



Wishbone Gold Plc

FINANCIAL REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2021

Wishbone Gold PLC

Consolidated Financial Statements

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Wishbone Gold PLC

Company Information

DIRECTORS

R O'D Poulden
JC Harrison
Professor MR Mainelli
AD Gravett
DJ Hutchins (appointed 5 February 2021)

SECRETARY

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REGISTERED OFFICE

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Wishbone Gold PLC

Company Information – continued

BROKER

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REGISTERED NUMBER

103190

Wishbone Gold PLC

Chairman's Statement

Dear Shareholders,

In 2021 we continued the expansion of our exploration portfolio which began in 2020. We acquired the Cottesloe EPM in Western Australia ("WA") in March and were granted a southern extension to the Wishbone EPMs in Queensland ("QLD"), titled Wishbone VI, in August.

This took our portfolio of properties to a total of 159.19 sqkm in Western Australia and a total of 174 sqkm in the Wishbone project group near Ravenswood in Queensland with a further 37.2 sqkm at White Mountains further north.

After COVID related issues in Australia throughout all of the fiscal year 2021, I am very pleased to report that we are now drilling our main exploration targets at Red Setter in Western Australia and our Wishbone tenements in Queensland.

Exploration in 2021

Western Australia

During the year we completed far less exploration than we anticipated due to the continued sporadic lock downs across Australia. One of the major hinderances was the closure of the WA border with the rest of Australia on 5th April 2020. At the time no one imagined that this border would remain closed for almost two years (697 days to be precise) until 3rd March 2022. This prevented the movement of miners and equipment into or out of WA throughout this period.

In addition there were intermittent lockdowns in various parts of WA during the two years of closed borders which in our case critically hampered the Heritage Surveys which we needed to undertake on our properties before substantial exploration activity could occur.

The result of 2021 was that although we had programs of works approved at the government level for all the WA properties these could not be started. In December we managed a limited amount of drilling at Red Setter but equipment problems and restrictions on movement meant that the full program did not start until June 2022. Drilling is now underway and we will report as the analysis comes through.



Figure 1: Drilling underway at Red Setter Project in WA



Figure 2: Drill in Action at the Wishbone Project in QLD

Queensland

QLD was not as bad as WA but exploration was still severely hampered. It was thus excellent news when Dr Simon Beams, the CEO and Chief Geologist of Terra Search, chose to use the work done for us on the Wishbone group of tenements for his presentation to the AusIMM Conference in Cairns in May last year. We have subcontracted our geological and exploration work to Terra Search for many years and we continue to work with them now in WA as well as Queensland.

The focus of Dr Beams' presentation was that recent geochemical and ground magnetic results at Wishbone Gold's Halo Prospect compares very favourably to the geological setting and geochemical association of the nearby Ravenswood Gold Deposit (total production of 5 million plus ounces gold). These conclusions were reached by using new analytical techniques to reprocess historic data as well as adding new exploration work over the last 12 months.

The full presentation is available on our website at: https://wishbonegold.com/wp-content/uploads/2021/06/WSBN_Beams_FNQ_Cairns_AusIMM_210527_9m2l.pdf

2022 led to gradual reopening

Following the WA reopening in March we managed to get Heritage surveys completed and Red Setter and commenced surveys at Cottesloe. We also completed all necessary Heritage surveys in Queensland. The completion of these enabled drilling to restart at Red Setter and to start at Wishbone II in June.

The two prospects are vastly different in that whilst the QLD area has mineralization near to surface in WA our drill targets start at over 100 metres in depth. The latter requires complex drilling and management, and we are fortunate to have DDSR Drilling Australia operating for us who have unique combination drills which can do both rotary RC and diamond drilling – something that is necessary to drill through the upper sedimentary units before hitting basement. We look forward to announcing the results from both these programs as soon as the data has been analysed.

