Wishbone Gold Plc

FINANCIAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2020

Contents

Company Information

DIRECTORS	R O'D Poulden JC Harrison Professor MR Mainelli AD Gravett DJ Hutchins (appointed 5 February 2021)
SECRETARY	AMS Secretaries Limited Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar
REGISTERED OFFICE	Suite 16, Watergardens 5 Waterport Wharf GX11 1AA Gibraltar
INDEPENDENT AUDITORS	RSM Audit (Gibraltar) Limited 21 Engineer Lane GX11 1AA Gibraltar
BANKERS	Emirates NBD Bank PJSC Baniyas Road, Deira, P.O. Box: 777 Dubai United Arab Emirates Privat 3 Money Ltd (as from 7 April 2021) 6 Princes Street, 4th Floor London W1B 2LG United Kingdom
NOMINATED ADVISOR	Beaumont Cornish Limited Building 3 566 Chiswick High Street London W4 5YA United Kingdom

Company Information – continued

BROKER	Peterhouse Capital Limited (as from 2 June 2020) 3rd Floor, 80 Cheapside London, EC2V 6EE United Kingdom
LAWYERS	SZ Greenfields Ltd Millbank Tower London SW1P 4QP United Kingdom
	Hassans International Law Firm 57/63 Line Wall Road PO Box 119 GX11 1AA Gibraltar
REGISTRARS	Computershare Investor Services (Jersey) Limited Queensway House Hillgrove Street St Helier Jersey JE1 1ES Channel Islands
	Computershare Investor Services Plc The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
REGISTERED NUMBER	103190

Wishbone Gold PLC

Chairman's Statement

Dear Shareholders,

In March 2020 Emirates airlines, the lifeblood of Dubai, grounded all but a few of its fleet of nearly 300 planes. Overnight the thriving nexus of trade in Dubai from across the world stopped as if it had never existed. For us at Wishbone this cut off our supply of traded gold arriving on daily flights from African capitals and once our stocks were sold it was over.

Accordingly, during April and May, we restructured the company taking it back to its exploration roots in Australia. A recapitalization financing was announced on 2nd June 2020 at 1.35p giving us a market cap of £1.25m. As of writing (June 2021) our shares are at 18.5p and we have a market cap of £31.3m. Just over one year later, and we see great things for 2021 and beyond.

Wishbone Today

The restructuring which we implemented not only expanded our operations in Queensland but has also meant that we have added four new properties in the Pilbara region of Western Australia. Accordingly, the company now has six exploration properties in Australia: four in Western Australia (WA) in the Paterson Ranges area of the Pilbara and two (counting the Wishbone series as one property) in Queensland.

Figure 1: Wishbone Gold's Wishbone Project in Queensland, Australia

Wishbone Today - continued

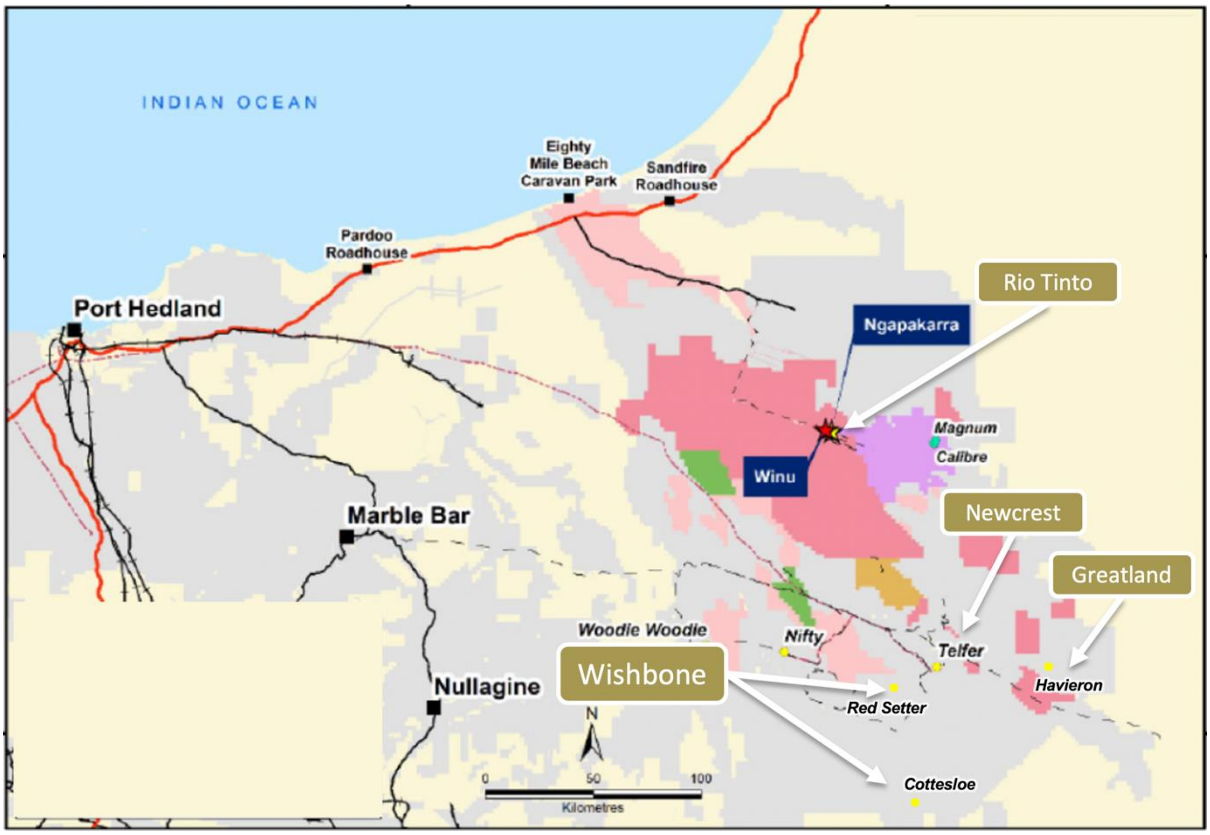

Figure 2: Wishbone Gold's exploration properties in Western Australia

__Western Australia__

Wishbone now has four exploration tenements in WA comprising the Red Setter group of three tenements and the Cottesloe tenement.

Red Setter and associated tenements

The major focus in WA is the Red Setter project. This is a 57.4 sq.km tenement, which is the major part of the 67 sq. km. package acquired in November 2020. Red Setter is located only 13 km south-west of the Newcrest[1] Mining's Telfer gold mine and about 60km west of Newcrest and Greatland[2] Gold's Havieron[3] discovery.

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1 Newcrest is Australia's largest gold producer and one of the world's largest gold mining companies. It owns and operates mines in Australia, Papua New Guinea and Canada. Market Cap is A$23bil

2 Greatland Gold plc is an LSE AIM-listed (AIM:GGP) company with a market Cap of £807m

3 Havieron is Greatland's flagship asset a world class gold-copper deposit in the Paterson region of Western Australia. It is held in a joint venture with Newcrest Mining Ltd.

Western Australia - continued

Red Setter and associated tenements - continued

For sheer exploration sex appeal, it is hard to conceive of a better area to be in than the Paterson Ranges in the Pilbara. But to get a feel for why this whole area is one of the hottest exploration areas in the world you need to know the Havieron story. Greatland acquired Havieron towards the end of 2016 for A$250,000 and some contingent payments if they mine it. Havieron had been drilled previously and abandoned but Greatland's geologists believed that the drilling had simply not gone deep enough. Accordingly, they copied an existing hole and simply drilled deeper. They were right: BANG! Through the Permian cover, at a depth of about 1km and there it was: massive mineralization which drove Greatland to over £1bil market cap.

When something like this happens, it is a real head smacking moment for geologists the world over. All the previous models they have been using turn out to be wrong and there has been a scramble for properties in that region ever since.

We now employ some of the geologists who worked on Havieron and we have modelled and analyzed Red Setter which we will be drilling later this year. The modelling of the original government data looked promising but the acquisition of new 3D inversion ultra-detailed magnetics in February 2021 delineated 3 highly magnetic bodies over an expanded area covering 3km x 1km. The largest individual priority one magnetic target has a 1500m strike length with a width of 400m and starts at around 75m from surface. In addition, this survey revealed that all the magnetic targets are much shallower than 150m-250m depth previously modelled. The relatively shallower target depth is strongly advantageous both from an exploration and future development potential perspective.

In the RNS which we issued at the time there was this comment from Simon Beams, the Managing Director and Principal Geologist of Terra Search: "The detailed magnetic survey substantially expands and enhances Red Setter. There are some very promising indications of a large hydrothermal system, with similarities to the new Havieron gold/copper discovery in the area. The previous drilling on the main 1.5km long target intersected similar alteration, and the right pathfinder metal indicators, peripheral to the main target. We now have multiple untested high-order magnetic targets across the entire prospect."

In May 2021 a Program of Work was approved by the Western Australian Government's Department of Mines. This includes a drilling program for up to 100 drill holes to depths of 300 metres. These are designed to test for potential gold and copper mineralization on the multiple magnetic targets.

Cottesloe Project

In March 2021 Wishbone acquired an option on 100% ownership of the 92.19 sq.km Cottesloe Project which is also in the Patersons Range region. Cottesloe is located 35km south east of Red Setter and around 55 km south of Newcrest's Telfer gold mine. Cottesloe consists of one granted exploration license E45/4543 and is considered highly prospective for precious and base metals.

We acquired Cottlesloe to give our exploration portfolio a balance by adding silver and lead: essential minerals for the manufacture of electric vehicles of all types. There is known mineralization at Cottesloe at surface and a few historic drilling results confirm high grades of silver in different parts of the property.

As with Red Setter we have an approved program of works for drilling later this year which will give a clearer idea of what we have here.

Queensland

The Wishbone group of properties

In Queensland we have the Wishbone group of licences in the highly prospective Mingela area about 80km south of the major Queensland port city of Townsville. This is situated between two large producing areas with Charters Towers to the west and Ravenswood to the east. The latter was recently sold for approximately A$300 million.

