



HUMMINGBIRD
RESOURCES

Annual Report 2014



DEVELOPMENT

PRODUCTION

EXPLORATION

Hummingbird Resources Plc (“Hummingbird”) is an AIM listed gold exploration and development company targeting first production in 2015.

Since Hummingbird was founded it has set about exploring for and developing gold assets and has a large land package across the highly prospective Birimian geological region of West Africa. Hummingbird has an inventory of over 6Moz gold and 5,000Km² of exploration ground.

Strategic Report

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HUMMINGBIRD RESOURCES

Building a world-class gold company

This has been a transformational year for the Company.

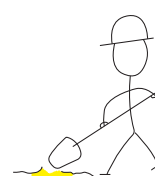
We have acquired the Yanfolila Project in Mali with an inventory of 1.8Moz gold at 2.8g/t and conditionally raised US\$75m of debt to fund the optimisation and construction of the project. We expect to be in construction in Q1 2015 and in production by 2016 with initial production of over 80,000 ozs/annum.

We have grown the Dugbe 1 Project to 4.2Moz gold and advanced the Detailed Feasibility Study ("DFS") significantly with many improvements on the Preliminary Economic Assessment ("PEA").

On that note I would like to present you our Annual Report. I hope you will enjoy reading it and if you have any questions please do get in touch with us.

"We believe there is a unique opportunity in this market to be a consolidator and emerge as a stronger gold company built on quality deliverable gold projects."

**Daniel Betts, Co-founder
and CEO**



OPENING HIGHLIGHTS

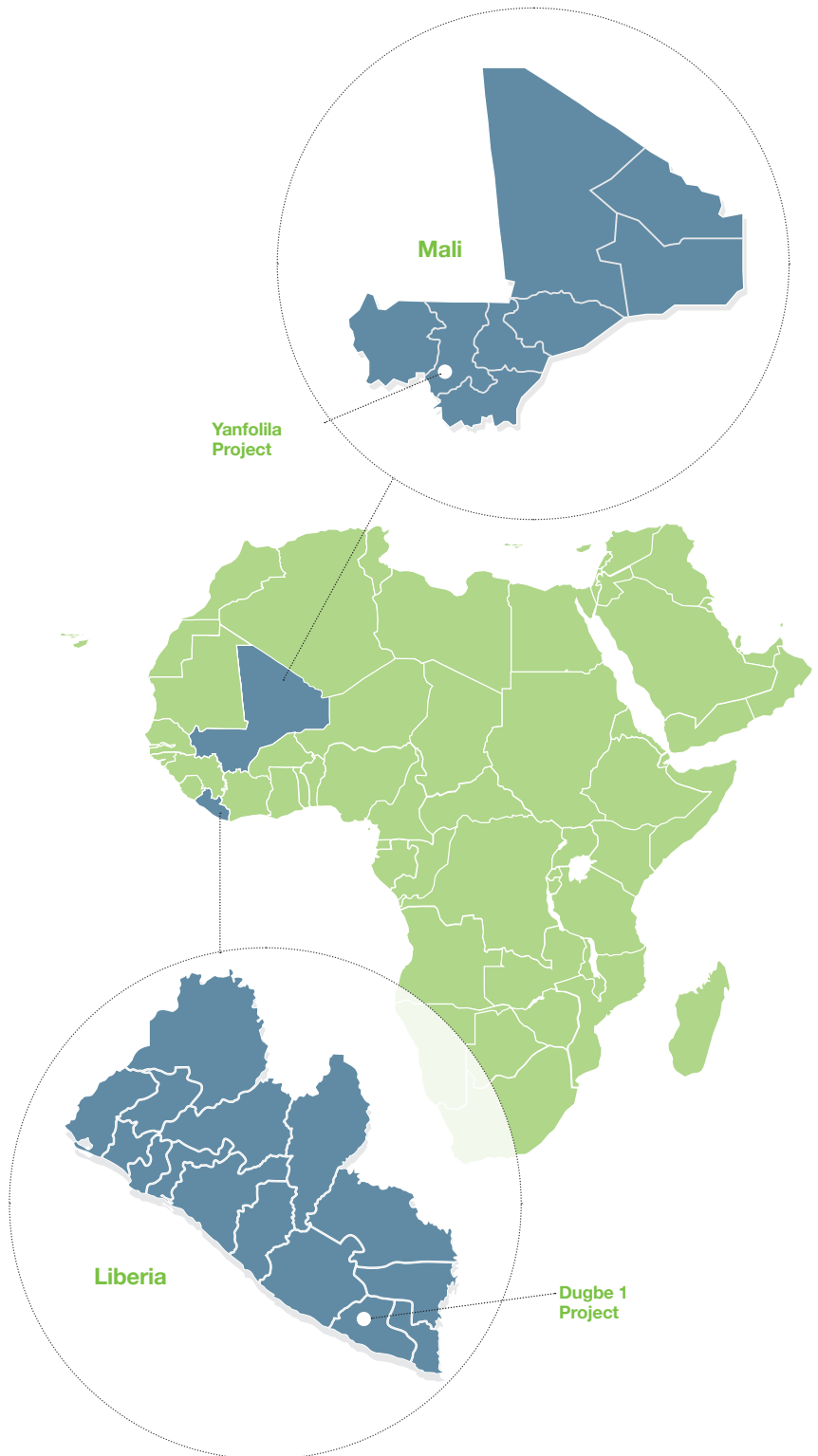
- **NEW MULTI-ASSET GOLD COMPANY**
- **6Moz GOLD**
- **5,000Km² EXPLORATION POTENTIAL**

- **YANFOLILA PROJECT, 1.8Moz AT 2.8g/t, IN MALI, AFRICA'S 3RD LARGEST GOLD PRODUCING COUNTRY**

- Fully permitted
- Fully funded
- Construction due to start Q1 2015
- Production due by 2016
- Targeting initial production of over 80,000oz/annum

- **DUGBE 1 PROJECT, 4.2Moz AT 1.4g/t, IN LIBERIA**

- Liberia's largest gold deposit
- DFS studies showing improvement on PEA
- Grade increased over 15% with 2Moz moving into Indicated category
- Power costs down by around a third
- Large exploration upside



CHAIRMAN'S STATEMENT

Hummingbird Resources PLC
Annual Report and Accounts 2014

Strategic Report
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Accounts

For US\$20m in shares, Hummingbird acquired a fully permitted project with approximately US\$100m proven expenditure in the ground, only 18 months away from production. The high grade Yanfolila Project is a mine capable of turning a profit in a varying gold price environment and will allow for quick returns with low operating costs. The Company will continue to consider other such value-adding opportunities created by the current market.



2014 has been a year of significant progress for Hummingbird.

Hummingbird grew its mineral Resources in Liberia to 4.2Moz gold and since the year end it has acquired the fully permitted Yanfolila Gold Project in Mali with a 1.8Moz gold Resource at 2.8g/t. Having subsequently secured conditional funding of US\$75m for the construction of Yanfolila, Hummingbird has taken huge strides towards becoming a near term gold producer.

Stepping back for a minute and looking at the mining sector over recent years we can see how much values have retrenched from the highs of 2011. It would appear that the industry bottomed out over the course of the year and there have been encouraging signs of recovery since the year end. While this trend is welcome, and despite recent progress made by the Company, our market valuation, like our peers remains unsatisfactory.

This environment, however, has created significant opportunities to acquire high quality assets at extraordinary prices, something the Company was able to take advantage of in July. For US\$20m in shares, Hummingbird acquired a fully permitted project with approximately US\$100m proven expenditure in the ground, only 18 months away from production. The high grade Yanfolila project is a mine capable of turning a profit in a varying gold price environment and will allow for quick returns with low operating costs. The Company will continue to consider other such value-adding opportunities created by the current market.

This acquisition, combined with our existing resources in Liberia, means we now have an inventory of over 6Moz of gold and a 5,000km² exploration package across both Mali and Liberia. This impressive

5,000km²

Land in West Africa

portfolio, coupled with a clear, funded path to initial production, is paving the way for Hummingbird to evolve into a substantial West African gold player.

In Liberia, many aspects of the Detailed Feasibility Study are showing improvement from increased grade and recovery, to reduced power costs, as we continue to progress this core asset. However, the acquisition of a near-term production asset in Yanfolila has afforded us an opportunity to

Whilst the market has remained volatile, I am pleased to say Hummingbird has continued to find a way to deliver and has continued to add value and grow.

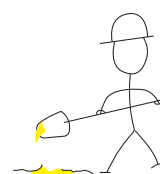
It has been a pleasure to serve as your Chairman and I am leaving the Company in a strong state, with an excellent management team, assets and prospects. I will remain involved in Hummingbird in an advisory capacity and I look forward to watching the team develop through this cycle of the market.

Ian Cockerill
Non-executive Chairman

6Moz Gold

step back and optimise the Dugbe 1 DFS, a process which is currently underway.

Having Chaired Hummingbird for the past five years we have decided that it is the right time for me to stand down as Chairman. I am very proud of the progress that has been made over that time from grassroots exploration, through a listing on the stock exchange and on through remarkable discovery success to near production.



CEO'S STATEMENT

Yanfolila currently has 1.8Moz of gold over several deposits at an average grade of 2.8g/t. The Project was too small for a company of Gold Fields' size to mobilise, but the fact that they took Hummingbird shares in exchange for the deal is confirmation of their underlying belief in the asset, and a huge endorsement of the Hummingbird team and its ability to deliver both in Mali and Liberia.

In last year's annual report I opened with the following paragraph:

"A year passes quickly, and in next year's annual report I hope to write that we are putting the finishing touches to a positive DFS for the Dugbe 1 Project and construction of the Dugbe 1 mine is shortly due to commence. The following year I hope to write that Hummingbird is on the verge of its first gold pour and becoming a producer."

The timeframe for first production remains the same, but the lead asset is different!

The scope and strategy of Hummingbird has changed beyond all recognition since I wrote those words. They say that necessity is the mother of all invention, and the gold market of the past three years has certainly focused minds to think that way. Everything we thought we knew back then has changed and as a result we have had to change with it. We can either bemoan the declining gold price and the impact that it has had on the stock prices of the junior gold miners, or we can challenge ourselves to look for the opportunities it presents.

By necessity, we have had to re-invent our strategy. We have done that, and we are undoubtedly stronger for it. This year we have effected that change with huge success, positioning ourselves within a small group of companies able to exploit this market to build the next generation of gold companies that will thrive in the future.

The DFS on the Dugbe 1 project has been a comprehensive piece of work with extremely encouraging results in many areas, but it has been conducted against a backdrop of an ever falling gold price. The economics of the PEA upon which we based our decision to conduct the DFS were that of an IRR of

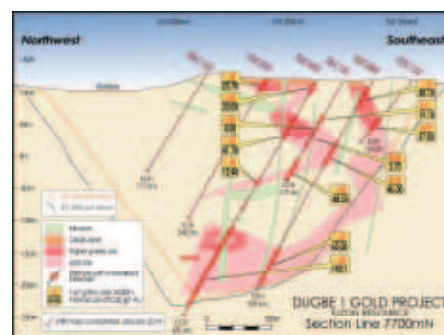
43% and free cash of US\$60m per year. The gold price has retreated some US\$300/oz since the PEA was completed, which on 125,000 oz of annual production equates to a reduction of US\$37.5m in projected revenue on an annual basis. Despite the improvements in grade, resource, power costs and recovery across the scope of the project it is impossible to fight a waning tide of this magnitude.