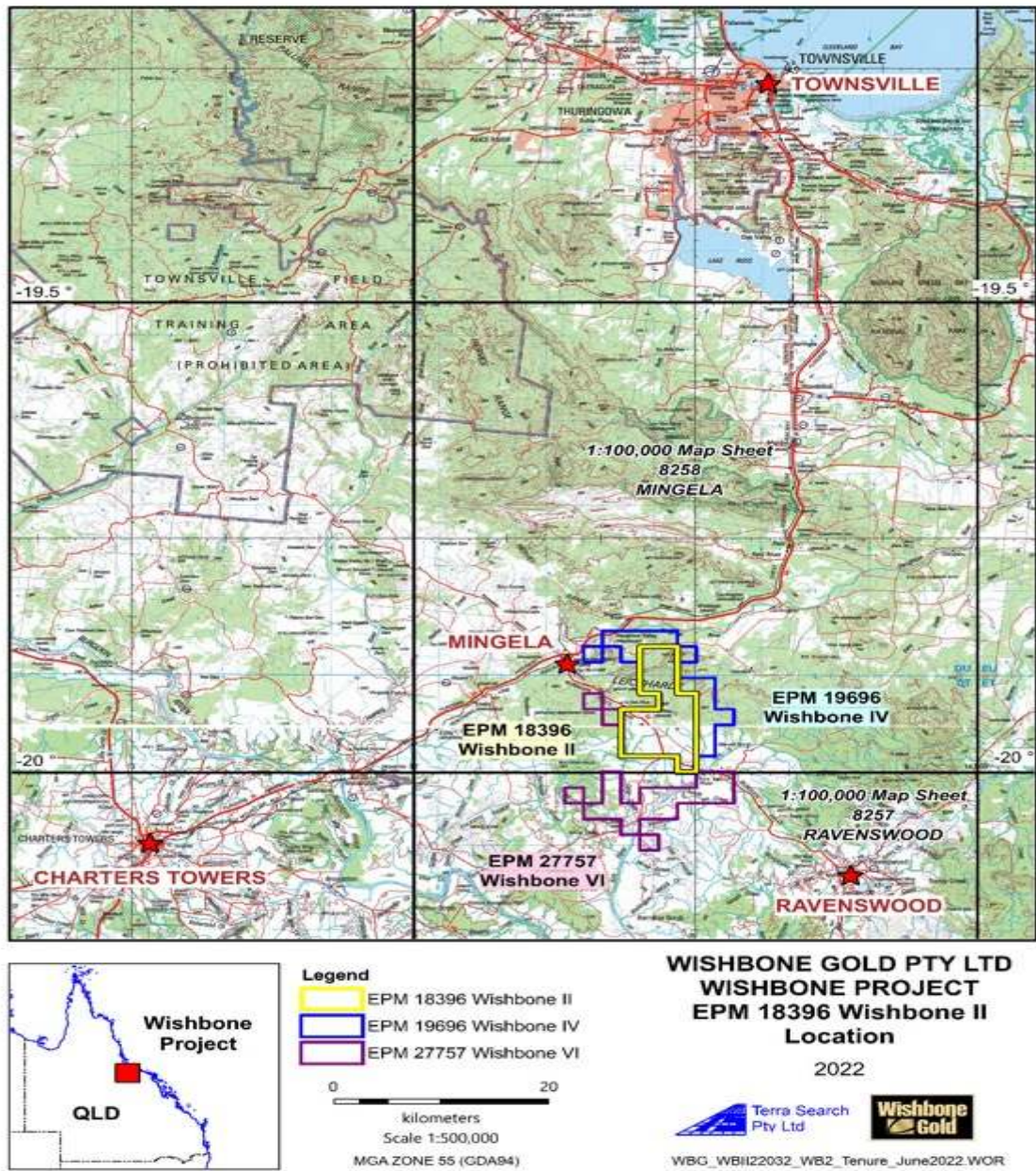


Figure 3: Wishbone EPMs in QLD

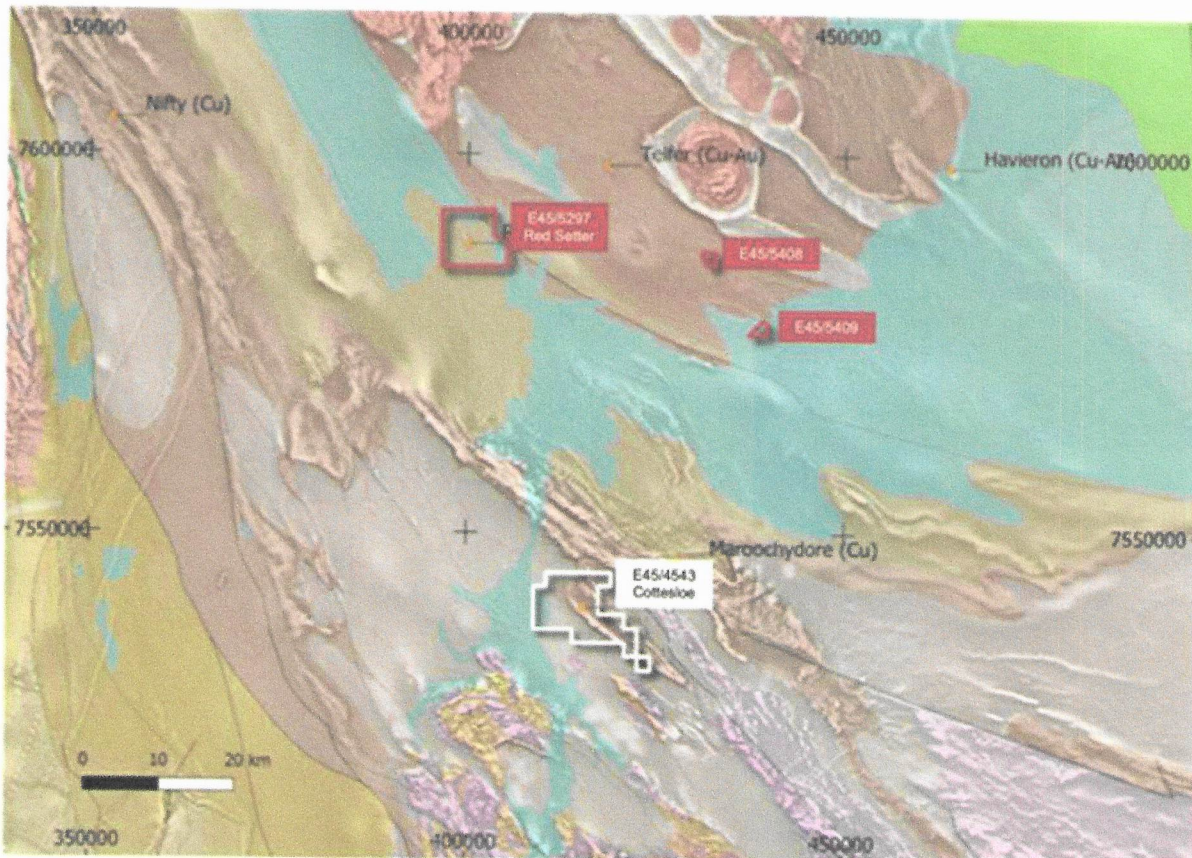


Figure 4: Exploration Properties Location Map in WA

Management Changes

In February 2021 David (“Sam”) Hutchins joined the board as a non-executive director. I have known Sam for many years and he brings excellent experience to our board as a natural resources fund manager and in his role as a Member of the FTSE Gold Mines Index Committee.

In October 2021 Jack (Kaiyi) Sun joined the company as Group CFO. In addition to being a qualified accountant Jack has degrees from the Said Business School Oxford and the Judge Business School Cambridge. I have worked with Jack for many years, and it is a pleasure to have him back on the team.

Financial Review and Financing

At the end of the period under review, the accounts show that Wishbone held cash balances totalling £3,002,547 (2020: £1,602,099). Administrative costs, excluding interest during the year, were £1,194,053 (2020: £814,944).

The Company continues its strategy of exploration on its properties in Australia.

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 2022

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 2021.

Activities, review of business and future developments

In 2021 we continued the expansion of our exploration portfolio which began in 2020. We acquired the Cottesloe EPM in Western Australia ("WA") in March and were granted a southern extension to the Wishbone EPMs in Queensland ("QLD"), titled Wishbone VI, in August.

This took our portfolio of properties to a total of 159.19 sqkm in Western Australia and a total of 174 sqkm in the Wishbone project group near Ravenswood in Queensland with a further 37.2 sqkm at White Mountains further north.

After COVID related issues in Australia throughout all of the fiscal year 2021, We are pleased to report that we are now drilling our main exploration targets at Red Setter in Western Australia and Halo at our Wishbone tenements in Queensland.

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.

Change in functional currency and presentational currencies

As at 1 January 2021, the Board of Directors considered that the Group's source of funding is predominantly Sterling Pound (£) denominated. As a result, the Directors have determined that £ is the currency which best reflects the underlying transactions, events and conditions relevant to the Group with effect from 1 January 2021 ("the effective date of the change").

Therefore, during the year, the directors resolved to change the presentation currency from US\$ to Sterling Pound (£) as they consider £ to be the currency in which the Company measures its performance and reports its results (see note 2 – Functional and Presentational Currencies).

