored by Deutsche Bank AG;
- Granted additional licences to two tenements (Wishbone III and Wishbone IV) covering an area of 23,600 hectares adjacent to the Wishbone II licence and;
- Cash at bank US$589,116.

Our objective with Wishbone Gold is to build a company to provide investors with exposure to significant value creating opportunities in precious metals markets, primarily gold. This will be achieved through exploration of our existing portfolio of properties and acquisition of other available prospects at the correct price.

The Wishbone Gold story started in earnest in 2009 when we applied for two exploration permits in Queensland. This was done after extensive research into historic exploration data. When we floated the company on AIM in 2012 we did so with an extremely strong board of directors, who have worked together before, and with an established geological and exploration team where our relationships go back many years.

We believe a focus on proving up the prospectivity of our licences, combined with a gold price underpinned by both favourable demand/supply dynamics as well as gold's standing as a safe haven in times of extended financial market distress, will generate substantial value for our shareholders. During the year under review, I am pleased to report much progress has been made at both the corporate and operational level that has seen Wishbone Gold successfully list on AIM, acquire two additional large licences in Queensland and report highly encouraging sampling results at our two original concessions.

We started the year holding two licences in Queensland, Wishbone II and White Mountain. Both concessions are located in previously gold producing areas, a key investment requirement for the Company. To paraphrase an old saying often used in the natural resources sector, "the best place to find any natural resource is where someone else has already found it", the old 'closeology' argument.

In September, we reported the results of preliminary exploratory work programmes, specifically reconnaissance sampling, at both Wishbone II and White Mountain. Combined with the historic data that we had comprehensively evaluated prior to application for the exploration licences, the results are highly encouraging. By demonstrating the presence of anomalous metals, including gold, on both tenements, the Board is highly confident that extensive gold mineralisation exists on the two licence areas. Further sampling combined with ground magnetics at both Wishbone II and White Mountain is currently underway, as we work towards generating multiple drill targets at both concessions.

Encouraged by the findings at our existing tenements and following further analysis of the available data, in September we applied for an additional licence, Wishbone IV supplementing our existing application made in April for Wishbone III. A key attraction of the 20,000 hectare Wishbone IV tenement is that it is located along the same major trend as the Welcome Deposit, where substantial gold mineralisation at depth was recently discovered by Resolute Mining Ltd. Drilling at the Welcome Deposit has revealed exceptional results showing 18m @ 3.92g/t gold from a depth of 215m, 19m @ 4.52g/t from a depth of 359m, 113m @ 7.7g/t gold from a depth of 316m and 50m @ 3.87g/t gold from a depth of 298m. In our view, the read across to Wishbone IV is clear and highlights the potential for gold mineralisation.

Covering 3,600 hectares, Wishbone III is smaller than Wishbone IV but the Board believes that it too shares a similar high level of prospectivity. Along with the presence of widespread surface geochemical anomalies, numerous shows of polymetallic mineralisation have been found throughout both concessions. When combined with the favourable age of the rocks and the recent gold discoveries nearby, these suggest the likely presence of highly mineralised shear zones within several known intersecting mineralised faults and veins. In addition both Wishbone III and IV are located in a proven area of gold mineralisation and benefit from excellent access to major highways, another of the Board's investment criteria.

Post period end and as announced on 26 March 2013, Wishbone Gold has been notified that it has been granted both new licences and as a result, the Company now holds a total of 34,700 hectares in an historic, gold bearing region. We are confident that the combination of a highly attractive address, the availability of considerable historic data and a focused exploration programme utilising modern techniques and technologies, will result in our proving up the presence of extensive gold mineralisation across our sizeable concession area.

Despite recent falls in the gold price, the Directors remain firmly of the view that favourable supply/demand dynamics along with an increasing list of central banks across the developed world nailing their colours ever more firmly to the mast of extreme monetary easing, can only lead to gold rebasing to a level considerably higher than today's price. Set against this context, we believe the well-documented retrace in the spot price of gold from recent peaks will prove to be just a temporary blip in what is a long term secular bull market that has much further to run.

An extract from Casey Research neatly sums up our view. *"The new supply of gold is unimportant to moving its price. About 80 million ounces are mined annually these days, but there are about six billion ounces estimated to remain above ground. So supply only increases about 1.3% per year - it's fairly trivial, especially after industrial consumption. What determines the price is the desire of current owners to buy, hold, or sell it. It's not like wheat, or even copper, where new supply is critical.*

All these governments around the world are still printing up trillions of dollars' worth of new currency units. At this point, all that new paper money is basically just sitting in the financial system - not entirely, but most of it. At some point it's going to get into the economy. It's going to cause much higher prices for consumer goods. And it's definitely going to create more asset bubbles. One of the most certain of those bubbles is gold. That in turn will create an even bigger bubble in its old friends the gold stocks, which, relative to the price of gold, are about as cheap as they have ever been in history."

Wishbone Gold is an acquisitive early stage gold explorer. Unlike companies with existing production, short term movements in the gold price do not affect our day to day operations. Instead, should the poor sentiment surrounding gold persist for an extended period of time, the Directors will view this as an excellent opportunity to acquire additional gold projects that may become available at prices which offer considerable upside.

Financial Overview

On 16 July 2012, Wishbone Gold was admitted to trading on AIM and at the same time successfully raised gross proceeds of £515,000 (US$802,004). A further £420,252 (US$651,390) was received into the Company via the conversion of Convertible Loan Notes issued in a pre-IPO fundraising, which converted into 30,017,972 new ordinary shares on Admission. Under an earlier 2010 Convertible Loan Note, £105,483.87 (US$ 163,500) was raised via the conversion to 4,219,355 new ordinary shares on Admission.

As at the end of the period under review, Wishbone Gold held cash balances totalling US$589,116. Costs continue to be tightly controlled to enable as much of the funds available to the Company are spent in the ground for exploration purposes. The Directors are all paid minimal salaries and at the Company's option these can be paid in ordinary shares. Administrative costs during the year totalled US$ 281,727, an indication of Wishbone Gold's low cost operating structure.

