WISHBONE GOLD PLC

REPORT AND CONSOLIDATED ACCOUNTS

For the year ended 31 December 2013

WISHBONE GOLD PLC
CONTENTS

WISHBONE GOLD PLC
DIRECTORS AND ADVISERS

DIRECTORS	R O'D Poulden JC Harrison GS Cardona Professor MR Mainelli AD Gravett
OFFICERS	CM Hyman
SECRETARY	Ms. Roudon Zarb G1 Haven Court 5 Library Ramp Gibraltar
REGISTERED OFFICE	G1 Haven Court 5 Library Ramp Gibraltar
AUDITORS	EY Limited Regal House PO Box 191 Gibraltar
BANKERS	Banque J Safra (Monaco) Limited 17 Avenue d'Ostende Bat Belle Epoque 98006 Monaco
NOMINATED ADVISER	Northland Capital Partners Limited 131 Finsbury Pavement London EC2A 1NT
JOINT BROKERS	Northland Capital Partners Limited 131 Finsbury Pavement London EC2A 1NT Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT

FINANCIAL PUBLIC RELATIONS	Damson PR Blisbury Farm Berkeley Gloucester GL13 9RB
LAWYERS	Pinsent Masons LLP 30 Crown Place London EC2A 4ES
	Hassans International Law Firm 57/63 Line Wall Road PO Box 199 Gibraltar
	McCullough Roberston Level 11 Central Plaza Two 66 Eagle Street BRISBANE QLD 4000
REGISTRARS	Capita Registrars (Guernsey) Ltd Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
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COMPANY'S REGISTERED NUMBER	103190

WISHBONE GOLD PLC
CHAIRMAN'S STATEMENT

Dear Shareholders

It is with great pleasure that I write to you as fellow shareholders for the second time since our Company was admitted to trading on AIM. There is a lot of technical ground to be covered in this statement so in order to ensure that you read what I think is important I am going to start with those points even though some wash over into the current year.

Exciting things taken out of order:

Additional Tenements & good exploration results
During the year under review we were notified that we had been granted the EPMs for Wishbone III and Wishbone IV, which we had applied for during 2012. These now surround the most prospective areas on Wishbone II and cover extensions to the North and East as well as being prospective in their own right.

We achieved very promising exploration results on Wishbone II and White Mountain during the year, which we are building on in the current exploration season.

Share Exchange with GRIT
Signing the share exchange agreement with Global Resources Investment Trust ("GRIT") was important to us. This was conditional during 2013 and became unconditional on 7 March 2014. Under this agreement Wishbone issued 45,772,693 ordinary shares in exchange for 1,031,360 ordinary shares in GRIT.

Obviously this will provide funding to Wishbone through the sale of the GRIT shares but it also brings on board an institution with a huge amount of resources expertise and who believe, like us, that we are at the bottom of a cycle particularly in precious metals.

More important to me than the simple funding through the share exchange is the future support for other deals and the worldwide connections of the managers of the fund.

GRIT's support for Wishbone was amply demonstrated by their subscription under the open offer to shareholders (see below).

Appointment of Tabarak Investment Bank
On 2 April 2014 we announced the appointment of Tabarak Investment Bank, based in the Dubai International Financial Centre ("DIFC"), as an additional adviser to the Company. Tabarak has particular expertise in the financing of commodity projects on both trading and mining. They are primarily providers of debt finance in excess of $50m.

Having Tabarak on board means that we are already working with a group who can assist immediately with any substantial project for which we may need finance.

Open Offer to Shareholders
On 4 April 2014 we announced an open offer to shareholders. Black Swan FZE, a company with which I am associated, underwrote this. The objective here was to do what amounted to a rights issue so as to raise money without disadvantaging small shareholders who are normally excluded from this kind of placing. 38% of the offer was taken up which, considering it is something of a first, I find encouraging.

Possible Acquisitions
During the year under review and the first part of 2014 we have reviewed potential acquisitions in Australia, Indonesia, Vietnam and North America. This program is continuing and as soon as there is some conclusive news in this regard it will be announced. As stated previously we continue to look for a project, which is either in production or close to production, and as can be seen from the foregoing we now have the backing to finance such a deal on the right terms.

Management Changes
On 10 September 2013, Clive Hyman was appointed CFO and Jonathan Harrison retired to the role of non-executive director. Clive had been working with Jonathan for some months prior to the formal appointment and subsequently has proved an excellent addition to the team. In recognition of his contribution thus far, on 7 March 2014 he was granted options over 5 million new ordinary shares in the Company to vest as follows: 2,000,000 immediately on grant, 2,000,000 on 7 March 2015, and 1,000,000 on 7 March 2016.

I am obviously very pleased that Jonathan has agreed to stay on as a non-exec. He has been a source of wise counsel over many years and I am sure will continue to be so. Check his twitter feed for his new found freedom to travel though!