Wishbone Gold PLC

Chairman's Statement - continued

Queensland - continued

The Wishbone group of properties - continued

The Wishbone property was recently compared to the 5m oz Ravenswood gold mine by Dr Simon Beams of Terra Search Australia at the annual AusIMM conference in June 2021. The presentation generated a lot of interest as it was again the application of new technology to existing resources leading to a revised view on the prospectivity of the region. The presentation was announced in an RNS and is available on our website.

We have drilling programs planned for later this year.

White Mountains

We will also be continuing exploration at White Mountains where the Granite Castle deposit on the western boundary has recently been drilled by others to confirm significant gold and silver in grades and tonnage of potential economic significance. In addition, at the centre of White Mountains is an intrusion of an Ordovician-Silurian granitoid which hosts a trend of deposits, namely the Diecon Mine (gold); Edwards prospect (antimony) and Northeast Workings (gold). Grades up to 44 g/t Au (grams per tonne gold) were returned from NE Workings from stream sediments.

Financial effects of 2020

As a direct result of the COVID crisis and the grounding of Emirates the Group's revenue fell in 2020 to US$1.5m compared to US$10.8m in 2019. All of this revenue occurred in the first few months of 2020. We previously issued a trading update showing revenues of US$3.64m in the first quarter of 2020, but this has been restated to US$1.5m reflecting a reclassification of some trading income to commission only. This led to a commensurate increase in profits although for the year this is of course well short of previous performance. Given the effects of the COVID-19 lockdown on our trading business, we have impaired our investment in Precious Metals International Ltd, the parent company of Black Sand by a further US$249,114 taking that investment to zero.

During the year, there was depreciation of US$25,000 charged against the equipment in Honduras. This depreciation takes the book value of the equipment to zero.

Financial Review and Financing

At the end of the period under review, the accounts show that Wishbone held cash balances totalling US$2,188,311 (2019: US$17,179). Administrative costs, excluding interest during year, were US$1,045,475 (2019: US$939,352).

Subsequent to the year end the Company in January 2021, the Company announced that 98.54% of the warrants issued following the placing on 10 December 2020 had been exercised raising a further £1,034,662.56. In May 2021, the Company raised a further £1.4m with an additional placing.

The net effect of this restructuring and capital raises has been to leave the Company in a strong financial position to complete its planned exploration programs and with cash to pursue additional expansion.

In conclusion I would like to thank you all: staff, shareholders and advisers for your hard work and support. We will continue to announce news as soon as we are allowed by regulations to do so.

R O'D Poulden

Chairman

30 June 2021

Wishbone Gold PLC

Directors' Report

The directors submit their report and the audited consolidated financial statements of Wishbone Gold Plc ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2020.

Activities, review of business and future developments

In March 2020 Emirates airlines, the lifeblood of Dubai, grounded all but a few of its fleet of nearly 300 planes. Overnight the thriving nexus of trade in Dubai from across the world stopped as if it had never existed. For us at Wishbone this cut off our supply of traded gold arriving on daily flights from African capitals and once our stocks were sold it was over.

Accordingly, during April and May, we restructured the company taking it back to its exploration roots in Australia. Since June 2020, the Group's principal activity is mineral exploration in Australia with its principal operations in exploration properties in Queensland and Western 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 is US$890,418 (2019: US$2,159,549) after charging the following:

Group	**2020 US$**	**2019 US$**
Revenue	1,464,729	10,760,770
Gross profit	74,407	55,762
Administration costs	(1,045,475)	(939,352)
Write-off of bad debts	(48,804)	(598,844)
Gain on settlement of liability	198,772	64,980
Impairment of goodwill	(187,154)	(561,463)
Impairment of property, plant and equipment	-	(150,000)
Other costs (finance costs and net exchange gain/(loss))	117,836	(30,632)
	(890,418)	(2,159,549)

The Company's loss after taxation is US$1,401,776 (2019: US$1,656,398) after charging the following:

Company	**2020 US$**	**2019 US$**
Revenue	64,000	-
Gross profit	64,000	-
Administration costs	(895,544)	(837,720)
Gain on settlement of liability	198,772	64,980
Impairment of investments	(249,114)	(561,463)
Provision for impairment of related party loans	(637,726)	(292,205)
Other costs (finance costs and exchange gain)	117,836	(29,990)
	(1,401,776)	(1,656,398)

The directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: US$nil).

Directors

The directors listed on page 3 have served on the board throughout the year ended 31 December 2020 and the year ended 31 December 2019 with the exception of D. Hutchins who was appointed in February 2021.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are given in note 18 to the consolidated financial statements.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group is whether potential mineral reserves can be exploited economically and further demand for precious metals will continue. Further information on this can be found in the Chairman's Statement.

Going concern

As disclosed in note 2, the Group has incurred losses during the financial years ended 31 December 2020 and 31 December 2019.

In June 2020, driven in part by the lack of air freight and travel caused by COVID-19 the Group fundamentally changed its strategy. It suspended all gold trading operations and re-focused on exploration in Australia. Initially this was on the existing properties in Queensland but during the latter part of 2020 and early 2021 the group took options over and acquired additional properties in Western Australia.

The presentation of this new strategy was received extremely well by the markets with the Company's market capitalization rising from £1.25m in June 2020 to over £30m by June 2021. This has enabled the Company to raise £3.57m during the period.

The Directors have reviewed the financial condition of the Group since 31 December 2020 and have considered the Group's cash projections and funding plan for the 12 months from the date of approval of these financial statements. The Group's current cash situation without any additional funding will not only sustain the Company for at least the next twelve months but allow the Group to continue its aggressive exploration program in Australia. This can of course be adjusted in accordance with the results.

The Company has also demonstrated that it has the ability to raise capital for its new strategy that it may require to accelerate the exploration program if it desires. At the date of approval of these financial statements, the Company is currently debt free.

The Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months and also to continue full operations in exploration.

Exploration and evaluation

Exploration and evaluation costs capitalised as intangible assets amounted to US$1,394,914 (2019: US$388,169) at the year end. The Directors recognise that the realisation of intangible assets depends on the successful discovery and development of mineral reserves. The Directors have reviewed the proposed work programme for exploration and evaluation assets and on the basis of the results from the exploration programme and the prospects for raising additional funds as required, consider it appropriate to prepare the financial statements on a 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 2020, the Group had creditor days of 26 days (2019:26 days) based on the financial data for the year.

Corporate governance

The Directors have, in so far as practicable given the Group's size and the constitution of the board, complied with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice which is consistent with the recommendations on Corporate Governance Guidelines of the Quoted Companies Alliance for AIM companies. The Company has adopted the QCA Corporate Governance Code (2018) since the year to 31 December 2018 on a comply or explain basis, with the appropriate disclosures as required by the AIM Rules for 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.

The Company's Code of Corporate Governance is published on the Company's website:
https://wishbonegold.com/company/corporate-governance.html.

Events after the reporting year

The following events took place after the year end:

On 29 January 2021, the Company announced that 98.54% of the warrants issued following the placing on 10 December 2020 had been exercised raising a further £1,034,663 and that the balance of £15,337 worth of unexercised warrants had expired.

On 5 February 2021, Mr. David Hutchins agreed to join the board of Wishbone Gold Plc as a non-executive director.

On 3 March 2021, the Company issued a total of 600,000 new ordinary shares (the "Ordinary Shares") of 0.1 pence each to Alta Zinc Limited at a deemed issued price of 16 pence per share which totals to £96,000 for the option to acquire the Cottesloe Project.

On 20 May 2021, Wishbone issued a total of 10,000,000 new ordinary shares of 0.1 pence each at a price of 14 pence per share through a private placement made by the Company to a series of investors ("Placing") to raise a total of £1.4m gross. The net proceeds will provide additional working capital for the Company as it embarks on its Red Setter exploration program.

Pursuant to the Placing, the Company has also granted Investors a warrant to subscribe 1 new Ordinary Share in the capital of the Company for every two shares subscribed in the placing exercisable for a period of two (2) years from Admission of the Placing shares at a price of 20 pence per ordinary share.

The warrants have an accelerator clause whereby in the event that the ordinary shares of the Company close above 20 pence per share for 5 trading days during any 10-day trading period then the Company has the right to require warrant holders to exercise all warrants held by them within 7 days. Any warrants not exercised when so required by the Company will automatically expire at the end of the 7-day period.

Wishbone Gold PLC

Directors' Report - continued

Statement regarding disclosure of information to the auditors

Each director of the Company has confirmed that, in fulfilling their duties as a director, they are not aware of relevant audit information of which the Group's auditors are not aware and that they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of Gibraltar Companies Act 2014.

Independent auditors

RSM Audit (Gibraltar) Limited were appointed as auditors for the year.

A resolution for the reappointment of RSM Audit (Gibraltar) Limited will be proposed at the Annual General Meeting.

The financial statements on pages 25 to 53 were approved by the Board of Directors and signed on its behalf by:

Name: R O'D Poulden

Date: 30 June 2021

Company's registered number: 103190

Wishbone Gold PLC

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the financial year end and of the profit or loss of the Group for that year. In preparing those financial statements, the directors are required to:

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

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

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

d. *prepare the financial statements on the going concern basis unless it is inappropriate to 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 Companies Act 2014. Specifically, pursuant to section 248 of the Gibraltar Companies Act 2014, the directors have elected to follow International Financial Reporting Standards as adopted by the European Union. The directors are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate financial statements included on the Company's website. Legislation in Gibraltar governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

R O'D Poulden

Chairman

30 June 2021

Wishbone Gold PLC

Code of Corporate Governance

Wishbone Gold Plc (Wishbone or the Company) is registered in Gibraltar and, as such, complies with the Gibraltar Companies Act 2014. This Act does not provide for a specific corporate governance code and accordingly Wishbone has adopted the general principles of the QCA Corporate Governance Code (2018) (the "Corporate Governance Code") on a comply or explain basis, to meet both the requirements of the Alternative Investment Market (AIM) and the Aquis Stock Exchange (AQSE). The Corporate Governance Code also applies to any subsidiaries or companies in which Wishbone has a majority voting interest, unless otherwise stated.