Results for the year and dividends

The Group's loss after taxation and minority interests is £1,240,157 (2020: £694,079) after charging the following:

Group	2021 £	2020 £
Revenue	-	1,141,748
Gross profit	-	58,000
Administration costs	(1,194,053)	(814,944)
Write-off of bad debts	-	(38,043)
Gain on settlement of liability	-	154,941
Impairment of goodwill	-	(145,885)
Other (costs)/income (finance (costs)/income and exchange (loss)/gain)	(80,049)	91,852
Interest Income	33,945	-
	<u>(1,240,157)</u>	<u>(694,079)</u>

Wishbone Gold PLC

Directors' Report - continued

Directors

The Company's loss after taxation is £1,063,781 (2020: £1,092,676) after charging the following:

Company	2021 £	2020 £
Revenue	-	49,888
Gross profit	-	49,888
Administration costs	(1,000,072)	(698,067)
Provision for related party loans	-	(497,104)
Gain on settlement of liability	-	154,941
Impairment of investments	-	(194,184)
Other (costs)/income (finance (costs)/income and exchange (loss)/gain)	(63,709)	91,850
	<u>(1,063,781)</u>	<u>(1,092,676)</u>

The directors do not recommend the payment of a dividend for the year ended 31 December 2021 (2020: £nil).

The directors listed on page 3 have served on the board throughout the year ended 31 December 2021 and the year ended 31 December 2020 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 2021 and 31 December 2020.

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.

COVID-19 remains an unpredictable factor in all company operations worldwide and the Company is no exception to this.

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 £2.57m in 2021 (2020: £3.57m).

The Directors have reviewed the financial condition of the Group since 31 December 2021 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. All exploration is inherently unpredictable as to the final outcome.

Wishbone Gold PLC

Directors' Report - continued

Going concern – continued

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 £1,460,055 (2020: £1,020,930) 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 2021, the Group had creditor days of 25 days (2020:26 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 7 March 2022, the Company announced that Heritage Clearing Survey has been confirmed at Cottesloe and Red Setter Projects. The Cottesloe Project is located 55 km south-southwest of the Telfer Gold Mine, and the Red Setter Project is 13 km south-west of the Telfer Gold Mine, in the Patersons Range of Western Australia. DDSR Drilling Australia operating for us who have unique combination drills which can do both rotary RC and diamond drilling – something that is necessary to drill through the upper sedimentary units before hitting basement.

On 3 May 2022, the Company announced that it has signed an important drilling contract of the Company's Red Setter Gold-Copper Project.

The first phase of the drilling contract is for 3,000m of drilling at Red Setter, with the second phase of the contract for a further 7,000m of drilling split between Wishbone's Red Setter Project and the Company's Cottesloe Project to the south.

Wishbone Gold PLC

Directors' Report - continued

Events after the reporting year – continued

On 12 May 2022, the Company announced that a heritage survey was underway at the Company's Red Setter Gold-Copper Project located 13 km south-west of the Telfer Gold Mine, in the Patersons Range of Western Australia. The aim of this survey was to increase access to peripheral targets, beyond those already cleared. The heritage survey was set to move down to the Cottesloe Project located 55 km south-southwest of the Telfer Gold Mine.

Hopefully the heritage survey will clear the majority of the required areas for the 10,000m of planned drilling.

On 16 May 2022, the Company announced that it has signed the drilling contract for the Halo Prospect at its Wishbone II Gold-Copper Project in Northern Queensland following the completion of the heritage surveys over all the planned drill sites. The maiden drill program will consist of 2,000m of reverse circulation holes to test surface gold and copper anomalies at depth and look for continuous underground structures.

On 16 May 2022, the Company announced that a heritage survey has been completed at the Company's Red Setter Gold-Copper Project. The survey did not identify any heritage sites at Red Setter. The additional surveys have increased access to peripheral targets beyond those already cleared, where drilling was set to start in the next few weeks. The heritage survey team has moved down to the Cottesloe Project located 55 km south-southwest of the Telfer Gold Mine.

On 31 May 2022, the Company announced that the drill rig will mobilise from Perth towards to the Company's Red Setter Gold-Copper Project.

On 7 June 2022, the Company announced that its maiden drill program has started on Wishbone II Gold-Copper Project. The drill program consists of 2,000m of RC holes to test the numerous gold and copper surface anomalies at depth and look for continuous underground structures.

On 16 June 2022, the Company has updated the market regarding the Wishbone II Gold-Copper drill program in Northern Queensland. The drill programme completed approximately 25% of the designed programme.

Initial Reverse Circulation (RC) drill samples have been transported back to the Terra Search office in Queensland and are undergoing tests prior to being sent to the lab for full analysis. The Initial tests confirmed the presence of elevated copper, coincident with visible oxidised copper and primary chalcopyrite mineralisation.

Terra Search's logging of the RC chips confirms the presence of a felsic, high level, crowded porphyry intrusion often found associated with productive, high level gold systems.

On 17 June 2022, the Company announced that drilling was underway at the Company's Red Setter Gold-Copper Project.

On 24 June 2022, the Company has updated the market regarding the Wishbone II Gold-Copper drill program at its 100% owned Halo Project in North Queensland. Drilling at Halo is proceeding to plan with Terra Search logging copper mineralisation in the majority of holes drilled.

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 56 were approved by the Board of Directors and signed on its behalf by:

A handwritten signature in blue ink, appearing to read 'R O'D Poulden', is written over a horizontal line.

Name: R O'D Poulden

Date: 30 June 2022

Company's registered number: 103190

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 2022

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 and Facebook accounts to provide communications with shareholders. The Chairman and the Board have been mindful are of the importance of communication with shareholders and have been successful by communicating via RNS, periodic media interviews 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 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 and the communities in which it becomes active. The Board seeks constructive feedback from all its stakeholders.

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.

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 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 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.

Wishbone Gold PLC

Code of Corporate Governance – continued

Dialogue is maintained through general meetings, regulatory releases and presentations at investor-oriented events.

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 & Accounts and Shareholder Circulars.

The above information has been updated on 30 June 2021.

RSM Audit (Gibraltar) Limited21 Engineer Lane
Gibraltar
GX111AAT +350 200 74854
F +350 200 51477www.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 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the 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 2021 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, 10, 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
<p>Going concern assessment</p> <ul style="list-style-type: none"> As disclosed in Note 2, the consolidated financial statements have been prepared on a going concern basis. In 2021, the Group has incurred net losses of £1,240,157. As at 31 December 2021, the Group has accumulated losses of £9,779,433, while the Group's cash balances amounted to £3,002,547 and current liabilities were £135,752. 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. 	<ul style="list-style-type: none"> 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 2021 financial statements; and We assessed all the relevant going concern matters, including the impact of COVID 19, in the future operations of the Group. 	<p>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.</p>

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

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.