Change of Advisors
Beaufort Securities Ltd was appointed as broker on 10 May 2013 and Northland Capital Ltd was appointed as NOMAD on 14 October 2013.

The Market for Gold
I have been outspoken in my belief in the long term upside potential inherent in the precious metals market, and by extension in gold and silver explorers and developers. I expressed this again this year on stage at the UK Investor show and even issued a Newsletter setting out what I think is happening in the gold market. This is available on the Black Swan Plc website and also on the Wishbone site.

In essence, if you had asked me five years ago if LIBOR was rigged I would have scoffed at how impossible that would be to achieve. Now, if you asked me that same question about any western financial market I would, at the very least, hesitate...

I have stated since the Quantitative Easing program began in 2008 that this activity would inevitably lead to inflation. It is impossible to inject that amount of money into the financial system, both in the US and Europe and NOT get inflation. All inflation is good for the value of precious metals. It is also good for scarce assets (such as classic cars and houses in certain areas).

At the same time as the massive QE programs have been injecting money into the system, Asia, and in particular China, have been buying gold and demanding physical delivery of every ounce they buy. China has not stated its actual gold reserves for many years but has merely left us to guess at the total by releasing snippets of data on gold shipped through Hong Kong and on domestic demand. Any minor analysis of this however shows that their gold holdings must now be substantially above the last admitted figure of 1,054mt.

Overall therefore we believe that gold remains a store of value for the future and that Wishbone is well positioned to exploit this to the benefit of our shareholders.

Details on the Exploration during the year
During the year under review, I am pleased to report highly encouraging sampling results at our two original concessions.

The number of gold exploration projects in Queensland has tripled over the past decade. Wishbone's own prospects, together with the recent discoveries in Mount Wright and Welcome are found on the southern borders of the Hodgkinson and Chillago area, which are renowned for their historic vein and alluvial gold deposits. All of these historical mineral occurrences were discovered at the surface and mined to limited depths of less than a hundred meters. The Group's main targets are focused on extensions of some of these shallow indications of mineralisation like those found in the immediate area below the town of Charters Towers (west of Wishbone II and IV), and at Ravenswood (south of Wishbone II) via a large, deep open pit have together produced tons of gold from the early 20th Century to the present from just such extensions of outcrop discoveries.

Wishbone's four properties in the Mingela region of Queensland, with all following the strategy of being close to old or existing gold or other mineral mines. Three of the tenements, Wishbone II, III and IV, are highly prospective and come with encouraging initial sampling and geomagnetics. Wishbone II's Oakey Mill and Hanging Valley have shown encouraging results, with the former close to the Mt Wright Gold mine operated by Resolute Resources and currently producing 100k oz/yr. White Mountain, on the other hand, is highly prospective and based on six historic operations, including an old mine that produced 17.4kg Au. High grade Au is indicated by sampling at Clements's Copper historical workings, with a positive CPR suggesting major targets.

In October 2013 we announced the results of exploration in the Wishbone II tenement:

Hanging Valley Prospect Area

- Latest results strengthen the Board's conclusion that the Hanging Valley represents a priority target that may contain multiple polymetallic veins located perpendicular to the major Alex Hill Shear Zone
- Latest work defined extensions to the previously identified polymetallic DAB vein system as well as a parallel vein with grades of 1.25% copper ('Cu'); 0.12g/t gold ('Au'); 476ppm molybdenum ('Mo'); 262ppm arsenic ('As')
- High grades (including one sample at 25.2 g/t Au) were also returned from rock chip samples on the previously discovered Haughton Bluff Creek West vein system
- Regional stream sediment sampling returned strongly anomalous results up to 27.7ppb Au in the area

Oaky Mill Prospect Area

- Significant areas of copper and gold mineralisation discovered by soil sampling
- Samples from 17 outcrops returned grades greater than 1% copper ('Cu') and a further 8 samples returned grades greater than 0.5% with one sample as high as 4.83% Cu and 0.23 g/t Au
- Stream sediment samples defined elevated gold levels up to 11.7ppb Au
- High grade rock chip samples of up to 7.32 g/t Au were taken from an area to the west of the prospect that was previously unexplored

Financial Overview

At the end of the period under review, Wishbone Gold held cash balances totalling US$ 135,074 (2012:US$589,116). Since then a net US$457,000 has been added to cash as a result of the Open Offer. Costs continue to be tightly controlled to enable as much of the funds available to the Company are spent in the ground for exploration purposes. The Directors are all paid minimal salaries and at the Company's option these can be paid in ordinary shares. During the period under review and during the current year all directors' salaries have been paid by shares in this way. Administrative costs during the year totalled US$ 625,872 (2012: US$281,727), an indication of the increased activities now being undertaken by Wishbone Gold.