The Statement of the Corporate Governance Code is reviewed annually. Any amendments to the Statement of the Corporate Governance Code will be set out in future Annual Reports on the Company's website.

Wishbone Corporate Code

1. Establish a strategy and business model which promotes long-term value for shareholders

Wishbone is a gold and precious metals exploration company with assets in Australia. It recently acquired four additional exploration properties in the Paterson Ranges area of Western Australia. These are in addition to the existing two properties in Queensland.

In June 2020 the Company revised its strategy to focus more resources on its exploration properties in Australia. The Company continues to review acquisition opportunities in all sectors.

2. Seeks to understand and meet shareholder needs and expectations

The Board encourages constructive feedback from its shareholders on their needs and expectations for the Company through question and answer sessions at its annual general meeting and at other online and in-person presentations by board members that the Company organise. The Company also maintains a Twitter account (https://twitter.com/WishboneGoldplc) to provide communications with shareholders. The Chairman and the Board have been mindful of the importance of communication with shareholders and have been successful by communicating via RNS (https://wishbonegold.com/news/rns.html), periodic media interviews (https://wishbonegold.com/news/media-coverage.html) and attendance at investor shows when possible.

3. Takes into account wider stakeholder and social responsibilities and their implications for longer term success

Wishbone takes social responsibility extremely seriously. The Chairman has been involved in conservation charities for many years and the Company is bringing enhanced levels of conservation and care for the environment into the operations with which it is involved.

The Company has an open and compliant approach to its dealings with the regulators associated with the admission of the Company's shares to trading on the AIM and AQSE. The Board seeks to identify suppliers that provide the right balance of capabilities and cost and are identified purely on an arms-length commercial basis. The Company's suppliers will be paid in line with agreed payment terms and the Board will act in an ethical manner in all dealings and expect the same from its suppliers.

The Board recognises that, as it develops, there will be wider stakeholder and social responsibilities that will have to be taken into account, in particular in relation to employees (currently there are none) and the communities in which it becomes active. The Board seeks constructive feedback (https://wishbonegold.com/contact-us.html) from all its stakeholders and Jonathan Harrison has been designated as the Non-Executive director to whom any stakeholders may provide open and confidential feedback.

4. Embed effective risk management, considering both opportunities and threats throughout the organisation

The Board is responsible for the systems of risk management and internal control, as well as reviewing their suitability and effectiveness.

The Board identifies and addresses all risks based on a considered assessment of the likelihood of a risk occurring and the magnitude of the risk to the Company were it to occur, from both a positive and negative perspective.

5. Maintain the Board as a well functioning, balanced team led by the Chairman

The Board currently comprises an Executive Chairman and four non-executive directors. This is considered appropriate and proportional to the Group's present requirements.

The Board continually reviews Wishbone’s blend and range of skills and experience and will make changes and additions if necessary.

The Executive Chairman assisted by the Senior Non-Executive Director (Jonathan Harrison) take a position of leadership on all matters of Corporate Governance. They are supported in this by the Company Secretary, who ensures that the Board (and any Board Committees) are provided with high quality information in a timely manner in order to facilitate a proper assessment of the matters requiring a decision or insight.

Jonathan Harrison, Alan Gravett, Michael Mainelli and David Hutchins are considered by the Board to be independent Non-Executive Directors, notwithstanding that under their respective letters of appointment each may be paid in Ordinary Shares as an alternative to cash, at the election of the Company. This matter of independence will be re-visited by the Board on a periodic basis.

With the Company in its current state of development, the Board believes that a single executive director is appropriate, while the four non-executive directors provide a good balance of skills and experience. However, this Board does not comply with the Corporate Governance Code in all respects. Specifically, the office of Chairman and CEO are held by the same person. The Company is considering further executive appointments and the roles of Chairman and CEO may be split in the future as the Company grows.

The Board of Directors is scheduled to meet formally four times a year.

The Company has an Audit Committee. The members of the Audit Committee are Jonathan Harrison and Michael Mainelli. The Audit Committee is scheduled to meet as necessary to conclude the audit, and meet officially once a year, at which time all members attend.

The Company has a Remuneration Committee. The members of the Remuneration Committee are Michael Mainelli and Jonathan Harrison. The Remuneration Committee is scheduled to meet once a year.

The Company does not currently have a Nomination Committee, but the Board will consider whether one is needed as it develops.

6. Ensure that between them, the directors have the necessary up-to-date experience, skills and capabilities

The Board consists of seasoned and well-qualified individuals with a broad range of business and industry expertise. The Board keeps these matters under continual review.

As the Company develops its new business strategies, these matters will need to be reviewed, as will the diversity and gender balance of the Board.

The Board of Directors consists of:

- Richard Poulden, Executive Chairman and CEO
- Jonathan Harrison, Senior Non-Executive Director
- Professor Michael Mainelli, Non-Executive Director
- Alan Gravett, Non-Executive Director
- David Hutchins, Non-Executive Director

Each board member is highly qualified in their respective fields. They keep their skills up to date through continuing professional development and contacts in their respective skill areas.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

As the Company formulates, approves and implements new business strategies, the Board develops performance and evaluation criteria specifically for each sector. Given the size and development stage of Wishbone this is carried out internally without the assistance of third parties.

The performance of the Board, its committees and individuals is evaluated by way of comparison to the board and committee processes of companies at a similar stage of development and the skill levels of their members.

The Company's approach to succession planning is to bring talented individuals into the group at an operating level with the objective of their graduating to Board level in due course.

8. Promote a corporate culture that is based on ethical values and behaviours

As set out in Principle 3 (above) the Board maintains high standards of transparency and integrity in all its business conduct. If, and as, the Company takes on employees, it will develop further policies and working practices to be adopted by the Company and its employees. The Board will monitor these policies and working practices.

The Board ensures that ethical values and behaviours are recognised and respected through its entire operating structure as set out in Principle 3.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Company holds regular Board meetings and the Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and acquisitions. The Executive Chairman's Role is to develop the strategy of the Company in conjunction with the Board and to execute that strategy.

Currently there are two Board Committees, an Audit Committee and Remuneration Committee. Other Committees will be established if and when the business requires. Membership of these committees can be found in the statement regarding Principle 5.

The Board intends to evolve its approach to Corporate Governance alongside the development of its business.

10. Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Executive Chairman of Wishbone has overall responsibility for Corporate Governance. The principles of corporate governance are satisfied through the discharge of specific responsibilities for Leadership, Board Management Relationships, Board Committees, Board Meetings and any other duties, which the Board may request from time-to-time.

Code of Corporate Governance – continued

Dialogue is maintained through general meetings, regulatory releases and presentations at investor-oriented events, which generally incorporate question and answer sessions.

The results of proposed resolutions at all general meetings of the Company are published via RNS.

Notices of all general meetings and annual report and accounts published by the Company for the last five years. You can view the Company Reports and Accounts here (https://wishbonegold.com/investors/reports-accounts.html) and Shareholder Circulars here (https://wishbonegold.com/investors/shareholder-circulars.html).

The above information has been updated on 30 June 2021.

RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar
GX11 1AA

T +350 200 74854
F +350 200 51477

www.rsm.gi

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

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements ("the financial statements") of Wishbone Gold Plc (the "Company") and its subsidiaries ("the Group"), which comprise the company and consolidated statement of financial position as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and company and consolidated statement of cash flows for the year then ended, and notes to the company and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Group's and Company's affairs as at 31 December 2020 and of the Group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union ("IFRS"); and
- have been prepared in accordance with the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Going concern

The financial statements have been prepared on the assumption that the Group and Company will continue as a going concern. As discussed in note 2 to the financial statements, the Group and Company have incurred a net loss for the year and have accumulated losses from prior years.

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

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

Emphasis of matter – Going concern *(continued)*

The going concern ability of the Group and Company relies on a number of matters including the future success of the exploration programme in Wishbone Gold Pty Ltd and Wishbone Gold WA Pty Ltd, both located in Australia, as well as the ability to raise funds from equity financing. These circumstances and conditions raise doubts about the Group's and Company's ability to continue as a going concern. Management's plans are described in note 2 together with the disclosures in the Directors Report and Chairman's Statement. In addition, note 23, events after the reporting date, provides further details affecting the going concern.

The directors have also considered the valuation of assets that could be impacted by the above conditions and have provided impairments accordingly as indicated in notes 3, 11, 12 and 21. The assets that have been impaired in the Group's and/or Company's financial statements include goodwill, investment in a subsidiary and inter-company balances.

The consolidated and Company financial statements do not include any further adjustments that might result from the outcome of this uncertainty.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

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

Key audit matters *(continued)*

Risk	Our response to the risk	Key observations communicated to the audit committee
Going concern assessment • As disclosed in Note 2, the consolidated financial statements have been prepared on a going concern basis. • In 2020, the Group has incurred net losses of $890,418. As at 31 December 2020, the Group has accumulated losses of $11,696,679, while the Group's cash balances amounted to $2,188,311 and current liabilities were $380,423. • The Group relies on the future success of exploration programme in its Australia-based subsidiaries, as well as its ability to raise funds from equity financing. • There is a risk that a material uncertainty could exist related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. • The Group closely monitors and manages its capital position and liquidity risk regularly throughout the year to ensure that it has sufficient funds to meet forecast cash requirements and satisfy the working capital requirements and planned exploration activities. Taking into account the ability of the Company to raise adequate funding to support its planned exploration program, the Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months and also to continue full operations in exploration.	• We identified that the most significant assumptions in assessing the Group's ability to continue as a going concern were the expected future forecasts from its exploration program. The calculations supporting the assessment require management to make highly subjective judgements. The calculations are based on estimates of future performance, and are fundamental to assessing the suitability of the basis adopted for the preparation of the financial statements. We reviewed these assumptions and calculations; • We checked that the Group has sufficient cash to fund its operational costs, including the costs of its planned exploration activities in Australia, for the next 12 months after the date of signing the 2020 financial statements; and • We assessed all the relevant going concern matters, including the impact of COVID 19, in the future operations of the Group.	We concluded that no further disclosures relating to the Company's ability to continue as a going concern need to be made in the financial statements. We nevertheless believe that the exploration business in itself is inherently uncertain, and therefore, we included an emphasis of matter paragraph in our audit report.