Liberia is also experiencing a significant public health challenge. With the current tragic outbreak of Ebola, not only is the political system under immense pressure but the ability to operate in-country is severely restricted. The World Health Organization is predicting the current epidemic will continue for many months before it is under control. Hummingbird remains committed to Liberia and the development of the Dugbe 1 Project.

Fortunately, the Board took the decision to explore opportunities to diversify, in order to maintain our momentum and exploit the currently depressed gold sector in order to build a gold company.

During the period we evaluated a number of projects and at the start of 2014 entered into a tender process to buy the Yanfolila Project and all associated in-country licences and operations from Gold Fields. I am delighted to be able to confirm that after the year end we were successful in this tender against a highly competitive field and we managed to acquire all of Gold Fields' assets in Mali for US\$20m payable in Hummingbird shares.

Furthermore, we are able to fund Yanfolila's development and potential future construction having secured a conditional US\$75m debt facility from Taurus Funds Management, on extremely competitive rates. The initial US\$10m bridge, which has



Tuzon cross section

already been drawn in order to complete the optimisation plans, was borrowed at 9% and this rolls up into the US\$75m.

Yanfolila currently has 1.8Moz of gold over several deposits at an average grade of 2.8g/t. The Project was too small for a company of Gold Fields' size to mobilise, but the fact that they took Hummingbird shares in exchange for the deal is confirmation of their underlying belief in the asset, and a huge endorsement of the Hummingbird team and its ability to deliver both in Mali and Liberia.

Hummingbird's plan is to change the scope of the Project and to initially process only the oxide and transitional material which is much softer rock and will require significantly less power and a smaller plant to process. This will reduce the Project's capital requirement to a level where a junior like Hummingbird can afford to build it and significantly reduce the payback period. Our target is to start construction in Q1 2015 and to be in production by 2016. It is estimated that the mine will produce over 80,000ozs in the first year at an initial all in cost of US\$700/oz meaning that it is a far more achievable

“We are encouraged by several technical studies to determine the most cost effective way to mine, process and deliver a highly profitable project.”
Daniel Betts

project to get off the ground in this gold price environment than the large Dugbe 1.

Make no mistake about it, we still see Liberia as a company-making project. Not only do we have an existing resource of 4.2Moz but we have almost limitless potential to expand that resource. Once built it will continue producing gold for decades to come, but it has been the Board’s studied position that the best way for us to build a gold company, particularly at this time, is to diversify our position and get into cash flow as quickly as possible with a high-grade, low-cost project at Yanfolila and ensure that we do not get cornered in this market with an asset which is too big to fund at these gold prices.

On top of it being a valuable asset itself, the Yanfolila acquisition now allows us to take the time to re-assess the Dugbe 1 Project in order to maximise the economics. Initially, the DFS was being conducted purely on the Tuzon deposit, which has over 30m tonnes of ore, to keep initial capital costs as low as possible by using a 3mtpa plant. Ore from the Dugbe F, Sakor and future deposits were to be added in later. With the improved resource modelling and mine scheduling that has been conducted during the year, it is now clear that there are huge opportunities to improve the Project’s cash flows by scheduling in low strip shallow ore from other deposits. This is planned during years six to eight of the mine’s life when the Tuzon deposit strip increases as we mine around the bend of the folded ore body. However, we believe that we have the potential to materially improve the economics of the Dugbe Project by bringing in ore from other deposits during this period and as such we are using the current environment to evaluate these opportunities. Additionally, we are keen to continue exploration within the area.

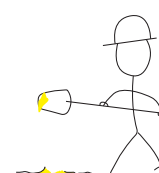
Gold mines take years if not decades to discover, prove and build. Hummingbird’s strategy is contrarian to most of the existing juniors on the market in that we believe that now is the time to work, build and prepare for the next phase of the cycle. It is our aim to provide the investment world with a technically robust, viable, deliverable plan that offers shareholders a business with maximum exposure to the next rising gold market – an alternative to the common strategy of doing nothing and waiting.

Therefore, our mission is clear: to build the pre-eminent next generation gold company by aggressively developing our own projects despite the current market, and continuing to evaluate any other quality projects which become available. As Warren Buffet said: “if you want to hunt rare fast moving elephants, you had better walk with a loaded gun where others don’t venture”.

On a final note, our AGM this year will see the retirement of Chairman Ian Cockerill. It has been a privilege for

me to build and run a junior gold company under the wise council, guidance, support and friendship of Ian. Ian will remain involved in Hummingbird as an advisor but, after five years in the role as Chairman, we have decided that the time is right for him to step aside to devote more time to his other commitments. As we embark upon a new strategic opportunity, our aim in the current market is to capitalise on the huge opportunities available to us in building a gold company.

Daniel Betts
Chief Executive Officer



TECHNICAL UPDATE

Development in Mali, the Yanfolila Project

HIGHLIGHTS

- HUMMINGBIRD ACQUIRED THE YANFOLILA PROJECT WITH A CURRENT MINERAL INVENTORY OF 1.8Moz OF GOLD AT 2.8g/t
- ACQUIRED FOR US\$20m PAID IN HUMMINGBIRD ORDINARY SHARES ISSUED AT 56 PENCE PER SHARE
- CONSIDERATION EQUATES TO AN EV/OZ ACQUISITION COST OF US\$11/oz
- THE COMPANY'S YANFOLILA PROJECT AIMS TO DELIVER (US\$1,250 GOLD):
 - First gold production by 2016 at an estimated AISC of US\$700/oz (estimated C1 cash cost US\$503/oz)
 - Initial oxide only CIL operation with estimated capex of US\$52m
 - 80,000 ozs targeted in year 1 of production
 - Project IRR of 53% and payback in under two years
 - Significant exploration potential with over 3,200km² of exploration ground
- YANFOLILA PROJECT IS FULLY PERMITTED WITH A 30 YEAR MINING LICENCE GRANTED
- US\$100m SPENT HISTORICALLY ON THE YANFOLILA PROJECT
- GOLD FIELDS HAVE BECOME THE COMPANY'S LARGEST SHAREHOLDER WITH A 26.3% HOLDING

Background & Location

The Yanfolila Project is located in the southwest of the Republic of Mali in the Komana region. The nearest major settlement is the town of Yanfolila 40km to the east. The Yanfolila Project extends over approximately 50km north and south and 25km to the east and west. The site can be accessed from the capital Bamako via a 285km road, of which the first 245km are on a sealed road. By car, the total journey time from Bamako to the Project site is between five to six hours. The nearest airport to the Project is the Senou International airport in Bamako.

In 1992 BHP Billiton ("BHP") identified several anomalies at Komana and began exploration work in the Yanfolila area. Subsequently Randgold Resources ("Randgold") took control of the Komana permit and commenced a drilling campaign of 547m. Randgold later formed a joint venture with North Ltd and drilled a further 2,116m. The campaign led to the declaration of 280,000oz at Komana. However, Randgold decided not to continue its exploration activities.

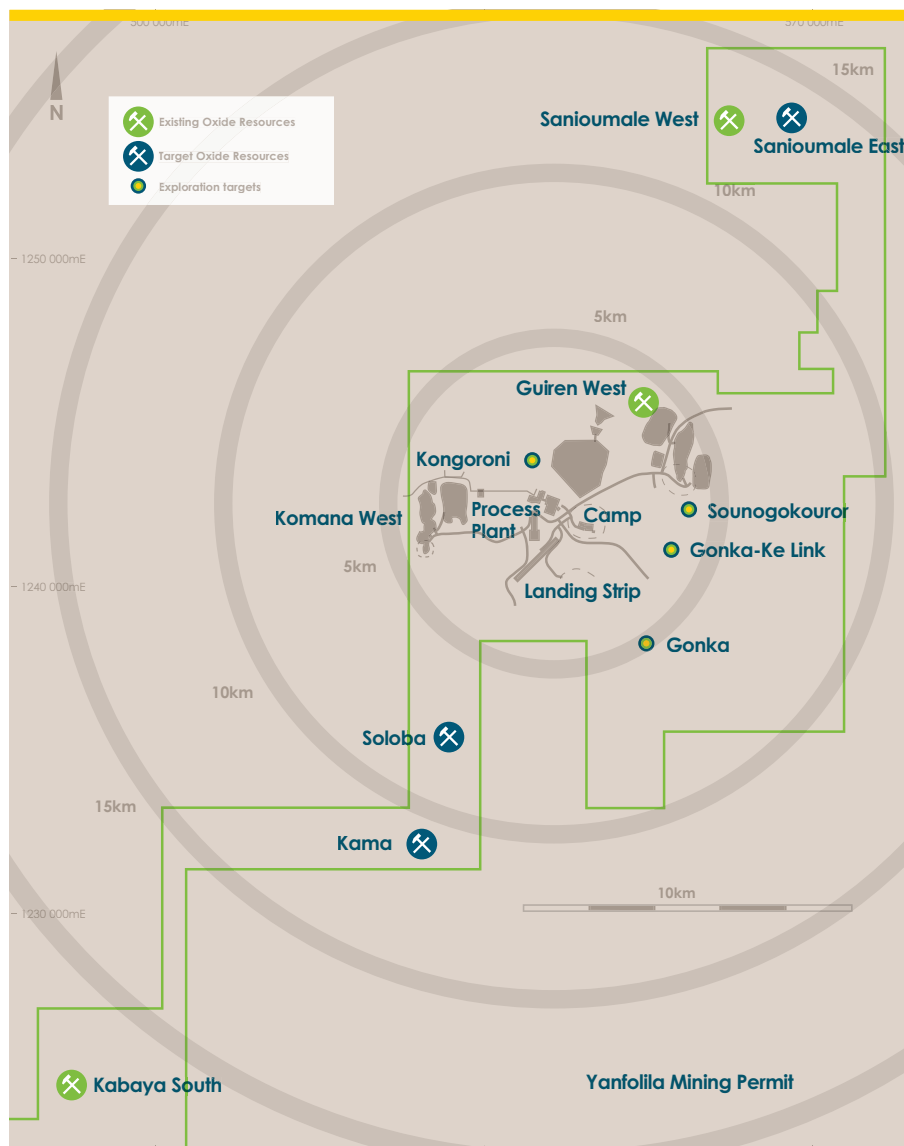
Since the discovery of the Yanfolila anomalies by BHP, a large amount of exploration work has been carried out on the project site, including more than 340,000m of drilling. The extensive exploration work has been well documented and a detailed core and RC chip archive has been created on site.

Glencar Mining plc ("Glencar") completed extensive drilling of the Komana deposits from 2004 to 2008 when it published Indicated and Inferred Mineral Resources for the deposits.

In 2009 Gold Fields, through a wholly owned subsidiary, reached agreement with Glencar on the terms of a recommended cash offer for the entire issued share capital of Glencar. At the time, Glencar's principal asset was the Komana Project which now forms part of the Yanfolila Project. Gold Fields had an 85% interest in the Komana Project with a Malian partner holding a 5% interest, assuming the Government of Mali takes up its free carried interest of 10%. The Government of Mali also has the right to purchase a further 10% interest. The Company acquired Gold Fields' 85% interest in the Yanfolila Project as part of the transaction.

Geology

The Yanfolila Project is located in the Yanfolila greenstone belt along the eastern margin of the Siguiri Basin, which is part of



the Birimian volcano-sedimentary series of the West African craton.