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

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.

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

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.

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.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke.

**SVM Cohen
Statutory auditor**

**For and on behalf of
RSM Audit (Gibraltar) Limited**

21 Engineer Lane
Gibraltar

30 June 2022

Wishbone Gold PLC

**Consolidated Income Statement
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
<i>Discontinued Operations</i>			
Revenue		-	1,091,860
Cost of sales		-	(1,083,748)
Gross profit		<u>-</u>	<u>8,112</u>
Interest income		17,605	-
Administration expenses	5	(9,901)	(25,767)
Write-off of bad debts	15	-	(38,043)
Income/(loss) from discontinued operations		<u>7,704</u>	<u>(55,698)</u>
<i>Continuing Operations</i>			
Other income		-	49,888
Interest income	21	16,340	-
Administration expenses	5	<u>(1,184,152)</u>	<u>(789,177)</u>
Operating loss		<u>(1,167,812)</u>	<u>(739,289)</u>
Gain on settlement of liability	13	-	154,941
Impairment of goodwill	10	-	(145,885)
Foreign exchange (loss)/gain		(80,049)	99,005
Finance costs		-	(7,153)
Loss from continuing operations – before taxation		<u>(1,247,861)</u>	<u>(638,381)</u>
Tax on loss		<u>-</u>	<u>-</u>
Loss from continuing operations		<u>(1,247,861)</u>	<u>(638,381)</u>
Loss for the financial year		<u>(1,240,157)</u>	<u>(694,079)</u>
Loss per share:			
Basic and diluted (pence)		<u>(0.746)</u>	<u>(0.909)</u>

There are no recognised gains or losses other than disclosed above and there have been no discontinued activities during the year.

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2021**

	2021	2020
	£	£
Loss for the financial year	(1,240,157)	(694,079)
Other comprehensive (loss)/income:		
Exchange differences on translating foreign operations	<u>(20,095)</u>	<u>(61,780)</u>
Other comprehensive income for the year, net of tax	(20,095)	(61,780)
Total comprehensive loss for the year attributable to equity owners of the parent	<u><u>(1,260,252)</u></u>	<u><u>(755,859)</u></u>

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Consolidated Statement of Financial Position
as at 31 December 2021**

	Notes	2021 £	2020 £
Current assets			
Trade and other receivables	8	33,135	423,820
Cash and cash equivalents		3,002,547	1,602,099
		<u>3,035,682</u>	<u>2,025,919</u>
Non-current assets			
Property, plant and equipment - net	9	-	-
Goodwill	10	-	-
Other intangible assets	10	1,460,055	1,020,930
		<u>1,460,055</u>	<u>1,020,930</u>
Total assets		<u><u>4,495,737</u></u>	<u><u>3,046,849</u></u>
Current liabilities	13	135,752	278,484
Equity			
Share capital	14	2,991,216	2,967,390
Share premium		11,698,892	8,943,833
Share payment reserve		72,987	-
Translation adjustment		(411,419)	(411,419)
Foreign exchange reserve		(212,258)	(192,163)
Accumulated losses		(9,779,433)	(8,539,276)
		<u>4,359,985</u>	<u>2,768,365</u>
Total equity and liabilities		<u><u>4,495,737</u></u>	<u><u>3,046,849</u></u>

The financial statements were approved by the board and authorised for issue on 30 June 2022 and signed on its behalf by:

A.D. Gravett
Director

R O'D Poulden
Director

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Company Statement of Financial Position
as at 31 December 2021**

	Notes	2021 £	2020 £
Current assets			
Trade and other receivables	8	7,584	1,811,879
Loans	15	2,398,756	1,335,107
Cash and cash equivalents		2,430,728	-
		<u>4,837,068</u>	<u>3,146,986</u>
Non-current assets			
Investments	11	104,105	104,105
		<u>104,105</u>	<u>104,105</u>
Total assets		<u>4,941,173</u>	<u>3,251,091</u>
Current liabilities			
	13	92,607	190,616
Equity			
Share capital	14	2,991,216	2,967,390
Share premium	14	11,698,892	8,943,833
Share payment reserve	14	72,987	-
Translation adjustment	14	(411,419)	(411,419)
Accumulated losses		(9,503,110)	(8,439,329)
		<u>4,848,566</u>	<u>3,060,475</u>
Total equity and liabilities		<u>4,941,173</u>	<u>3,251,091</u>

The financial statements were approved by the board and authorised for issue on 30 June 2022 and signed on its behalf by:



A.D. Gravett

Director



R O'D Poulden

Director

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Consolidated Statement of Changes in Equity
as at 31 December 2021**

	Share capital £	Share premium £	Payment reserve £	Accumulated losses £	Translation adjustment £	Foreign exchange reserve £	Total equity £
Balance at 1 January 2020	2,845,879	5,408,775	-	(7,845,197)	(411,419)	(130,383)	(132,345)
Shares issued during the year (net of issue costs)	121,511	3,535,058	-	-	-	-	3,656,569
Loss for the financial year	-	-	-	(694,079)	-	-	(694,079)
Foreign exchange	-	-	-	-	-	(61,780)	(61,6780)
<hr/>							
Balance at 31 December 2020	2,967,390	8,943,833	-	(8,539,276)	(411,419)	(192,163)	2,768,365
Shares issued during the year (net of issue costs)	23,826	2,755,059	-	-	-	-	2,778,885
Loss for the financial year	-	-	-	(1,240,157)	-	-	(1,240,157)
Share based reserved	-	-	72,987	-	-	-	72,987
Foreign exchange	-	-	-	-	-	(20,095)	(20,095)
<hr/>							
Balance at 31 December 2021	2,991,216	11,698,892	72,987	(9,779,433)	(411,419)	(212,258)	4,359,985