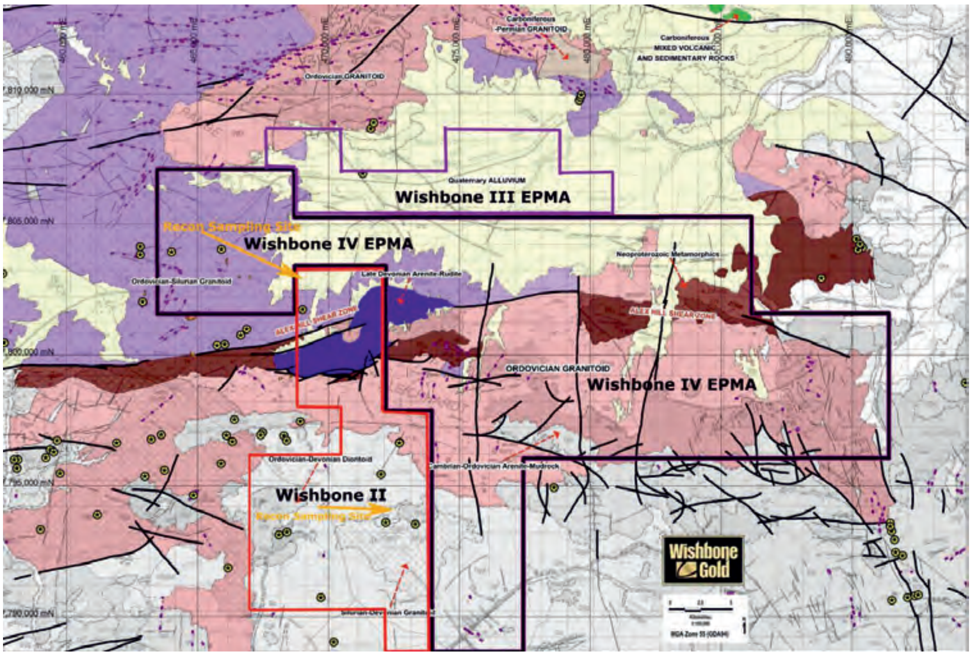
Outlook

Wishbone Gold has acquired an exciting portfolio of concessions located in a gold producing region of Australia. In the year ahead, we expect our on-going exploration programme to define further the high level of prospectivity on our tenements before we move onto drilling operations. In addition, we have an ever-growing pipeline of potential projects that we are constantly evaluating. As with our existing portfolio, any new projects must first meet our defined investment criteria: located in a proven gold region; access to historic exploration data; potential to rework data using advanced techniques and technology; supportive jurisdictions with good access to infrastructure.

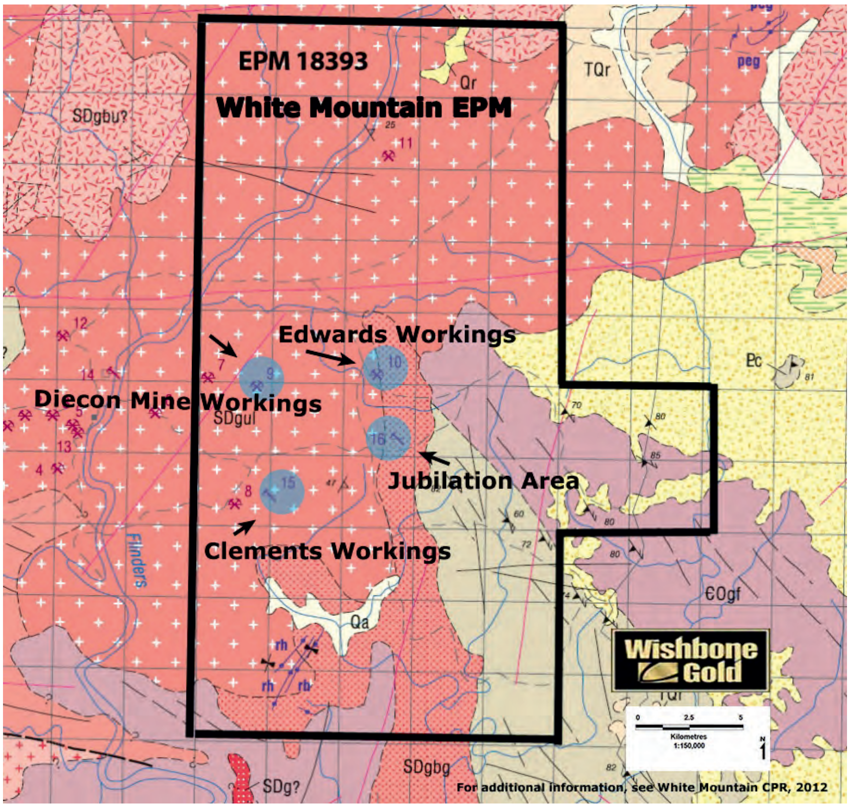
The Directors are mindful that they are the guardians of shareholders' capital. We must therefore first and foremost ensure that projects with an appropriate risk/reward profile are secured and, secondly, that corporate costs are strictly controlled so that as much funds as possible are available for exploration. With this in mind, we remain on course to deliver on our overriding objective which is to create substantial value for shareholders by proving up and defining the extent of gold mineralisation in our portfolio. I look forward to providing the market with further updates on our progress in due course.

Finally, I would like to thank the Board, management team and all our advisers for their hard work during the year and also to our shareholders for their support over the last twelve months.

RO'D Poulden
Chairman



Wishbone II, III and IV tenements



White Mountain tenement

Directors' Report

The directors submit their report and the audited consolidated accounts for the year ended 31 December 2012.

Activities, review of business and future developments

The Group's principal activity is a diversified holding company with its principal interests in mineral properties in Australia.