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

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

Key Audit Matters *(continued)*

Risk	Our response to the risk	Key observations communicated to the audit committee
Goodwill impairment assessment • The Group has goodwill of US$748,617, gross of allowance for impairment, relating to the Company's acquisition of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE ("the PMI Group"). • Black Sand FZE, the main subsidiary, has incurred losses during the year and has net liabilities. This has increased the risk that the carrying value of goodwill may be impaired. • Management has concluded that in 2020, an additional impairment loss of US$187,154 is necessary, making the goodwill fully impaired as at 31 December 2020. This conclusion was based on significant management judgement with respect to forecasts.	Our procedures in relation to management's impairment assessment included: • We reviewed management's assessment of the fair value of net assets acquired and agreed back to supporting documentation; • We reviewed management's goodwill calculations and agreed back to supporting documentation; and • We reviewed the impairment status of Black Sand FZE using discounted cash flows based on Management's forecasts.	Considering the uncertainties mentioned, we concluded that it is reasonable to fully impair the goodwill as at 31 December 2020.
Revenue recognition • The Group recognized revenue of US$1.5 million in 2020 (2019: US$10.8 million). • Revenue is inherently deemed a significant risk in accordance with ISA. • We consider that there are risks of fraud in revenue recognition and considers which types of revenue may give rise to fraud risks. For the Group, the main income stream is trading in gold. The risk lies in the processing of gold which is usually done without management or employees handling the gold. Also, there is a risk that in 2020, most of the gold trading transactions were settled in cash.	• We assessed the controls over cash, gold and debtors and the segregation of duties in place; • We assessed the controls over the maintenance of supplier details and changes to bank account details; • We assessed the controls over the raising and approval of manual journals and accounting estimates; and • We assessed the completeness of income, together with the recoverability of associated receivables.	We concluded that the revenue recognised in the year is materially correct.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS and applicable law in Gibraltar, and for such internal control as the directors determine is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company, or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

Auditor's responsibilities for the audit of the financial statements *(continued)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the consolidated financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

In the light of the knowledge and understanding of the Group, and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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

Report on other legal and regulatory requirements *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the matter where the Companies Act 2014 requires us to report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SVM Cohen
Statutory auditor

For and on behalf of
RSM Audit (Gibraltar) Limited

21 Engineer Lane
Gibraltar

30 June 2021

Wishbone Gold PLC

Consolidated Income Statement
for the year ended 31 December 2020

	Notes	2020 US$	2019 US$
Discontinued Operations			
Revenue		1,400,729	10,760,770
Cost of sales		(1,390,322)	(10,705,008)
Gross profit		10,407	55,762
Administration expenses	5	(29,792)	(48,250)
Write-off of bad debts	8, 15	(48,804)	(598,844)
Loss from discontinued operations		(68,189)	(591,332)
Continuing Operations			
Other income		64,000	-
Administration expenses	5	(1,015,683)	(891,102)
Operating loss		(951,683)	(891,102)
Gain on settlement of liability	13	198,772	64,980
Impairment of goodwill	10	(187,154)	(561,463)
Impairment of property, plant and equipment	9	-	(150,000)
Foreign exchange gain/(loss)		127,013	(9,539)
Finance costs		(9,177)	(21,093)
Loss from continuing operations – before taxation		(822,229)	(1,568,217)
Tax on loss		-	-
Loss from continuing operations		(822,229)	(1,568,217)
Loss for the financial year		(890,418)	(2,159,549)
Loss per share:			
Basic and diluted (cents)	7	(0.031)	(0.077)
Loss per share:			
after capital reorganisation			
Basic and diluted (cents)	7	(1.178)	(7.707)

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year except for the business operations in Black Sand FZE.

The notes on pages 32 to 53 form part of these financial statements.

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2020

	2020 US$	2019 US$
Loss for the financial year	(890,418)	(2,159,549)
Other comprehensive (loss)/income:		
Exchange differences on translating foreign operations	(17,840)	43,234
Other comprehensive income for the year, net of tax	(17,840)	43,234
Total comprehensive loss for the year attributable to equity owners of the parent	(908,258)	(2,116,315)

The notes on pages 32 to 53 form part of these financial statements.

Wishbone Gold PLC

Consolidated Statement of Financial Position
as at 31 December 2020

	Notes	2020 US$	2019 US$
Current assets			
Trade and other receivables	8	569,102	117,831
Cash and cash equivalents		2,188,311	17,179
		2,757,413	135,010
Non-current assets			
Property, plant and equipment - net	9	-	25,000
Goodwill	10	-	187,154
Other intangible assets	10	1,394,914	388,169
		1,394,914	600,323
Total assets		4,152,327	735,333
Current liabilities	13	380,423	669,590
Equity			
Share capital	14	3,933,921	3,776,911
Share premium		11,763,959	7,306,550
Foreign exchange reserve		(229,297)	(211,457)
Accumulated losses		(11,696,679)	(10,806,261)
		3,771,904	65,743
Total equity and liabilities		4,152,327	735,333

The financial statements were approved by the board and authorised for issue on 30 June 2021 and signed on its behalf by:

J.C. Harrison
Director

R O'D Poulden
Director

The notes on pages 32 to 53 form part of these financial statements.

Wishbone Gold PLC

Company Statement of Financial Position
as at 31 December 2020

	Notes	2020 US$	2019 US$
Current assets			
Trade and other receivables	8	2,465,628	20,389
Loans	15	1,823,558	1,181,210
Cash and cash equivalents		-	4,318
		4,289,186	1,205,917
Non-current assets			
Investments	11	142,192	391,306
		142,192	391,306
Total assets		4,431,378	1,597,223
Current liabilities	13	260,368	638,856
Equity			
Share capital	14	3,933,921	3,776,911
Share premium	14	11,763,959	7,306,550
Accumulated losses		(11,526,870)	(10,125,094)
		4,171,010	958,367
Total equity and liabilities		4,431,378	1,597,223

The financial statements were approved by the board and authorised for issue on 30 June 2021 and signed on its behalf by:

J.C. Harrison
Director

R O'D Poulden
Director

The notes on pages 32 to 53 form part of these financial statements.

Wishbone Gold PLC

Consolidated Statement of Changes in Equity as at 31 December 2020

	Share capital US$	Share premium US$	Accumulated losses US$	Foreign exchange reserve US$	Total equity US$
Balance at 1 January 2019	2,872,843	7,306,550	(8,646,712)	(254,691)	1,277,990
Shares issued during the year (net of issue costs)	904,068	-	-	-	904,068
Loss for the financial year	-	-	(2,159,549)	-	(2,159,549)
Translation adjustments	-	-	-	43,234	43,234
Balance at 31 December 2019	3,776,911	7,306,550	(10,806,261)	(211,457)	65,743
Shares issued during the year (net of issue costs)	157,010	4,457,409	-	-	4,614,419
Loss for the financial year	-	-	(890,418)	-	(890,418)
Translation adjustments	-	-	-	(17,840)	(17,840)
Balance at 31 December 2020	3,933,921	11,763,959	(11,696,679)	(229,297)	3,771,904

The notes on pages 32 to 53 form part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 December 2020

	Notes	2020 US$	2019 US$
Cash flows from operating activities			
Loss before tax		(890,418)	(2,159,549)
Reconciliation to cash generated from operations:			
Foreign exchange (gain)/loss		(127,013)	9,539
Interest expense		9,177	21,093
Impairment of goodwill	10	187,154	561,463
Impairment of property, plant and equipment	9	-	150,000
Write-off of bad debts	8, 15	48,804	598,844
Write-off of receivables	5	14,031	126,279
Depreciation	9	25,000	37,500
Administrative expenses converted into ordinary shares	14	160,484	-
Gain on settlement of liability	13	(198,772)	(64,980)
Operating cash flow before changes in working capital		(771,553)	(719,811)
Decrease in receivables		111,614	81,054
Increase in payables		251,370	107,722
Net cash flows used in operations		(408,569)	(531,035)
Cash flows from an investing activity			
Additions of intangible assets	10	(520,434)	(16,246)
Net cash flows used in investing activities		(520,434)	(16,246)
Cash flows from a financing activity			
Issue of shares for cash	14	3,113,710	500,680
Net cash flows from financing activities		3,113,710	500,680
Effects of exchange rates on cash and cash equivalents, including effects of foreign exchange reserve		(13,575)	39,352
Net decrease in cash and cash equivalents		2,171,132	(7,249)
Cash and cash equivalents at 1 January		17,179	24,428
Cash and cash equivalents at 31 December		2,188,311	17,179

The notes on pages 32 to 53 form part of these financial statements.

Company Statement of Cash Flows
for the year ended 31 December 2020

	Notes	2020 US$	2019 US$
Cash flows from operating activities			
Loss before tax		(1,401,776)	(1,656,398)
Reconciliation to cash generated from operations:			
Foreign exchange (gain)/loss		(127,013)	8,897
Interest expense		9,177	21,093
Provision for impairment of related party loans	21	637,726	292,204
Write-off of receivables	5	14,031	126,279
Impairment of investments	10	249,114	561,463
Gain on settlement of liability	13	(198,772)	(64,980)
Administrative expenses converted into ordinary shares	14	160,484	-
Operating cash flow before changes in working capital		(657,029)	(711,442)
Increase in receivables		(2,627,313)	(1,393)
Increases in payables		162,049	90,853
Net cash flows used in operations		(3,122,293)	(621,982)
Cash flows from financing activities			
Issue of shares for cash	14	3,113,710	500,680
Collections from related party loans - net	21	-	126,604
Net cash flow from financing activities		3,113,710	627,284
Effects of exchange rates on cash and cash equivalents		4,265	(3,239)
Net (decrease)/ increase in cash and cash equivalents		(4,318)	2,063
Cash and cash equivalents at 1 January		4,318	2,255
Cash and cash equivalents at 31 December		-	4,318

The notes on pages 32 to 53 form part of these financial statements.