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Consolidated Statement of Cash Flows
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Loss before tax		(1,240,157)	(694,079)
Reconciliation to cash generated from operations:			
Foreign exchange (gain)/loss		80,049	(99,005)
Interest expense		-	7,153
Impairment of goodwill	10	-	145,885
Write-off of bad debts	15	-	38,043
Write-off of receivables	5	-	10,937
Depreciation	9	-	19,487
Administrative expenses converted into ordinary shares	14	-	168,536
Administrative expenses under share option scheme		72,987	-
Gain on settlement of liability	13	-	(154,941)
<i>Operating cash flow before changes in working capital</i>		<u>(1,087,121)</u>	<u>(557,984)</u>
Decrease in receivables		325,420	86,943
(Decrease)/increase in payables		(164,720)	314,639
<i>Net cash flows used in operations</i>		<u>(926,421)</u>	<u>(156,402)</u>
Cash flows from an investing activity			
Additions of intangible assets	10	(217,125)	(368,077)
<i>Net cash flows used in investing activities</i>		<u>(217,125)</u>	<u>(368,077)</u>
Cash flows from a financing activity			
Issue of shares for cash	14	2,556,885	2,355,200
<i>Net cash flows from financing activities</i>		<u>2,556,885</u>	<u>2,355,200</u>
<i>Effects of exchange rates on cash and cash equivalents, including effects of foreign exchange reserve</i>		<u>(12,891)</u>	<u>(241,570)</u>
Net increase in cash and cash equivalents		1,400,448	1,589,151
Cash and cash equivalents at 1 January		<u>1,602,099</u>	<u>12,948</u>
Cash and cash equivalents at 31 December		<u>3,002,547</u>	<u>1,602,099</u>

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

**Company Statement of Cash Flows
for the year ended 31 December 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Loss before tax		(1,063,781)	(1,092,676)
Reconciliation to cash generated from operations:			
Foreign exchange (gain)/loss		80,049	(99,005)
Interest expense		-	7,153
Provision for impairment of related party loans	21	-	497,104
Write-off of receivables	5	-	10,937
Impairment of investments	11	-	194,183
Gain on settlement of liability	13	-	(154,941)
Administrative expenses converted into ordinary shares	14	-	168,538
Administrative expenses under share option scheme		72,987	-
		<hr/>	<hr/>
<i>Operating cash flow before changes in working capital</i>		(910,745)	(468,707)
Decrease/(increase) in receivables		897,381	(1,911,762)
(Decrease)/increase in payables		(119,997)	249,936
		<hr/>	<hr/>
<i>Net cash flows used in operations</i>		(133,361)	(2,130,533)
Cash flows from financing activities			
Issue of shares for cash	14	2,556,885	2,355,200
		<hr/>	<hr/>
<i>Net cash flow from financing activities</i>		2,556,885	2,355,200
		<hr/>	<hr/>
<i>Effects of exchange rates on cash and cash equivalents</i>		7,204	(227,922)
Net increase/(decrease) in cash and cash equivalents		2,430,728	(3,255)
Cash and cash equivalents at 1 January		-	3,255
		<hr/>	<hr/>
Cash and cash equivalents at 31 December		2,430,728	-
		<hr/>	<hr/>

The notes on pages 32 to 56 form part of these financial statements.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

1. General Information

The consolidated financial statements of Wishbone Gold Plc (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Company’s directors on 30 June 2022.

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 2021 the Group continued the expansion of its exploration portfolio which begun in 2020. The Group acquired the Cottesloe EPM in Western Australia (“WA”) in March and were granted a southern extension to the Wishbone EPMs in Queensland (“QLD”), titled Wishbone VI, in August.

This took the Group’s portfolio of properties to a total of 159.19 sqkm in Western Australia and a total of 174 sqkm in the Wishbone project group near Ravenswood in Queensland with a further 37.2 sqkm at White Mountains further north.

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 individual statement of financial position of the Company has been presented as part of these financial statements. The individual statement of comprehensive income has not been presented as part of these financial statements as permitted by Section 288 of the Act. The individual statement of comprehensive income of the Company shows a loss for the year of £1,603,781 (2020: £1,092,676).

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 2021.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

2. Accounting Policies – continued

Going concern

The Group has incurred losses during the financial years ended 31 December 2021 and 31 December 2020.

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.

COVID-19 remains an unpredictable factor in all company operations worldwide and the Company is no exception to this.

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 £2.57m in 2021 (2020: £3.57m).

The Directors have reviewed the financial condition of the Group since 31 December 2021 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. All exploration is inherently unpredictable as to the final outcome.

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.

Functional and presentational currencies

The individual financial information of the entity is measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency).

The Company's functional currency has historically been the United States Dollar ("US\$"), which was also the Company's presentation currency.

As at 1 January 2021, the functional currency of the Company is the Pounds Sterling ("£"). The Board of Directors considered that the Group's source of funding is predominantly £ denominated. As a result, the Directors have determined that £ is the currency which best reflects the underlying transactions, events and conditions relevant to the Group with effect from 1 January 2021 ("the effective date of the change").

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

2. Accounting Policies – continued

Functional and presentational currencies – continued

In accordance with IAS 21 'The Effect of Changes in Foreign Exchange Rates', the effect of a change in functional currency is accounted for prospectively. All items were translated at the exchange rate on the effective date of the change, being US\$ 0.7321 to £1. The resulting translated amounts for non-monetary items are treated as their historical cost. Share capital and premium were translated at the historic rates prevailing at the dates of the underlying transactions.

The effects of translating the Company's financial results and financial position into £ were recognized in the foreign currency translation reserve.

The financial statements are presented in £ including the comparative figures. All amounts are recorded in the nearest £, except when otherwise indicated.

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.

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.

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
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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.

2. Accounting Policies – continued

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.

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 did not recognize any impairment of goodwill £Nil (2020: £145,885) since the goodwill value was taken to zero in 2020. Furthermore, in 2021, the Company did not recognise additional impairment of its related party loans of £Nil (2020: £466,750).

Foreign currencies

The consolidated financial statements are presented in Gibraltar Pounds Sterling (“£”), the presentation and functional currency of the Company. All values are rounded to the nearest £. Transactions denominated in a foreign currency are translated into £ 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 £ are translated into £ 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.

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021**

2. Accounting Policies – continued

Foreign currencies - continued

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 1.8624 per £1 (2020: AUD 1.1.7752). The average exchange rate applied at the year-end date was AUD 1.8315 per £1 (2020: AUD 1.8611).

The closing exchange rate applied at the year-end date was AED 4.9710 per £1 (2020: AED 5.0508). The average exchange rate applied at the year-end date was AED 5.0493 per £1 (2020: AED 4.7162).

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.

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.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

2. Accounting Policies – continued

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.

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.

2. Accounting Policies – continued

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 2021 and 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 £Nil.

Standards, amendments and interpretations to existing standards that are effective in 2021

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:

Interest rate benchmark reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendment provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendment had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

COVID-19 related rent concessions beyond 30 June 2021, Amendments to IFRS 16. On 28 May 2020, the IASB issued Covid-19 Related Rent Concessions – amendments to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19 related rent concessions but plans to apply the practical expedient if it becomes applicable with allowed period of application.

2. Accounting Policies – continued

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:

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.

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.

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).

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

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.