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 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$284,162 for the year ended 31 December 2012 and US$101,511 for the year ended 31 December 2011 after charging the following:

Group	2012 US$	Unaudited 2011 US$
Exploration costs expensed	(2,435)	(9,893)
Other administration costs	(281,727)	(91,618)
	(284,162)	(101,511)

The Company's loss after taxation was US$290,508 (2011: US$7,232) after charging the following:

Company	2012 US$	Unaudited 2011 US$
Other administration costs	(290,508)	(7,232)
	(290,508)	(7,232)

The directors do not recommend the payment of a dividend for the year ended 31 December 2012.

Directors

The following are the directors who served on the board for the year ended 31 December 2012 and the year ended 31 December 2011:

	Appointed
R O'D Poulden	02 December 2010
A D Gravett	02 October 2009
J C Harrison	18 April 2012
Professor M R Mainelli	18 April 2012
G S Cardona	18 April 2012

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 accounts.

Principal risks and uncertainties

The principal risk and uncertainty facing the Group is whether potential mineral reserves can be exploited economically. Further information on this can be found in the Chairman's statement.

Going concern

The Group has incurred trading losses during the financial years ended 31 December 2011 and 31 December 2012. The Directors have reviewed the financial performance of the Group since 31 December 2012 and have considered the Group's cash projections for the 12 months from the date of approval of these financial statements. The projections indicate that the Group will require additional funds in September 2013. The Board of Directors is confident that the Group has access to continued financial support from its major shareholders, sufficient to enable the Group to meet its liabilities as and when they fall due for the foreseeable future.

Exploration and evaluation costs capitalised as intangible assets amounted to US$187,080 (2011: US$114,935) 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 encouraging 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 2012, the Group had creditor days of 51 (2011: 0 days).

Corporate governance

The Directors intend, in so far as practicable given the Group's size and the constitution of the board, to comply 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 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.

Events after the reporting period

The Company appointed Beaufort Securities Limited as joint broker on 23 January 2013.

Two additional tenements adjoining Wishbone II, Wishbone III and Wishbone IV covering an area of 23,600 hectares, were acquired in 2013. The expenditure commitments arising from these additional tenements for the next 5 years from their grant date anniversaries are expected to be approximately US$178,423 for each tenement. These obligations are subject to periodic renegotiations.

Statement regarding disclosure of information to the auditor

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.

Auditors

A resolution for the re-appointment of Baker Tilly (Gibraltar) Limited will be proposed at the next Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Date: 21 May 2013

Company's registered number: 103190

Directors

The Board comprises of two executive Directors and three non-executive Directors.

Mr Richard Poulden, Executive Chairman and Chief Executive Officer, aged 61 (Executive)

Mr Poulden was recently Chairman and Chief Executive Officer of quoted Sirius Minerals plc, where he oversaw the transformation of the company to a substantial potash company. This was achieved through a series of acquisitions acquiring companies in Australia, the USA and the UK. He resigned from Sirius Minerals plc in January 2012 having handed over to a new and expanded management team the previous year.

Mr Poulden qualified as a Barrister in 1976 after which he moved into merchant banking where he worked for Samuel Montagu & Co Limited. Following an MBA at the London Business School and an exchange program with Harvard, he joined the international management consultancy firm, Arthur D. Little, where he worked in their European strategy practice. He also worked in their Financial Industries Group, of which he was a founder. Mr Poulden has been Executive Chairman of JMI Seed Capital and has served in the UK Leadership Team of Electronic Data Systems, where he worked on developing new financial structures for the sale of EDS' services. He has founded or co-founded companies in the healthcare, retail, internet-based technology and natural resources and in all these sectors he has executed strategies for growth by acquisition. Mr Poulden has filed patent applications covering mobile telephone funds transfer and a rating system for carbon trading. He is currently Deputy Chairman of PCG Entertainment plc and a non-executive director of MoneySwap plc, also quoted on AIM.

Mr Jonathan Harrison, Finance Director, aged 66 (Executive)

Mr Harrison is a Chartered Accountant with experience in quoted and unquoted companies. Previously he spent 16 years at Intercontinental Hotels Corporation, where he held various positions as Vice President of Finance. In 1989 he joined the Boddington Group plc, where he developed and became Operations Director of the Village Leisure Hotels division, responsible for the operation of six leisure hotels. Between February 1994 and September 1995, while still at the Boddington Group plc, he was Finance Director of the Country House Retirement Homes Limited business during which time the number of nursing homes nearly doubled to 31 nursing homes.

In March 1997 he led a management buy-in of 25 hotels from Queens Moat Houses plc with Duke Street Capital. Six months later he managed the refinancing of the new Group, County Hotels Group plc, through a listed bond offering and, in January 1999, successfully sold the company to Regal Hotels Group plc. In September 1999 he joined Topnotch Health Clubs plc and in March 2000 oversaw the company's listing on AIM. From 2005 to 2011 he was Finance Director of Sirius Minerals plc (formerly Sirius Exploration) working with Richard Poulden overseeing the financial aspects of the company through flotation and its series of acquisitions.

Mr George Cardona, aged 61 (Non-executive)

Mr Cardona is chair of the remuneration committee and a member of the audit committee of the Company. He trained at Morgan Grenfell in London, UK. He worked as a Treasury desk officer for the Conservative Party from 1974 to 1979, before becoming a Special Advisor to HM Treasury. He subsequently became Head of Group Planning for HSBC Holdings in Hong Kong and London. Mr Cardona then founded and subsequently sold investment banking boutique Cardona Lloyd & Co and holds several non-executive positions on various boards including mining groups Strategic Minerals plc, Siberian Coal Energy Co, EuroChem Group, and K+S AG.

Mr Cardona was a non-executive director of two investment trusts listed on the London Stock Exchange: Close Finsbury Eurotech and Martin Currie Pacific, and of Renewable Energy Generation, also listed in London. He was also a director of the Cardona Lloyd Hedge Portfolio, listed on the Irish Stock Exchange,

Professor Michael Mainelli, aged 54 (Non-executive)

Professor Mainelli is chair of the audit committee and a member of the remuneration committee of the Company.