1. General Information

The consolidated financial statements of Wishbone Gold Plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Company's directors on 30 June 2021.

The Company was incorporated in Gibraltar under the name of Wishbone Gold Plc as a public company under the Gibraltar Companies Act 2014. The authorised share capital of the Company is £8,000,000 divided into 8,000,000,000 shares of £0.001 each. The registered office is located at Suite 16, Watergardens 5, Waterport Wharf GX11 1AA, Gibraltar.

In March 2020 Emirates airlines, the lifeblood of Dubai, grounded all but a few of its fleet of nearly 300 planes. Overnight the thriving nexus of trade in Dubai from across the world stopped as if it had never existed. For us at Wishbone this cut off our supply of traded gold arriving on daily flights from African capitals and once our stocks were sold it was over. Accordingly, during April and May, we restructured the company taking it back to its exploration roots in Australia. Since June 2020, the Group's principal activity is a mineral exploration in Australia with its principal operations in exploration properties in Queensland and Western Australia.

On 5 February 2016, Wishbone acquired Precious Metals International Ltd ("PMI") and its wholly owned subsidiary, Black Sand FZE in an all-share transaction.

The terms of the acquisition are an initial payment of 240,000,000 ordinary shares of 0.1p each in the Company with a further payment of an additional 240,000,000 ordinary shares once the annual profit after tax of the PMI Group exceeds US$1m. This values the initial consideration for the PMI Group at £648,000 (US$779,127), based on the Company's closing mid-market. The net assets acquired were US$50,510 leading to goodwill of US$748,617. As at 31 December 2020, the carrying value of this goodwill is US$Nil (2019: US$187,154) (see note 3).

Further share allotments have been made as disclosed in note 14.

2. Accounting Policies

Basis of preparation

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") applied in accordance with the provisions of the Gibraltar Companies Act 2014 ("the Act").

In accordance with the Gibraltar Companies Act 2014, the individsual statement of financial position of the Company has been presented as part of these financial statements. The individual statement of comprehensive income has not been presented as part of these financial statements as permitted by Section 288 of the Act. The individual statement of comprehensive income of the Company shows a loss for the year of US$1,401,776 (2019: US$1,656,398).

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). 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 2020.

The consolidated financial statements have been prepared under the historical cost convention. The principal accounting policies set out below have been consistently applied to all years presented other than changes from the new and amended standards and interpretations effective from 1 January 2020.

2. Accounting Policies – continued

Going concern

The Group's has incurred losses during the financial years ended 31 December 2020 and 31 December 2019.

In June 2020, driven in part by the lack of air freight and travel caused by COVID-19 the Group fundamentally changed its strategy. It suspended all gold trading operations and re-focused on exploration in Australia. Initially this was on the existing properties in Queensland but during the latter part of 2020 and early 2021 the group took options over and acquired additional properties in Western Australia.

The presentation of this new strategy was received extremely well by the markets with the Company's market capitalization rising from £1.25m in June 2020 to over £30m by June 2021. This has enabled the Company to raise £3.57m during the period.

The Directors have reviewed the financial condition of the Group since 31 December 2020 and have considered the Group's cash projections and funding plan for the 12 months from the date of approval of these financial statements. The Group's current cash situation without any additional funding will not only sustain the Company for at least the next twelve months but allow the Group to continue its aggressive exploration program in Australia. This can of course be adjusted in accordance with the results.

The Company has also demonstrated that it has the ability to raise capital for its new strategy that it may require to accelerate the exploration program if it desires. At the date of approval of these financial statements, the Company is currently debt free.

The Board of Directors is confident that the Group has access to sufficient funds to enable the Group to meet its liabilities as and when they fall due for at least the next twelve months and also to continue full operations in exploration.

Basis of consolidation

The Group's consolidated financial statements incorporate the financial statements of the Company and its subsidiaries prepared at 31 December each year. Control is achieved where the company has power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-group transactions and balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated accounts.

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

Business combinations and goodwill

On acquisition, the assets and liabilities, and contingent liabilities of subsidiaries are measured at their fair values at the date of acquisition. Any excess of cost of acquisition over the fair value of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e., discount on acquisition) is credited to the income statement in the period of acquisition. Goodwill arising on consolidation is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

2. Accounting Policies – continued

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. Exploration and expenditure ceases after technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the Directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to tangible assets as 'Developed mineral assets' following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation. Cost is depreciated on a straight-line basis over their expected useful lives as follows:

Machinery	15% per annum

Investments

Investments in group undertakings

Investments in group undertakings are measured at cost less any impairments arising should the fair value after disposal costs be lower than cost.

Impairment of non-financial assets

At each year end date, the Group reviews the carrying amounts of its non-financial assets, which comprise of investments, tangible and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Accounting Policies – continued

Impairment of non-financial assets – continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit) in prior periods. A reversal of impairment loss is recognised in the income statement immediately.

During the year, the Group recognised impairment of goodwill of US$187,154 (2019: US$561,463) taking the goodwill value to zero, and impairment of the fixed assets of US$Nil (2019: US$150,000). This year's depreciation takes the fixed assets to zero. Furthermore, in 2020, the Company recognised additional impairment of its related party loans of US$637,726 (2019: US$292,205).

Foreign currencies

The consolidated financial statements are presented in United States Dollars ("US$"), the presentation and functional currency of the Company. All values are rounded to the nearest US$. Transactions denominated in a foreign currency are translated into US$ at the rate of exchange at the date of the transaction or using the average rate for the financial year. At the year-end date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the income statement.

On consolidation, the assets and liabilities of foreign operations which have a functional currency other than US$ are translated into US$ at foreign exchange rates ruling at the year-end date. The revenues and expenses of these subsidiary undertakings are translated at average rates applicable in the period. All resulting exchange differences are recognised as a separate component of equity. Foreign exchange gains or losses arising from a monetary item receivable from or payable to a foreign operation are recognised in the consolidated statement of comprehensive income and disclosed as a separate component of equity, such foreign exchange gains or losses are reclassified from equity to the income statement on disposal of the net foreign operation. The same foreign exchange gains or losses are recognised in the stand-alone income statements of either the parent or the foreign operation.

In the statement of cash flows, cash flows denominated in foreign currencies are translated into the presentation currency of the Group at the average exchange rate for the year or the prevailing rate at the time of the transaction where more appropriate.

The closing exchange rate applied at the year-end date was AUD 1.2974 per US$1 (2019: AUD 1.4321). The average exchange rate applied at the year-end date was AUD 1.4521 per US$1 (2019: AUD 1.4387).

The closing exchange rate applied at the year-end date was AED 3.67 per US$1 (2019: AED 3.67). The average exchange rate applied at the year-end date was AED 3.67 per US$1 (2019: AED 3.67).

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker as required by IFRS 8 "Operating Segments". The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

The accounting policies of the reportable segments are consistent with the accounting policies of the Group as a whole. Segment loss represents the loss incurred by each segment without allocation of foreign exchange gains or losses, investment income, interest payable and tax. This is the measure of loss that is reported to the Board of Directors for the purpose of the resource allocation and the assessment of the segment performance.

2. Accounting Policies – continued

Segment reporting - 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 (note 4).

Revenue recognition

The Group earns its revenues only from gold trading, which is recognised at a point in time. Revenue is recognised when control of a good or service transfers to a customer. A new five-step approach is applied before revenue can be recognised:

- *identify contracts with customers;*
- *identify the separate performance obligation;*
- *determine the transaction price of the contract;*
- *allocate the transaction price to each of the separate performance obligations; and*
- *recognise the revenue as each performance obligation is satisfied.*

The revenue recognition under IFRS 15 is similar to how the Company has previously accounted for its revenues under the old revenue accounting standards.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Impairment of financial assets

The Group has adopted the expected credit loss model ("ECL") in IFRS 9. The ECL is to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (ECL that result from all possible default events over the life of the financial instrument).

The Group only holds cash and trade and other receivables with no financing component and therefore has adopted an approach similar to the simplified approach to ECLs.

Provision for impairment (or the ECL) is established based from full lifetime ECL and when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at effective interest rate.

Cash and cash equivalents

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

Trade and other payables

Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

2. Accounting Policies – continued

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date. Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted (or substantively enacted) by the year end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities. Equity instruments issued by a group entity are recorded at the proceeds received, net of any direct issue costs.

Share based payments

The Company has historically issued warrants and share options in consideration for services. The fair value of the warrants have been treated as part of the cost of the service received and is charged to share premium with a corresponding increase in the share based payment reserve. All subscriber warrants issued in the prior years had already lapsed, thus the share based payment reserve was transferred to retained earnings. In 2020, the Group issued warrants (see note 16) as part of the total consideration for the acquisition of exploration licenses (see note 10), for which the value attributable to the warrants is US$Nil.

Standards, amendments and interpretations to existing standards that are effective in 2020

The following new standards, amendments and interpretations to existing standards have been adopted by the Group during the year but have had no significant impact on the financial statements of the Group:

(i) *IAS 1 and IAS 8 (Amendments), 'Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material'.* The amendments provide a clearer definition of 'material' in IAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in IAS 8 has been accordingly replaced by reference to the new definition in IAS 1. In addition, amendment has also been made in other standards that contain definition of material or refer to the term 'material' to ensure *consistency.*

(ii) *IFRS 3 (Amendments), 'Business Combinations – Definition of a Business'.* The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Also, the amendments will likely result in more acquisitions being accounted for as asset acquisitions.

2. Accounting Policies – continued

Standards, amendments and interpretations to existing standards that are effective in 2020 - continued

(iii) *IFRS 7 (Amendments), 'Financial Instruments: Disclosures,* and *IFRS 9 (Amendments), 'Financial Instruments: Interest Rate Benchmark Reform'.* The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

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

At the date of authorisation of these consolidated financial statements, the following standards and interpretations were in issue but not yet mandatorily effective and have not been applied in these financial statements:

(i) *IFRS 3 (Amendments), 'Business Combination – Reference to the Conceptual Framework'* (effective from 1 January 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly changing the requirements in the standard.