The Company assessed that there is no significant impact of the adoption of the new or amended Accounting Standards and Interpretations on the Company's financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

3. Critical accounting estimates and judgements – continued

Determining capitalizable exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely from either future exploration or sale, or whether activities has not reached a stage that permits a reasonable assessment of the existence of reserves.

In addition to applying judgement to determine whether future economic benefits are likely to arise from the Company's exploration and evaluation assets, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company has to apply a number of estimates and assumptions. The determination of JORC resource is itself an estimation process that involves varying degree of uncertainty depending on how the resources are classified.

The estimation directly impacts when the Group defers exploration and evaluation expenditure. The deferral policy requirements management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established.

Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalized amount is written off to the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Impairment of exploration and evaluation assets

Impairment of exploration and evaluation expenditure is subject to significant estimation, due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. As at 31 December 2021, the Board of Directors are satisfied that no impairment exists as outlined in note 20.

If, after expenditure, is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit and loss in the period when the new information becomes available. As at 31 December 2021, no such information is available to suggest that the expenditure is not recoverable.

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 in 2020 as it believed that the recoverable amount was lower than the carrying value of the property, plant and equipment.

Impairment of goodwill

In 2020, 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 reviewed the carrying value for the current financial year and considered that goodwill as at 31 December 2020 should be fully impaired.

3. Critical accounting estimates and judgements – continued

Determination of functional currency

As at 1 January 2021, the functional currency of the Company is the Pounds Sterling (“£”). The Board of Directors considered that the Group’s source of funding is predominantly £ denominated. As a result, the Directors have determined that £ is the currency which best reflects the underlying transactions, events and conditions relevant to the Group with effect from 1 January 2021 ("the effective date of the change").

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

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.

At the reporting date, the Australian subsidiaries had net assets of £406,094 (AUD 756,323) (net liabilities in 2020: £224,084 (AUD 419,165)). 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 £104,105 (2020: 104,105) and £2,398,756 (2020: £1,335,107) respectively. Further in 2021, in a report of Terra Search, the recent geochemical and ground magnetic results at Wishbone’s Gold’s Halo prospect compares very favourably to the geological setting and geochemical association of the nearby Ravenswood Gold Deposit (total production of 5 million plus ounces gold).

At the reporting date, the UAE subsidiary had net liabilities of £458,607 (AED 2,279,755) (2020: £462,089 (AED2,318,660)). The Company provided full allowance for impairment on the loan to the UAE subsidiary, with gross balance of US\$375,263.

Valuation of warrants

As described in note 16, the fair value of any warrants granted was calculated using the Binomial Option Pricing 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.

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 a single operating division, resource evaluation (Australia). The division is the business segment for which the Group reports its segment information internally to the Board of Directors.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

5. Administrative expenses

	2021	2020
	£	£
Fees payable to the Company's auditor for the audit of the Group consolidated financial statements	36,500	42,358
Other administrative costs	902,987	616,155
Remuneration of directors of the Group	254,566	126,007
Depreciation	-	19,487
Bad debts expense	-	10,937
	<hr/> 1,194,053	<hr/> 814,944

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 2021 is 12.5% (2020: 10%). The Company has no operations in Gibraltar which are taxable.

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 2021 is 30% (2020: 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.

As at 31 December 2021 and as at 31 December 2020, the Company has no deferred tax assets and no deferred tax liabilities.

Wishbone Gold PLC**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021****7. Loss per share**

	2021	2020
	£	£
Loss for the purpose of basic loss per share being net loss attributable to equity owners of parent	(1,240,157)	(694,079)
Loss for the purpose of diluted earnings per share	(1,240,157)	(694,079)
Number of shares:		
Weighted average number of shares in issue during the year:		
Issued ordinary shares at the beginning of the year	2,845,879,000	2,845,878,980
Effect of share issues before reorganisation	-	20
Weighted average number of new ordinary shares before reorganisation	2,845,879,000	2,802,036,973
Weighted average number of new ordinary shares		
Issued ordinary shares at the beginning of the year	149,969,321	28,458,790
Effect of share issues after reorganisation	16,369,536	47,120,629
Weighted average number of new ordinary shares at 31 December	166,338,857	75,579,419
Basic loss per share (pence)	(0.746)	(0.918)

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

8. Trade and other receivables

<i>Group</i>	2021	2020
	£	£
Debtors	19	7,684
Prepayments	1,577	6,887
Loans from directors	31,539	31,249
Unpaid share capital	-	378,000
	33,135	423,820
<i>Company</i>	2021	2020
	£	£
Debtors	12	2,491
Prepayments	-	6,107
Unpaid share capital	-	378,000
Other receivable (see note 21)	7,572	1,425,281
	7,584	1,811,879

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

9. Property, plant and equipment

<i>Group</i>	2021	2020
<u>Cost</u>	£	£
As at 1 January and 31 December	184,164	184,164
<u>Accumulated Depreciation and Impairment</u>		
As at 1 January	(184,164)	(164,677)
Depreciation charges during the year	-	(19,487)
As at 31 December	(184,164)	(184,164)
<u>Net Book Value</u>		
As at 31 December	-	-

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 has been fully depreciated as at 31 December 2020.

10. Intangible assets

<i>Group</i>	Goodwill	Exploration & evaluation assets	Total
<u>Cost</u>	£	£	£
At 1 January 2020	141,062	292,571	433,633
(Impairment)/additions	(145,885)	734,744	588,859
Foreign exchange revaluation	4,823	(6,385)	(1,562)
At 31 December 2020	-	1,020,930	1,020,930
At 1 January 2021	-	1,020,930	1,020,930
(Impairment)/additions	-	488,364	488,364
Foreign exchange revaluation	-	(49,239)	(49,239)
At 31 December 2021	-	1,460,055	1,460,055

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 resulting goodwill of £647,984 reflects the fair value of the net assets acquired and the value of the considerations at the time of acquisition. The directors have fully impaired this goodwill.

In 2020, the Group acquired three exploration licenses in Western Australia for a total deemed consideration of £549,999 which consists of cash amounting to £183,333, shares of stocks with deemed value of £366,666 and share warrants valued at nil (see notes 14 and 16). A portion of the warrants issued were exercised in 2021 for a total consideration of £122,222.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

10. Intangible assets – continued

In 2021, the Group acquired additional exploration license in Western Australia for a total deemed consideration of £161,000 which consists of cash amounting to £35,000, shares of stocks with deemed value of £126,000 and share warrants valued at nil (see notes 14 and 16).