There is a substantial adjustment in the accounts for the previous year whereby US$537,076 has been moved into the profit and loss account instead of being written off against share premium. Last year the then Baker Tilly audit team in Gibraltar, supported by Baker Tilly in London, told us that this was the correct treatment. That same team now works for Ernst & Young and this year they have decided, supported by Ernst & Young in London, that this treatment was incorrect and accordingly our accounts need to be restated. We will be seeking an adjustment in the audit fee to ensure we are not charged twice for these diametrically opposed pieces of advice.

The following events took place after the year end:

- The conditional agreement with GRIT became unconditional on 7 March 2014 and Wishbone Gold Plc issued 45,772,693 ordinary shares in exchange for 1,031,360 ordinary shares in GRIT at an issue price of £1.

- Share options were issued to Clive Hyman, the CFO, on 7 March 2014 over 5 million new ordinary shares in the Company to vest as follows: 2,000,000 immediately on grant, 2,000,000 on 7 March 2015, and 1,000,000 on 7 March 2016.

- The Company appointed Tabarak Investment Bank as one of its advisors on 2 April 2014.

- The Company announced a conditional Placing and Open offer on 4 April 2014. A total of 33,677,181 new ordinary shares were admitted to trading AIM on 28 April 2014. The issue was underwritten by Black Swan FZE, a company in which Richard Poulden has an interest and 980,888 commission shares were paid accordingly representing 3% of the amount underwritten. The total issued and voting share capital after this event is 262,551,235 ordinary shares. The shares allotted and issued to Black Swan FZE are in the process of settlement. The Directors expect to receive the proceeds by end of the first week of July 2014.

Outlook

Wishbone has made significant strides towards its objectives this year. We have successfully brought on board a substantial institutional investor, GRIT, who have confidence in our management team. With the fire power and back up of both GRIT and Tabarak Investment Bank we are well placed to bring on board both small and large opportunities.

In addition, we have an ever-growing pipeline of potential projects that we are constantly evaluating as well as continuing the exploration of our current portfolio.Finally, I would like to thank the Board, management team and all our advisers for their hard work during the year. Of particular note was the support from all our advisors for getting the open offer completed as this was a far larger and more complex task than it should be: it is this cost and complexity which unfairly dissuades companies from following this route for fundraising.

Lastly, I would thank you, our shareholders, for your support. I toyed with ending with some comment about "gold may be in the gutter but is headed…" but after due consideration I think we are better off with Thomas Cromwell: "Out of every ditch a path if only you can see it". Let me assure you that China does not think it is even close to the ditch, let alone in it.

RO'D Poulden
Chairman

WISHBONE GOLD PLC
DIRECTORS' REPORT

The directors submit their report and the audited consolidated accounts for the year ended 31 December 2013.

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 for the year ended 31 December 2013 was US$662,041 (2012:US$821,208) after charging the following:

Group

	2013	**As restated 2012**
	US$	**US$**
Exploration costs expensed	(19,026)	(2,435)
Abortive acquisition costs	(17,143)	-
Other administration costs	(625,872)	(281,727)
AIM listing transaction costs related to existing shares	-	(537,046)
	(662,041)	(821,208)

The Company's loss after taxation was US$682,768 (2012:US$827,554) after charging the following:

Company

	2013	**As restated 2012**
	US$	**US$**
Abortive acquisition costs	(17,143)	-
Other administration costs	(665,625)	(290,508)
AIM listing transaction costs related to existing shares	-	(537,046)
	(682,768)	(827,554)

The directors do not recommend the payment of a dividend for the year ended 31 December 2013.

Directors
The following are the directors who served on the board for the year ended 31 December 2013 and the year ended 31 December 2012:

	Appointed
RO'D Poulden	02 December 2010
AD Gravett	02 October 2009
JC Harrison	18 April 2012
Professor MR Mainelli	18 April 2012
GS 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 2012 and 31 December 2013. The Directors have reviewed the financial performance of the Group since 31 December 2013 and have considered the Group's cash projections for the 12 months from the date of approval of these financial statements. 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$408,239 (2012: US$187,080) 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 2013, the Group had creditor days of 37 (2012: 51 days).

Corporate governance
The Directors have, in so far as practicable given the Group's size and the constitution of the board, complied with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice which is consistent with the recommendations on Corporate Governance Guidelines of the Quoted Companies Alliance for AIM companies.

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

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

Events after the reporting period
The following events took place after the year end:

- The conditional agreement with GRIT became unconditional on 7 March 2014 and Wishbone Gold Plc issued 45,772,693 ordinary shares in exchange for 1,031,360 shares in GRIT at an issue price of £1.
- Share options were issued to Clive Hyman, the CFO, on 7 March 2014 over 5 million new ordinary shares in the Company to vest as follows: 2,000,000 immediately on grant, 2,000,000 on 7 March 2015, and 1,000,000 on 7 March 2016.
- The Company appointed Tabarak Investment Bank as one of its advisors on 2 April 2014.
- The Company announced a conditional Placing and Open offer on 4 April 2014. A total of 33,677,181 new ordinary shares were admitted to trading on AIM on 28 April 2014. The issue was underwritten by Black Swan FZE, a company in which Richard Poulden has an interest and 980,888 commission shares were paid accordingly representing 3% of the amount underwritten. The total issued and voting share capital after this event is 262,551,235 ordinary shares. The shares allotted and issued to Black Swan FZE are in the process of settlement. The Directors expect to receive the proceeds in the first week of July 2014.