Professor Mainelli is a qualified accountant, computer specialist and management consultant with a degree in Government from Harvard as well as mathematics and engineering at Trinity College Dublin and a PhD from the London School of Economics. His previous roles include several years as a partner and board member of one of the leading accountancy firms directing global consulting work, and serving on the UK Ministry of Defence's Defence Evaluation and Research Agency board. In 1994, he co-founded Z/Yen, a commercial think-tank based in the City of London with numerous finance and technology clients where he is Executive Chairman. From 2005, Professor Mainelli has been a non-executive director of AIM listed Sirius Minerals plc, working with the team to transform the company to a substantial potash company. He is Emeritus Professor, Trustee and Fellow of Gresham College and a non-executive director of the United Kingdom Accreditation Service – the UK's sole accreditation body for certification, testing, inspection and calibration services.

Professor Mainelli's natural resources experience dates back to 1979 where earlier research work on mapping and satellite imagery led him to starting companies in seismology, cartography and oil and gas information for a Swiss firm. In the early 1980's Professor Mainelli initiated and ran a multi-million dollar oil industry consortium (Shell, BP, Chevron and Elf Acquitaine were major partners plus ten minor partners) to digitise the world which culminated in the development of Geodat and

MundoCart, an oil industry standard set of cartographic data at scales from 1:50,000 to 1:250,000 with over 60 million geographic features.

Mr Alan Gravett, Director, aged 65 (Non-executive)

Mr Gravett worked at Barclaytrust Limited, (then Barclays Bank Executor and Trustee Department) from 1965 tom 1988, reaching the highest level in Gibraltar administering offshore companies and trusts, leaving in 1988 to join a large local trust corporation.

He is now a freelance consultant based in Gibraltar but continues to be closely involved with company and trust structures for a range of international clients.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Director's Report and the accounts 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 and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

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

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

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

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Gibraltar Companies Act, the Companies (Accounts) Act 1999 and Companies (Consolidated Accounts) Act 1999. Specifically, pursuant to section 7B of the Companies (Accounts) Act 1999, the directors have elected to follow International Financial Reporting Standards. 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 the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

R O'D Poulden
Director

Independent Auditor's Report

To the Members of Wishbone Gold plc

Report on the Financial Statements

We have audited the financial statements of Wishbone Gold Plc for the year ended 31 December 2012 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statement of financial position, the consolidated and Company statement of changes in equity, the consolidated and Company statement of cash flows and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 182 of the Companies Act 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.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and true and fair presentation of these financial statements in accordance with applicable law in Gibraltar and International Financial Reporting Standards as adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act, the Companies (Accounts) Act 1999 and the Companies (Consolidated Accounts) Act 1999.

Emphasis of matter – Realisation of intangible assets and going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in notes 2 and 3 of the financial statements concerning the Group's ability to continue as a going concern and the realisation of intangible assets.

The disclosures highlight that the Directors have considered 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. The financial statements do not include any adjustments in relation to the present uncertainty over the realisation of the intangible assets or any adjustments that would result if the Group were unable to continue as a going concern in the future.

Opinion on other matter prescribed by the Companies Act

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or

- if information specified by law regarding directors' remuneration and other transactions is not disclosed; or
- we have not received all the information and explanations we require for our audit.

Other Matter

The statutory financial statements of Wishbone Gold Plc for the prior year ended 31 December 2011 were not audited. The corresponding figures in the financial statements for the current year ended 31 December 2012 are based on the unaudited financial statements for the prior year ended 31 December 2011.

Johann Olivera

Statutory auditor for and on behalf of

BAKER TILLY (GIBRALTAR) LIMITED

Registered auditors

Chartered Accountants

Regal House,

Queensway

Gibraltar

Date: 21 May 2013

Consolidated Income Statement

for the year ended 31 December 2012

	Notes	Audited Year ended 31 December 2012 US$	Unaudited Year ended 31 December 2011 US$
Revenue		-	-
Pre-exploration costs expensed	3	(2,435)	(9,893)
Administrative costs	5	(281,727)	(91,618)
Operating loss	5	(284,162)	(101,511)
Loss before taxation		(284,162)	(101,511)
Income tax expense	6	-	-
Loss for the financial year attributable to equity holders of the parent		(284,162)	(101,511)
Loss per share			
Basic and undiluted (cents)	7	0.20	0.09

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2012

	Audited Year ended 31 December 2012 US$	Unaudited Year ended 31 December 2011 US$
Loss for the year	(284,162)	(101,511)
Other comprehensive (loss)/income		
Exchange differences on translating foreign operations	(36,010)	1,442
Other comprehensive (loss)/income for the year, net of tax	(36,010)	1,442
Total comprehensive loss for the year attributable to equity holders of the parent	(320,172)	(100,069)

Consolidated Statement of Financial Position

at 31 December 2012

	Notes	Audited As at 31 December 2012 US$	Unaudited Restated As at 31 December 2011 US$	Unaudited Restated As at 1 January 2011 US$
ASSETS				
Non-current assets				
Intangible assets	9	187,080	114,935	87,353
Total non-current assets		187,080	114,935	87,353
Current assets				
Other receivables	10	25,656	26,095	124
Cash and cash equivalents	11	589,116	12,008	112,255
Total current assets		614,772	38,103	112,379
TOTAL ASSETS		801,852	153,038	199,732
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	12	267,888	175,229	175,229
Share premium		686,537	-	-
Share based payment reserve		29,449	-	-
Retained loss		(400,844)	(116,682)	(15,171)
Foreign exchange reserve		(32,878)	3,132	1,690
Equity attributable to Shareholders of the Company		550,152	61,679	161,748
Current liabilities				
Borrowings	14	58,717	36,000	-
Trade and other payables	15	192,983	55,359	37,984
TOTAL LIABILITIES		251,700	91,359	37,984
TOTAL EQUITY AND LIABILITIES		801,852	153,038	199,732

The accounts were approved by the Board of Directors on 21 May 2013 and were signed on its behalf by:

J C Harrison
Director

R O'D Poulden
Director

Company Statement of Financial Position

at 31 December 2012

	Notes	Audited As at 31 December 2012 US$	Unaudited Restated As at 31 December 2011 US$	Unaudited Restated As at 1 January 2011 US$
ASSETS				
Non-current assets				
Investments	8	173,584	173,584	173,584
Total non-current assets		173,584	173,584	173,584
Current assets				
Other receivables	10	565,137	33,768	-
Cash	11	178,086	-	-
Total current assets		743,223	33,768	-
TOTAL ASSETS		916,807	207,352	173,584
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	12	267,888	175,229	175,229
Share premium		686,537	-	-
Share based payment reserve		29,449	-	-
Retained loss		(299,385)	(8,877)	(1,645)
Equity attributable to Shareholders of the Company		684,489	166,352	173,584
Current liabilities				
Borrowings	14	58,717	36,000	-
Trade and other payables	15	173,601	5,000	-
TOTAL LIABILITIES		232,318	41,000	-
TOTAL EQUITY AND LIABILITIES		916,807	207,352	173,584

The accounts were approved by the Board of Directors on 21 May 2013 and were signed on its behalf by:

J C Harrison
Director

R O'D Poulden
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2012

	Share capital US$	Share premium US$	Share based payment reserve US$	Retained loss US$	Foreign exchange translation reserve US$	Total equity US$
At 01 January 2011 (as previously reported)	17,760	157,469	-	(14,773)	1,292	161,748
Reclassifications (Note 12)	157,469	(157,469)	-	(398)	398	-
Balance at 01 January 2011 (as restated)	175,229	-	-	(15,171)	1,690	161,748
Loss for year	-	-	-	(101,511)	-	(101,511)
Foreign exchange difference on translation	-	-	-	-	1,442	1,442
At 31 December 2011	175,229	-	-	(116,682)	3,132	61,679
Issue of shares	92,659	1,513,817	-	-	-	1,606,476
Share issue costs	-	(827,280)	-	-	-	(827,280)
Issue of warrants	-	-	29,449	-	-	29,449
Loss for the year	-	-	-	(284,162)	-	(284,162)
Foreign exchange difference on translation	-	-	-	-	(36,010)	(36,010)
At 31 December 2012	267,888	686,537	29,449	(400,844)	(32,878)	550,152

Foreign exchange translation reserve records exchanges differences which arise on translation of foreign operations with a functional currency other than US Dollars; principally Pounds Sterling and Australian Dollars.

Company Statement of Changes in Equity

for the year ended 31 December 2012

	Share capital US$	Share premium US$	Share based payment reserve US$	Retained loss US$	Total equity US$
At 01 January 2011 (as previously reported)	17,760	157,469	-	(1,645)	173,584
Reclassifications (Note 12)	157,469	(157,469)	-	-	-
At 01 January 2011 (as restated)	175,229	-	-	(1,645)	173,584
Loss for year	-	-	-	(7,232)	(7,232)
At 31 December 2011	175,229	-	-	(8,877)	166,352
Issue of shares	92,659	1,513,817	-	-	1,606,476
Share issue costs	-	(827,280)	-	-	(827,280)
Issue of warrants	-	-	29,449	-	29,449
Loss for the year	-	-	-	(290,508)	(290,508)
At 31 December 2012	267,888	686,537	29,449	(299,385)	684,489

Consolidated Statement of Cash Flows

for the year ended 31 December 2012

	Notes	Audited Year ended 31 December 2012 US$	Unaudited Year ended 31 December 2011 US$
Cash outflow from operating activities	16	(183,753)	(107,875)
Cash flow from investing activities			
Expenditure on exploration activities		(71,477)	(27,582)
Net cash used in investing activities		(71,477)	(27,582)
Cash flow from financing activities			
Net proceeds from issue of shares		808,645	-
Increase in borrowings		22,717	36,000
Net cash generated from financing activities		831,362	36,000
Net increase/(decrease) in cash and cash equivalents		576,132	(99,457)
Effects of foreign exchange		976	(790)
Cash and cash equivalents at beginning of the year		12,008	112,255
Cash and cash equivalents at end of the year		589,116	12,008

Company Statement of Cash Flows

for the year ended 31 December 2012

	Notes	Audited Year ended 31 December 2012 US$	Unaudited Year ended 31 December 2011 US$
Cash outflow from operating activities	16	(653,276)	(36,000)
Cash flow from financing activities			
Net proceeds from issue of shares		808,645	-
Increase in borrowings		22,717	36,000
Net cash generated from financing activities		831,362	36,000
Net increase in cash and cash equivalents		178,086	-
Cash and cash equivalents at beginning of the year		-	-
Cash and cash equivalents at end of the year		178,086	-

1. General information

The consolidated financial statements of Wishbone Gold Plc for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Company's directors on 10 May 2013.

The Company was incorporated in Gibraltar under the name of Wishbone Gold Plc as a public company under the Gibraltar Companies Act. The authorised share capital of the Company is £1,000,000 divided into 1,000,000,000 shares of £.001 each. The registered office is located at 57/63 Line Wall Road, Gibraltar. The principal activity of the Company is that of holding company of a group which is engaged in mineral exploration.

On 6 December 2010, the Company purchased, by way of a share for share exchange, 100% of the share capital of Wishbone Gold Pty Ltd for the fair value consideration of US$173,584.

On 16 July 2012, the Company was admitted to the Alternative Investment Market ("AIM")and a placement of 25,750,000 ordinary shares at £.02 per ordinary share was completed as at that time, generating gross proceeds of £515,000.

On 20 November 2012, the Company announced the commencement of a non-capital raising American Depositary Receipt ('ADR') Programme. Under the programme, ADRs in the Company's ordinary shares have commenced trading on the Pink OTC Markets Inc. Deutsche Bank AG ('Deutsche') has been appointed the Depositary Bank for the sponsored Level I programme, the intention of which is to broaden Wishbone's global investor base. ADRs are U.S. dollar-denominated shares traded on an American stock exchange issued by depositary banks in the US. Wishbone retains its primary listing on AIM.

