



19 December 2019

Wishbone Gold Plc (“Wishbone Gold” or the “Company”)

Wishbone Gold Plc / Index: AIM: WSBN / Sector: Natural Resources / NEX: WSBN

**Trading Update and Announcement of General Meeting
to effect Share Consolidation and Subdivision**

Trading Update

As the Company is approaching its accounting year-end of 31 December, the Board is pleased to report the following figures from its unaudited management accounts for the period (1 January 2019 – 17 December 2019). Revenue was US\$10,571,686, which is a slight decrease of US\$324,359 from the previous 12 months’ (Y/E 31 December 2018) US\$10,896,045. We do, however, expect there to be a year-on-year increase for the 12 Month period ending 31 December 2019. Trading profit for the same period was US\$56,986 an increase of US\$10,715 from US\$46,271. The trading profit margin increased to .54% from .42% in the previous year.

The Company expanded its operations in Hong Kong, and we are hopeful that the expansion will increase at a greater rate as the situation in the region settles down.

The Company will begin operations in Europe at the end of December 2019, which will have a positive impact on the group’s turnover and profitability.

The Company is pleased to announce that it has agreed a settlement with the Scotia Group of Companies (Sion Honduras S.A., Scotia International of Nevada Inc) concerning the operations in Honduras. This includes the payment to the Company of US\$600,000 over the next six months. The first US\$50,000 has already been paid. There is a further payment of up to US\$400,000 over the next two years to be paid out of profits, if any, from the Honduran operations. The plant is currently not in production.

General Meeting (“GM”) Notice

The Company has today issued a notice of an GM to be held on 10 January 2020. This contains a resolution to effect a capital reorganisation. It is proposed that every 100 existing ordinary shares will be consolidated and then subdivided into 1 deferred share of 9.9p each and 1 New Ordinary Share of 0.1p each. This will mean that there will be fewer shares in issue but the proportions held by each shareholder will remain the same.

Application will be made for the admission of the New Ordinary Shares for trading on AIM subject to the Company receiving approval for the Capital Reorganisation. No admission will be sought for the Deferred Shares which will have no material value.

A letter from the Chairman of the Company, which is set out in the circular accompanying the notice of the GM, can be found below. A full copy of the notice of the GM can be found at www.wishbonegold.com in Shareholder Circulars under the Investors tab.

ENDS

For further information, please contact:

Wishbone Gold PLC

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(Broker)

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	19 December 2019
Latest time and date for return of Forms of Proxy	10:00 a.m. (CET), 8 January 2020
Latest time and date for return of Forms of Instruction	10:00 a.m. (CET), 7 January 2020
General Meeting	10:00 a.m. (CET), 10 January 2020
Record Time for the Capital Reorganisation and final date of trading for the Existing Ordinary Shares	6:00 p.m., 10 January 2020
Admission effective and dealings in the New Ordinary Shares expected to commence on AIM and CREST accounts credited	8:00 a.m., 13 January 2020
Expected date for despatch of definitive certificates for New Ordinary Shares	14 days after Admission

LETTER FROM THE CHAIRMAN OF WISHBONE GOLD PLC

Dear Shareholders,

Proposed Capital Reorganisation, amendments to the Memorandum and Articles of Association and Notice of General Meeting

1. Introduction

It is proposed that at a forthcoming General Meeting, Shareholders will be asked to approve the Capital Reorganisation.

The Company currently has 2,845,878,980 Existing Ordinary Shares. The Directors consider that it is in the best interests of the Company's long term development as a public quoted company to have a more manageable number of issued ordinary shares and to have a higher share price.

The Capital Reorganisation, which comprises a consolidation and subdivision of shares, has been structured in such a way that each of the New Ordinary Shares created pursuant to the Capital Reorganisation shall have a nominal value of 0.1 pence. This is achieved by a consolidation of every 100 Existing Ordinary Shares into one Consolidated Share followed by an immediate

subdivision of each Consolidated Share into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence.

All of the Existing Ordinary Shares are proposed to be consolidated, meaning that whilst the number of shares held will change, the proportion of issued ordinary shareholdings in the Company held by each Shareholder immediately before and immediately after the Consolidation will remain unchanged, save for fractional entitlements (which are described below). This should also mean that the value of existing shareholdings in the market also will not change although the price per share will do so.

The purpose of this Document is to provide Shareholders with details of the Capital Reorganisation and to explain why the Directors are recommending Shareholders vote in favour of these resolutions at the General Meeting.