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 EY Limited will be proposed at the next Annual General Meeting.

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

Date: 27th June, 2014

Company's registered number: 103190

The Board comprises of one executive Director and four non-executive Directors. The management of the Group is undertaken by the executive director and the Chief Financial Officer appointed in the year.

Mr Richard Poulden, Executive Chairman and Chief Executive Officer, aged 63 (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.

Mr Jonathan Harrison, Finance Director, aged 68 (Non-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. During 2013, Jonathan has become a non executive director.

Mr George Cardona, aged 62 (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 SUEK Plc, 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 56 (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 Prof. 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 66 (Non -executive)

Mr Gravett worked at Barclaytrust Limited, (then Barclays Bank Executor and Trustee Department) from 1965 to 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.

Clive Hyman, age 52 - Officer of the Company – Chief Financial Officer

Mr Hyman is a graduate of Christ's College, Cambridge and a Chartered Accountant with experience in quoted and unquoted companies. He was a partner with KPMG in their London office, where he was a founding partner of KPMG's Transaction Services businesses. In addition, he was a founding partner of the private equity group. He developed relationships in the private equity community in New York and London for the firm. He serviced many large clients in the Corporate and Private Equity community during his time at KPMG, including, inter alia: Laporte Plc, Morgan Crucible, GE Capital, GE Equity, DuPont, KKR, TPG, BC Partners, ISIS Private Equity and Gresham Private Equity. He led and founded KPMG's K-Ventures fund in 1999 and invested successfully in early stage propositions. He left the firm in 2005 to found his own consultancy business and was interim CEO/CFO for Nick and Chris Candy of Candy and Candy in 2005. He was Group CFO of a healthcare business from July 2010 to August 2011. He became a non executive and independent board member of Petrol Ofisi SA, a Turkish listed group, majority owned by OMV AG in April 2012. He became a consultant to Black Swan PLC in April 2013 and was appointed CFO of Wishbone Gold Plc, a Gibraltar based company listed on AIM in London in September, 2013. He started as Wishbone Gold's financial controller from April 2013. He is also Finance Director of PCG Entertainment Plc.

On 7 March 2014, Mr Hyman was granted the following options over 5 million new ordinary shares in the Company (the 'Options'), to vest as follows:

No of Options	*Vesting date*
2,000,000	Immediately on grant
2,000,000	7 March 2015
1,000,000	7 March 2016

The Options have an expiry date of 25 February 2019 and have been issued with an exercise price of 2.125p per share, being the closing mid-price on 25 February 2014.

WISHBONE GOLD PLC
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.

RO'D Poulden
Director

INDEPENDENT AUDITORS' 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 2013 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 the 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.

Building a better
working world

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 2013 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.

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.

Johann Olivera
Statutory auditor for and on behalf of

EY LIMITED
Registered auditors

Chartered Accountants
Regal House,
Queensway
Gibraltar

Date 27 June 2014

WISHBONE GOLD PLC
CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2013

	Notes	Year ended 31 December 2013	As restated Year ended 31 December 2012
		US$	US$
Revenue		-	-
Pre-exploration costs expensed	3	(19,026)	(2,435)
Abortive acquisition costs		(17,143)	-
Administrative costs	5	(625,872)	(281,727)
Operating loss	5	(662,041)	(284,162)
Loss before taxation		(662,041)	(284,162)
Income tax expense	6	-	-
AIM listing transaction costs related to existing shares	23	-	(537,046)
Loss for the financial year attributable to equity holders of the parent		(662,041)	(821,208)
Loss per share:			
Basic and diluted (cents)	7	0.374	0.591

WISHBONE GOLD PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

	Year ended 31 December 2013	As restated Year ended 31 December 2012
	US$	**US$**
Loss for the year	(662,041)	(821,208)
Other comprehensive loss		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:		
Exchange differences on translating foreign operations	(66,589)	(36,010)
Other comprehensive loss for the year, net of tax	(66,589)	(36,010)
Total comprehensive loss for the year attributable to equity holders of the parent	(728,630)	(857,218)

WISHBONE GOLD PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 31 December 2013

