

REGISTERED NUMBER: 00112743 (Jersey)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2019
FOR
EQUATOR GOLD HOLDINGS LIMITED**

EQUATOR GOLD HOLDINGS LIMITED

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FOR THE YEAR ENDED 30 APRIL 2019**

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EQUATOR GOLD HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2019**

DIRECTORS:

Mr M E Parker
Mr J Carlile

SECRETARY:

G.B. Secretaries Limited

REGISTERED OFFICE:

CTV House
La Pouquelaye
St Helier
Channel Islands
JE2 3TP

REGISTERED NUMBER:

112743 (Jersey)

AUDITORS:

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

EQUATOR GOLD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

Report on Operations

Equator Gold Holdings Limited was incorporated in Jersey in 2013 to be the holding company for the Equator Gold group of companies, exploring for gold and other minerals in the Republic of South Sudan. At the end of 2013, civil conflict broke out in South Sudan and for safety reasons we were forced to put our operations on care and maintenance. When fighting worsened in 2016, our field base in Kworijik Bungu was looted and one of our locally contracted freelancers was killed in an over-reaction by the military. In consequence of these events, Equator made a declaration of Force Majeure, and this remains in place.

In March 2015, the government of South Sudan enacted the Mineral Title Regulations, implemented the Mining Cadastre and began granting licences under the new legislation. Equator has interests in three of the first four licences to be awarded and made a start on exploring two new licence areas.

In 2017, Equator acquired a shareholding in Walzinc sprl, a western European zinc venture. The Company has subsequently conducted consulting work for Walzinc which will be remunerated in shares. This will help maintain the group as a going concern.

Equator continues to seek new opportunities and is currently evaluating gold projects in Uganda and Rwanda, a phosphate project in Uganda and copper-cobalt opportunities in Angola.

Business

The Group's principal assets are its interests in three mineral titles in South Sudan:

An earn-in interest of up to 85% in the Luri exploration licence, under a binding Memorandum of Understanding signed with South Sudanese company Consolidated Mineral and Energy Resources Investment Co Ltd (CMERIC). Equator has earned 65% in the licence and can increase this to 85% by spending a further US\$ 10M on exploration.

An equity earn-in interest of up to 75% in South Sudanese company Spear Mining Ltd by spending a US\$500,000 on exploration, in tranches of 15% by spending each \$100,000. Spear Mining holds the Wudabi exploration licence.

A 49% interest in a joint venture over the Kejokeji exploration licence, with New Kush Exploration and Mining Limited holding the title and a 51% interest in the joint venture.

In addition, Equator holds 3.35% shareholding in Walzinc sprl, a Belgian company with zinc and other base metal interests in Portugal and Belgium. Equator has paid for and/or carried out consultancy work for Walzinc which will probably be remunerated at least partly in shares, giving Equator a holding of up to 9%

Details of expenditures to date on the three South Sudan projects to date are given in the Projects section below. Most of these expenditures are "allowable" under the South Sudan Mining (Mineral Title) Regulations 2015, that is, they count against titleholders' minimum expenditure obligations. The expenditure statements up to 30 Apr 2018 have been accepted by all our partner companies.

In December 2016, following a number of serious security events, Equator declared force majeure on all three projects and our title-holding partner companies made force majeure declarations under the Mining Act 2012 and the Mining (Mineral Title) Regulations 2015. As of today, obligations under the three licences remain suspended for force majeure, including rent, reporting and exploration expenditure obligations. Rents for the three licences were last paid in June 2016, so at the time of force majeure, 6 months' rent credit remained.

Equator has maintained its branch office registration and its Investor Certificate in South Sudan. We are up-to-date with all local taxes and recently received a tax clearance certificate dated 12 October 2019.

Corporate and Financial

Since the outbreak of civil conflict in 2013, funds to maintain Equator as a going concern have been provided by directors, mainly Mark Parker, and by Richmond Partners Master Ltd, a large shareholder. Initially provided as loans, these funds up to 20 April 2015 were repaid in shares in mid-2016. Between 1 May 2015 to 30 April 2019, Mark Parker advanced the Company a further £140,089, of which £9,000 has been repaid out of consultancy earnings, leaving a balance of £131,088.57. In May 2019, Richmond, Mark Parker and his wife Heather Proffitt provided letters renewing their agreements to provide financial and other support necessary to maintain Equator as a going concern.

In September 2019, the Company extended an Open Offer to all shareholders. Richmond subscribed £75,000 but at a reduced share price of £0.50 and Mark Parker capitalised such part of his loans that his shareholding remains less than 50%.