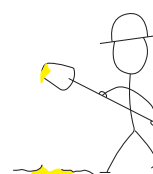
Gold mineralisation at the Yanfolila Project occurs in a deformed stratigraphic sequence of basalt, polymictic conglomerate, feldspathic sandstone, siltstone and greywacke. Mineralised mafic intrusive rocks are also present at some locations. Regional scale, cross-cutting faults and structural lineaments, as well as rheologically contrasting rock types, appear to control the localisation of gold. Mineralisation styles are dominated by vein, breccia and intrusive types. Lodes are characterised by intense albite-carbonate veining and pervasive sulphide alteration. Weathering and oxidation of the sulphide component generally extends

to a depth of 30 to 50m, with a well-developed saprolite zone.

Level of Study

Gold Fields ranked the Yanfolila Project as an advanced stage project.

Gold Fields completed an internal Competent Persons Report dated 31 December 2012 in which the deposit was subjected to scoping study level mining and economic assessment. Subsequently, Gold Fields also carried out an Environmental and Social Impact Assessment ("ESIA"). The final ESIA report was approved in April 2013 and an environmental permit was awarded.



TECHNICAL UPDATE

CONTINUED



Infill drilling at Komana East

In an effort to reduce possible capital requirements, mitigate areas of project risk and potentially lead to an early construction decision for the Yanfolila Project, Gold Fields completed a de-risking study ("DRS") in August 2013. The DRS investigated open-pit mining of oxides and fresh ore types from the main Komana East and Komana West

deposits, with supplementary feed from satellite deposits such as Gonka. The study confirmed that the material types hosted at the Yanfolila Project are free-milling and amenable to conventional gravity and CIL recovery processes.

Following the ESIA approval and the DRS the Government of Mali granted a valid

Exploitation Permit for the Yanfolila Project on 13 February 2014, valid for 30 years.

Future Development Strategy by Hummingbird

The Company proposes to scale down the Yanfolila Project and in phase 1 focus on mining oxide and transitional material, to enable the development of a low cost mining operation at Yanfolila. The Company believe that the Yanfolila Project is an opportunity to create a low cost mining operation that yields high cash flows early in the project life. The Yanfolila Project is at an advanced development stage and it is expected to require low upfront capital investment while it retains significant potential for expanding the mining operations and resource base.

Based on the studies completed by Gold Fields, the Company has estimated the preliminary economics of the Yanfolila Project having adjusted the size of the Project with the intention to mine predominantly oxide and transitional material in Phase 1. A summary is set out below. As the Company conducts further work and updates the carries out optimization studies, the preliminary economics set out below may be revised.

Gold Price (US\$)	IRR (post tax)
1,000	34%
1,250	53%
1,500	69%

Parameter	Unit	Rate
Gold Price	US\$	\$1,250
Initial Year 1 Production	oz	81,000
Initial Mine Life	years	6
Capex	US\$	52m
Life of Mine Capex	US\$	71m
Average Recovery	%	95.5
Annual Processing	ktpa	850
Payback Period (after tax)	years	< 2
Direct C1 cash operating costs	US\$/oz	503
All in Sustaining Costs	US\$/oz	700
After Tax NPV (8%) attribute to HUM	US\$	65.5m
After Tax IRR	%	53

Notes:

1. The above economics have not been independently verified and do not conform to a recognised standard such as JORC or SAMREC and as such cannot be relied upon for economic assessment purposes.
2. Average production over the initial mine life is estimated to be approximately 55,000oz per annum
3. After Tax IRR of 34% using US\$1,000 gold price

Optimisation and Construction

Detailed Plant Design and Optimisation Studies:

Hummingbird Resources acquired the Yanfolila Project from Gold Fields along with its other assets in Mali in July 2014, for a consideration of US\$20m payable in Hummingbird Resources ordinary shares. Yanfolila has a current mineral inventory of 1.8Moz of gold at 2.8g/t. Hummingbird Resources proposes to create a low cost mining operation that yields strong cash flows early in the project life at Yanfolila. Hummingbird Resources is currently undertaking detailed plant design work and optimisation of the Gold Fields mine plan in order to focus on mining oxide material in Phase 1.

Resources:

An infill and extension drill programme of 15,000m was started in July 2014 and is due to be completed in October 2014. The purpose of this programme is to both extend the total oxide resource base, as well as increase the resource confidence in certain areas to extend the existing modelled mine life to beyond six years. Using CSA Global (UK) as resource consultants, we have been re-modelling the existing Gold Fields Resources, targeting both oxide and transitional material. The initial work has been very encouraging and we look forward to updating the mineral resource estimate on the Project in the near future.

Process Design:

Work has started on the development of the flow sheets for Yanfolila, based on test work conducted by Gold Fields during previous studies. A further metallurgical and geotechnical test work campaign is underway to verify key parameters of the additional ore that will be processed at Yanfolila.



Bamako to Yanfolila town road

Category	Resources		
	Tonnes (t)	Grade (g/t)	Gold (oz)
Measured	—	—	—
Indicated	8,188,100	3.3	870,400
Inferred	11,910,000	2.5	947,000
Total	20,098,100	2.8	1,817,400

Notes:

1. The above mineral inventory is unconstrained and does not conform to a recognised resource reporting standard such as JORC or SAMREC and as such cannot be relied upon for economic assessment purposes.
2. A significant amount of new infill drilling, collection of supporting data and detailed geological modeling has been completed since the reporting of the December 2012 Mineral Resource to account for the potential resource increases suggested by the unconstrained mineral inventory.
3. These mineral resources are presented without dilution and ore loss.
4. The cut-off grade used in this estimate is 1.0g/t



TECHNICAL UPDATE

CONTINUED

Plant Design:

An initial plant layout has been developed using preliminary process flow sheets. Due consideration is being given for future expansions and efficient processing of harder transitional and sulphide material, whilst not increasing the installed capital during this phase of the mine's operation. The Front End Engineering and Design is now complete and Detailed Engineering has now commenced in some areas. The ordering of long-lead items for the plant is expected during Q4 2014.

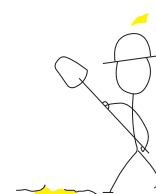
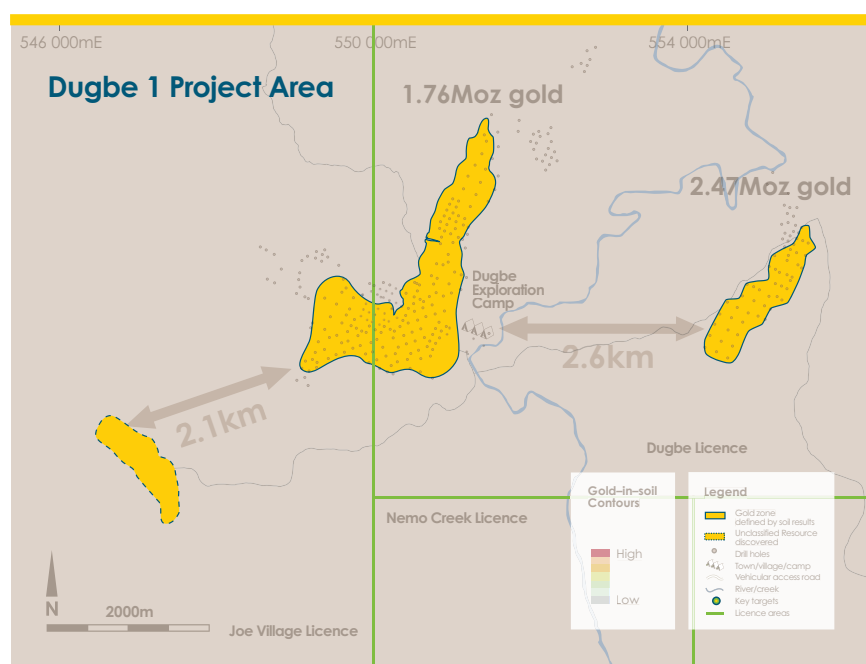


Komana Camp, Yanfolila Project

Development in Liberia, the Dugbe 1 Project

HIGHLIGHTS

- More than 2Moz Au converted to Indicated Resources; Total Mineral Resources grown to 4.2Moz from 3.8Moz
- 16% increase in average gold grade
- Estimated metallurgical recoveries up by 2% to 90%
- Detailed study of power options completed
 - Estimated power costs reduced from US\$0.28/kw to less than US\$0.20/kw using HFO
- Re-modelling of Dugbe F deposit and Sackor discovery shows potential to enhance mine plan economics



TECHNICAL UPDATE

CONTINUED

Dugbe 1 Update

Compilation of the Detailed Feasibility Study ("DFS") is ongoing along with a review of the scope of work and any additional optimisation that can be applied to it. The DFS is currently being compiled using only the Tuzon Indicated Resource with the potential to significantly improve the DFS by bringing into the model further Inferred Tuzon Resources, as well as the 1.8Moz Resource at Dugbe F and potentially the Sackor discovery. The Company intends to look at all of these options with a view to compiling a detailed work programme to upgrade the DFS resource inventory. The acquisition, funding and rapid advancement of the Yanfolila Project in Mali presents a unique opportunity to explore the full potential of the Dugbe 1 Project.

Future Proposed Work Programme:

The work completed in producing the DFS has uncovered areas where further optimisation and development can be targeted to further improve the overall Project effectiveness. We intend to implement further work on the Dugbe 1 Project to enhance the resource, recovery and operating costs that have been achieved. This work may include:

- Further conversion of Inferred to Indicated Resources at Tuzon through a short drilling programme;
- Confirming extensions at depth of the most significant part of the Tuzon ore-body through a short drilling programme;
- Carrying out further work at the highly prospective Sackor deposit, close to Tuzon, to develop an Indicated Resource on the back of a recent extensive re-logging exercise of core;
- Review the Dugbe F Inferred Resource (1.8Moz), and look to upgrade its classification to Indicated Resources;
- Review mine scheduling and waste dump philosophies to improve operating economics;
- Continue the metallurgical test-work using an Aachen oxygen shear reactor which has shown significant potential for:
 - improved recovery
 - reduced operating costs
 - improved environmental quality of tailings

Dugbe 1 Project Resources

Tuzon (US\$1,500 pit)	Tonnes (m)	Grade (g/t)	Ounces (m)
Inferred	10.2	1.32	0.43
Indicated	41.8	1.51	2.03
Total	52.00	1.47	2.46

Tuzon (US\$1,200 pit)	Tonnes (m)	Grade (g/t)	Ounces (m)
Inferred	4.9	1.55	0.24
Indicated	37.4	1.56	1.88
Total	42.30	1.56	2.12

Dugbe F	Tonnes (m)	Grade (g/t)	Ounces (m)
Inferred	43.00	1.28	1.76

PEA highlights – April 2013

Gold Price (US\$/oz)	\$1,300	\$1,500
*Throughput	3.5 Mtpa	3.5 Mtpa
Total cost/oz years 1-5	\$749	\$759
Total cost/oz LOM	\$894	\$904
Capex (m)	\$212	\$212
NPV (m) (10%, post tax)	\$186	\$337
IRR (%)	29	43
Strip ratio LOM years 1-5	2.4:1	2.4:1
Gold produced/year (oz)	125,000	125,000

- Confirm full understanding of structural and mineralogical issues as the basis for looking for further improvements in mining and processing.

It is anticipated that this work could continue for six to nine months whilst Yanfolila is being developed, utilising minimal resources and bringing substantial downstream benefit.