	Notes	As at 31 December 2013 US$	As restated As at 31 December 2012 US$
ASSETS			
Non-current assets			
Intangible assets	9	408,239	187,080
Total non-current assets		408,239	187,080
Current assets			
Other receivables	10	42,355	25,656
Cash and cash equivalents	11	135,074	589,116
Total current assets		177,429	614,772
TOTAL ASSETS		585,668	801,852
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	286,351	267,888
Share premium		1,535,399	1,223,583
Share based payment reserve		29,449	29,449
Retained loss		(1,599,931)	(937,890)
Foreign exchange reserve		(99,467)	(32,878)
Equity attributable to Shareholders of the Company		151,801	550,152
Current liabilities			
Borrowings	14	164,952	58,717
Trade and other payables	15	268,915	192,983
TOTAL LIABILITIES		433,867	251,700
TOTAL EQUITY AND LIABILITIES		585,668	801,852

The accounts were approved by the Board of Directors on 27th June, 2014and were signed on its behalf by:

JC Harrison
Director

RO'D Poulden
Director

WISHBONE GOLD PLC
COMPANY STATEMENT OF FINANCIAL POSITION
at 31 December 2013

	Notes	As at 31 December 2013	As restated As at 31 December 2012
		US$	**US$**
ASSETS			
Non-current assets			
Investments	8	173,584	173,584
Total non-current assets		173,584	173,584
Current assets			
Other receivables	10	457,601	565,137
Cash	11	97,187	178,086
Total current assets		554,788	743,223
TOTAL ASSETS		728,372	916,807
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	286,351	267,888
Share premium		1,535,399	1,223,583
Share based payment reserve		29,449	29,449
Retained loss		(1,519,199)	(836,431)
Equity attributable to Shareholders of the Company		332,000	684,489
Current liabilities			
Borrowings	14	164,952	58,717
Trade and other payables	15	231,420	173,601
TOTAL LIABILITIES		396,372	232,318
TOTAL EQUITY AND LIABILITIES		728,372	916,807

The accounts were approved by the Board of Directors on 27th June, 2014 and were signed on its behalf by:

JC Harrison
Director

RO'D Poulden
Director

WISHBONE GOLD PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	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 2012	175,229	-	-	(116,682)	3,132	61,679
Issue of shares (Note 12)	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 (as previously reported)	267,888	686,537	29,449	(400,844)	(32,878)	550,152
Reclassification (Note 23)	-	537,046	-	(537,046)	-	-
At 31 December 2012 (as restated)	267,888	1,223,583	29,449	(937,890)	(32,878)	550,152
Issue of shares (Note 12)	18,463	311,816	-	-	-	330,279
Loss for the year	-	-	-	(662,041)	-	(662,041)
Foreign exchange on net foreign investment	-	-	-	-	(66,589)	(66,589)
At 31 December 2013	286,351	1,535,399	29,449	(1,599,931)	(99,467)	151,801

Foreign exchange translation reserve records exchanges differences which arise on the translation of the Australian subsidiary's financial statements.

WISHBONE GOLD PLC
COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	Share capital US$	Share premium US$	Share based payment reserve US$	Retained loss US$	Total equity US$
At 01 January 2012	175,229	-	-	(8,877)	166,352
Issue of shares (Note 12)	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 (as previously reported)	267,888	686,537	29,449	(299,385)	684,489
Reclassification (Note 23)	-	537,046	-	(537,046)	-
At 31 December 2012 (as restated)	267,888	1,223,583	29,449	(836,431)	684,489
Issue of shares (Note 12)	18,463	311,816	-	-	330,279
Issue of warrants	-	-	-	-	-
Loss for the year	-	-	-	(682,768)	(682,768)
At 31 December 2013	286,351	1,535,399	29,449	(1,519,199)	332,000

WISHBONE GOLD PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

	Notes	Year ended 31 December 2013	As restated Year ended 31 December 2012
		US$	US$
Cash outflow from operating activities	16	(320,428)	(720,799)
Cash flow from investing activities			
Expenditure on exploration activities		(256,165)	(71,477)
Net cash used in investing activities		(256,165)	(71,477)
Cash flow from financing activities			
Net proceeds from issue of shares		-	1,345,691
Increase in borrowings		162,271	22,717
Net cash generated from financing activities		162,271	1,368,408
Net (decrease)/increase in cash and cash equivalents		(414,322)	576,132
Effects of foreign exchange		(39,720)	976
Cash and cash equivalents at beginning of the year		589,116	12,008
Cash and cash equivalents at end of the year		135,074	589,116

WISHBONE GOLD PLC
COMPANY STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

	Notes	Year ended 31 December 2013	As restated Year ended 31 December 2012
		US$	US$
Cash outflow from operating activities	16	(239,135)	(1,190,322)
Cash flow from financing activities			
Net proceeds from issue of shares		-	1,345,691
Increase in borrowings		162,271	22,717
Net cash generated from financing activities		162,271	1,368,408
Net (decrease)/ increase in cash and cash equivalents		(76,864)	178,086
Effects of foreign exchange		(4,035)	-
Cash and cash equivalents at beginning of the year		178,086	-
Cash and cash equivalents at end of the year		97,187	178,086

1. General information

The consolidated financial statements of Wishbone Gold Plc for the year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Company's directors on 27th June, 2014.