11. Investments

Shares in subsidiary undertakings

<i>Company</i>	2021	2020
<u>Cost</u>	£	£
As at 1 January and 31 December	697,329	697,329
<u>Accumulated Impairment</u>		
As at 1 January	(593,224)	(423,186)
Impairment charges during the year (see note 12)	-	(194,183)
Foreign exchange revaluation	-	24,145
As at 31 December	(593,224)	(593,224)
<u>Net Book Value</u>		
As at 31 December	104,105	104,105

Company	Class of shares held	% held	Country of registration or incorporation	Cost of Investment £
Wishbone Gold Pty Ltd	110,000,000 ordinary shares of GBP 0.001 each	100%	Australia	104,105
Precious Metals International Ltd.	100 common shares of USD 1 each	100%	British Virgin Islands	182,326
Wishbone Gold Honduras Ltd.	2,000 ordinary shares of GBP 1 each	100%	Gibraltar	410,898
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 PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

11. Investments – continued

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.

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

<i>Company</i>	2021 £	2020 £
Impairments recognised during the year	-	(194,183)

In 2020, 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

<i>Group</i>	2021 £	2020 £
Trade payables	63,763	103,634
Accruals and deferred income	71,989	159,063
Loan from Black Swan FZE	-	15,787
	<u>135,752</u>	<u>278,484</u>

Wishbone Gold PLC

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021**

13. Current liabilities – continued

<i>Company</i>	2021 £	2020 £
Trade payables	27,533	26,278
Accruals and deferred income	51,500	148,551
Loan from Black Swan FZE	-	15,787
Amount due to related party undertaking	13,574	-
	<u>92,607</u>	<u>190,616</u>

In 2020, the outstanding loan from Sanderson Capital Partners Limited was fully settled for shares, through the conversion of £176,267 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 £154,941. On the same year, certain outstanding loan with Black Swan FZE was settled though the conversion of the £116,622 balance into 8,638,686 new ordinary shares at 0.1 pence each at the same price of 1.35 pence per share.

In 2021, the Group settled through issuance of shares certain tenements in Western Australia for total consideration of £222,000. The purchase was made in two share issuances consisting of 600,000 new ordinary shares of 0.1 pence each at a deemed issued price of 16 pence per share and 900,000 new ordinary share of 0.1 pence each at a deemed issued price of 14 pence per share.

14. Share capital – Group and Company

<i>Authorised:</i> 8,000,000,000 Ordinary Shares of £0.001 each	2021 £	2020 £
	<u>8,000,000</u>	<u>8,000,000</u>

Allotted and called up:

	2021 Number of shares	2021 Share capital £	2021 Share premium £	2020 Number of shares	2020 Share capital £	2020 Share premium £
As at 1 January	149,969,321	2,967,390	8,943,833	2,845,878,980	2,845,879	5,408,775
Issued during the year before capital reorganisation	-	-	-	20	-	-
Shares before capital reorganization	-	-	-	<u>2,845,879,000</u>	-	-
Shares after capital reorganization - <i>carried forward</i>	149,969,321	2,967,390	8,943,833	28,458,790	2,845,879	5,408,775

Wishbone Gold PLC

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021**

14. Share capital – Group and Company - continued

	2021 Number of shares	2021 Share capital £	2021 Share premium £	2020 Number of shares	2020 Share capital £	2020 Share premium £
Shares after capital reorganization - brought forward	149,969,321	2,967,390	8,943,833	28,458,790	2,845,879	5,408,775
Issued during the year:						
Placing of shares	10,000,000	10,000	1,390,000	59,722,221	59,722	2,390,278
Settlement of liability through shares (see note 13)	1,500,000	1,500	220,500	52,348,310	52,348	871,021
Exercise of warrants issued last year with shares issued this year	12,325,892	12,326	1,508,519	-	-	-
Exercise of warrants and shares issued this year (see note 16)	-	-	-	9,440,000	9,440	273,760
As at 31 December	<u>173,794,213</u>	<u>2,991,216</u>	<u>11,698,892</u>	<u>149,969,321</u>	<u>2,967,390</u>	<u>8,943,833</u>

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

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.

14. Share capital – Group and Company - continued

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.

On 12 January 2021, the Company has received exercise notices for 8,622,188 warrants, attached to the share placement announced on 10 December 2020, amounting to £1,034,662.56. This constitutes 98.54% of the warrants linked to the placing and the balance have lapsed.

Pursuant to the exercise notices as detailed above, the Company has issued a total of 8,622,188 new Ordinary Shares of 0.1 pence each from its block listing authority of up to 8,750,000 new Ordinary shares, at a price of 12 pence per share.

On 3 March 2021, the Company issued a total of 600,000 new 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, the Company issued 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 to raise a total of £1,400,000 gross.

On 21 July 2021, the Company has received, notice to exercise warrants over a total of 3,703,704 new ordinary shares of 0.1 pence each in the Company, which will be issued at 3.3 pence per share. The Company has received the exercise consideration of £122,222.

On 18 November 2021, the Company has issued 900,000 new ordinary shares of 0.1 pence each at a price of 14 pence per share which equates to £126,000, following the completion of the Cottesloe Project acquisition. The Company has also issued 600,000 warrants at an exercise price of 14 pence per share.

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.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

15. Loans

As at 31 December 2021, there are no outstanding loans due from third parties.

<i>Company</i>	2021	2020
	£	£
<u>Current</u>		
Amounts owed by subsidiary undertakings (note 21)	2,398,756	1,335,107
	<u>2,398,756</u>	<u>1,335,107</u>

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 2021 No	Average exercise price 2021 £	Number of Warrants / options 2020 No	Average exercise price 2020 £
Outstanding at 1 January	14,305,555	0.0283	154,050,000	0.0099
Lapsed/terminated during the year	(127,812)	0.1200	(154,610,000)	0.0101
Issued during the year	7,100,000	0.1738	24,305,555	0.0631
Exercised during the year	(12,325,892)	0.0939	(9,440,000)	0.0300
Outstanding at 31 December	<u>8,951,851</u>	<u>0.1040</u>	<u>14,305,555</u>	<u>0.0283</u>

Fair value is measured by use of the Binomial Option Pricing Model with the assumption of 5% future market volatility and a future interest rate of 1.3% per annum based on the current economic climate. The fair value of share warrants granted as at 31 December 2021 was £72,987 (2020: £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.

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021**

17. Financial instruments - continued

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 £3,035,682 (2020: £2,025,919).

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

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 £135,752 (2020: £278,484) 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.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

18. Financial risk management – continued

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 2021 and 31 December 2020 are payable as follows:

	2021 £	2020 £
Within one year	400,191	86,706
After one year but not more than five years	1,047,947	76,199
	<u>1,448,138</u>	<u>162,905</u>

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 £110,000 as at 31 December 2021 and 2020. The financial and operating results of this subsidiary have been consolidated in these financial statements.