The Dugbe 1 Project PEA showed a 20 year mine life and we believe there are significant opportunities to increase the resource inventory to extend it even further. The Directors believe that the Dugbe 1 Project remains a 'company making' project that Hummingbird Resources looks forward to producing gold from in the future.

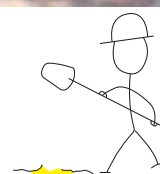
Mali

Mali has a vast amount of exploration potential given its position as Africa's third largest gold producer. There is a large amount of under-explored exploration ground and many exciting opportunities to be reviewed now that the Company is active in the country. The Company is looking forward to both exploring its existing licence packages further and keeping an open view to augment existing ground where synergies exist.

The existing package of licences in Mali is split into two groups; Yanfolila and Kangare. The licences total 2,300km² of very prospective exploration ground. The Yanfolila licences surround the 30 year Yanfolila Mining permit. Within these licences there are a large number of exploration targets based from soil sampling and drill results. These targets are being ranked and will be followed up by the Hummingbird Resources exploration team. It is expected that the Yanfolila Project will benefit from near mine exploration potential in the near term with additional resources adding to the mine life and enhancing the production schedule.

The Kangare licence package is an earlier stage set of licences to the north of Yanfolila closer to Bamako, the capital city. Gold Fields drilled over 16,000m across these licences and intersected some very prospective sections. As with the Yanfolila licences, these will be reviewed and systematically followed up by the Hummingbird Resources exploration team. On completion of this work a decision will be made to either explore with the Company's exploration team, look to joint venture them or divest of licences.

There is a significant amount of other geological activity around all of our exploration permits and looking for synergies with our neighbours will be an important factor in looking at what to do next over the licences.



EXPLORATION

CONTINUED

Liberia

Hummingbird has around 3,000km² of exploration ground in Liberia. This offers a huge upside potential for future gold discoveries in a still largely unexplored, yet highly prospective, region of the Birimian gold belt.

In October 2013 Hummingbird published the results of the interpretation of the 17,000 line km airborne magnetics and radiometrics data collected earlier that year. The interpretation, conducted by Southern Geoscience in Australia, resulted in over 140 targets to be followed up with systematic exploration. A further, more detailed review of the interpreted anomalies and historic Hummingbird data has enabled the Company to define a plan for future exploration programmes, prioritising targets and activities based on:

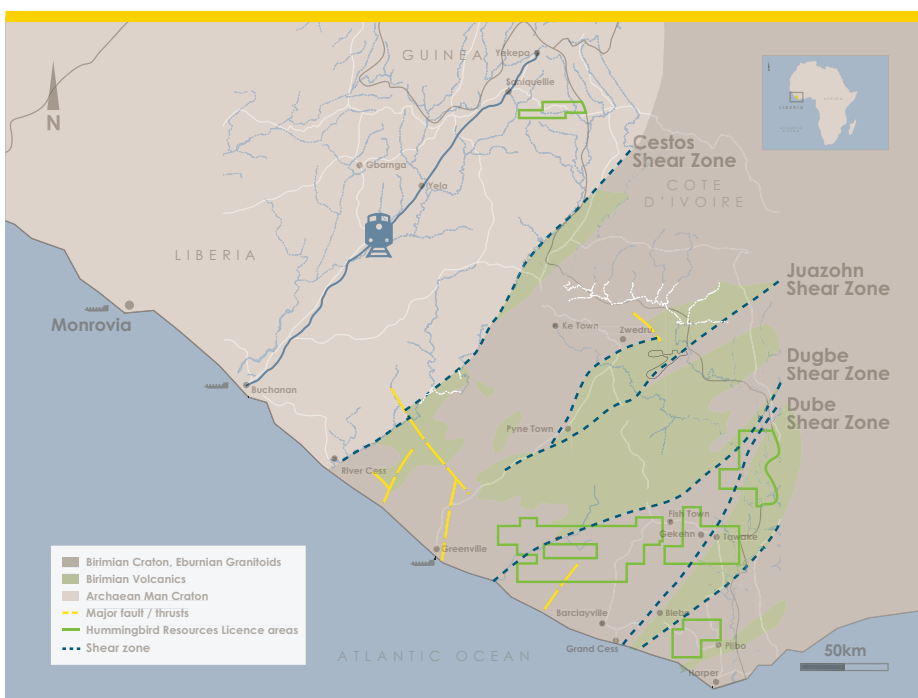
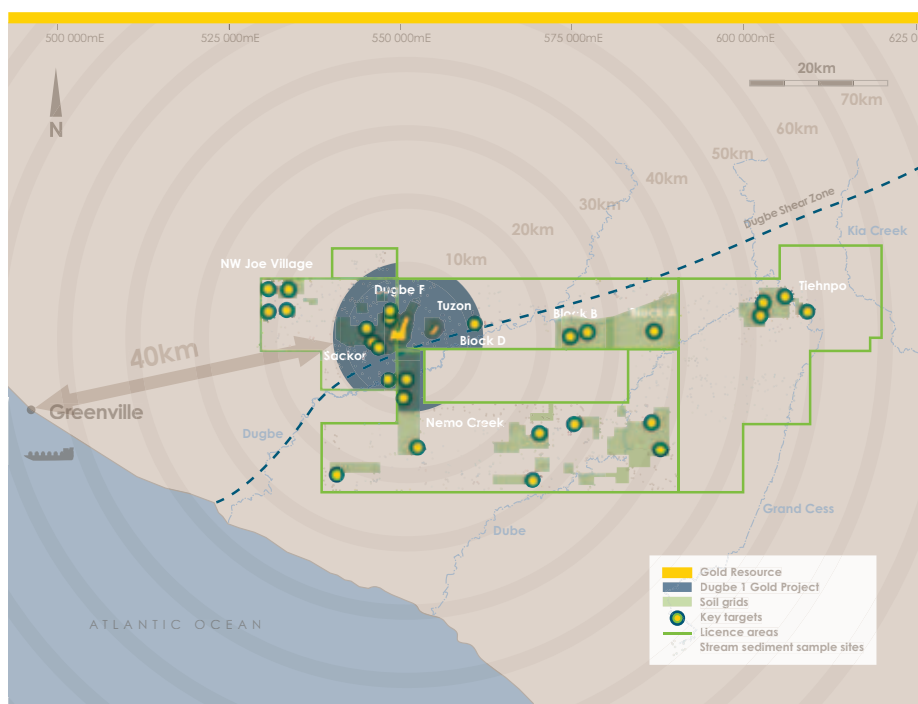
- identifying new resources as quickly as possible near to the existing Dugbe 1 Project with work starting proximal to the current deposits and progressing outwards; and
- the discovery of a new deposit

Targets occurring in the closest proximity to the Dugbe 1 Project are structural, either on or parallel to the North-East striking Tuzon deposit, on structures intersecting the Dugbe Shear Zone from the West, or on the Dugbe Shear Zone itself. Prospect-scale mapping over the target areas, complete soil coverage and re-evaluation of all gold-in-soil data with follow-up trenching will identify drill targets.

Regional targets defined by the geophysics are either folds interacting with faults, intrusives or other folds, intersecting faults or interpreted dilation zones. Few are associated with artisanal activity. Follow-up exploration, particularly to those areas with the stream sediment anomalism, is to be conducted with reconnaissance mapping and soil geochemistry.

Work focusing on 'distressed vegetation anomalies' caused by the high arsenic concentrations in the soil surrounding the Dugbe 1 gold deposits is currently underway as a potentially cheap and fast method of remote sensing exploration.

A 1,050 sample soil programme across three grids was carried out within truck-able distance of the Dugbe 1 Project. This work returned gold-in-soil anomalism that is being reviewed currently for follow-up exploration.



We have relinquished the Juazohn Shear Zone licences, totalling 2,100km², which returned poor early stage exploration

results offering negligible near term exploration upside.

Overview



At Hummingbird we believe that it is our duty to work across all of our operations in the most socially and environmentally responsible way possible.

From Board level through to our in-country team, every Hummingbird employee recognises the importance of working safely and respectfully to protect the environment and the communities in the countries we are privileged to work in.

Hummingbird Resources aims to:

- > provide a safe working environment and invest in the skills of our workforce;
- > assess and manage environmental and social risks, and monitor performance against international best practice;
- > engage and consult with local communities and other key stakeholders, working towards development together; and
- > respect and protect the natural environment.

Hummingbird invests directly in people where we operate. We believe that this is the greatest lasting contribution that can be made. Our education and training programmes are central to our Sustainability Strategy, allowing us to operate safely and sustainably. By developing skills in our workforce, Hummingbird's activities will have positive multiplier effects to the wider population.

Hummingbird takes an industry best practice approach to environmental and social risk management. By identifying and assessing risks early in the project cycle, the Company can first look at alternative options that avoid negative risks altogether, such as through changing the location or employment of specific technologies. Where avoidance is

not possible, the Company will mitigate these risks through specific operating procedures, training and management plans.

Positive Development Impacts from Hummingbird Operations Employment and training



Hummingbird continues to be a major employer in Liberia and over 90% of the Company's workforce are Liberian nationals. In a country of high unemployment, this represents a significant development impact. As the Company progresses towards mine development, generating local employment opportunities will continue to be a priority focus area.

This past year has afforded much opportunity for technical training in a variety of disciplines. The numerous consultants and international experts that have helped undertake the ESIA and various DFS related activities have all helped to train the Hummingbird staff as well as build capacity of local and national partners. These have included Forestry Development Agency ("FDA") and the Environmental Protection Agency ("EPA") staff alongside local consultants. The skills that have been transferred stand many individuals and organisations in good stead to undertake further work in the future with Hummingbird and other partner organisations.

The Company continues its commitment to Occupational Health and Safety.

Community Development Liberia

Hummingbird has developed and implemented an exploration stage community development plan in partnership with local communities, government agencies and non-governmental partner organisations.

A key need, as outlined in the Sinoe County Development Agenda and the Liberia Waterpoint Atlas, is the provision of safe improved water sources in rural communities across Liberia. Sinoe County, and Jeadea district in particular, is no exception. To that end the company has worked with a local partner to deliver eight new drinking water wells to five key affected communities across the Dugbe Project area. This project has not just focussed on infrastructure provision, but has also trained numerous community members in environmental health and hygiene as well as maintenance of the water wells to help ensure long-term sustainability of the project.

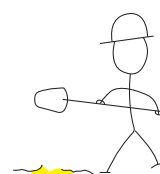
A number of other initiatives have been undertaken during the year to date, including the building of community halls in key affected communities, supporting construction of local schools and churches, as well as our continued commitment to maintenance and upgrade of the rural road network around the Project area.

Mali

Hummingbird has inherited an extensive local community development programme from Gold Fields. This focuses on a number of priority areas including local service provision, investment in community infrastructure, and livelihood development. Examples of projects undertaken include:

- Sponsorship of teachers and nurses salaries across the Project area.
- Refurbishment of classrooms at the local school.
- Provision of improved water access points.
- Development of market gardens.
- Development of a training centre to improve trade skills of the local population. In 2014 two training sessions were held. These ran for eight weeks each, focusing on carpentry, plumbing and masonry. Over 140 individuals benefited from these sessions.
- Brick making project and enterprise development.

As Hummingbird looks to push the Project into the construction and mining phase, the CSR team will continue to support and develop these community development initiatives. In particular these will focus on health and education outreach, and development of local livelihoods through support to trades and agricultural productivity.