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 G1 Haven Court, 5 Library Ramp, 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.

On 2 July 2013, the Company approved the conversion of £207,222.87 of expenses and debts into 11,841,307 ordinary shares to the Directors at a price of 1.75 p to satisfy debts and expenses of incurred on behalf of the Company.

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 2013.

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 other than changes from the new and amended standards and interpretations effective from 1 January 2013.

2. Accounting policies (continued)

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 to 31 December 2013. 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 has adequate funds to meet its obligations. 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$408,239 (2012:US$187,080) 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.

Changes in accounting policies and disclosures
New and amended standards and interpretations

The Group applied IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 when it became effective from 1 January 2013.

While the application did not require a restatement of previous financial statements, it did result in a minor change to the presentation of the item included in the Statement of Comprehensive Income. Several other amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Group. The nature and the impact of each new standard and/or amendment are described below. Other than the change described below, the accounting policies adopted are consistent with those of the previous financial year.

IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS 1*
The amendments to IAS 1 introduce a grouping of items presented in OCI. Items that will be reclassified ('recycled') to profit or loss at a future point in time (e.g., net loss or gain on AFS financial assets) have to be presented separately from items that will not be reclassified (e.g., revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 *Financial Instruments*
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but *Amendments to IFRS 9Mandatory Effective Date of IFRS 9 and Transition Disclosures*, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an

2. Accounting policies (continued)

impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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. The Group 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 2014. 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. The Group 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 2014. 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. The Group 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 2014. Together with IFRS 10 and 11, IAS 27 and IAS 28 have been revised. In conjunction with the assessment of IFRS 10 and 11, the Group does not consider that the adoption of this standard will have a significant impact on the consolidated financial statements.

Investment Entities **(Amendments to IFRS 10, IFRS 12 and IAS 27)**
These amendments which are effective for annual periods beginning on or after 1 January 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group, since the sole subsidiary in the Group does not qualify as an investment entity under IFRS 10.

IAS 32 ***Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32***
These amendments clarify the meaning of "currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IFRIC Interpretation 21 ***Levies*** **(IFRIC 21)**
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The Group does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 39 ***Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39***
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

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.

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

Business combinations and goodwill

On acquisition, the assets and liabilities and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair value of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to theincome 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.

2. Accounting policies (continued)

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 currency of the Company. The functional currency of the Company up to 16 July 2012 was United States Dollars and became Pounds Sterling from this date which reflecting that the majority of the financing and expenses are denominated in GBP. 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$ 1.1268 per US$1 (2012:AUD$ 0.9640). The average exchange rate applied at the year end date was AUD$1.0362 per US$1 (2012:AUD$ 0.9658).

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.

2. Accounting policies (continued)

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.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the income statement.

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.

2. Accounting policies (continued)

Share based payments

The Company issued warrants to the previous 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$93,968 (AUD$105,884) (2012:US$48,107 (AUD$46,375)). 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 (2012:US$173,584) and US$421,281 (2012:US$539,481), respectively.

Share for share exchange agreement with GRIT

In November 2013, the Company entered into a share for share exchange agreement with GRIT to issue 45,772,693 new ordinary shares in exchange for 1,031,360 ordinary shares in GRIT at an issue price of £1 conditional upon GRIT's shares listing on the London Stock Exchange. The share for share exchange agreement meets the definition of a derivative contract under IAS 39 and has been treated as such. Management has determined that the fair value of the contract cannot be reliably estimated and no value has been attributed as of 31 December 2013.

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. Any changes in subjective input assumptions may materially affect the fair value estimate.

4. Segmental analysis

Management has determined the operating segments by considering the business from both a geographic and product perspective. For management purposes, the Group is currently organised into 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

	2013 US$	2012 US$
Operating loss is stated after charging:		
Pre-exploration costs	19,026	2,435
Consultancy fees	2,209	10,525
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Group consolidated financial statements	19,231	16,168
Other assurance services	7,243	-
Fees payable to the Subsidiary's auditor for the audit of the Subsidiary:		
The audit of the Company's subsidiaries pursuant to legislation	9,651	8,823
Accounting and tax compliance	10,295	7,786
Foreign exchange losses	5,482	242

6. Income tax expense

	2013 US$	As restated 2012 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:

	2013 US$	2012 US$
Loss before taxation	(662,041)	(821,208)
Loss before taxation multiplied by the standard rate in Gibraltar of 10% (2012: 10%)	(66,204)	(82,121)
Taxation effects of:		
Losses	66,204	82,121
	-	-

The Group has unused tax losses from its subsidiary, which is subject to tax in Australia, of approximately US$435,182 at 31 December 2013 (2012: US$138,148). 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

	2013 US$	As restated 2012 US$
Loss for the purposes of basic loss per share being net loss attributable to equity shareholders of the parent	(662,041)	(821,208)
Loss for the purpose of diluted earnings per share	(662,041)	(821,208)
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	176,917,694	138,774,954
Basic and diluted (cents)	(0.37)	(0.59)

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

Note 22 details share transactions post year end which would have significantly affected the ordinary shares outstanding as at 31 December 2013.