Following the Capital Reorganisation, assuming the resolutions are passed, the issued share capital of the Company will comprise 28,458,790 New Ordinary Shares and 28,458,790 Deferred Shares and the total issued share capital of the Company will be £2,845,879.00. Pursuant to the share capital authorities granted to the Directors as stated in Article 29 of the adopted Articles of Association on 2nd July 2019, the Directors will have the ability, following the Capital Reorganisation, to allot further shares with an aggregate nominal value of £5,154,121.00.

2. Purpose of the Capital Reorganisation

The Company's issued ordinary share capital currently consists of 2,845,878,980 Existing Ordinary Shares. As a result of the number of shares in issue, which is significantly higher than many companies whose shares are traded on AIM, the Board believes that the low share price affects investor perception of the Company and share price volatility. Further, as a Gibraltar incorporated public company, the Company is unable to issue shares for less than the nominal value of its Ordinary Shares.

Accordingly, the objective of the Capital Reorganisation is to reduce the number of Existing Ordinary Shares to a level which is more in line with other comparable AIM-traded companies with the intention of also creating a higher share price per ordinary share in the capital of the Company. The Directors believe that the Capital Reorganisation should improve the liquidity and marketability of the Ordinary Shares.

3. Proposed Capital Reorganisation

The proposed Capital Reorganisation will comprise three elements:

- i. Amendment of memorandum and articles of association (the "New Articles").
- ii. Consolidation - Every 100 Existing Ordinary Shares will be consolidated into one Consolidated Share.
- iii. There will then be a Subdivision, immediately following the Consolidation, such that each Consolidated Share will then be sub-divided into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence.

The Capital Reorganisation requires the passing of the shareholder resolutions in relation to the amendment of the memorandum and articles of association of the Company and the Capital Reorganisation, being resolutions numbered 1 and 2, at the General Meeting, which is to be held at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar on 10 January 2020 at 10:00 a.m. (CET). If the Resolutions are passed, the Capital Reorganisation will become effective immediately following close of business on that date, subject only to Admission the following business day.

4. Memorandum and Articles of Association

Due to the proposed Capital Reorganisation the Company needs to amend its memorandum and articles of association to establish the Deferred A Shares. The overall rights attaching to any deferred shares are already covered by Article 26A in the Articles of Association.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM and it is currently expected that admission to trading in the New Ordinary Shares will become effective and dealings commence at 8.00 a.m. on 13 January 2020.

5. Consolidation

At the General Meeting, the Directors are inviting Shareholders to approve the Resolutions, which will authorise the Consolidation pursuant to which every 100 Existing Ordinary Shares will be consolidated into one Consolidated Share.

In anticipation of the Resolutions being passed by the Shareholders, the Company will, immediately prior to the General Meeting, issue such number of additional Ordinary Shares as will result in the total number of Ordinary Shares in issue being exactly divisible by 100. Assuming no other Ordinary Shares are issued between the date of this Document and immediately before the General Meeting, this will result in 20 additional Ordinary Shares being issued and will create 28,458,790 Consolidated Shares (subject to any revision to the Company's issued share capital between the date of this Document and the Record Time).

As all of the Existing Ordinary Shares are proposed to be consolidated, the proportion of issued ordinary shareholdings in the Company held by each Shareholder immediately before and immediately after the Consolidation will, save for fractional entitlements, remain unchanged.

In the event that the number of Existing Ordinary Shares attributed to a Shareholder is not exactly divisible by 100, the Consolidation will generate an entitlement to a fraction of a Consolidated Share. On the Subdivision, such fractional entitlements will be carried over to the relevant New Ordinary Shares but not the Deferred Shares, and the New Ordinary Shares which comprise fractional entitlements will then be sold or passed to charity (see further explanation at paragraph 7 below, Fractional Entitlements to Consolidated Shares, below).

Accordingly, following the implementation of the Capital Reorganisation, any Shareholder, who as a result of the Consolidation has a fractional entitlement to any New Ordinary Shares, will not have a proportionate shareholding of New Ordinary Shares exactly equal to their proportionate holding of Existing Ordinary Shares.

Furthermore, any Shareholders holding fewer than 100 Existing Ordinary Shares as at the Record Time will cease to be a shareholder of the Company. The minimum threshold to receive Consolidated Shares will be 100 Existing Ordinary Shares.

6. Subdivision

Immediately following the Consolidation, each Consolidated Share will be subdivided into one New Ordinary Share and one Deferred [A] Share. The Subdivision has been structured in such a way so that each of the New Ordinary Shares will have a nominal value of 0.1 pence each. Where there are fractional entitlements to a Consolidated Share, the Board considers it fair that, upon Subdivision, the same fractional entitlements to a Consolidated Share will apply to each New Ordinary Share, but not a Deferred Share. The rights attached to the Deferred Shares are described in this Document. The Record Time for the Subdivision will be the same as for the Consolidation, which is 6:00 p.m. on 10 January 2020.