SUSTAINABILITY

CONTINUED

Stakeholder Engagement

Maintaining strong community relations with the host communities in which the Company works remains a key pillar of the Company's Sustainability Strategy. Hummingbird has clear principles and procedures for stakeholder engagement that look to engage with communities before, during and after all operations. Importantly these look to include vulnerable groups such as women and youth, as well as take account of special economic groups such as Artisanal and Small-Scale Miners ("ASM") that surround many of the Company's operations.



Liberia

- Stakeholder Engagement Plan and ASM strategy developed in conjunction with AMEC.
- 112 meetings held with communities and stakeholders in Sinoe County for reporting period (July 2013 – June 2014).
- AMEC and EEC conducted three rounds of stakeholder engagement for the ESIA.
- Implementation of revised Grievance Mechanism continues. Improvement in average time to resolution, all grievances responded to within seven days (KPI of

mechanism) and no grievances referred to third party recourse.

- ESIA shows good levels of local support for the Project with 50% of local population viewing the Project positively. Artisanal and Small-Scale miners are even more supportive.

Mali

- Strong community relations team on site with many years of experience across multiple gold projects in Mali.
- Stakeholder engagement plan developed by ERM and implemented on site.
- 137 meetings held since June 2013.
- Key focus area on ASM (Orpaillage) and communication / implementation of ASM strategy.
- Two grievances received since June 2013.
- High level of local support for the Project.

Environmental Management

Hummingbird Resources operates in areas of considerable environmental importance.

The Dugbe 1 Project is located within the Upper Guinean Rainforest that constitutes a global biodiversity hotspot, and is 15km from Sapo National Park, Liberia's foremost protected area. The Yanfolila Project meanwhile lies in the Southwest of Mali in an area with some of the richest flora and fauna.

As such it is vital that Hummingbird's operations are conscious of the environmental impact they may have and that necessary procedures and risk mitigation plans are in place.

Dugbe 1 Project Environmental and Social Impact Assessment ("ESIA")

Hummingbird contracted AMEC, in partnership with Liberian national consultancy Earth Environmental Consultancy, to conduct the Dugbe 1 ESIA in April 2013. The Scoping Study was conducted and approved by the Liberian authorities allowing baseline studies and impact assessment to proceed.

Full baseline studies have taken place over the last 12 months covering the bio-physical and socio-economic environment of the Dugbe 1 Project. The Biodiversity Consultancy ("TBC"), a Cambridge based specialist consultancy, continue their involvement in the Dugbe 1 Project providing oversight of biodiversity baseline and compilation of IFC specific documentation including the Critical Habitat Assessment.

Great focus has been made during the ESIA and DFS process to design the Project

so as to minimise negative impacts to the environment and maximise opportunities for supporting local and regional conservation efforts. Examples of this include the potential for biodiversity and conservation "zoning" for the Project site, as well as working to minimise or eliminate the need for abstraction of water from local surface water network. This work will continue to ensure that Hummingbird continues to operate in the most environmentally and socially responsible manner possible.

Hummingbird believes that the presence of its operations in such areas has the potential to support and drive measurable improvements in environmental responsibility and conservation against a backdrop of baseline environmental degradation and deforestation.



Introduction

In October 2012, Hummingbird Resources launched the Pygmy Hippo Foundation, a UK registered charity, as a catalyst for greater conservation in Liberia. The Pygmy Hippo Foundation ("PHF") aims to promote the conservation, preservation and protection of pygmy hippos' natural habitat in the forests of eastern Liberia.

To achieve this, PHF works in partnership with not-for-profit organisations, governmental organisations and local communities to implement sustainable conservation and education programmes.

Pygmy hippos are an endangered species (IUCN 2006) and there are estimated to be fewer than 3,000 individuals remaining in the wild. They are endemic to the Guinean forests of West Africa, widely recognised as a global biodiversity hotspot and, therefore, a priority for global conservation efforts.

Only 14% of the original forest remains, the majority of which (42%) is in Liberia's Upper Guinea forests – an area that is being increasingly threatened by deforestation, illegal mining, fragmentation and poaching.

The largest intact stretch is in south-eastern Liberia and includes the country's first national park, Sapo, where PHF's work is focused.

Our Vision

Long-term: PHF's long-term vision is to work alongside local governments, communities, conservation organisations and the business community to develop and implement an economically and socially viable model for protecting and managing Sapo National Park. Thereby safeguarding one of the planet's greatest biodiversity hotspots, as well as encouraging economic development through employment, tourism development and private enterprise.



Over the past two years our efforts have focused on:

- a) Working with Leadership for Conservation in Africa ("LCA") to develop a long-term model for the sustainable management of Sapo National Park, alongside key Liberian stakeholders
- b) Taking a biologically-based approach by commissioning studies, including an Initial Scoping Study and Landscape Level Assessment ("LLA") to guide our strategy
- c) Raising funds to support the foundation through fundraising events and corporate sponsorship

This year, we commissioned a Landscape Level Assessment ("LLA") of Sapo National Park and the surrounding area, completed by Fauna & Flora International ("FFI").

The LLA builds upon the previous Rapid Biodiversity Assessment, conducted by The Biodiversity Consultancy ("TBC"), produced for Hummingbird, to produce a series of map based decision support tools that identify potential conservation priority areas in Eastern Liberia, characterised by the biodiversity features they contain and the human induced pressures they may be threatened from.

It is a valuable tool in assisting the development of PHF's strategy as well as providing a useful resource for other stakeholders working in the area.

Short-term: Over the short term, PHF's goal is to support achievable conservation and education projects in and around Sapo National Park by:

- a) Partnering with not-for-profit organisations working in Liberia on specific conservation and education projects.
- b) Raising funds for these projects through fundraising events and corporate sponsorship.

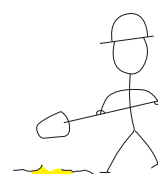
This year, PHF has been liaising with FFI on developing a list of projects that the foundation can help support and execute.

Spreading Awareness

Alongside the above, PHF continues to raise awareness of the endangered pygmy hippo and its threatened habitat through social media and communications.

Looking forward

PHF aims to play a greater role in bringing together industry and conservation organisations to help channel financial and non-financial support into wilderness preservation and conservation. Through working together we hope to be able to safeguard Liberia's spectacular natural environment for generations to come.



BOARD OF DIRECTORS



Ian David Cockerill
Non-Executive Chairman

Ian has 40 years of experience in exploration and mining. He is the former CEO of Gold Fields Limited and Anglo Coal Ltd. Ian is currently Non-executive director and Vice Chairman of African Minerals Limited, the AIM-listed iron ore producer with operations in Sierra Leone, Non-executive director of Endeavour Mining, Chairman of Petmin Limited, a JSE quoted natural resource company, Lead Independent director of Ivanhoe Mines, a TSX-listed African exploration and development company and Non-executive director of Orica Limited in Australia. Ian is also Chairman of the LCA (Leadership for Conservation in Africa) which has the vision to save 20 million hectares of rainforest in Africa by 2020.



Daniel Edward Betts
Chief Executive Officer

Daniel founded Hummingbird in November 2005. After graduating from Nottingham University he worked for Accenture Management Consultants until he joined the Betts family business in 2000. Founded in 1760, the family business is the oldest privately owned gold bullion smelters and refiners in the country, and it has a long history of trading across the world and dealing in all areas of the precious metal industry. Whilst working for the Betts family business Daniel established a number of natural resource based businesses in Uganda, Namibia, Sierra Leone, Mauritania and Peru, before starting Hummingbird Resources in 2005.



William Benjamin Thurston Cook
Operations Director

William is a former officer of the British Army having served in the Light Infantry. Following his army service he worked in the security sector, for companies such as Control Risks, Rubicon and Salamanca Risk Management before joining Hummingbird Resources as Country Manager. William is experienced in the operational and logistical management of projects in challenging environments. In his capacity as Operations Director he has been responsible for the establishment and ongoing running and development of all of Hummingbird's operational capability in Liberia and Mali.



Thomas Hill
Finance Director & Company Secretary

Thomas joined the Company as Chief Financial Officer in September 2010 and was appointed as Finance Director in July 2012. Prior to this Thomas was a senior manager within BDO LLP's natural resources department, where he worked extensively with quoted mining and exploration companies and was involved with numerous flotations and other corporate transactions. He has a metallurgy, economics and management degree from Trinity College, Oxford and qualified as a chartered accountant with BDO LLP in 2001.



Stephen Alexander Betts
Non-Executive Director

Stephen co-founded the Company in November 2005. He has over 40 years' experience in trading with gold and related businesses in developing countries, having established several businesses in West Africa during his career. He is the chairman of the Stephen Betts group of companies. The family business has over 250 years' history in smelting, refining and bullion dealing.



Matthew Charles Idiens
Non-Executive Director

Matthew co-founded Hummingbird in November 2005 and he has 19 years' experience in natural resource companies. He is a founder and Director of AIM quoted Rose Petroleum plc and also founder and director of Seamwell International Ltd, a private company developing underground coal gasification ("UCG") projects in China. From 1995 to 2001 he worked as an associate director at Laing and Cruickshank Investment Management, part of the Credit Lyonnais Group.



David Almgren Pelham
Non-Executive Director

David is a mineral geologist with thirty years global exploration experience. He has worked with a number of mining and exploration companies such as Placer Dome Inc, Outkumpu Mining and AMAX Exploration. David has broad experience in the exploration and assessment of gold deposits, including all major gold deposit types, as well as in the exploration and assessment of deposits of gemstones, major base metals and energy minerals, with a major focus on Africa. He is credited with the discovery of the Chirano 5-6m ounce gold mine in Ghana.

Technical Advisory Committee



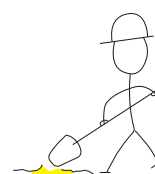
Mike Skead

Mike is VP project evaluation at Dundee Resources. He is also Ex-CEO of Ryan Gold and former head of exploration at Banro Corp.



Mark Calderwood

Mark is the Ex-CEO at Perseus Mining. He successfully led Perseus from discovery to production at Edikan Gold Mine with production of over 200,000oz gold a year.



DIRECTORS' REPORT

The Directors present their report on the affairs of the Group, together with the financial statements and Auditor's Report for the year ended 31 May 2014.

Principal activities

The Group's principal activity is the exploration, evaluation and development of mineral exploration targets, principally gold, focused in West Africa.

The subsidiary and associated undertakings principally affecting the losses or net assets of the Group in the year are listed in note 15 to the financial statements.

CORPORATE GOVERNANCE

The Company is subject to the corporate governance regime of the United Kingdom. The Directors acknowledge the importance of the guidelines set out in the QCA Guidelines and therefore intend to comply with these so far as is appropriate having regard to the size and nature of the Company.

Board

The Board currently comprises seven members, three of whom are executive. The Board meets regularly and is responsible for strategy, performance, approval of major capital projects and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings, and all Directors have access to the advice and service of the Company Secretary. The Articles of Association provide that Directors will be subject to re-election at the first opportunity after their appointment and they will voluntarily submit to re-election at intervals of three years.

Audit Committee

The audit committee comprises Matthew Idiens (Chairman) and Stephen Betts. The audit committee is responsible for reviewing a wide range of financial matters including the annual and interim reports, the Company's internal control and risk management system. The audit committee's responsibilities include meeting with the Company's auditor and agreeing the scope of their audit.