(ii) *IAS 16 (Amendments), 'Property, Plant and Equipment – Proceeds Before Intended Use'* (effective from 1 January 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(iii) *IAS 37 (Amendments), 'Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract'* (effective from 1 January 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(iv) *Annual Improvements to IFRS 2018-2020 Cycle.* Among the improvements, the only amendments, which are effective from 1 January 2022, relevant to the Group are *IFRS 9 (Amendments), 'Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liability'*. The improvements clarify the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

(v) *IAS 1 (Amendments), 'Presentation of Financial Statements – Classification of Liabilities at Current or Non-current'* (effective from 1 January 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

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 (including impact of COVID-19)

The preparation of the financial statements is based on the going concern assumption as disclosed in note 2. The Board of Directors, after taking into consideration the additional funding received, believe the going concern assumption is appropriate.

Impairment of exploration and evaluation assets

The Board of Directors continue to budget for the exploration and evaluation commitments disclosed in note 20 and continue to invest in these. The Board of Directors do not consider that the exploration and evaluation assets are impaired. The carrying value of these assets is dependent on the judgements reached in relation to going concern in order to fund and develop these assets.

Impairment of property, plant and equipment

In assessing impairment, management estimates the recoverable amount of the equipment in Wishbone Honduras based on expected future cash flows. Estimation uncertainty relates to determination of future cash flows, including the potential value if the equipment is to be sold to a third party. In 2019, management determined that the equipment has become idle, thus, has not put into use in the operations. Accordingly, the Board of Directors considered that the equipment shall be impaired as it believes that the recoverable amount is lower than the carrying value of the property, plant and equipment.

Impairment of goodwill

In 2019, the Board of Directors considered that the goodwill arising from the acquisition of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE (“the PMI Group”) was overvalued. Thus, the directors calculated a 75% impairment would more accurately reflect the goodwill. In 2020, the Directors have again reviewed the carrying value for the current financial year and considered that goodwill as at 31 December 2020 should be fully impaired, thus an additional 25% impairment was recognised.

Determination of functional currency

The Directors consider the US$ to be the currency that most faithfully represents the economic effect of the underlying transactions, cash flows, events and conditions of the Company. The US$ is the currency in which the Company measures its performance and reports its results, as well as the currency in which it assesses the viability of projects.

Parent company statement of financial position - impairment of the investment in a subsidiary and related party receivables

At the reporting date, the Australian subsidiaries had net liabilities of US$323,089 (AUD 329,076) (2019: US$199,608 (AUD 285,858)). As noted above, the Board of Directors do not consider that the exploration and evaluation assets are impaired. An independent valuation of the underlying assets in these subsidiaries was carried out in 2019, which provided a midpoint value of AUD1,218,750 and therefore there is no indication of impairment of the investment in and loan to the Australian subsidiaries of US$1,394,914 (2019: US$388,169) and US$1,823,558 (2019: US$554,597) respectively.

3. Critical accounting estimates and judgements – continued

At the reporting date, the UAE subsidiary had net liabilities of US$630,904 (AED 2,316,997) (2019: US$559,448 (AED 2,054,575)). The Company provided an allowance for impairment on the loan to the UAE subsidiary, with gross balance of US$679,930 (2019: US$668,818), amounting to US$679,930 (2019: US$167,205).

At the reporting date, the Company provided an allowance for impairment on its loan to Wishbone Gold Honduras Ltd. amounting to US$250,000 (2019: US$125,000).

Valuation of warrants

As described in note 16, the fair value of any warrants granted was calculated using the Black-Scholes model which requires the input of highly subjective assumptions, including volatility of the share price. Changes in subjective input assumptions may materially affect the fair value estimate.

Valuation of investment in subsidiaries

The Company's investments in its subsidiaries are carried at cost less provision for impairment. The values of the investments are inherently linked to the assets held by and or the performance of the subsidiaries and an impairment review is undertaken by management annually to assess whether any permanent diminution in value has occurred.

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

5. Administrative expenses

	2020 US$	**2019 US$**
Fees payable to the Company's auditor for the audit of the Group consolidated financial statements	54,340	79,826
Other administrative costs	790,452	547,728
Depreciation	25,000	37,500
Write-off of receivables	14,031	126,279
Remuneration of directors of the Group	161,652	148,019
	1,045,475	939,352

Remuneration to the directors of the Group may be settled via the issue of equity in the Company and cash, as disclosed in note 21.

6. Taxation

The Company is subject to corporation tax in Gibraltar on any profits, which are accrued in or derived from Gibraltar or any passive income which is taxable. The corporation tax rate in Gibraltar for the year ended 31 December 2020 is 10% (2019: 10%). The Company has no operations in Gibraltar which are taxable.

6. Taxation - continued

The Company has taxable losses to carry forward, consequently no provision for corporate tax has been made in these financial statements.

The Group's subsidiary, Wishbone Gold Pty Ltd, is subject to corporate income tax in Australia. The corporate income tax rate in Australia for the year ended 31 December 2020 is 30% (2019: 30%).

This subsidiary has taxable losses to carry forward, consequently no provision for corporate tax has been made in these financial statements.

Note that there are no group taxation provisions under the tax laws of Gibraltar.

The Ajman Free Zone where the UAE based subsidiary, Black Sand FZE, operates is a tax-free zone and has no corporate income taxes levied on companies operating within the Zone. On 1 January 2018, the UAE introduced VAT at the rate of 5%. Black Sand FZE took the precaution of registering for VAT but currently the gold trading operations are zero-rated items of VAT.

As at 31 December 2020 and as at 31 December 2019, the Company has no deferred tax assets and no deferred tax liabilities.

7. Loss per share

	2020 US$	2019 US$
Loss for the purpose of basic loss per share being net loss attributable to equity owners of parent	(890,418)	(2,159,549)
Loss for the purpose of diluted earnings per share	(890,418)	(2,159,549)
Number of shares:		
Weighted average number of shares in issue during the year:		
Issued ordinary shares at the beginning of the year	2,845,878,980	2,444,831,466
Effect of share issues before reorganisation	20	357,205,507
Weighted average number of new ordinary shares before reorganisation	2,845,879,000	2,802,036,973
Weighted average number of new ordinary shares after reorganisation:		
Issued ordinary shares at the beginning of the year	28,458,790	-
Effect of share issues after reorganisation	47,120,629	-
Weighted average number of new ordinary shares at 31 December	75,579,419	2,802,036,973
Weighted average number of new ordinary shares at 31 December (after retrospective adjustment)	75,579,419	28,020,370
Basic loss per share (US cents) before capital reorganisation	(0.031)	(0.077)
Basic loss per share (US cents) after capital reorganisation (retrosprectively presented)	(1.178)	(7.707)

Due to the Company and the Group being loss making, the share warrants (note 16) are antidilutive.

8. Trade and other receivables

Group	**2020 US$**	**2019 US$**
Debtors	10,498	74,105
Prepayments	9,407	1,030
Loans from directors	42,696	42,696
Unpaid share capital	506,501	-
	569,102	117,831

Company	**2020 US$**	**2019 US$**
Debtors	3,403	14,031
Prepayments	8,341	-
Unpaid share capital	506,501	-
Other receivable (see note 21)	1,947,383	6,358
	2,465,628	20,389

The unpaid share capital of US$506,601 (2019: US$nil) has been fully collected subsequent to 31 December 2020. In 2020, Black Sand FZE has written off bad debts amounting to US$48,804. In 2019, Black Sand FZE's letter of credit margin amounting to US$398,980 was written off.

9. Property, plant and equipment

Group	**2020 US$**	**2019 US$**
Cost		
As at 1 January and 31 December	250,000	250,000
Accumulated Depreciation and Impairment		
As at 1 January	(225,000)	(37,500)
Depreciation charges during the year	(25,000)	(37,500)
Impairment charges during the year	-	(150,000)
As at 31 December	(250,000)	(225,000)
Net Book Value		
As at 31 December	-	25,000

The plant in Honduras is currently not in production. Given the status of the Honduran operations, Management deemed that the value of the property, plant and equipment be impaired by US$150,000 as at 31 December 2019. This has been fully depreciated as at 31 December 2020.

10. Intangible assets

Group	**Goodwill US$**	**Exploration & evaluation assets US$**	**Total US$**
Cost			
At 1 January 2019	748,617	371,923	1,120,540
(Impairment)/additions	(561,463)	19,573	(541,890)
Foreign exchange revaluation	-	(3,327)	(3,327)
At 31 December 2019	187,154	388,169	575,323
At 1 January 2020	187,154	388,169	575,323
(Impairment)/additions	(187,154)	966,432	779,278
Foreign exchange revaluation	-	40,313	40,313
At 31 December 2020	-	1,394,914	1,394,914

The Group holds Exploration Permits for Mining ("EPMs") to four tenements in Queensland, Australia and four exploration licenses in Western Australia. The renewal of the EPMs is for a maximum further period of 5 years. Permits are not automatically renewed but require an application to the Queensland Department of Natural Resources and Mines.

In 2016, Wishbone acquired 100% of the share capital of Precious Metals International Ltd together with its wholly owned subsidiary Black Sand FZE ("the PMI Group").

The Company carried out its own valuation of the net assets acquired. There are inherent limitations in any fair value estimation and material differences could arise that could have an impact on the fair value of the net assets acquired and on the resulting goodwill.

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

The resulting goodwill of US$748,617 reflects the fair value of the net assets acquired and the value of the consideration at the time of acquisition.

The goodwill has an unlimited useful economic life, as its subsidiary Black Sand FZE has decreased in value than when purchased, the goodwill has been impaired by 100%, bringing the value of the goodwill to US$Nil at year end.

In 2020, the Group acquired three exploration licenses in Western Australia for a total deemed consideration of £549,999 (US$767,804) which consists of cash amounting to £183,333 (US$257,340), shares of stocks with deemed value of £366,666 (US$510,464) and share warrants valued at nil (see notes 14 and 16).