Since July 2018, Mark Parker has been channelling consultancy work through the company. At 30 Apr 2019, the invoiced value of this work amounted to £40,345. The reasons for this were (1) to provide earnings for the company, (2) to provide revenue to repay some of Parker's loans and (3) to demonstrate turnover for VAT purposes.

In September 2019, the boards of group companies agreed to transfer all assets and rights in the Luri exploration licence from UK-incorporated Equator Gold Resources Limited to Jersey-incorporated Equator Luri Limited, together with the accrued exploration expenditure and relevant inter-company loans. Equator Gold Resources Ltd will now be wound up.

EQUATOR GOLD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

In March 2017, Equator acquired a 5% shareholding in Walzinc sprl, a Belgian company pursuing zinc and other opportunities in western Europe. Subsequent dilution reduced this to 3.35% but Equator has carried out consultancy work for Walzinc which is expected to be remunerated in shares, giving Equator a holding of about 8 to 10%.

In Jersey, Garfield Bennett Trust Company (GBTC) notified Equator that they were no longer prepared to provide Jersey directors for EGHL or ELL in view of the protracted conflict in South Sudan and the consequent risks to the Group. GBTC subsequently agreed to accept £40,000 in settlement of all outstanding amounts. Equator's Jersey advisor in future will be GlenQ Private Wealth Limited, Hilary House, 19 Hilary Street, St Helier, Jersey, JE2 4SX.

In South Sudan, Equator maintained its branch office registration and its Investor Certificate, settled all tax due on wages and rent paid and obtained tax clearance certificates. Details of expenditures on the South Sudanese licences are provided below.

Civil conflict in South Sudan

There are some hopeful developments. President Salva Kiir and opposition leader Riek Machar signed to a "permanent" ceasefire in the Sudanese capital, Khartoum on June 27 2018, and this was formalised in September as the "Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS)".

The R-ARCSS provides for the establishment of a Revitalised Transitional Government of National Unity (RTGoNU) with a term of office of thirty-six (36) months. This was due to commence eight months after signing of the R-ARSS but was delayed until November 2019 and has recently been further delayed.

The deal was brokered by Sudanese President Omar al-Bashir and Ugandan president Yoweri Museveni and came on the back of greatly increased pressure from other regional governments and the international community. Both Sudan and Uganda have strong political and business incentives for a settlement. It is unclear what impact the overthrow of al-Bashir will have on the process.

Some opposition and civil society groups, notably the National Salvation Front (NAS) led by General Thomas Cirillo, are unreconciled to R-ARCSS, on the grounds that it rewards the war criminals responsible for the suffering of the population and that the tribes from the southern parts of the country were not represented at the peace talks. Unfortunately, NAS fighters are active in all three of our project areas.

Currently, it is not safe to operate in any of Equator's project areas as there is sporadic fighting in all three of them. Key parts of the Wudabi and Kejokeji licences are occupied by the NAS, and the renegade band which has been operating in the Wonderuba area of the Luri licence since 2014 remains active and has affiliated to the NAS.

In September 2018, we visited the border crossing at Kaya, from Uganda to the Wudabi licence area and met the County Commissioner for Lujulo County, within which the main gold anomalies are located. We were advised that while we could travel by the main road to Yei and Juba, it would not be safe to operate in the field areas themselves.

In April and October 2019, Equator's Managing Director visited Juba and confirmed with the Ministry of Mining that security conditions would not allow work to resume and that the forces majeures remained in place.

Projects

Equator submitted technical reports in June 2016 for all three project areas (Luri, Wudabi and Ketokeji) on behalf of its partners. The minimum expenditure obligations were fulfilled for all three licences up to date. The stated expenditures below have been drawn from Equator's audited annual accounts, which cover the periods 1 May to 30 April. Equator's functional currency is the pound sterling but conversions to US dollars and South Sudanese pounds are provided, based on the exchange rates prevailing for the periods reported.

Soil samples from the southern Confluence Target Area and the Togolo catchment remain in storage, ready to be analysed when work resumes. The GT-Togolo area will be a high priority for exploration when conditions permit.