Remuneration Committee

The remuneration committee comprises Ian Cockerill (Chairman), Matthew Idiens and Stephen Betts. The remuneration committee is responsible for reviewing the performance of the executive directors, setting their remuneration levels and determining the design and setting the targets for any incentive schemes operated by the Company for the Directors. It is also responsible for determining at which point the Company should adopt any form of share option plan, and considering the grant of options under any such plan. The Board itself determines the remuneration of the non-executive directors.

Safety, Health and Environmental Committee ("SHEC")

The SHEC comprises of Ian Cockerill (Chairman), Daniel Betts and William Cook. SHEC is responsible for formulating and reviewing the safety, health and environmental policies of the Group. It is also responsible for ensuring that all Directors are kept informed of their health and safety obligations.

Post balance sheet events

Events after the reporting date have been disclosed in note 26 to the financial statements.

Results and dividends

The results of the Group for the year ended 31 May 2014 are set out in the Consolidated Income Statement. The Directors do not recommend payment of a dividend for the year (2013: nil).

Directors and directors' interests

The Directors of the Company during the year and their beneficial interests in the ordinary shares of the Company for the year were as follows:

	Number of shares at 31 May 2014	Number of shares at 31 May 2013
ID Cockerill ¹	531,083	531,083
SA Betts ^{2,4}	673,500	673,500
MC Idiens	2,741,607	3,219,607
DE Betts ^{3,4}	4,611,048	4,611,048
WBT Cook	287,150	287,150
DA Pelham	2,325	2,325
TR Hill ⁵	92,617	92,617

1 – ID Cockerill's interests are held by family trusts in which he has a beneficial interest.

2 – SA Betts's interests consist of 109,000 shares held by SA Betts, 92,500 shares held by Caroline Betts, 292,000⁴ shares held by Stephen Betts & Sons Limited, and 180,000⁴ shares held by the Stephen Betts & Sons Limited (Self Administered) Pension Scheme.

3 – DE Betts's interest consists of 4,139,048 shares held by DE Betts, 292,000⁴ shares held by Stephen Betts & Sons Limited, and 180,000⁴ shares held by the Stephen Betts & Sons Limited (Self Administered) Pension Scheme.

4 – The 292,000 shares held by Stephen Betts & Sons Limited and 180,000 shares held by Stephen Betts & Sons Limited (Self Administered) Pension Scheme are included in both SA Betts and DE Betts.

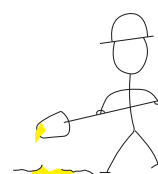
5 – This interest includes contracts for difference over 5,000 ordinary shares, 18,684 ordinary shares which are held in his pension, and 23,933 ordinary shares which are owned by his wife.

On 28 June 2013 DA Pelham moved from being an Executive Director to a Non-Executive Director.

The Directors' interests in the share options of the Company at 31 May 2014 were as follows:

	Options at 1 June 2013	Options granted during the year	Options surrendered during the year	Options at 31 May 2014	Exercise price	Date of grant	First date of exercise	Final date of exercise
ID Cockerill	20,000	—	(20,000)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
ID Cockerill	20,000	—	(20,000)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
ID Cockerill	25,000	—	(25,000)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
ID Cockerill	25,000	—	(25,000)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
ID Cockerill	—	45,000	—	45,000	£0.41	05/12/2013	01/06/2014	01/06/2024
ID Cockerill	—	45,000	—	45,000	£0.41	05/12/2013	01/06/2015	01/06/2025
SA Betts	337,500	—	—	337,500	£0.486	26/10/2010	24/12/2011	26/10/2020
SA Betts	16,500	—	(16,500)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
SA Betts	16,500	—	(16,500)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
SA Betts	16,500	—	(16,500)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
SA Betts	16,500	—	(16,500)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
SA Betts	—	33,000	—	33,000	£0.41	05/12/2013	01/06/2014	01/06/2024
SA Betts	—	33,000	—	33,000	£0.41	05/12/2013	01/06/2015	01/06/2025
MC Idiens	450,000	—	—	450,000	£0.486	26/10/2010	24/12/2011	26/10/2020
MC Idiens	16,500	—	(16,500)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
MC Idiens	16,500	—	(16,500)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
MC Idiens	16,500	—	(16,500)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
MC Idiens	16,500	—	(16,500)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
MC Idiens	—	33,000	—	33,000	£0.41	05/12/2013	01/06/2014	01/06/2024
MC Idiens	—	33,000	—	33,000	£0.41	05/12/2013	01/06/2015	01/06/2025
DE Betts	1,125,000	—	—	1,125,000	£0.486	26/10/2010	24/12/2011	26/10/2020
DE Betts	42,000	—	(42,000)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
DE Betts	42,000	—	(42,000)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
DE Betts	125,000	—	(125,000)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
DE Betts	125,000	—	(125,000)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
DE Betts	—	217,000	—	217,000	£0.41	05/12/2013	01/06/2014	01/06/2024
DE Betts	—	217,000	—	217,000	£0.41	05/12/2013	01/06/2015	01/06/2025
DE Betts	—	150,000	—	150,000	£0.41	05/12/2013	Note 1	Note 1
WBT Cook	675,000	—	—	675,000	£0.486	26/10/2010	24/12/2011	26/10/2020
WBT Cook	38,500	—	(38,500)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
WBT Cook	38,500	—	(38,500)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
WBT Cook	65,000	—	(65,000)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
WBT Cook	65,000	—	(65,000)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
WBT Cook	—	141,000	—	141,000	£0.41	05/12/2013	01/06/2014	01/06/2024
WBT Cook	—	141,000	—	141,000	£0.41	05/12/2013	01/06/2015	01/06/2025
WBT Cook	—	100,000	—	100,000	£0.41	05/12/2013	Note 1	Note 1
DA Pelham	225,000	—	—	225,000	£0.486	26/10/2010	24/12/2011	26/10/2020
DA Pelham	32,500	—	(32,500)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
DA Pelham	32,500	—	(32,500)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
DA Pelham	32,500	—	(32,500)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
DA Pelham	32,500	—	(32,500)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
DA Pelham	—	65,000	—	65,000	£0.41	05/12/2013	01/06/2014	01/06/2024
DA Pelham	—	65,000	—	65,000	£0.41	05/12/2013	01/06/2015	01/06/2025
TR Hill	67,500	—	—	67,500	£0.486	26/10/2010	24/12/2011	26/10/2020
TR Hill	35,500	—	(35,500)	—	£1.25	27/06/2011	27/06/2012	27/06/2021
TR Hill	35,500	—	(35,500)	—	£1.25	27/06/2011	27/06/2013	27/06/2021
TR Hill	65,000	—	(65,000)	—	£1.12	11/07/2012	11/07/2013	11/07/2022
TR Hill	65,000	—	(65,000)	—	£1.12	11/07/2012	11/07/2014	11/07/2022
TR Hill	—	100,500	—	100,500	£0.41	05/12/2013	01/06/2014	01/06/2024
TR Hill	—	100,500	—	100,500	£0.41	05/12/2013	01/06/2015	01/06/2025
TR Hill	—	100,000	—	100,000	£0.41	05/12/2013	Note 1	Note 1
Total	3,974,000	1,619,000	(1,094,000)	4,499,000				

Note 1 – the first date of exercise is at any time on or after the grant of a Mineral Development Agreement to any group company by the Government of Liberia. The final exercise date is 10 years after the grant of a Mineral Development Agreement.



DIRECTORS' REPORT

CONTINUED

Directors' Remuneration

	Directors emoluments for the year ended 31 May 2014 \$'000	Directors emoluments for the year ended 31 May 2013 \$'000
ID Cockerill	64	63
SA Betts	54	52
MC Idiens	55	54
RJH Smith	—	22
DE Betts	325	261
WBT Cook	271	222
DA Pelham	125	176
TR Hill	239	226
Total Directors' remuneration	1,133	1,076

The remuneration committee are in the process of determining the design and setting the targets of a performance based incentive scheme for the executive Directors.

Additionally DA Pelham is entitled to a discovery bonus based on \$0.10 cents per proved/probable resource ounce.

Directors' indemnities

The Company has obtained third party indemnity provisions for the benefit of its Directors and Officers.

SUPPLIER PAYMENT POLICY

It is the Group's policy to make payments, where possible, to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. Trade payables of the Group at 31 May 2014 were equivalent to 28 (2013: 51) days' purchases, based on the average daily amount invoiced by suppliers during the year. Trade payables of the Company at 31 May 2014 were equivalent to 62 (2013: 28) days' purchases, based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL DONATIONS

The Company has made charitable donations of \$2,000 (2013: \$180,000) during the year. The Company has not made any payments to political parties during the year (2013: \$nil).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of sections 418 of the Companies Act 2006.

Baker Tilly UK Audit LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

This Directors' Report has been approved by the Board and signed on its behalf by:

DE Betts Director

16 October 2014

Registered Office:

49-63 Spencer Street, Hockley, Birmingham, B18 6DE

Company registered in England and Wales 05467327

STRATEGIC REVIEW

Hummingbird Resources PLC
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The purpose of this review is to show how the Group assesses and manages risk and uncertainty and adopts appropriate policies and targets. Further details of the Group's business and expected future developments are also set out in the Strategic Report.

Principal risks and uncertainties

The Group and Company are subject to various risks relating to political, social, industry, business and financial conditions. The following risk factors, which are not exhaustive, are particularly relevant to the Company and the Group's business activities:

Exploration risk

There is no assurance that the Group's exploration activities will be successful, and statistically few properties that are explored are ultimately developed into producing mines.

Political risk

All of the Group's operational activities are located in Liberia and Mali and the Group is therefore dependent on the political and economic situation in Liberia, Mali, and the wider African region. Continued political stability in Liberia has allowed continued economic growth in the country over the last year. However the recent outbreak of the Ebola virus in Liberia has, and will for the foreseeable future, have a large impact on the economy and the country in general. Mali has to date not been impacted by the Ebola virus, however there is potential that the virus could spread to a wider African region. Mali is engaged in political recovery and stabilisation after a military coup in March 2012 and a French-led military intervention against the separatist Tuareg rebels in the north of Mali in January 2013. The situation in the north of the country remains fragile. The United Nations peacekeeping mission in Mali established in April 2013, consisting of over 11,000 military and police, has helped maintain the security situation throughout the remainder of the country. There can be no assurances that the current political stability will continue in either Liberia or Mali.

Licensing and title risk

The Group's exploration activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. Such licences and permits are as a practical matter subject to the discretion of the applicable Government or Government office. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted. The interpretations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Group's results of operations and financial condition. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit.

Additionally whilst the Group has diligently investigated title to all its licences and, to the best of its knowledge, title to all is in good standing, this should not be construed as a guarantee of title. If a title defect does exist it is possible that the Group may lose all or part of its interest in the relevant properties.

Licence and Mineral Development Agreement risk

There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence, or the grant of a Mineral Development Agreement ("MDA"), may not result in the grant, renewal or extension taking effect prior to the expiry of the previous licence period, and there can be no assurance of the terms of any extension, renewal or grant.

Financing risk

The development of the Group's properties will depend on the Group's ability to obtain financing through the raising of equity capital, joint venture of projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Group is unable to obtain additional financing as needed, some interests may be relinquished and / or the scope of the operations reduced.

Details about the use of financial instruments by the Company and its subsidiaries as well as exposure to financial risks are given in note 24 to the financial statements.