Wishbone Gold Pty Ltd, as at 31 December 2021, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2021 £	2020 £
Outstanding at 1 January	734,905	418,010
Additions during the year	806,649	267,121
Translation adjustment	-	49,774
Outstanding at 31 December	<u>1,541,554</u>	<u>734,905</u>

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

21. Related parties - continued

Wishbone Gold WA Pty Ltd, as at 31 December 2021, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2021 £	2020 £
Outstanding at 1 January	600,202	-
Additions during the year	257,000	600,202
Outstanding at 31 December	<u>857,202</u>	<u>600,202</u>

Precious Metals International Ltd., through the subsidiary Black Sand FZE as at 31 December 2021, has a loan outstanding from Wishbone Gold Plc of the following amounts:

	2021 £	2020 £
Outstanding at 1 January	-	378,077
Additions/ (Repayments) during the year	-	12,048
Translation Adjustment	-	(14,862)
	<u>-</u>	<u>(375,263)</u>
Impairment provision recognised during the year	-	(375,263)
Outstanding at 31 December	<u>-</u>	<u>-</u>

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:

	2021 £	2020 £
Outstanding at 1 January	-	91,487
Assignment of loan	-	-
Impairment provision recognised during the year	-	(91,487)
Outstanding at 31 December	<u>-</u>	<u>-</u>

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.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

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 £7,571 (2020: £1,425,281) 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 2021 and 2020, and the amounts settled by the Company by way of share issues and cash.

<u>31 December 2021</u>	Balance as at 1 January 2021 £	Charge for the year £	Settled in shares £	Settled in cash £	Balance as at 31 December 2021 £
Richard Poulden	-	168,108	-	(168,108)	-
Jonathan Harrison	-	21,875	-	(21,875)	-
Alan Gravett	-	21,875	-	(21,875)	-
Professor Michael Mainelli	-	21,875	-	(21,875)	-
David Hutchins	-	20,833	-	(20,833)	-
Total	-	254,566	-	(254,566)	-

<u>31 December 2020</u>	Balance as at 1 January 2020 £	Charge for the year £	Settled in shares £	Settled in cash £	Balance as at 31 December 2020 £
Richard Poulden	101,058	88,507	(79,597)	(109,868)	-
Jonathan Harrison	15,646	12,500	(20,854)	(7,292)	-
Alan Gravett	15,625	12,500	-	(28,125)	-
Professor Michael Mainelli	15,625	12,500	(20,833)	(7,292)	-
Total	147,954	126,007	(121,384)	(152,577)	-

In 2020, 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. The Company was billed by Black Swan FZE for various administrative expenses of £28,033 (2021: £Nil) 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.

On 26 October 2021, the Group provided a short-term loan to Valereum Blockchain Plc, a related party under common management, amounting to £500,000. The related loan, including accrued interest, presented as part of Interest income in the consolidated statement of income, amounting to £5,000, was subsequently collected on 08 November 2021

22. Ultimate controlling party

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

**Notes to the Consolidated Financial Statements
for the year ended 31 December 2021**

23. Events after the reporting date

The following events took place after the year end:

On 7 March 2022, the Company announced that Heritage Clearing Survey has been confirmed at Cottesloe and Red Setter Projects. The Cottesloe Project is located 55 km south-southwest of the Telfer Gold Mine, and the Red Setter Project is 13 km south-west of the Telfer Gold Mine, in the Patersons Range of Western Australia. DDSR Drilling Australia operating for us who have unique combination drills which can do both rotary RC and diamond drilling – something that is necessary to drill through the upper sedimentary units before hitting basement.

On 3 May 2022, the Company announced that it has signed an important drilling contract of the Company's Red Setter Gold-Copper Project.

The first phase of the drilling contract is for 3,000m of drilling at Red Setter, with the second phase of the contract for a further 7,000m of drilling split between Wishbone's Red Setter Project and the Company's Cottesloe Project to the south.

On 12 May 2022, the Company announced that a heritage survey was underway at the Company's Red Setter Gold-Copper Project located 13 km south-west of the Telfer Gold Mine, in the Patersons Range of Western Australia. The aim of this survey was to increase access to peripheral targets, beyond those already cleared. The heritage survey was set to move down to the Cottesloe Project located 55 km south-southwest of the Telfer Gold Mine.

The heritage survey is expected to clear majority of the required areas for the 10,000m of planned drilling.

On 16 May 2022, the Company announced that it has signed the drilling contract for the Halo Prospect at its Wishbone II Gold-Copper Project in Northern Queensland following the completion of the heritage surveys over all the planned drill sites. The maiden drill program will consist of 2,000m of reverse circulation holes to test surface gold and copper anomalies at depth and look for continuous underground structures.

On 16 May 2022, the Company announced that a heritage survey has been completed at the Company's Red Setter Gold-Copper Project. The survey did not identify any heritage sites at Red Setter. The additional surveys have increased access to peripheral targets beyond those already cleared, where drilling was set to start in the next few weeks. The heritage survey team has moved down to the Cottesloe Project located 55 km south-southwest of the Telfer Gold Mine.

On 31 May 2022, the Company announced that the drill rig will mobilise from Perth towards to the Company's Red Setter Gold-Copper Project.

On 7 June 2022, the Company announced that its maiden drill program has started on Wishbone II Gold-Copper Project. The drill program consists of 2,000m of RC holes to test the numerous gold and copper surface anomalies at depth and look for continuous underground structures.

On 16 June 2022, the Company has updated the market regarding the Wishbone II Gold-Copper drill program in Northern Queensland. The drill programme completed approximately 25% of the designed programme.

Initial Reverse Circulation (RC) drill samples have been transported back to the Terra Search office in Queensland and are undergoing tests prior to being sent to the lab for full analysis. The Initial tests confirmed the presence of elevated copper, coincident with visible oxidised copper and primary chalcopyrite mineralisation.

Terra Search's logging of the RC chips confirms the presence of a felsic, high level, crowded porphyry intrusion often found associated with productive, high level gold systems.

On 17 June 2022, the Company announced that drilling was underway at the Company's Red Setter Gold-Copper Project.

Wishbone Gold PLC

Notes to the Consolidated Financial Statements for the year ended 31 December 2021

23. Events after the reporting date - continued

On 24 June 2022, the Company has updated the market regarding the Wishbone II Gold-Copper drill program at its 100% owned Halo Project in North Queensland. Drilling at Halo is proceeding to plan with Terra Search logging copper mineralisation in the majority of holes drilled.

24. Availability of accounts

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

25. 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 2021 and 31 December 2020.