2. Accounting policies

Basis of preparation

The accounts of Wishbone Gold Plc "the Company" and its subsidiary together "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, Gibraltar Companies (Accounts) Act 1999 and Gibraltar (Consolidated Accounts) Act 1999.

In accordance with the Gibraltar Companies (Consolidated Accounts) Act 1999, 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 10 of the Act.

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 2012.

The consolidated accounts have been prepared under the historical cost convention. The principal accounting policies set out below have been consistently applied to all periods presented.

Going Concern

The financial statements have been prepared on the going concern basis, the validity of which is dependent on the discovery, successful further development and ultimate production of mineral reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability.

The Group has incurred trading losses during the financial years ended 31 December 2011 and 31 December 2012. The Directors have reviewed the financial performance of the Group since 31 December 2012 and have considered the Group's cash projections for the 12 months from the date of approval of these financial statements. The projections indicate that the Group will require additional funds in September 2013. The Board of Directors is confident that the Group has access to continued financial support from its major shareholders, sufficient to enable the Group to meet its liabilities as and when they fall due for the foreseeable future.

Exploration and evaluation costs capitalised as intangible assets amounted to US$187,080 (2011: US$114,935) 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 encouraging 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. The financial statements do not include any adjustments that would result if the going concern assumption was no longer deemed appropriate.

International Financial Reporting Standards in "issue" but not yet effective

The following standards have been issued by the IASB and are not yet effective and are subject to adoption by the European Union.

IFRS 9 – Financial instruments

The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories:

2. Accounting policies (continued)

those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. Wishbone Gold Plc is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IFRS 10 – Consolidated financial statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. Wishbone Gold Plc has yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013. As a consequence of this change IAS 27 Consolidated and Separate Financial Statements has been amended.

IFRS 11 – Joint arrangements

IFRS 11 considers joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. Wishbone Gold Plc has yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2013. As a consequence of this change IAS 28 accounting for associates has been amended to reflect the accounting for joint ventures under the equity method.

IFRS 12 – Disclosures of interests in other entities

Includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. Wishbone Gold Plc has yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013. Together with IFRS 10 and 11, IAS 27 and IAS 28 have been revised. In conjunction with the assessment of IFRS 10 and 11, Wishbone Gold Plc does not consider that the adoption of this standard will have a significant impact on the Group.

IFRS 13 – Fair value measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. Wishbone Gold Plc has yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2013.

Presentation of Items of Other Comprehensive Income (Amendments to IAS 1)

The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The amendment is effective as per 1 July 2012 and is not expected to have an effect on performance or the financial position.

Amendments to IFRS 7 Financial Instruments

The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of Wishbone Gold Plc's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment becomes effective for annual periods beginning on or after 1 July 2011. The amendment affects disclosure only and has no impact on Wishbone Gold Plc's financial position or performance.

The following other IFRSs or IFRIC interpretations are not yet effective and would be expected to have no material impact on Wishbone Gold Plc:

Deferred tax: Recovery of Underlying Assets (Amendments to IAS 12)

Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments to IFRS 1)

Amendments to IAS 19 Employee Benefits (issued 16 June 2011)

IFRIC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine

2. Accounting policies (continued)

Basis of consolidation

The Group's consolidated accounts incorporate the accounts of the Company and its subsidiary 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 accounts 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.

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 the 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.

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 asset 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 costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flow 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 a re-valued 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 the impairment loss is recognised in the income statement immediately.

Foreign currencies

The consolidated financial statements are presented in United States Dollars, the presentation and functional currency of the Company. All values are rounded to the nearest United States Dollar. Transactions denominated in a foreign currency are translated into US$ at the rate of exchange ruling at the date of the transaction. 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

2. Accounting policies (continued)

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$.9640 per US$1 (2011: AUD$.9827). The average exchange rate applied at the year end date was AUD$.9658 per US$1 (2011: AUD$.9687)

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 resource allocation and the assessment of 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; (see note 4).

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 the effective interest rate.

Cash and cash equivalents

Cash and cash equivalents comprise on demand deposits held with banks, with an 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.

Convertible loan notes

The fair value of the liability component included in short-term borrowings is calculated using a market interest rate for an equivalent non-convertible loan note. The residual amount, if any, representing the value of the equity conversion component, is included in shareholder's equity in other reserves net of deferred income tax.

The convertible loan notes issued on 1 December 2010 were converted to 4,219,255 new ordinary shares at 2.5 per share on the listing of the Company on the Alternative Investment Market on the 16 July 2012.

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 accounts. 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.

2. Accounting policies (continued)

Share based payments

The Company issued warrants to the Nominated Adviser in connection with the listing on AIM. The warrants represent equity-settled share based compensation and vested at the date of grant. The fair value of the warrants has been treated as part of the cost of raising capital and was charged to share premium with a corresponding increase in the share based payment reserve.

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 requires an assessment on the validity of the going concern assumption. The validity of the going concern assumption is dependent on the discovery, successful further development and ultimate production of reserves and the availability of sufficient finance to bring the reserves to economic maturity and profitability.
- Impairment of exploration and evaluation assets
  At the reporting date, the exploration and evaluation activities have not reached a stage to allow the Group to assess whether any indication of impairment exists and therefore the Board of Directors has not made a formal estimate of the recoverable amount.
- Parent company statement of financial position - impairment of the investment in and loan to the subsidiary
  At the reporting date, the subsidiary had net liabilities of US$48,107. As noted above, the exploration and evaluation activities conducted by the subsidiary have not reached a stage to allow the Board of Directors to assess whether an indication of impairment exists in respect of the investment in and loan to the subsidiary of US$173,584 and US$539,481, respectively.

Key accounting estimates

- Valuation of warrants

As described in Note 13, the fair value of the warrants granted was calculated using the Black & Scholes model which requires the input of highly subjective assumptions, including volatility of the share price. Because changes in subjective input assumptions may materially affect the fair value estimate, in the opinion of the Board of Directors, the existing model will not always necessarily provide a reliable single measure of the fair value of the cost of share options.