11. Investments

Shares in subsidiary undertakings

Company	**2020 US$**	**2019 US$**
Cost		
As at 1 January and 31 December	952,769	952,769
Accumulated Impairment		
As at 1 January	(561,463)	-
Impairment charges during the year (see note 12)	(249,114)	(561,463)
As at 31 December	(810,577)	(561,463)
Net Book Value		
As at 31 December	142,192	391,306

Company	**Class of shares held**	**% held**	**Country of registration or incorporation**	**Cost of Investment US$**
Wishbone Gold Pty Ltd	110,000,000 ordinary shares of AUD 0.001 each	100%	Australia	142,192
Precious Metals International Ltd.	100 common shares of USD 1 each	100%	British Virgin Islands	249,114
Wishbone Gold Honduras Ltd.	2,000 ordinary shares of GBP 1 each	100%	Gibraltar	561,463
Wishbone Gold FZ-LLC	10 ordinary shares of AED 1,000 each	100%	United Arab Emirates	-
Wishbone Gold WA Pty Ltd	100 ordinary shares of AUD 1 each	100%	Australia	-

Wishbone Gold Pty Ltd is an exploration company. The Company is incorporated in Australia and the registered office address is c/o RSM, Level 6, 340 Adelaide St, Brisbane City 4000, Australia.

Precious Metals International Ltd. is a holding company that controls Black Sand FZE in the UAE. Precious Metals International Ltd. is incorporated in the British Virgin Islands and the registered office address is Nerine Chambers, P.O. Box 905, Road Town, Tortola, British Virgin Islands.

Wishbone Gold Honduras Ltd. is a company incorporated in Gibraltar and the registered office address is at Suite 16, Watergardens 5, Waterport Wharf, Gibraltar. In the previous years, the company has not been consolidated into the financial statements since there were no transactions in the company which are material at a group level.

11. Investments – continued

Wishbone Gold FZ-LLC is a company incorporated in the UAE and the registered office address is at Al Jazirah Al Hamra, RAKEZ Business Zone-FZ, Ras Al Khaimah, UAE. The company has not been consolidated into the financial statements since there were no transactions in the company which are material at a group level.

Wishbone Gold WA Pty Ltd is also an exploration company. The Company is incorporated in Australia and the registered office address is c/o RSM, Level 6, 340 Adelaide St, Brisbane City 4000, Australia.

The cost of the investments in Wishbone Gold FZ-LLC and Wishbone Gold WA Pty Ltd is negligible and has not been recognised.

12. Impairment of investments

Company	**2019 US$**	**2019 US$**
Impairments recognised during the year	(249,114)	(561,463)

During the year, the Company considered its investment in Precious Metals International Ltd. to be fully impaired given the current situation of the Dubai physical gold market and high levels of uncertainty from the lockdown of businesses and countries brought about by COVID-19.

13. Current liabilities

Group	**2020 US$**	**2019 US$**
Trade payables	141,600	404,074
Accruals and deferred income	217,260	59,398
Loan from Black Swan FZE	21,563	-
Loan from Sanderson Capital Partners Limited	-	206,118
	380,423	669,590

Company	**2020 US$**	**2019 US$**
Trade payables	35,907	387,737
Accruals and deferred income	202,898	45,000
Loan from Black Swan FZE	21,563	-
Loan from Sanderson Capital Partners Limited	-	206,118
	260,368	638,855

13. Current liabilities – continued

In 2019, the loan from Sanderson Capital Partners Limited fell due for repayment within 12 months and was therefore recognised as a current liability as at 31 December 2019. In 2020, the outstanding loan from Sanderson Capital Partners Limited was fully settled for shares, through the conversion of £176,267 (US$215,295) of the balance of the Sanderson loan facility including accrued interest into 13,056,840 new ordinary shares of 0.1 pence each at a price of 1.35 pence per share, resulting on a gain on settlement of liability amounting to US$198,772.

14. Share capital – Group and Company

	2020 US$	**2019 US$**
Authorised:		
8,000,000,000 Ordinary Shares of £0.001 (US$0.0016) each	12,800,000	12,800,000

Allotted and called up:

	2020 Number of shares	**2020 Share capital US$**	**2020 Share premium US$**	**2019 Number of shares**	**2019 Share capital US$**	**2019 Share premium US$**
As at 1 January	2,845,878,980	3,776,911	7,306,550	2,144,831,466	2,872,843	7,306,550
Issued during the year before capital reorganisation	20	-	-	-	-	-
Shares before capital reorganisation	2,845,879,000	-	-	-	-	-
Shares after capital reorganisation	28,458,790	3,776,911	7,306,550	-	-	-
Issued during the year:						
Placing of shares	59,722,221	92,668	3,651,900	300,000,000	388,949	-
Settlement of liability through shares (see note 13)	52,348,310	52,186	452,974	207,297,514	263,078	-
Exercise of warrants issued last year with shares issued this year	-	-	-	1,750,000	2,279	-
Exercise of warrants and shares issued this year (see note 16)	9,440,000	12,156	352,535	192,000,000	249,762	-
As at 31 December	149,969,321	3,993,921	11,763,959	2,845,878,980	3,776,911	7,306,550

Share allotments and issuances during the year, including comparative, are laid out below:

On 11 January 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 4,500,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The Company has received the exercise consideration of £4,500.

14. Share capital – Group and Company - continued

On 29 January 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 12,500,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The Company has received the exercise consideration of £12,500.

On 26 February 2019, the Company has issued upon receipt of a notice to exercise warrants for a total of 175,000,000 new ordinary shares of 0.1 pence each at a price of 0.1 pence per share. The exercise consideration has a total value of £175,000.

On 2 July 2019, the Company, through an extraordinary general meeting, proposed the increase in authorised share capital from £3,000,000 subdivided into 3,000,000,000 shares of £0.001 each to £8,000,000 subdivided into 8,000,000,000 shares of £0.001 and the Memorandum of Association has been amended accordingly.

On 7 January 2020, twenty (20) new ordinary shares of 0.1 pence each in the capital of the Company ("Ordinary Shares") have been issued at par for a total consideration of 2 pence. The new Ordinary Shares have been issued to provide a whole number of shares in preparation for the proposed Capital Reorganisation, as announced on 19 December 2019.

The Company's existing issued share capital of 2,845,879,000 Existing Ordinary Shares were consolidated on the basis of 100 Existing Ordinary Shares into one Consolidated Share, and in turn, each Consolidated Share was sub-divided into one New Ordinary Share of 0.1 pence and one Deferred Share of 9.9 pence. The Capital Reorganisation application was made for the New Ordinary Shares to be admitted to trading on AIM and AQSE at 8.00 am on 21 January 2020.

On 17 February 2020, the Company acquired all of the Company's outstanding deferred shares of 9.9 pence each for nil consideration.

On 2 June 2020, the Company issued and allotted a total of 63,459,420 new ordinary shares of 0.1 pence each which consisted of the following: (1) 22,222,221 Ordinary Shares for the raising of £300,000 (before expenses) through a placing via Peterhouse Capital Limited. £100,000 of this placing was subscribed by Black Swan FZE for 7,407,407 Ordinary Shares; (2) 13,014,002 Ordinary Shares was issued to settle the Directors and Management Fees of £175,689; and (3) 28,223,197 Ordinary Shares for the conversion of the outstanding loans with Sanderson Capital Partners Limited and Black Swan FZE (receiving 8,638,686 Ordinary Shares) and discharged sundry creditors. This resulted in the conversion of £292,890 for both loans and £88,124 for sundry creditors.

On 20 August 2020, the Company raised £400,000.00 before expenses, by placing 20,000,000 new Ordinary Shares at a price of 2 pence per share. The Company also granted each 2 Funding shares subscribed by Funding Investors a warrant to subscribe 1 New Ordinary Share in the capital of the Company exercisable for a period of 12 months from admission of the Funding shares at the price of 3.0 pence per ordinary share. The warrants have an accelerator clause whereby if the price of the Company's shares is sustained at greater than 3p for five consecutive days the Company may choose to force execution of the warrants. The Company is obliged to write to each Warrant holder providing 7 calendar days' notice to exercise the warrants, after which each Warrant holder will have up to 14 days to pay for the exercise of their Warrants, subject to the terms of the Warrant Deed. The warrants will not be traded on an exchange.

On 24 September 2020, the Company announced that 94% of the warrants had been exercised raising a further £283,200 and that the balance of the warrants had expired.

On 5 October 2020, the Company acquired the Patersons Range Project (including the Red Setter Project) and has issued 11,111,111 new ordinary shares of 0.1 pence each at a price of 3.3 pence per share equating to the total deemed consideration as set out in the acquisition terms of £366,666.

On 10 December 2020, the Company raised a total of £1,750,000 gross by placing 17,500,000 new ordinary shares of 0.1 pence each at a price of 10 pence per share through a private placement made by the Company to a series of investors.

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.

15. Loans

In 2019 consolidated accounts, Black Sand's loan to EcoGreen del Peru SAC amounting to US$199,864 was written off as this was determined to be non-recoverable. As at 31 December 2020, there are no outstanding loans due from third parties.

Company	**2020 US$**	**2019 US$**
Current		
Amounts owed by subsidiary undertakings (note 21)	1,823,558	1,181,210
	1,823,558	1,181,210

16. Share based payments

Details of the warrants and share options in issue during the year ended 31 December are as follows:

	Number of Warrants / options 2020 No	**Average exercise price 2020 US$**	**Number of Warrants / options 2019 No**	**Average exercise price 2019 US$**
Outstanding at 1 January	154,050,000	1.0756	346,050,000	1.1511
Lapsed/terminated during the year	(154,610,000)	0.0079	-	-
Issued during the year	24,305,555	0.0492	-	-
Exercised during the year	(9,440,000)	0.0234	(192,000,000)	1.0000
Outstanding at 31 December	14,305,555	0.2890	154,050,000	1.0756

Fair value is measured by use of the Black-Scholes model with the assumption of 50% future market volatility and a future interest rate of 1% per annum based on the current economic climate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and exercise restrictions. The fair value of share warrants granted as at 31 December 2020 was US$nil (2019: US$nil).