KEY PERFORMANCE INDICATORS

Given the stage of development of the Group's operations, the key performance indicators used by management for monitoring progress and strategic objectives for the business are set out below. These are discussed within the Strategic Report:

	31 May 2014	31 May 2013
Resources – indicated and inferred (ounces Au)	4,230,000	3,835,000
Metres drilled (cumulative)	76,560	69,036
Samples collected (cumulative)	115,200	109,780
Exploration expenditure (cumulative)	\$56.7m	\$46.6m
Cash balance	\$7.0m	\$13.7m
Share price	£0.465	£0.415

This Strategic Review has been approved by the Board and signed on its behalf by:

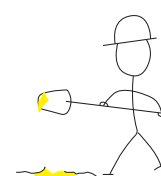
DE Betts Director

16 October 2014

Registered Office:

49-63 Spencer Street, Hockley, Birmingham, B18 6DE

Company registered in England and Wales 05467327



DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the company financial statements in accordance with IFRS as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the group and the company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 group and the company and of the profit or loss of the group for that period.

In preparing the Group and Company 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;
- state whether they have been prepared in accordance with IFRSs adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company 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 and financial information included on the Hummingbird Resources plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HUMMINGBIRD RESOURCES PLC FOR THE YEAR ENDED 31 MAY 2014

Hummingbird Resources PLC
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We have audited the Group and parent Company financial statements ("the financial statements") which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Cash Flows, the Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 an auditor's report 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 AUDITOR

As more fully explained 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. 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

OPINION ON FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent's affairs as at 31 May 2014 and of the group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and the Directors' Report 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 Act 2006 requires us to report to you if, in our opinion:

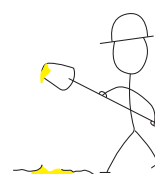
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Andrew Allchin
(Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants

2 Whitehall Quay
Leeds
LS1 4HG

16 October 2014



CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 \$'000	2013 \$'000
Continuing operations			
Revenue		—	—
Share based payments	22	(454)	(679)
Other administrative expenses		(3,635)	(2,786)
Administrative expenses	5	(4,089)	(3,465)
Finance income	8	334	463
Finance expense	9	(86)	(145)
Share of joint venture loss	12	(625)	(225)
Loss before tax		(4,466)	(3,372)
Tax	10	—	—
Loss for the year attributable to equity holders of the parent		(4,466)	(3,372)
Loss per ordinary share			
Basic and diluted (\$ cents)	11	(7.68)	(6.13)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2014

	2014 \$'000	2013 \$'000
Loss for the year	(4,466)	(3,372)
Other comprehensive income		
Exchange translation differences on foreign operations	—	—
Total comprehensive loss for the year attributable to equity holders of the parent	(4,466)	(3,372)

CONSOLIDATED BALANCE SHEET

AS AT 31 MAY 2014

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	Notes	2014 \$'000	2013 \$'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	13	56,738	46,589
Property, plant and equipment	14	107	607
Investment in joint venture	12	86	711
		56,931	47,907
Current assets			
Trade and other receivables	16	677	753
Cash and cash equivalents	16	6,983	13,692
		7,660	14,445
Total assets		64,591	62,352
Liabilities			
Current liabilities			
Trade and other payables	18	2,075	2,564
Other financial liabilities	19	15,135	10,049
Amounts due to joint venture	12	185	382
Total liabilities		17,395	12,995
Net assets		47,196	49,357
Equity			
Share capital	20	953	908
Share premium		48,135	46,355
Retained earnings		(1,892)	2,094
Equity attributable to equity holders of the parent		47,196	49,357

The financial statements of Hummingbird Resources plc were approved by the Board of Directors and authorised for issue on 16 October 2014. They were signed on its behalf by:

DE Betts
Director

Company number 05467327

The notes to the consolidated financial statements form part of these financial statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 \$'000	2013 \$'000
Net cash outflow from operating activities	23	(3,224)	(3,822)
Investing activities			
Purchases of intangible exploration and evaluation assets		(10,747)	(12,458)
Disposals / (purchases) of property, plant and equipment		40	(85)
Interest received		130	150
Net cash used in investing activities		(10,577)	(12,393)
Financing activities			
Net proceeds from issue of shares		1,825	4,486
Proceeds from warrants issued		—	355
Financial liabilities issued net of issue costs		5,000	9,708
Net cash from financing activities		6,825	14,549
Net decrease cash and cash equivalents		(6,976)	(1,666)
Effect of foreign exchange rate changes		267	(145)
Cash and cash equivalents at beginning of year		13,692	15,503
Cash and cash equivalents at end of year		6,983	13,692

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2014

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total \$'000
As at 1 June 2012	855	41,922	4,692	47,469
Comprehensive loss for the year:				
Loss for the year	—	—	(3,372)	(3,372)
Total comprehensive loss for the year	—	—	(3,372)	(3,372)
Transactions with owners in their capacity as owners:-				
Issue of shares net of costs	53	4,433	—	4,486
Total transactions with owners in their capacity as owners	53	4,433	—	4,486
Share based payments	—	—	774	774
As at 31 May 2013	908	46,355	2,094	49,357
Comprehensive loss for the year:				
Loss for the year	—	—	(4,466)	(4,466)
Total comprehensive loss for the year	—	—	(4,466)	(4,466)
Transactions with owners in their capacity as owners:-				
Issue of shares net of costs	45	1,780	—	1,825
Total transactions with owners in their capacity as owners	45	1,780	—	1,825
Share based payments	—	—	480	480
As at 31 May 2014	953	48,135	(1,892)	47,196

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2014

Hummingbird Resources PLC
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1 General information

Hummingbird Resources Plc, is incorporated in England and Wales under the Companies Act. The address of the registered office is 49-63 Spencer Street, Hockley, Birmingham, West Midlands, B18 6DE.

The nature of the Group's operations and its principal activities are the exploration, evaluation and development of mineral exploration targets, principally gold, focused exclusively in West Africa.

2 Adoption of new and revised standards

The financial statements have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year to 31 May 2013.

In the current year, the following new and revised Standards have been adopted. The adoption of these standards, interpretations and amendments did not materially impact the Group.

IAS 1 (amended)	(effective 1 July 2012)	Presentation of Items of Other Comprehensive Income
IAS 12 (amended)	(endorsed 1 January 2013)	Deferred Tax: Recovery of Underlying Assets
IAS 19 (revised)	(effective 1 January 2013)	Employee Benefits
IAS 27	(effective 1 January 2013)	Separate Financial Statements
IAS 28	(effective 1 January 2013)	Investments in Associates and Joint Ventures
IFRS 1 (amended)	(effective 1 January 2013)	Government Loans
IFRS 7 (amended)	(effective 1 January 2013)	Offsetting Financial Assets and Financial Liabilities
IFRS 10	(effective 1 January 2013)	Consolidated Financial Statements
IFRS 11	(effective 1 January 2013)	Joint Arrangements
IFRS 12	(effective 1 January 2013)	Disclosure of Interests in Other Entities
IFRS 13	(effective 1 January 2013)	Fair Value Measurement
IFRIC 20	(effective 1 January 2013)	Stripping Costs in the Production Phase of a Surface Mine

The following Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective (and in some cases had not yet been endorsed by the EU). The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the financial statements of the Company or the Group.

IFRS 7 (amended)	(effective 1 July 2013)	Disclosures – Transfers of Financial Assets,
IFRS 9	(effective 1 January 2018)	Financial Instruments
IFRS 10 (amended)	(effective 1 January 2014)	Consolidated Financial Statements
IAS 19 (amended)	(effective 1 July 2014)	Employee Benefits
IAS 32 (amended)	(effective 1 January 2014)	Presentation – Offsetting Financial Assets and Financial Liabilities
IAS 36	(effective 1 January 2014)	Impairment of assets
IAS 39 (amended)	(effective 1 January 2014)	Financial instruments – recognition and measurement on novation of derivatives and hedge accounting.
IFRIC 21	(effective 1 January 2014)	Levies

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and as adopted by the EU and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies adopted are set out below.

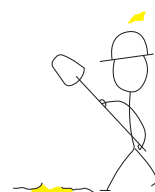
The functional currency of all companies in the Group is United States Dollar ("USD"). The financial statements are presented in thousands of United States dollars ("USD'000"). For reference the year-end exchange rate from Sterling to \$ was \$1.6742 (2013: \$1.5164).

Going concern

The Directors have reviewed forecasts and budgets based on current expected levels of expenditure and have concluded that the Group has sufficient funds available to meet its commitments for at least the next twelve months from the date of the approval of financial statements.

The Directors regularly review the funding position of the Group and its cash flow forecasts. As a significant proportion of costs are discretionary, the Directors are able to take action to reduce expenditure should this be necessary.

The development of the Group's properties through to production and revenue generation will depend on the Group's ability to obtain financing through the raising of equity capital, joint venture of projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the required financing. If the Group is unable to obtain additional financing as needed, some interests may be relinquished and / or the scope of the operations reduced.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 May each year. Control is achieved where the Company has the 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 accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination. Losses applicable to the non-controlling interest in excess of the non-controlling parties' interests in the subsidiaries equity are allocated against the interest of the Group except to the extent that the non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Joint ventures

Where the Group holds an interest in a jointly controlled entity, it accounts for its interest using the equity method. Under the equity method, the investment in the jointly controlled entity is recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the joint venture after the date of recognition.

Where the Group contributes or sells assets to a joint venture in exchange for an equity interest in the jointly controlled entity, the Group recognises in profit and loss for the period the proportion of the gain or loss attributable to the equity interests of the other ventures.

Leasing

Rentals payable by the Group under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US Dollars ("\$"), which is the functional currency of all of the entities in the Group, and the presentation currency for the consolidated financial statements.

Exchange differences are recognised in the profit or loss in the period in which they arise.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Property, plant and equipment

Property, plant and equipment ("PP&E") are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation and amortisation is charged so as to write off the cost or valuation of assets, other than land, over their estimated useful lives, using the straight-line method, on the following bases:

Development assets – vehicles	33.3% per annum
Development assets – other	33.3% per annum
Other	33.3% per annum

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment 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 asset 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 costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a 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 (or 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 a 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 (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible exploration and evaluation assets

The Group applies the full cost method of accounting for exploration and evaluation ("E&E") costs, having regard to the requirements of *IFRS 6 Exploration for and Evaluation of Mineral Resources*. Under the full cost method of accounting, costs of exploring for and evaluating mineral resources are accumulated by reference to appropriate cost centres being the appropriate licence area, but are tested for impairment on a cost pool basis as described below.

E&E assets comprise costs of (i) E&E activities that are ongoing at the balance sheet date, pending determination of whether or not commercial reserves exist and (ii) costs of E&E that, whilst representing part of the E&E activities associated with adding to the commercial reserves of an established cost pool, did not result in the discovery of commercial reserves.

Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to the income statement as they are incurred.

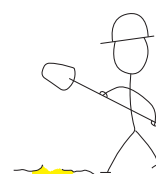
Exploration and evaluation costs

All costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Such costs include directly attributable overheads, including the depreciation of property plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the E&E phases.

Treatment of E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined. If commercial reserves have been discovered, the related E&E assets are assessed for impairment on a cost pool basis as set out below and any impairment loss is recognised in the income statement. The carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as development and production assets.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

Impairment of E&E assets

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include, but are not limited to, those situations outlined in paragraph 20 of *IFRS 6 Exploration for and Evaluation of Mineral Resources* and include the point at which a determination is made as to whether or not commercial reserves exist.