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 one operating division: resource evaluation. This division is the business segment for which the Group reports its segment information internally to the Board of Directors. The Group's operations are predominantly in Australia.

5. Operating loss

	2012 US$	2011 US$
Operating loss is stated after charging:		
Pre-exploration costs	2,435	9,893
Consultancy fees	10,525	48,306
Auditor's renumeration:		
Fees payable to the Company's auditor for the audit of the Group consolidated financial statements	16,168	-
Fees payable to the Subsidiary's auditor for the audit of the Subsidiary:		
The audit of the Company's subsidiaries pursuant to legislation	8,823	-
Accounting and tax compliance	7,786	8,781
Foreign exchange losses	242	2,232

6. Income tax expense

	2012 US$	2011 US$
Income tax recognised in the current year	-	-

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2012 US$	2011 US$
Loss before taxation	(284,162)	(101,511)
Loss before taxation multiplied by the standard rate in Gibraltar of 10% (2011: 10%)	(28,416)	(10,151)
Taxation effect of:		
Losses	(28,416)	10,151
	-	-

The Group has unused tax losses from its subsidiary, which is subject to tax in Australia, of approximately US$138,148 at 31 December 2012 and US$106,770 at 31 December 2011. A related deferred tax asset has not been recognised in the financial information due to the uncertainty surrounding its recoverability. The deferred tax asset can be recovered against suitable future trading profits. Tax losses have no expiry date.

7. Loss per share

	2012 US$	2011 US$
Loss for the purposes of basic loss per share being net loss attributable to equity shareholders of the parent	(284,162)	(101,511)
Loss for the purpose of diluted earnings per share	(284,162)	(101,511)
Number of shares:		
Weighted average of ordinary shares for the purpose of basic and diluted loss per share	138,774,954	111,000,000
Basic and diluted (cents)	(0.20)	(0.09)

As there are no diluted potential ordinary shares, there is no difference between the diluted and the basic loss per share.

8. Investments - Company

	2012 US$	2011 US$
At 1 January	173,584	173,584
Additions	-	-
Net book value at 31 December	173,584	173,584

Subsidiary

The Company's subsidiary undertaking as at the year end and its aggregate amount of capital and reserves and the results for the last relevant financial year were as follows:

Name of Company	*Holding*	*Proportion held*	*Nature of business*	*Total capital and reserves*	*Loss for the year*
Wishbone Gold Pty Ltd	110,000,000 ordinary shares of AUD$.001 each	100%	Exploration company	(US$48,107)	(US$29,252)

The above company is incorporated in Australia; the registered office address is PKF, RSL Centre Level 5, 9 Beach Road, Surfer's Paradise QLD 4217, Australia.

9. Intangible assets - Group

Exploration and evaluation assets	2012 US$	2011 US$
At 1 January	114,935	87,353
Additions	72,145	27,582
Net book value 31 December	187,080	114,935

No production has commenced during the year therefore the above costs are not subject to amortisation.

10. Other receivables - Group

	2012 US$	2011 US$
Prepayments	25,656	26,095

Other receivables - Company

	2012 US$	2011 US$
Prepayments	26,656	-
Amount owed by subsidiary undertaking	539,481	33,768
	565,137	33,768

The amount owed by subsidiary undertaking relates to an interest free loan to Wishbone Gold Pty, repayable on demand.

11. Cash and cash equivalents - Group

	2012 US$	2011 US$
Cash at bank	589,116	12,008

Cash and cash equivalents - Company

	2012 US$	2011 US$
Cash at bank	178,086	-

12. Share capital - Group and Company

	2012 US$	Restated 2011 US$
Authorised		
1,000,000,000 (2011: 1,000,000,000) ordinary shares of £0.001 each (US$ 0.0016)	1,600,000	1,600,000
Allotted and called up		
170,987,327 (2011: 111,000,000) ordinary shares of £0.001 each (US$ 0.0016)	267,888	175,229

On 16 July 2012, Wishbone Gold Plc issued 4,219,355 new ordinary shares of £0.001 on conversion of the Black Swan FZE convertible loan notes at 2.5p per share for a total consideration of £105,483.47 as per the terms of the convertible loan note.

On 16 July 2012, Wishbone Gold Plc issued 30,017,972 new ordinary shares of £0.001 on conversion of US$651,390 Convertible Loan Notes issued in June 2012 and converted at a discount of 30% to the listing price of 2p per share.

On 16 July 2012, Wishbone Gold Plc issued 25,750,000 new ordinary shares of £0.001 at 2p per share for a total consideration of £515,000 on listing on the Alternative Investment Market.

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.

Prior period adjustment

The unaudited financial statements for the year-end 31 December 2011 disclosed share capital as US$17,760 and share premium as US$157,469. This was subsequently adjusted to show the correct balance of the share capital at US$175,229. The correction resulted in a reclassification from the share premium account to the share capital account of US$157,469 for the year end 31 December 2011 and as at 1 January 2011.

13. Share based payments

The Company issued warrants on 10 July 2012 in connection with admission to AIM. Each warrant is convertible into one new ordinary share at an exercise price of 2p per share and may be exercised no later than 16 July 2017.

Details of the warrants in issue during the year ended 31 December 2012 (2011: nil) are as follows:

	Number of warrants	Exercise price £
Outstanding at 31 December 2012	1,709,873	0.02

Fair value is measured by use of the Black & Scholes model with the assumption of 60% future market volatility and a future interest rate of 5% per annum based on a future normalised 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 warrants granted as at 31 December 2012 is US$29,449. The warrants were fully vested on the date of issue.

14. Borrowings - Group and Company

	2012 US$	2011 US$
Convertible loan note	-	36,000
Loan note	58,717	-

The Convertible Loan Note was issued by Wishbone Gold Plc in the principle amount of £150,000 on 1 December 2010 to be drawn in £ Sterling or Australian Dollars at any time up to 1 December 2012, any drawings being interest free and convertible on demand. The Company could repay the Loan Note at any time without penalty upon no less than four weeks' notice to the note holder, provided no notice of conversion has been issued prior to the actual date of repayment. The convertible loan note has not been bifurcated as the equity component is not material.

