

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2020
FOR
EQUATOR GOLD HOLDINGS LIMITED**

EQUATOR GOLD HOLDINGS LIMITED

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FOR THE YEAR ENDED 30 APRIL 2020**

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EQUATOR GOLD HOLDINGS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2020**

DIRECTORS:

Mr M E Parker
Mr J Carlile

SECRETARY:

G.B. Secretaries Limited

REGISTERED OFFICE:

Hilary House
19 Hilary Street
St Helier
Jersey
JE2 4SX

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 2020

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, however, 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 a locally contracted freelancer was killed in an over-reaction by the military. In consequence of these events, Equator made a declaration of Force Majeure which 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 Chad and Rwanda, a phosphate project in Uganda and copper-cobalt opportunities in Angola.

Business

Equator's principal assets are:

- A 65% earned interest in the **Luri exploration licence** (EL 2015/02) in South Sudan, under a binding Memorandum of Understanding signed with South Sudanese company Consolidated Mineral and Energy Resources Investment Co Ltd (CMERIC). Equator can increase its interest to 85% by spending a further US\$ 9M on exploration.

Equator's work at Luri identified three very promising gold targets of which two are drill-ready.

- ✓ **The Confluence Target** is an impressive soil geochemical gold anomaly more than 5km long and 200m wide, with many gold values above 1g/t, within a zone of bedrock gold enrichment extending for at least 33km. Trenching has revealed extensive hydrothermal quartz veining.
- ✓ **The GT Target** is a gold-bearing quartz vein complex at least 0.5km long, which has been worked by artisan miners who report very rich material. Equator's team sampled the structure at outcrop. The southern end of the zone gave a weighted average 18.2g/t over 15m, with a maximum of 82.3g/t over 3m.
- ✓ **The Togolo Target** is the source of prolific alluvial gold in the Togolo River and is suspected to be a northern extension of the GT mineralisation. Equator has completed reconnaissance soil geochemical sampling over the entire drainage basin of the river, but analysis of the samples was deferred until security conditions improve.

Multi-element soil geochemical surveys have also indicated nickel-copper mineralisation in the southern part of the licence area.

- 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 (EL 2015/03).

The licence contains high-grade alluvial deposits in the gravels of the upper Yei River. The gold is relatively coarse-grained and the gravels appear to grade around 3g/t. There are potentially around 35km of gold-bearing alluvial gravels. A conceptual costing and DCF forecast by Equator shows that small-scale alluvial mining would be likely to be very profitable. The source of the alluvial gold is likely to be a meta-volcano-sedimentary sequence, but the area is heavily vegetated, and no gold-bearing bedrock structures have yet been identified. Alluvial mining and testwork should help identify gold source areas. Revenue from the alluvial operation would then help finance bedrock exploration.

- A 49% interest in a joint venture over the **Kejokeji exploration licence** (EL 2015/04), with New Kush Exploration and Mining Limited holding the title and a 51% interest in the joint venture.

The area contains extensive artisanal gold panning operations. Stream sediment geochemistry conducted by Hunting in the late 1970s shows that these are associated with a geochemical lead anomaly. A lead-gold association has also been recognised in Madi Group rocks in the Luri licence area to the north. Carbonate rocks have been reported from the south of the area. While these are likely to contain too much magnesium to be suitable for cement manufacture, they would be a potential source of agricultural lime.

- A 3.35% shareholding in Walzinc sprl, a Belgian company with zinc and other base metal interests in Portugal and Belgium. Equator has carried out consultancy work for Walzinc which will be remunerated in shares, giving Equator a holding of up to 9%
- A potential joint venture in Uganda, where Equator is working with Namekara Mining Company Limited (NMCL) to develop agro-minerals opportunities. If the project does not develop as a JV, then Equator will earn consulting revenue. NMCL holds mining and exploration licences over the Bukusu Alkali/Carbonatite Complex close to the Uganda/Kenya border. The Complex contains several agro-mineral commodities: vermiculite, already in production, which can be made into a horticultural growth medium and soil improver; primary and residual phosphate rock, which has been mined as fertiliser raw

EQUATOR GOLD HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

material; carbonatite suitable for agricultural lime; and the central agglomerate of the complex which is rich in potash.

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 for 30 Apr 2018 were 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 to 25 Dec 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 Richmond Partners Master Ltd, a large shareholder.

