24 May 2013

WISHBONE GOLD PLC ('Wishbone Gold' or 'the Company')
Final Results

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 diluted (cents)	7	0.20	0.09

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	Audited	Unaudited
	Year ended 31 December 2012	**Year ended 31 December 2011**
	US$	**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 01 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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2012

	Share capital	**Share premium**	**Share based payment reserve**	**Retained loss**	**Foreign exchange translation reserve**	**Total equity**
	US$	**US$**	**US$**	**US$**	**US$**	**US$**
At 01 January 2011						
(as previously	17,760	157,469	–	(14,773)	1,292	161,748

reported)						
Reclassifications (Note12)	157,469	(157,469)	–	(398)	398	–
Balance at 01 January 2011 (as restated)	175,229	–	–	(15,171)	1,690	161,748
Loss for the 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.

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

NOTES TO THE CONSOLIDATED ACCOUNTS FOR THE ENDED 31 DECEMBER 2012

1 **General information**

The consolidated financial statements of Wishbone Gold Plc ("the Company") 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 Gold'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 Gold retains its primary listing on AIM.

2. Accounting policies

Basis of preparation

The accounts of Wishbone Gold Plc 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: 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

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 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 2.5p 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.

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**	**2011**
	US$	**US$**
Operating loss is stated after charging:		
Pre-exploration costs	2,435	9,893
Consultancy fees	10,525	48,306
Auditor's remuneration:		
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**	**2011**
	US$	**US$**
Total income tax recognised in the current year	–	–

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

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 effects 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**	**2011**
		US$	**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 number of ordinary shares for the purpose of	138,774,954	111,000,000

basic and diluted loss per share		
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**	**2011**
	US$	**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**	**2011**

	US$	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**	**2011**
	US$	**US$**
Prepayments	25,656	26,095
Other receivables – Company		
Prepayments	25,656	–
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**	**2011**
	US$	**US$**
Cash at bank	589,116	12,008

Cash and cash equivalents – Company

CCash 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 its 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**	**2011**
		US$	**US$**
	Trade payables	47,355	50,359
	Accruals	145,628	5,000
		192,983	55,359
	Trade and other payables – Company		
	Trade payables	45,993	–
	Accruals	127,608	5,000
		173,601	5,000

16.	**Cash outflow from operating activities – Group**	**2012**	**2011**
		US$	**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**	**2011**

	US$	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.

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	2011
	US$	**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	2011
	US$	**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.

23. Directors' Remuneration

As referred to in note 20, 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
- 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
- US$9,608 (2011: US$nil) by George Cardona, a director of the Company, in director's fees
- US$9,608 (2011: US$nil) by Alan Gravett, a director of the Company, in director's fees

There were no other emoluments, share options or long term incentive plans, no outstanding options and/or awards or contributions to pension schemes.

****ENDS****