17. Financial instruments

The Group's financial instruments comprise of cash and cash equivalents, borrowings and items such as trade payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Classification of financial instruments

All Group's financial assets are classified at amortised cost. All of the Group's financial liabilities classified as other financial liabilities are also held at amortised cost. The carrying value of all financial instruments approximates to their fair value.

Fair values of financial instruments

In the opinion of the directors, the book values of financial assets and liabilities represent their fair values.

18. Financial risk management

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. The Directors do not believe the Group is exposed to any material equity price risk. The policies are set by the Board of Directors.

Credit risk

Credit risk is the risk that a counterparty will be unable or unwilling to meet the commitments that it has entered into with the Group. Credit risk arises from cash and cash equivalents, and trade and other receivables (including the Company's receivables from related parties). As for the cash and cash equivalents, these are deposited at reputable financial institutions, therefore management do not consider the credit 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$2,757,413 (2019: US$135,010).

Based on this information, the directors believe that there is a low credit risk arising from these receivables.

Interest rate risk

The Group's interest-bearing assets comprise only cash and cash equivalents and earn interest at a variable rate. The Group has a policy of maintaining debt at fixed rates which are agreed at the time of acquiring debt to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of the policy should the Group's operations change in size or nature.

No sensitivity analysis for interest rate risk has been presented as any changes in the rates of interest applied to cash balances would have no significant effect on either profit or loss or equity.

The Group has not entered into any derivative transactions during the year under review.

Liquidity risk

The Group actively maintains cash balances that are designed to ensure that sufficient funds are available for operations and planned expansions. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. All of the Group's financial liabilities are measured at amortised cost. Details of the Group's funding requirements are set out in note 19.

Non-derivative financial liabilities, comprising loans payable, trade payables and accruals of US$380,423 (2019: US$669,590) are repayable within 1-12 months from the year end, apart from directors' fees. The amounts represent the contractual undiscounted cash flows, balances due equal their carrying balances as the impact of discounting is not significant.

Foreign currency exchange rate risk

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

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

19. Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. The Group defines capital as being share capital plus reserves. The Board of Directors monitor the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary, by issuing new shares. The Group is not subject to any externally imposed capital requirements. There were no changes in the Group's approach to capital management during the year.

20. Commitments

Annual expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to perform minimum exploration work to meet the minimum expenditure requirements specified by various authorities.

These obligations are subject to periodic renegotiations. These obligations are not provided for in the financial statements and as at 31 December 2020 and 31 December 2019 are payable as follows:

	2020 US$	**2019 US$**
Within one year	121,037	233,479
After one year but not more than five years	106,369	183,565
	227,406	417,044

21. Related parties

The Company wholly owns Wishbone Gold Pty Ltd, an Australian entity that is engaged in the exploration of gold in Australia. The Company's investment in Wishbone Pty Ltd was US$150,542 as at 31 December 2020 (2019: US$ 150,542). The financial and operating results of this subsidiary have been consolidated in these financial statements.

Wishbone Gold Pty Ltd, as at 31 December 2020, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2020 US$	**2019 US$**
Outstanding at 1 January	554,596	528,596
Additions during the year	449,175	26,000
Outstanding at 31 December	1,003,771	554,596

21. Related parties - continued

Wishbone Gold WA Pty Ltd, as at 31 December 2020, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2020 US$	2019 US$
Outstanding at 1 January	-	-
Additions during the year	819,787	-
Outstanding at 31 December	819,787	-

Precious Metals International Ltd., through the subsidiary Black Sand FZE as at 31 December 2020, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2020 US$	2019 US$
Outstanding at 1 January	501,614	1,071,422
Additions/ (Repayments) during the year	11,112	(152,604)
Assignment of loan	-	(250,000)
	512,726	668,818
Impairment provision recognised during the year	(512,726)	(167,204)
Outstanding at 31 December	-	501,614

The above company also had a loan outstanding to Wishbone Gold Plc of US$19,424 which was eliminated in the year ended 31 December 2019.

The Company wholly owns Wishbone Gold Honduras Ltd. ("Wishbone Honduras"), a company registered in Gibraltar. Solent Nominees Ltd previously held the shares of Wishbone Honduras on behalf of the Company. During the year, the title of the shares was transferred to the Company as the legal and beneficial owner. In addition, Black Sand FZE transferred the title of the Group's equipment to Wishbone Honduras in 2018.

The above company also has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2020 US$	2019 US$
Outstanding at 1 January	125,000	-
Assignment of loan	-	250,000
Impairment provision recognised during the year	(125,000)	(125,000)
Outstanding at 31 December	-	125,000

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

Asian Commerce and Commodities Trading Co. Ltd. (ACCT), a company registered in Thailand, is 49% owned by the Company. The fair value of the net assets of this affiliate have been assessed as having no value, thus, not recognised in both the Group and the Company's accounts. Management had the option to increase its shareholdings to 95% in order to gain control but did not exercise that option. Management believes that it has no control over this entity and therefore, not consolidated in the group level. During the year, Black Sand FZE charged management fees to ACCT amounting to US$Nil (2019: US$25,000) recognised in the Group's profit and loss as other income.

21. Related parties - continued

The Company wholly owns Wishbone Gold FZ-LLC, a company registered in the United Arab Emirates. The purpose of this company is solely to hold bank accounts in the U.A.E., as it simplifies payments that need to be made in that country. The company does not trade and its sole asset is its bank account. The cash in bank amounting to US$1,947,383 (2019: US$6,358) of Wishbone Gold FZ-LLC (see note 8) which is a wholly owned subsidiary of Wishbone Gold Plc has been recognised as other receivable in the books of the Parent. This has been eliminated upon consolidation and therefore forms part of the cash in bank account at Group level.

The following summarises the fees incurred in respect of directors' and officers' services for the year ended 31 December 2020 and 2019, and the amounts settled by the Company by way of share issues and cash.

31 December 2020	**Balance as at 1 January 2020 US$**	**Charge for the year US$**	**Settled in shares US$**	**Settled in cash US$**	**Balance as at 31 December 2020 US$**
Richard Poulden	129,646	100,000	(103,698)	(125,948)	-
Jonathan Harrison	22,199	17,106	(26,536)	(12,769)	-
Alan Gravett	20,586	17,079	-	(37,665)	-
Professor Michael Mainelli	21,945	17,079	(26,508)	(12,516)	-
Total	194,376	151,264	(156,742)	(188,898)	-

31 December 2019	Balance as at 1 January 2019 US$	Charge for the year US$	Settled in shares US$	Settled in cash US$	Balance as at 31 December 2019 US$
Richard Poulden	29,646	100,000	-	-	129,646
Jonathan Harrison	5,808	16,391	-	-	22,199
Alan Gravett	4,195	16,391	-	-	20,586
Professor Michael Mainelli	5,554	16,391	-	-	21,945
Total	45,203	149,173	-	-	194,376

Richard Poulden's services are billed by Black Swan FZE, in which Richard Poulden, a director of the Company, has an interest, for consultancy services. During the year, the Company was billed by Black Swan FZE for various administrative expenses of US$35,963 (2019: US$93,606) which Black Swan had paid on behalf of the Company.

Jonathan Harrison's services are billed by Easy Business Consulting Limited, in which Jonathan Harrison, a director of the Company, has an interest, for consultancy services. Professor Michael Mainelli's services are billed by Z/Yen Group Limited, in which Professor Michael Mainelli, a director of the Company, has an interest, for consulting services.

Damson Communications ("Damson") is a related party by virtue of it being partly owned by a family trust of Richard Poulden being a shareholder of the related party. During the year, the Company was billed by Damson for professional fees of US$Nil (2019: US$19,043).

22. Ultimate controlling party

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

24. Events after the reporting date

The following events took place after the year end:

On 29 January 2021, the Company announced that 98.54% of the warrants issued following the placing on 10 December 2020 had been exercised raising a further £1,034,663 and that the balance of £15,337 worth of unexercised warrants had expired.

On 5 February 2021, Mr. David Hutchins agreed to join the board of Wishbone Gold Plc as a non-executive director.

On 3 March 2021, the Company issued a total of 600,000 new ordinary shares (the "Ordinary Shares") of 0.1 pence each to Alta Zinc Limited at a deemed issued price of 16 pence per share which totals to £96,000 for the option to acquire the Cottesloe Project.

On 20 May 2021, Wishbone issued a total of 10,000,000 new ordinary shares of 0.1 pence each at a price of 14 pence per share through a private placement made by the Company to a series of investors ("Placing") to raise a total of £1.4m gross. The net proceeds will provide additional working capital for the Company as it embarks on its Red Setter exploration program.

Pursuant to the Placing, the Company has also granted Investors a warrant to subscribe 1 New Ordinary Share in the capital of the Company for every two shares subscribed in the placing exercisable for a period of two (2) years from Admission of the Placing shares at a price of 20 pence per ordinary share.

The warrants have an accelerator clause whereby in the event that the ordinary shares of the Company close above 20 pence per share for 5 trading days during any 10-day trading period then the Company has the right to require warrant holders to exercise all warrants held by them within 7 days. Any warrants not exercised when so required by the Company will automatically expire at the end of the 7-day period.

25. Availability of accounts

The full report and accounts are being posted on the Company's website, www.wishbonegold.com.

26. Contingent liability

There is some risk that native title, as established by the High Court of Australia's decision in the Mabocase, exists over some of the land over which Wishbone Gold Pty and Wishbone Gold WA hold tenements or over land required for access purposes. Wishbone has historically had good relationships with Indigenous Australians and the board will do their utmost to continue this.

Nonetheless we have to state that the Group is unable to determine the prospects for success or otherwise of the future claims and, in any event, whether or not and to what extent the future claims may significantly affect Wishbone Gold or its projects.

There are no contingent liabilities outstanding at 31 December 2020 and 31 December 2019.