EQUATOR GOLD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

| | 2011-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | TO DATE | TO DATE | TO DATE |
|--------------|------------------|------------------|------------------|----------------|------------------|-------------------|-----------|-----------|
| | £ | £ | £ | £ | £ | £ | USD | SSP |
| LU | 1,317,507 | 71,517 | 10,623 | 1,965 | 2,439 | 1,404,051 | 2,097,174 | 9,722,514 |
| KK | 0 | 33,388 | 8,563 | 1,965 | 2,439 | 46,355 | 64,360 | 2,254,548 |
| WU | 0 | 34,278 | 9,051 | 1,965 | 2,439 | 47,733 | 66,285 | 2,315,180 |
| TOTAL | 1,317,507 | 139,184 | 28,236 | 5,895 | 7,316 | 1,498,138 | | |
| US\$ | 1,976,261 | 196,249 | 38,119 | 7,840 | 9,360 | 2,227,828 | | |
| SSP | 6,324,034 | 3,597,000 | 2,175,000 | 986,000 | 1,211,000 | 14,292,000 | | |

Equator and Amvale, a potential alluvial gold partner, made a site visit to Wudabi in early July 2016. The local communities were very welcoming and keen for work to begin. Visits to alluvial gold mining operations at Aloto showed that high-grade deposits exist in the gravels of the upper Yei River. The gold is relatively coarse-grained and the gravels appear to grade around 3g/t. A small sluice was fabricated locally to conduct tests along the 35km of the Yei River which lies within the Wudabi licence area, but unfortunately the team had to flee to Uganda to avoid the approaching conflict before these tests could be conducted.

The alluvial opportunities in the Wudabi licence are very promising and Amvale is very keen to resume work as soon as conditions permit. A preliminary costing and DCF forecast by Amvale shows that small-scale mining would be likely to be very profitable.

It has not yet been possible to visit the Kettokeji licence area.

In October 2019, 4MB Mining Ltd, a private US company, commissioned a 50-100t/hr alluvial gold plant at Goram, 10km east of Equator's Luri licence. 4MB has offered to merge with Equator and seek a listing on a public market. The offer is being considered by Equator's board.

Future projects

We commissioned a remote sensing study of the Precambrian basement areas of South Sudan, with a view to identifying the areas likely to have mineral potential. To date, we have completed about half of the area, with some promising results.

Around 40 exploration licences have now been granted, many of them to local speculators with no capital or expertise to undertake exploration. There may be opportunities to farm in to some of these licences.

Equator is also in discussion with other stakeholders to help design a Basement Geoscientific Mapping Project and seek international donor funding for it. A similar project in Uganda under World Bank funding included airborne geophysics, rock dating and extensive new geological mapping. The results offer many insights into geological terranes which extend into South Sudan.

As noted above, the Company has acquired an equity interest in a western European zinc venture and is conducting consulting work on the project. Equator also continues to seek new opportunities and is evaluating gold projects in Uganda and Rwanda, a phosphate project in Uganda and copper-cobalt opportunities in Angola.

Proposed work programme

When security conditions in South Sudan are conducive to fieldwork and funds can be raised, our objectives will be (1) to work with Amvale to develop alluvial gold mining at Wudabi; (2) to advance the Luri project towards drilling and (3) to conduct reconnaissance work at Kettokeji.

At Luri, efforts will be directed towards planning drill programmes at the three targets: Confluence, GT and Togolo. To help design the drill programme, we will first assay the 800+ soil geochemical samples collected but not yet analysed and the larger samples taken to investigate gold grain sizes. The data from the Togolo catchment will be supplemented by new geological work to locate the source of the prolific alluvial gold in that river system. We also expect to conduct further trenching at the GT/Togolo structure before drilling.

The new geochemical data from the southern Confluence Target and follow-up trenches south of Trench 6 will allow us to complete the design of our drill programme in this area.

EQUATOR GOLD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2019

We anticipate that a drill programme of around 3000m will be required to investigate the three targets. We hope to be in a position, technically and financially, to drill in the following dry season.

Reconnaissance work will also be undertaken over the nickel-copper geochemical anomalies in the south of the Luri licence. Significant nickel mineralisation has recently been discovered in similar geology in northern Uganda.

At Wudabi, we will work with Amvale to conduct pilot-scale testing of the alluvial gold potential of the upper Yei River. If successful, we will try to raise finance to participate as partners with Amvale in the development of alluvial gold mining operations. Once established in the area, we will begin a programme of geology and geochemistry to investigate the bedrock source of the alluvial gold.

The work programme at Katokeji will be determined in consultation with our partner New Kush. It is expected to include mapping of artisanal workings, followed by geological and geochemical reconnaissance surveys.

We also intend to complete our remote sensing study of the Precambrian basement areas of South Sudan and to investigate potential farm-in deals with other licence holders.