The Loan Note was convertible at the option of the note holder into ordinary shares of the Company at a price of 2.5p per share. At the year end, a balance of US$58,717 was not converted into new ordinary shares and is repayable to Black Swan FZE.

The Directors consider that the carrying amount of borrowings approximates to their fair value.

15. Trade and other payables - Group

	2012 US$	2011 US$
Trade payables	47,355	50,359
Accruals	145,628	5,000
	192,983	55,359

Trade and other payables - Company

	2012 US$	2011 US$
Trade payables	45,993	-
Accruals	127,608	5,000
	173,601	5,000

16. Cash outflow from operating activities - Group

	2012 US$	2011 US$
Loss before tax	(284,162)	(101,511)
Non-cash item: Foreign exchange loss	242	2,232
Operating cash flow before changes in working capital	(283,920)	(99,279)
Increase in receivables	(540,415)	(25,971)
Increase in payables	640,582	17,375
Net cash outflow from operating activities	(183,753)	(107,875)

Cash outflow from operating activities - Company

	2012 US$	2011 US$
Loss before tax	(290,508)	(7,232)
Non-cash item: Foreign exchange loss	35,840	-
Operating cash flow before changes in working capital	(254,668)	(7,232)
Increase in receivables	(566,967)	(33,768)
Increase in payables	168,359	5,000
Net cash outflow from operating activities	(653,276)	(36,000)

17. Staff costs

The Group has no direct employees. Staff costs for the year ended 31 December 2012 were US$ Nil (2011: 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.

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.

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.

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.

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$589,116 (2011: US$12,008)

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.

18. Financial instruments (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.

The only Group borrowing at 31 December 2012 was $58,717 (2011: Nil) owing to Black Swan FZE. No interest is payable on this borrowing and it is repayable on demand.

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 period 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. The financial liabilities as at 31 December 2012 were US$106,072 (2011: US$41,000).

Foreign currency exchange rate risk

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

The Group and Company incurs foreign currency risk on transactions denominated in currencies other than US dollars. The principal currencies that give rise to this risk are Pounds Sterling and Australian Dollars. The Group's exposure to foreign currency risk at the year end date is as follows:

	2012 US$	2011 US$
Financial assets:		
AUD	411,123	12,008
GBP	178,086	-
Financial liabilities:		
AUD	(2,230)	(1,018)
GBP	(48,981)	(5,023)
	537,998	6,967

At 31 December 2012, if Pounds Sterling and Australian Dollar had weakened/strengthened by 15% against the US$ with all variables held constant, net assets at the year end would have been US$69,485 higher/lower (2011: US$778) higher/lower, mainly as a result of foreign exchange gains/losses on translation of Pounds Sterling denominated bank deposits.

19. Commitments

Expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various authorities. These obligations are subject to periodic renegotiations. These obligations are not provided for in the accounts and as at 31 December 2012 and 31 December 2011 are payable as follows:

	2012 US$	2011 US$
Within one year	95,781	40,704
After one year but not more than five years	354,340	309,352
	450,121	350,056

20. Related party transactions

Group

Black Swan FZE, a company in which Richard Poulden, a director, has an interest, was paid US$48,306 for the year ended 31 December 2011 and US$nil for the year ended 31 December 2012 by Wishbone Gold Pty Limited for consulting services.

Company

A convertible loan note was issued by the Company on 1 December 2010 with a principal amount of £150,000. The loan note was convertible at the option of Black Swan Plc. (the Noteholder). Richard Poulden who is the Chairman of the Company is also a director of Black Swan Plc. Under the facility, total drawings amounted to US$219,717 during the year (2011: US$36,000).On 16 July 2012 the US Dollar equivalent of £105,483 was converted into 4,219,355 new ordinary shares of £0.001p per share at a price of 2.5p per share on the listing of the Company on AIM. There remains a balance of US$58,717 to be repaid.

On the listing of the Company on AIM on 16 July 2012, the following new ordinary shares of £0.001p were subscribed for by the directors under the pre listing fund raise on Loan Note Agreements at a 30% discount to the share price of 2p per share:-

Jonathan Harrison	3,456,221 shares for a total consideration of US$75,000
George Cardona	6,912,442 shares for a total consideration of US$150,000

During the year ended 31 December 2012 the Company was charged US$18,300 (2011: US$nil) by Black Swan FZE, in which Richard Poulden, a director of the Company, has an interest, for consultancy services. As at the year end US$18,300 (2011:US$nil) was due to Black Swan FZE.

During the year ended 31 December 2012 the Company was charged US$20,804 (2011: US$nil) by Easy Business Consulting Limited, in which Jonathan Harrison, a director of the Company, has an interest, for consultancy services. As at the year end US$20,804 (2011: US$nil) was due to Easy Business Consulting Limited.

During the year ended 31 December 2012 the Company was charged US$9,608 (2011: US$nil) by George Cardona, a director of the Company, in director's fees. As at the year end US$9,608 (2011: US$nil) was due to George Cardona.

During the year ended 31 December 2012 the Company was charged US$9,608 (2011: US$nil) by Alan Gravett, a director of the Company, in director’s fees. As at the year end US$9,608 (2011: US$nil) was due to Alan Gravett.

During the year ended 31 December 2012 the Company was charged US$9,608 (2011: US$nil) by Z/Yen Group Limited, in which Professor Michael Mainelli, a director of the Company, has an interest, for consulting services. As at the year end US$9,608 (2011: US$nil) was due to Z/Yen Group Limited.

21. Ultimate controlling party

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

22. Events after the reporting date

On 23 January 2013, Beaufort Securities Limited was appointed as joint broker.

Two additional tenements adjoining Wishbone II, Wishbone III and Wishbone IV covering an area of 23,600 hectares, were acquired in 2013. The expenditure commitments arising from these additional tenements for the next 5 years from their grant date anniversaries are expected to be approximately US$178,423 for each tenement. These obligations are subject to periodic renegotiations.

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