On 1 May 2019, Mark Parker’s director’s loan account held a balance of £132,088.57. During the period 1 May 2019 to 30 Apr 2020, £81,090.72 was converted to shares under the Open Offer (see below), £9,000 was repaid by the Company and a further £12,442.99 was advanced, leaving a balance of £54,440.84.

An Open Offer to shareholders to subscribe for new shares at an Offer Price of £0.50 per share was made on 14 August 2019. Richmond subscribed £80,000 for 160,000 shares, Mark Parker converted £81,090.72 of outstanding loans into 162,181 shares (80,000 of which were issued to his wife Frances Proffitt) and John Carlile converted £1000 into 2000 shares.

EGL has also earning revenue from consultancy work for a UK client. Up to 30 April 2019, the value of this amounted to £40,345. The additional value from 1 May 2019 to 30 Apr 2020, amounted to £25,000 plus £1331 expenses, but only £6,250 was invoiced during the period in order to assist the client with cashflow constraints arising from the coronavirus outbreak.

In March 2017, Equator acquired a 5% shareholding in Walzinc sprl, a Belgian company pursuing zinc and other opportunities in western Europe. The current nominal value of this holding is €4,997. In June 2018, the Moura-Ficalho permit was formally transferred to Walzinc by the Portuguese government. Equator has provided some funding and conducted exploration work for Walzinc, which will be remunerated in shares at a price to be agreed.

Revenue may also be earned from the Busumbu agrominerals project in Uganda.

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

Civil conflict in South Sudan

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 a renegade band affiliated to the NAS which has been operating in the Wonderuba area of the Luri licence since 2015 remains active.

Equator’s Managing Director visits Juba from time to time to review with the Ministry of Mining whether security conditions would allow work to resume. The most recent visit was in October 2019.

The “Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS)” has been partially implemented but 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 those whom it regards as 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. Currently, NAS fighters are active in all three of our project areas.

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 have been drawn from Equator’s audited annual accounts, which cover the period 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.

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STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

	2011-15	2015-19	2019-20	TOTALS	USD	SSP
LU	1,317,507	86,544	761	1,404,812	2,098,095	9,847,372
KK	0	46,354	761	47,116	65,291	2,379,407
WU	0	47,733	761	48,494	67,206	2,440,038
TOTAL	1,317,507	180,631	2,284	1,500,422		
US\$	1,976,261	251,568	2,764	2,230,592		
SSP	6,324,034	7,968,208	374,576	14,666,817		

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 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 in 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.

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 continues to seek new opportunities and is evaluating gold projects in Chad 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 Luri 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. We will also investigate the nickel anomaly in the southeast of the licence.

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STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2020

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.

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.

At Wudabi and the northern parts of Luri, we conduct pilot-scale testing of the alluvial gold potential of the upper Yei River and the Togolo River respectively. If successful, we will raise finance to participate as partners 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 review of the risks and potential risks which Equator faces. At present, however, there are three particular risks of which shareholders and potential investors should be 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 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. The Group will continue to review other opportunities in Africa including the possibilities of merging with another venture.

Yours sincerely,



Mark Parker
Managing Director

EQUATOR GOLD HOLDINGS LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2020**

The directors present their report with the financial statements of the company for the year ended 30 April 2020.

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
Mr J Carlile

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 2020.

AUDITORS

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

This report has been approved by the board and signed on its behalf by:

.....
Mr M E Parker - Director

Date

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 2020 which comprise Income Statement, Statement of Financial Position and notes to the financial position, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102(A) The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1(A) (United Kingdom Generally Accepted Accounting Practice).

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 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

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.

Scope of the audit of the financial statements

The other information comprises the information included in the annual report, other than the financial statements and our auditors report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies (Jersey) Law 1991

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 financial statements; and
- the directors report has been prepared in accordance with applicable legal requirements.

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
- 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors report and from the requirement to prepare a strategic report.

Respective responsibilities of directors and auditors

As explained more fully in the directors responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation 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 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.

Use of this report

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.

.....
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.....