8. Investments - Company

	2013 US$	2012 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$93,968)	(US$57,430)

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	2013 US$	2012 US$
At 1 January	187,080	114,935
Additions	221,159	72,145
Net book value 31 December	408,239	187,080

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

9. Intangible assets – Group (continued)

The Group holds Exploration Permits for Mining ("EPMs") to four tenements which have expiration dates ranging from May 2016 to September 2018. The renewal of the EPMs is for a maximum further period of 5 years. Permits are not automatically renewed but require an application to the Queensland Department of Natural Resources and Mines.

10. Other receivables - Group

	2013 US$	2012 US$
Debtors	6,035	-
Prepayments	17,262	25,656
Deferred costs	19,058	-
	42,355	25,656

Other receivables - Company

	2013 US$	2012 US$
Prepayments	17,262	25,656
Deferred costs	19,058	-
Amount owed by subsidiary undertaking	421,281	539,481
	457,601	565,137

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

	2013 US$	2012 US$
Cash at bank	135,074	589,116

Cash and cash equivalents - Company

	2013 US$	2012 US$
Cash at bank	97,187	178,086

12. Share capital - Group and Company

	2013 US$	2012 US$
Authorised 1,000,000,000 (2012: 1,000,000,000) ordinary shares of £0.001 each (US$0.0016)	1,600,000	1,600,000
Allotted and called up 183,101,361 (2012: 170,987,327) ordinary shares of £0.001 each (US$0.0016)	286,351	267,888

12. Share capital - Group and Company (continued)

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.

On 2 July 2013, the Company approved the conversion of £207,222.87 of expenses and debts into 11,841,307 ordinary shares to the Directors at a price of 1.75p to satisfy debts and expenses incurred on behalf of the Company.

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

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.

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 2013 (2012:1,709,873) are as follows:

	Number of Warrants	Exercise price £
Outstanding at 31 December	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 is the time to expiry of the warrants; no adjustments have been made for the effects of non-transferability and exercise restrictions. The fair value of warrants granted as at 31 December 2013 is US$29,449 (2012: US$ 29,449). The warrants were fully vested on the date of issue.

14. Borrowings - Group and Company

	2013 US$	2012 US$
Loan from Black Swan FZE	164,952	58,717

The loan from Black Swan FZE outstanding at 31 December 2012 to the Company was repaid in shares on 2 July 2013, being satisfied by the issue of 2,204,136 new ordinary shares as a price of 1.75p.

A new loan facility was entered into in the course of the year from Black Swan FZE for a maximum amount of £150,000. This loan is not convertible into shares and carries an interest charge of 5% per annum, calculated on the principal and interest outstanding each month until redemption. The loan is repayable at any time at the option of Black Swan FZE.

14. Borrowings - Group and Company (continued)

£100,000 (US$163,506) of the facility was drawn down on 6 November 2013. The remaining facility of £50,000 (US$83,208) was drawn down on 4 March 2014.

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

15. Trade and other payables - Group

	2013 US$	2012 US$
Trade payables	60,608	47,355
Accruals	208,307	145,628
	268,915	192,983

Trade and other payables - Company

	2013 US$	2012 US$
Trade payables	42,928	45,993
Accruals	188,492	127,608
	231,420	173,601

16. Cash outflow from operating activities - Group

	2013 US$	As restated 2012 US$
Loss before tax	(662,041)	(821,208)
Non-cash items:		
Foreign exchange loss	5,482	242
Interest expense	1,234	-
Administrative expenses converted into ordinary shares	141,970	-
Operating cash flow before changes in working capital	(513,355)	(820,966)
Increase in receivables	(17,226)	(540,415)
Increase in payables	210,153	640,582
Net cash outflow from operating activities	(320,428)	(720,799)

Cash outflow from operating activities – Company

	2013 US$	As restated 2012 US$
Loss before tax	(682,768)	(827,554)
Non-cash items:		
Foreign exchange loss	83,641	35,840
Interest expense	1,234	-
Administrative expenses converted into ordinary shares	141,970	-
Operating cash flow before changes in working capital	(455,923)	(791,714)
Decrease/(increase) in receivables	29,377	(566,967)
Increase in payables	187,411	168,359
Net cash outflow from operating activities	(239,135)	(1,190,322)

17. Staff costs

The Group has no direct employees. Staff costs for the year ended 31 December 2013 were US$Nil (2012:US$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$141,109 (2012:US$589,116).

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 2013 was US$164,952 (2012:US$58,717) owing to Black Swan FZE, 5% interest is payable on this borrowing and it is repayable at any time at the option of Black Swan FZE and cannot be converted into shares.