Risk review

The company's Information Memorandum contains a full review of the risks and potential risks which Equator faces. At present, however, there are three risks of which shareholders and potential investors should be especially aware.

The security situation in our field areas remains problematical despite the revitalised peace agreement.

All exploration is subject to geological risk, that there are no mineral deposits to be found; that deposits are present but hard to find; or that any deposits which exist cannot be profitably developed. Equator has chosen its target areas carefully and our results to date are encouraging, but no exploration venture is immune from these risks.

The low commodity prices of recent years have improved in the last few months and investment is returning to the minerals sector, but Equator still faces financing risk if the company is unable to raise the capital needed to pay its bills and fulfil the minimum expenditure obligations on its licences. The Company will have to conserve its resources carefully and keep watch on future market and political developments. Revenue from consulting work and perhaps from small-scale gold mining under the Amvale partnership should reduce financing risk.

Concluding remarks

A company's annual operations report normally includes a discussion of its performance against objectives and key performance indicators. As Equator has been largely dormant for the last few years, this would not be a meaningful exercise. Instead, I am delighted to report that we have kept the company going, maintained our presence in South Sudan, fulfilled obligations on our exploration licence interests at Luri, Wudabi and Katokeji and raised sufficient capital and support to continue in business, no small achievements in view of the challenges we have faced.

The Group maintains a close watch on the security conditions in South Sudan and will return when it is safe to do so. Our priorities will depend on conditions but will most likely be development of the alluvial gold opportunities at Wudabi, in partnership with Amvale. The Group will continue to review other opportunities in Africa including the possibilities of merging with another venture.

As always with junior explorers, we are keeping an eye open for buyers for the Company and have made contact with possible acquirers.



Mark Parker
Managing Director

EQUATOR GOLD HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2019**

The directors present their report with the financial statements of the company for the year ended 30 April 2019.

INCORPORATION AND PRINCIPLE ACTIVITY

The company is incorporated in Jersey under the Companies (Jersey) Law 1991 and it is a public company with company number 112743. The principle activity is that of investment holding.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

- Mr M E Parker, for whole period
- Mr J Carlile, for whole period
- Mr W J G Bennett, resigned on dated 30 November 2018
- Mr M P Egerton-Vernon, resigned on dated 30 November 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and 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; and
- 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 proper 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 (Jersey) Law 1991. 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.

RESULTS AND DIVIDENDS

The results for the financial year are set out in the Statement of Comprehensive Income on page 10.

The directors do not recommend a dividend for the year ended 30 April 2019.

AUDITORS

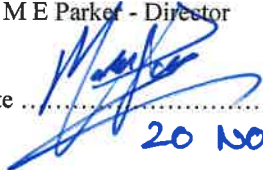
"The Auditors" have indicated their willingness to continue in office as the company's auditors.

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

BY ORDER OF THE BOARD:

Mr M E Parker - Director

Date



20 NOVEMBER 2019

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

We have audited the financial statements of Equator Gold Holdings Limited for the period ended 30 April 2019 on pages 4 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standard (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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, this report, or for opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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 Financial Reporting Council's Ethical Standards for Auditors.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

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 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate;
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinion on other matter

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper 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; or
- we have not received all the information and explanations we require for our audit.



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

Date... 26 NOVEMBER 2019

EQUATOR GOLD HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2019**

| | Notes | 30.4.19 £ | 30.4.18 £ |
|---|-------|----------------|-----------------|
| TURNOVER | | 28,125 | - |
| Administrative expenses | | <u>126,962</u> | <u>(12,129)</u> |
| OPERATING LOSS and PROFIT BEFORE TAXATION | | 155,087 | (12,129) |
| Tax on loss | | <u>-</u> | <u>-</u> |
| PROFIT FOR THE FINANCIAL YEAR | | 155,087 | (12,129) |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR | | <u>155,087</u> | <u>(12,129)</u> |


EQUATOR GOLD HOLDINGS LIMITED

**BALANCE SHEET
30 APRIL 2019**

| | Notes | 30.4.19 | | 30.4.18 | |
|--|-------|---------------|------------------|----------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investments | 5 | | 3 | | 3 |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 327,347 | | 221,072 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>59,670</u> | | <u>108,482</u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | <u>267,680</u> | | <u>112,593</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>267,680</u> | | <u>112,593</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 3 | | 3 |
| Share premium | 9 | | 596,367 | | 596,367 |
| Retained earnings | 9 | | <u>(328,690)</u> | | <u>(483,777)</u> |
| SHAREHOLDERS' FUNDS | | | <u>267,680</u> | | 112,593 |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 21 NOV 2019 and were signed on its behalf by:



Mr M E Parker - Director

EQUATOR GOLD HOLDINGS LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2019**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|---------------------------------|--|------------------------------------|--------------------------------|-------------------------------|
| Balance at 1 May 2018 | 3 | (483,777) | - | (483,774) |
| Changes in equity | | | | |
| Issue of share capital | - | - | 596,367 | 596,367 |
| Total comprehensive Income | - | 155,087 | - | 155,087 |
| | <u>3</u> | <u>(328,690)</u> | <u>596,367</u> | <u>267,680</u> |
| Balance at 30 April 2019 | <u>3</u> | <u>(328,690)</u> | <u>596,367</u> | <u>267,680</u> |
| Changes in equity | | | | |
| Total comprehensive Income | - | 155,087 | - | 155,087 |
| | <u>3</u> | <u>(328,690)</u> | <u>596,367</u> | <u>267,680</u> |

EQUATOR GOLD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2019

1. STATUTORY INFORMATION

Equator Gold Holdings Limited is a private company, limited by shares, registered in Jersey. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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.

Preparation of consolidated financial statements

The financial statements contain information about Equator Gold Holdings Limited as an individual company and do not contain consolidated financial information as referred to in Financial Reporting Standard 2, as the group of which Equator Gold Holdings Limited is the parent, is a small group as defined therein.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Cash flow statement

The financial statements do not contain a cash flow statement as referred to in Financial Reporting Standard 1 as the company is a small company as defined therein.

Fixed asset investments

Investments held as fixed assets, other than investment properties, are stated at cost less provision for any permanent diminution in value.

3. EMPLOYEES AND DIRECTORS

There were no paid directors or employees during the year.

4. INTER COMPANY LOAN PROVISION

The intercompany loan of £498,807 due from Equator Gold Limited is showing in the accounts at an expected amount recoverable of £299,222.

EQUATOR GOLD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2019**

5. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|------------------------------------|---|
| COST | |
| At 1 May 2018 and 30 April 2019 | <u>3</u> |
| NET BOOK VALUE | |
| At 30 April 2019 | <u><u>3</u></u> |
| At 30 April 2018 | <u><u>3</u></u> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.4.19 | 30.4.18 |
|------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Amounts owed by group undertakings | 299,222 | 221,072 |
| Other Debtors | <u>28,125</u> | <u>-</u> |
| | <u><u>327,347</u></u> | <u><u>221,072</u></u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.4.19 | 30.4.18 |
|------------------------------------|----------------------|-----------------------|
| | £ | £ |
| Amounts owed to group undertakings | 1 | 1 |
| Other creditors | 2,000 | 2,000 |
| Accruals and deferred income | <u>57,670</u> | <u>106,481</u> |
| | <u><u>59,670</u></u> | <u><u>108,482</u></u> |

8. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | | |
|----------------------------------|----------|-------------------|----------------|----------------|
| Number: | Class: | Nominal value: | 30.4.19 | 30.4.18 |
| | | | £ | £ |
| 319,274 | Ordinary | £0.00001 | <u>3</u> | <u>3</u> |

9. RESERVES

| | Retained earnings £ | Share premium £ | Totals £ |
|----------------------|------------------------------------|--------------------------------|-----------------------|
| At 1 May 2018 | (483,777) | 596,367 | 112,590 |
| Deficit for the year | <u>155,087</u> | <u>-</u> | <u>155,087</u> |
| At 30 April 2019 | <u><u>(328,690)</u></u> | <u><u>596,367</u></u> | <u><u>267,677</u></u> |

EQUATOR GOLD HOLDINGS LIMITED**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2019**

| | 30.4.19 | | 30.4.18 | |
|-----------------------------------|----------|----------------|---------|-----------------|
| | £ | £ | £ | £ |
| Income | | 28,125 | | - |
| Expenditure | | | | |
| General insurance | 6,800 | | 6,630 | |
| Sundry expenses | - | | 100 | |
| Accountancy | 1,687 | | 782 | |
| Legal and professional fees | (49,077) | | 2,995 | |
| Consultancy | 7,500 | | - | |
| Auditors' remuneration | 1,188 | | 1,622 | |
| Impairment of Inter Company Loans | (95,096) | | - | |
| | | <u>126,692</u> | | <u>(12,129)</u> |
| NET LOSS | | <u>155,087</u> | | <u>(12,129)</u> |