

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016
FOR
EQUATOR GOLD RESOURCES LIMITED

Numeric Accounting Limited
Chartered Certified Accountants
Statutory Auditors
18 New Canal
Salisbury
Wiltshire
SP1 2AQ

EQUATOR GOLD RESOURCES LIMITED

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FOR THE YEAR ENDED 30 APRIL 2016

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EQUATOR GOLD RESOURCES LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2016

DIRECTORS:

Mrs F H M Proffitt
Ms E J Parker

REGISTERED OFFICE:

18 New Canal
Salisbury
Wiltshire
SP1 2AQ

REGISTERED NUMBER:

07611759 (England and Wales)

AUDITORS:

Numeric Accounting Limited
Chartered Certified Accountants
Statutory Auditors
18 New Canal
Salisbury
Wiltshire
SP1 2AQ

EQUATOR GOLD RESOURCES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2016

The directors present their report with the financial statements of the company for the year ended 30 April 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2015 to the date of this report.

Mrs F H M Proffitt

Ms E J Parker

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Numeric Accounting Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Mrs F H M Proffitt - Director

Date: 27 FEB 2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUATOR GOLD RESOURCES LIMITED

We have audited the financial statements of Equator Gold Resources Limited for the year ended 30 April 2016 on pages five to nine. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EQUATOR GOLD RESOURCES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Mr Jonathan Paul Baggot (Senior Statutory Auditor)
for and on behalf of Numeric Accounting Limited
Chartered Certified Accountants
Statutory Auditors
18 New Canal
Salisbury
Wiltshire
SP1 2AQ

Date:

EQUATOR GOLD RESOURCES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2016

	Notes	30.4.16 £	30.4.15 £
TURNOVER		-	-
Administrative expenses		<u>174,895</u>	<u>20,600</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(174,895)	(20,600)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(174,895)</u></u>	<u><u>(20,600)</u></u>

The notes form part of these financial statements

EQUATOR GOLD RESOURCES LIMITED (REGISTERED NUMBER: 07611759)

**BALANCE SHEET
30 APRIL 2016**

	Notes	30.4.16 £	£	30.4.15 £	£
FIXED ASSETS					
Intangible assets	5		315,092		435,917
CURRENT ASSETS					
Cash at bank		2		915	
CREDITORS					
Amounts falling due within one year	6	<u>1,324,947</u>		<u>1,271,790</u>	
NET CURRENT LIABILITIES			<u>(1,324,945)</u>		<u>(1,270,875)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,009,853)</u>		<u>(834,958)</u>
CAPITAL AND RESERVES					
Called up share capital	7		62		62
Share premium	8		11,489		11,489
Profit and loss account	8		<u>(1,021,404)</u>		<u>(846,509)</u>
			<u>(1,009,853)</u>		<u>(834,958)</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved by the Board of Directors on 27 FEB 2017 and were signed on its behalf by:


.....
Mrs F H M Proffitt - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The group meets its day to day working capital requirements through the continued support of the group's directors and shareholders. Major shareholders 'Richmond Partners Master Limited' and others have pledged their continued financial support to cover liabilities of the group as they fall due, and to ensure the company continues as a going concern.

The directors have prepared cash flow and income projections for a period of not less than twelve months from today and on the basis of this information consider that it is appropriate to prepare the financial statements on a going concern basis. Therefore the financial statements do not include any adjustments that would result from a withdrawal of the above support.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Exploration and development costs

The policy adopted for recognising exploration and development costs is based on the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities" revised in June 2001 (the SORP currently in effect).

In accordance with the full cost method as set out in the SORP, expenditure including directly attributable overheads on the acquisition, exploration and evaluation of interests in licences is capitalised under intangible assets. Exploration and evaluation costs arising in connection with an exploration licence are capitalised on a project by project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads.

Deferred exploration costs are carried at historical cost less any impairment losses recognised. When it is determined that such cost will be recouped through successful development and exploitation or alternatively by sale of the interest, expenditure will be transferred to tangible assets and depreciated over the expected productive life of the asset. Whenever a project is considered no longer viable the associated exploration expenditure is written-off to the profit and loss account.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	30.4.16	30.4.15
	£	£
Audit fees	1,025	1,533
Foreign exchange differences	915	(83)
	<u> </u>	<u> </u>
Directors' remuneration and other benefits etc	-	-
	<u> </u>	<u> </u>

3. IMPAIRMENT OF DEFERRED EXPLORATION COSTS

Deferred exploration costs capitalised to date have been written down to expected recoverable value of £315,093, based on information on operations in South Sudan at this time. It is expected that the impairment will be reversed when things improve in the area.

EQUATOR GOLD RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2016 nor for the year ended 30 April 2015.

5. INTANGIBLE FIXED ASSETS

	Deferred exploration costs £
COST	
At 1 May 2015	1,218,590
Additions	41,781
Impairments	(945,279)
At 30 April 2016	<u>315,092</u>
NET BOOK VALUE	
At 30 April 2016	<u>315,092</u>
At 30 April 2015	<u>1,218,590</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.16 £	30.4.15 £
M Parker loan account	50,760	215,083
Other loans	20,000	39,770
Amounts owed to group undertakings	1,250,862	1,014,637
Accruals and deferred income	3,325	2,300
	<u>1,324,947</u>	<u>1,271,790</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
6,150,000	Ordinary	0.001p	<u>62</u>

8. RESERVES

	Profit and loss account £	Share premium £	Totals £
At 1 May 2015	(846,509)	11,489	(835,020)
Deficit for the year	(174,895)		(174,895)
At 30 April 2016	<u>(1,021,404)</u>	<u>11,489</u>	<u>(1,009,915)</u>

EQUATOR GOLD RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2016

9. ULTIMATE PARENT COMPANY

Equator Gold Holdings Limited (incorporated in Jersey) is regarded by the directors as being the company's ultimate parent company.

10. RELATED PARTY DISCLOSURES

Equator Gold Limited
(Parent)

Loans to the value of £236,225 (2014 - £nil) were granted by Equator Gold Limited during the period. Loans still outstanding were made on non-commercial terms with no interest chargeable and no fixed date of repayment.

	30.4.16	30.4.15
	£	£
Amount due to related party at the balance sheet date	<u>1,250,862</u>	<u>1,014,637</u>

11. ULTIMATE CONTROLLING PARTY

The group is not under the control of any one individual/organisation.

EQUATOR GOLD RESOURCES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2016

	30.4.16		30.4.15	
	£	£	£	£
Income		-		-
Expenditure				
Business and professional development	2,235		2,002	
Telephone	873		474	
Printing, post and stationery	469		438	
Travelling and subsistence	3,414		6,132	
Sundry expenses	119		189	
Accountancy	1,275		1,148	
Legal and professional fees	1,964		8,506	
Auditors' remuneration	1,025		1,533	
Foreign exchange losses	915		(83)	
Entertainment	-		65	
Impairment of deferred exploration costs	162,606		-	
	<u>174,895</u>	<u>174,895</u>	<u>20,404</u>	<u>20,404</u>
		(174,895)		(20,404)
Finance costs				
Bank charges		-		196
		<u>-</u>		<u>196</u>
NET LOSS		<u>(174,895)</u>		<u>(20,600)</u>