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.

18. Financial instruments (continued)

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.

Non-derivative financial liabilities, comprising borrowings, trade creditors and accruals of US$268,915 (2012: US$192,983) are repayable within 1-3 months from the year end. These amounts represent the contractual undiscounted cash flows, balances due equal their carrying balances as the impact of discounting is not significant.

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

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

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 the year end are payable as follows:

	2013 US$	2012 US$
Within one year	111,932	95,781
After one year but not more than five years	407,829	354,340
	519,761	450,121

20. Related party transactions

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 Note holder). 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$Nil (2012:US$219,717) during the year. 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. On 30 June 2013 the balance of US$58,717 was converted into shares as part of the conversion of directors fees and expenses into equity.

The Company took of advantage of a new facility granted in 2013 by Black Swan FZE of £150,000 which was drawn down as follows: US$163,506 (£100,000) on 6 November 2013 and US$83,208 (£50,000) on 4 March 2014. The terms of this facility are set out in Note 14 above.

20. Related party transactions (continued)

As part of the placing and open offer outlined in Note 22 below, Black Swan FZE, a company in which Richard Poulden has an interest, underwrote the issue and 980,888 commission shares were paid accordingly representing 3% of the amount underwritten.

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

The following table summarises the fees incurred in respect of director's services for the years ended 31 December 2013 and 2012, and the amounts settled by the Company by way of share issues:

	Richard Poulden[1]	*Jonathan Harrison*[2]	*George Cardona*	*Alan Gravett*	*Professor Michael Mainelli*[3]	*Total*
	US$	*US$*	*US$*	*US$*	*US$*	*US$*
As at 01/01/11	-	-	-	-	-	-
Charge for year	18,300	20,804	9,608	9,608	9,395	67,715
As at 31/12/12	18,300	20,804	9,608	9,608	9,395	67,715
Charge for year	37,937	32,212	19,171	19,171	19,845	128,336
Settled in shares on 30/06/13	37,007	38,293	19,164	19,164	19,164	132,792
As at 31/12/13	19,230	14,723	9,615	9,615	10,076	63,259

[1] Richard Poulden's services are billed by Black Swan FZE, in which Richard Poulden, a director of the Company, has an interest, as consultancy services. In addition, the services of the CFO, Clive Hyman, who is not a director of the Company, are US$ 50,000 per annum and are billed by Black Swan FZE to Wishbone Gold Plc. The Company settled US$12,642 of these fees in ordinary shares to Black Swan FZE, a company in which Richard Poulden has an interest. Travelling expenses of US$102,767 (2012:US$43,377) were incurred on behalf of the Company during the year. A total of US$50,698 (2012:US$41,965) is payable at the year end. US$93,821 (2012:US$nil) were settled through the issue of ordinary shares during the year.

[2] Jonathan Harrison's services are billed by Easy Business Consulting Limited, in which Jonathan Harrison, a director of the Company, has an interest, for consultancy services.

[3] Professor Michael Mainelli's services are billed by Z/Yen Group Limited, in which Professor Michael Mainelli, a director of the Company, has an interest, for consulting services.

21. Ultimate controlling party

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

22. Events after the reporting date

The following events took place after the year end:

- The conditional agreement with GRIT became unconditional on 7 March 2014 and Wishbone Gold Plc issued 45,772,693 ordinary shares in exchange for 1,031,360 ordinary shares in GRIT at an issue price of £1.
- Share options were issued to Clive Hyman, the CFO, on 7 March 2014 over 5 million new ordinary shares in the Company to vest as follows: 2,000,000 immediately on grant, 2,000,000 on 7 March 2015, and 1,000,000 on 7 March 2016.
- The Company appointed Tabarak Investment Bank as one of its advisors on 2 April 2014.
- The Company announced a conditional Placing and Open offer on 4 April 2014. A total of 33,677,181 new ordinary shares were admitted to trading AIM on 28 April 2014. The issue was underwritten by Black Swan FZE, a company in which Richard Poulden has an interest and 980,888 commission shares were paid accordingly representing 3% of the amount underwritten. The total issued and voting share capital after this event is 262,551,235 ordinary shares. The shares allotted and issued to Black Swan FZE are in the process of settlement. The Directors expect to receive the proceeds in the first week of July 2014.

23. Prior period adjustment

A total of US$827,280 transaction costs were deducted from the Share premium account in respect of the admission of the share capital to trading on AIM on 16 July 2012. US$537,046 of these costs should have been allocated to existing shares and accordingly charged to the Consolidated Income Statement. As a result, a prior period adjustment has been made to recognise the U$537,046 in the Consolidated Income Statement and reclassified from the Share premium account to the Retained loss account in the Consolidated and Company Statement of Changes in Equity.

24. Availability of accounts

Copies of the full report and accounts will be posted to shareholders in due course and are available to download from the Company's website, www.wishbonegold.com today.