7. Fractional Entitlements to Consolidated Shares

The Share Consolidation will give rise to fractional entitlements to a Consolidated Share where any holding is not precisely divisible by 100. On Subdivision of any such Consolidated Share, which occurs immediately thereafter, the same fractional entitlement will apply to each New Ordinary Share but not a Deferred Share then arising. As regards the New Ordinary Shares, no

certificates regarding fractional entitlements will be issued. Instead any New Ordinary Shares in respect of which there are fractional entitlements will be aggregated and sold or passed to charity. The Board is of the view that, as a result of the disproportionate costs, it would not be in the best interests of the Company to distribute the proceeds of a sale on a *pro rata* basis to shareholders.

For the avoidance of doubt, the Company is only responsible for dealing with fractions arising on registered holdings. For Shareholders whose shares are held in the nominee accounts of UK stockbrokers, the effect of the Capital Reorganisation on their individual shareholdings will be administered by the stockbroker or nominee in whose account the relevant shares are held. The effect is expected to be the same as for shareholdings registered in beneficial names, however, it is the stockbroker's or nominee's responsibility to deal with fractions arising within their customer accounts and not that of the Company.

8. Resulting issued share capital

The issued share capital of the Company immediately following the Capital Reorganisation (assuming it is approved by the Shareholders) is expected to comprise 28,458,790 New Ordinary Shares and 28,458,790 Deferred Shares.

9. Admission of the New Ordinary Shares

As stated above, application will or has been made for the New Ordinary Shares to be admitted to trading on AIM in place of the Existing Ordinary Shares. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence on 13 January 2020.

The Company has applied for a new ISIN and SEDOL, which will become effective following the Capital Reorganisation. The new ISIN and SEDOL will be notified to the market via an RIS provider in due course.

Shareholders who hold Existing Ordinary Shares in uncertificated form via depositary interests will have such shares disabled in their CREST accounts on the Record Time, and their CREST accounts will be credited with the New Ordinary Shares following Admission.

Following the Capital Reorganisation, existing share certificates will cease to be valid and new share certificates are expected to be despatched to those Shareholders who hold their Existing Ordinary Shares in certificated form on or around 14 days after Admission. No share certificates will be issued in respect of Consolidated Shares or Deferred Shares.

10. Effects on options, warrants and other instruments

The entitlements to Ordinary Shares of holders of securities or instruments convertible into Ordinary Shares (such as share options and warrants) will be adjusted to reflect the Capital Reorganisation.

11. Share capital authorities

Following the Capital Reorganisation, assuming the issued share capital of the Company will comprise 28,458,790 New Ordinary Shares and 28,458,790 Deferred Shares, the total issued share capital of the Company will be £2,845,879.00. Pursuant to the share capital authorities granted to the Directors as stated in Article 29 of the adopted Articles of Association on 2nd July 2019, the Directors will have the ability, following the Capital Reorganisation, to allot further shares with an aggregate nominal value of £5,154,121.00.

12. General Meeting

You will find set out at the end of this Document a notice convening the General Meeting to be held at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar on 10 January 2020 at 10:00 a.m. (CET) for the purpose of considering and, if thought fit, passing the Resolutions.

13. Taxation in relation to the Capital Reorganisation

If any shareholder is uncertain about their own tax position, they should seek independent financial advice.

14. Action to be taken

Holders of Existing Ordinary Shares will find enclosed with this Document a Form of Proxy and Form of Instruction for use by them at the General Meeting. Whether or not you are able to attend the General Meeting, you are requested to complete the enclosed Form of Proxy or Form of Instruction and return it to the Company's Registrars, Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom or to the Company at the Company's Registered Office at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar as soon as possible and, in any event, so as to arrive **not later than 10:00 a.m. (CET) on 7 January 2020 for Form of Instruction and 10:00 a.m. (CET) on 8 January 2020 for Form of Proxy**. The completion and return of a Form of Proxy or Form of Instruction will not prevent you from attending the General Meeting and voting in person if you subsequently wish to do so. However, please note that Shareholders who hold Existing Ordinary Shares in uncertificated form via depository interests and who wish to attend the General Meeting should request a Letter of Representation by contacting Computershare Investor Services Plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom by no later than 72 hours before the General Meeting or 72 business hours before the time appointed for holding any adjourned meeting. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice from your broker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser, immediately.

15. Recommendation

The Directors consider that the Capital Reorganisation and the other Resolutions are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole and will promote the success of the Company. The Directors therefore recommend you to vote in favour of each of the Resolutions as they intend to do in respect of their own shareholdings in the Company.

Yours faithfully,

Richard Poulden

Chairman