EQUATOR GOLD HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2020**

	Notes	30.4.20 £	30.4.19 £
TURNOVER		6,029	28,125
Administrative expenses		<u>(121,445)</u>	<u>126,962</u>
OPERATING LOSS and PROFIT BEFORE TAXATION		(115,416)	155,087
Tax on (loss)/profit on ordinary activities		<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(115,416)	155,087
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		<u>(115,416)</u>	<u>155,087</u>

EQUATOR GOLD HOLDINGS LIMITED

**BALANCE SHEET
FOR THE YEAR ENDED 30 APRIL 2020**

	Notes	30.4.20 £	£	30.4.19 £	£
FIXED ASSETS					
Investments	5		3		3
CURRENT ASSETS					
Debtors	6	339,471		327,347	
CREDITORS					
Amounts falling due within one year	7	<u>25,121</u>		<u>59,670</u>	
NET CURRENT ASSETS			<u>314,353</u>		<u>267,680</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>314,353</u>		<u>267,680</u>
CAPITAL AND RESERVES					
Called up share capital	8		6		3
Share premium	9		758,454		596,367
Retained earnings	9		<u>(444,107)</u>		<u>(328,690)</u>
SHAREHOLDERS' FUNDS			<u>314,353</u>		267,680

The financial statements have been prepared in accordance in accordance with the requirements of the Companies (Jersey) Law 1991 relating to small companies.

The financial statements were approved by the Board of Directors on 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 2020**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 May 2018	3	(483,777)	596,367	112,593
Changes in equity				
Total comprehensive Income	<u>-</u>	<u>155,087</u>	<u>-</u>	<u>155,087</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		(115,416)		(115,416)
Shares issued	3			3
Equity share premium - new issue			<u>162,087</u>	<u>162,087</u>
Balance at 30 April 2020	<u><u>6</u></u>	<u><u>(444,107)</u></u>	<u><u>758,454</u></u>	<u><u>314,353</u></u>

EQUATOR GOLD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2020

1. STATUTORY INFORMATION

Equator Gold Holdings Limited is a public company, limited by shares, registered in Jersey. The company's registered number and registered office address Hilary House, 19 Hilary Street, St Helier, Jersey, JE2 4SX.

The presentation currency is £ sterling.

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 (Jersey) Law 1991. 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.

Taxation

Under Jersey's Zero Ten Income Tax rules the company is taxed at 0% based on the loss on ordinary activities for the year as adjusted for non-allowable expenses.

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. OPERATING PROFIT/(LOSS)

The operating loss is stated after charging:

	30.4.20	30.4.19
	£	£
Auditors remuneration	1,850	1,188

EQUATOR GOLD HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2020**

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 May 2019 and 30 April 2020	<u>3</u>
NET BOOK VALUE	
At 30 April 2020	<u><u>3</u></u>
At 30 April 2019	<u><u>3</u></u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.20	30.4.19
	£	£
Amounts owed by group undertakings	305,317	299,222
Other Debtors	<u>34,154</u>	<u>28,125</u>
	<u>339,471</u>	<u><u>327,347</u></u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.4.20	30.4.19
	£	£
Amounts owed to group undertakings	1	1
Other creditors	1,000	1,999
Accruals and deferred income	18,200	57,670
Directors' Current Accounts	<u>5,920</u>	<u>-</u>
	<u>25,121</u>	<u><u>59,670</u></u>

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	
643,455	Ordinary	£0.00001	
			30.4.20
			£
			<u>6</u>
			30.4.19
			£
			<u><u>3</u></u>

9. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 May 2019	(328,691)	596,367	267,676
Deficit for the year	<u>(115,416)</u>	<u>162,087</u>	<u>46,671</u>
At 30 April 2020	<u>(444,107)</u>	<u>784,454</u>	<u>314,347</u>

10. IMPAIRMENT OF ASSETS

Inter Company Loan Provision

The inter company loan of £608,507 due from Equator Gold Limited is in the accounts at an expected amount recoverable of £305,317 (2019 - loan of £498,807 shown at an expected amount recoverable of £299,222).

EQUATOR GOLD HOLDINGS LIMITED**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2020**

	30.4.20		30.4.19	
	£	£	£	£
Income		6,029		28,125
Expenditure				
General insurance	7,300		6,800	
Travel	3,620		-	
Consultancy	-		7,500	
Sundry expenses	2,300		-	
Accountancy	1,350		1,687	
Legal and professional fees	1,420		(49,077)	
Auditors' remuneration	1,850		1,188	
Impairment of Inter Company Loans	<u>103,605</u>		<u>(95,096)</u>	
		<u>(121,445)</u>		<u>126,692</u>
NET LOSS		<u>(115,416)</u>		<u>155,087</u>