Where there are indications of impairment, the E&E assets concerned are tested for impairment. Where the E&E assets concerned fall within the scope of an established full cost pool, the E&E assets are tested for impairment together with all development and production assets associated with that cost pool, as a single cash-generating unit.

The aggregate carrying value is compared against the expected recoverable amount of the pool, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. Where the E&E assets to be tested fall outside the scope of any established cost pool, there will generally be no commercial reserves and the E&E assets concerned will generally be written off in full.

Any impairment loss is recognised in the income statement as additional depreciation and amortisation, and separately disclosed.

The Group considers the whole of Liberia to be one cost pool and therefore aggregates all Liberian assets for the purposes of determining whether impairment of E&E assets has occurred.

Financial instruments

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Derecognition of financial assets and financial liabilities

The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

Trade and other payables

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

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic resource will result and that outflow can be reliably measured.

Rehabilitation

Provisions are made for the estimated rehabilitation costs relating to areas disturbed during exploration activities up to reporting date but not yet rehabilitated. Changes in estimate are dealt with on a prospective basis as they arise.

Share-based payments

The Group has applied *IFRS 2 Share based Payment* for all grants of equity instruments.

The Group has used shares and share options as consideration for goods and services received from suppliers and employees.

Equity-settled share based payments to employees and others providing similar services are measured at fair value at the date of grant. The fair value determined at the grant date of such an equity-settled share based instrument is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest. The corresponding amount is credited to retained earnings.

Equity-settled share based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably or excess fair value of the identifiable goods or services received, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair value determined at the grant date of such an equity-settled share based instrument is expensed since the shares vest immediately. Where the services are related to the issue of shares, the fair values of these services are offset against share premium.

Fair value is measured using the Black-Scholes model. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Warrants

Due to the exercise price of the warrants being in a different currency to the functional currency to the Group, at each reporting date the warrants are valued at the fair value with changes of fair value recognised in the profit and loss as they arise. Fair value is measured using the Black-Scholes model.

Accounting for Royalty Financing

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 19 requires an assessment of whether the substance of the arrangements constituted a financial liability. As prior to commercial production the Group can be required to deliver cash to the provider in certain circumstances which are not all within the Group's control then this is considered by the Group to represent a financial liability. The Group has chosen not to designate this as "a fair value through profit or loss" financial liability and therefore it is recognised at amortised cost. On commencement of commercial production, once the Group is only obliged to pay a percentage of its revenue, then this is considered to have extinguished the financial liability, and this is recognised as a part disposal of the relevant asset.

Segmental reporting

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

The Board of Directors consider there to be only one operating segment during the year, the exploration and development of mineral resources, and only one geographical segment, being Liberia. Therefore, no additional segmental information is presented.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

The following are the critical judgements and estimations that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

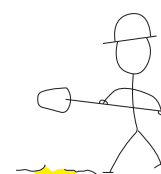
Recoverability of exploration and evaluation assets

Determining whether an E&E asset is impaired requires an assessment of whether there are any indicators of impairment, including by reference to specific impairment indicators prescribed in *IFRS 6 Exploration for and Evaluation of Mineral Resources*. As E&E assets are assessed for impairment on a cost pool basis the existence and quantum of any impairment is dependent on the choice of basis of cost pools. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. This assessment involves judgement as to: (i) the likely future commerciality of each cost pool of assets; (ii) when such commerciality should be determined; and (iii) the potential future revenues and the value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Share-based payments

In order to calculate the charge for share based compensation for the options granted in the year as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 22.

The critical judgement for the share options granted on 27 June 2011, 11 July 2012, and 5 December 2013 was the expected volatility of the share price which was estimated based on the Company's own historic volatility and those of other quoted exploration companies.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

5 Administrative expenses by nature

	2014 \$'000	2013 \$'000
Other income	(60)	(160)
Depreciation of property, plant and equipment (note 14)	97	133
Staff costs excluding share based payments and employers NI accrual on share options	1,712	1,667
Net foreign exchange (gains) / losses	(9)	7
Audit fees (note 6)	52	49
Non-audit fees payable to associates of the Company's auditor (note 6)	11	—
Communications and IT	56	52
Insurance	50	52
Marketing	183	279
Charitable donations	2	80
Office expenses	169	236
Professional and consultancy	510	506
Acquisition costs (see note 26)	499	—
Travel and accommodation	224	220
Bank charges	29	32
Share based payments	454	679
Charge / (release) of employers NI accrual on share options	110	(367)
	4,089	3,465

6 Auditor's remuneration

Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services:

	2014 \$'000	2013 \$'000
Audit fees		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	52	49
Total audit fees	52	49
Non-audit fees payable to associates of the Company's auditor		
Taxation services	11	—
Total non-audit fees	11	—

7 Staff costs

The average monthly number of employees and Directors was:

	2014 Number	2013 Number
Directors	7	7
Other employees	150	188
	157	195

	2014 \$'000	2013 \$'000
Their aggregate remuneration comprised:		
Wages and salaries	3,501	3,553
Social security costs	385	(13)
Pension	98	103
Share based payments	480	774
	4,464	4,417

Within wages and salaries, \$1,050,000 (2013: \$992,000) relates to amounts paid to Directors, and included within pension is an amount of \$79,000 (2013: \$78,000) relating to pension contributions in respect of Directors.

Included within staff costs is \$2,189,000 (2013: \$2,438,000) capitalised to intangible exploration and evaluation assets.

Included within social security costs is a provision of \$110,000 (2013: release of a provision of \$367,000) for the potential employer's social security contributions in respect of the share options issued to employees and Directors. No amounts are payable until the relevant share options are exercised, and the amount actually payable will relate to the actual gain made on exercise.

8 Finance income

	2014 \$'000	2013 \$'000
Interest on bank deposits	67	157
Foreign exchange gain	267	—
Gain on revaluation of warrants (note 21)	—	306
	334	463

The foreign exchange gain arose on non-functional currency bank deposits.

9 Finance expense

	2014 \$'000	2013 \$'000
Foreign exchange loss	—	145
Loss on revaluation of warrants (note 21)	86	—
	86	145

The foreign exchange loss arose on non-functional currency bank deposits.

10 Tax

The taxation charge for the year can be reconciled to the loss per the income statement as follows:

	2014 \$'000	2013 \$'000
Loss before tax	(4,466)	(3,372)
Tax credit at the rate of tax 23% (2013: 24%)	(1,028)	(809)
Tax effect of non-deductible expenses	4	2
Items not subject to tax	20	(73)
Deferred tax asset not recognised	1,004	880
Tax expense and effective tax rate for the year	—	—

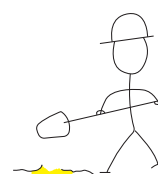
11 Loss per ordinary share

Basic loss per ordinary share is calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year.

The calculation of the basic and diluted loss per share is based on the following data:

	2014 \$'000	2013 \$'000
Losses		
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(4,466)	(3,372)
Number of shares	2014 Number	2013 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	58,120,724	55,000,447
Loss per ordinary share	2014 \$ cents	2013 \$ cents
Basic and diluted	(7.68)	(6.13)

At the balance sheet date there were 7,249,658 (2013: 6,474,658) potentially dilutive ordinary shares. Potentially dilutive ordinary shares include share options issued to employees and Directors, warrants issued to the IFC and the conditional acquisition of the 20% interest in the Joe Village licence, which it did not previously own as described in note 20. In 2014 the potential ordinary shares are anti-dilutive and therefore diluted loss per share has not been calculated.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

12 Joint venture

Iron Bird Resources Inc ("Iron Bird") is a joint venture on an equal 50% basis between the Group and Petmin Limited ("Petmin"). Iron Bird holds the Mount Ginka licence and conducts exploration of iron ore in northern Liberia. Petmin Limited has been listed on the JSE since 1986 and the London Stock Exchange's AIM since 2006. Ian Cockerill is the Chairman of Petmin Limited.

Investment in joint venture:

	\$'000
Investment in joint venture as at 1 June 2012	936
Share of joint venture results for the period from 31 May 2012 to 31 May 2013	(225)
Investment in joint venture as at 31 May 2013	711
Share of joint venture results for the period from 31 May 2013 to 31 May 2014	(625)
Investment in joint venture as at 31 May 2014	86

The Group's interest in the joint venture as at 31 May 2014 is set out below:

	\$'000
Share of:	
Non-current assets	—
Current assets	98
Current liabilities	(12)
Net assets	86

As at 31 May 2014 \$185,000 (2013: \$382,000) was due from the Company and Group to the joint venture. As at 31 May 2014 \$nil (2013: \$185) was due from the joint venture to the Company and Group.

The joint venture had no revenue in the period.

Both Petmin and the Company have the option to contribute equally to future fundraisings.

13 Intangible exploration and evaluation assets

	\$'000
Cost	
At 1 June 2012	32,522
Additions	14,067
At 1 June 2013	46,589
Additions	10,149
At 31 May 2014	56,738

Additions to intangible exploration and evaluation assets during the year include \$374,000 (2013: \$700,000) of capitalised depreciation of property, plant and equipment used in exploration and evaluation activities.

14 Property, plant and equipment

	Development assets – vehicles \$'000	Development assets – other \$'000	Other \$'000	Total \$'000
Cost				
At 1 June 2012	1,523	1,145	426	3,094
Additions	—	33	44	77
At 1 June 2013	1,523	1,178	470	3,171
Additions	—	—	—	—
Disposals	—	(59)	(1)	(60)
At 31 May 2014	1,523	1,119	469	3,111
Accumulated depreciation				
At 1 June 2012	915	590	226	1,731
Charge for the year	403	304	126	833
At 1 June 2013	1,318	894	352	2,564
Charge for the year	192	191	88	471
Disposals	—	(31)	—	(31)
At 31 May 2014	1,510	1,054	440	3,004
Carrying amount				
At 31 May 2014	13	65	29	107
At 31 May 2013	205	284	118	607

Of the property, plant and equipment depreciation charged in the year \$374,000 (2013: \$700,000) was capitalised into intangible exploration and evaluation assets, with the balance being charged to the income statement.

15 Subsidiaries

The Company had investments in the following subsidiary undertakings as at 31 May 2014, which principally affected the losses and net assets of the Group:

Name	Country of incorporation and operation	Proportion of voting interest %	Activity
Directly held			
Hummingbird Resources (Liberia) Inc.	Liberia	100	Exploration
Afro Minerals Inc.	Liberia	80	Exploration
Golden Grebe Mining Limited	United Kingdom	100	Holding company Service & finance company
Trochilidae Resources Limited	Isle of Man	100	
Indirectly held			
Deveton Mining Company	Liberia	80	Exploration
Sinoe Exploration Limited	Liberia	90	Exploration
Hummingbird Security Limited	Liberia	100	Security

16 Current assets

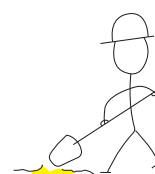
Trade and other receivables

	2014 \$'000	2013 \$'000
Other receivables	112	88
VAT recoverable	227	273
Prepayments and accrued income	338	392
	677	753

The Directors consider that the carrying amount of the other receivables approximates their fair value and none of which are past due.

Cash and cash equivalents

Cash and cash equivalents as at 31 May 2014 of \$6,983,000 (2013: \$13,692,000) comprise cash held by the Group. The Directors consider that the carrying amount of these assets approximates their fair value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

17 Deferred tax

Differences between IFRS and statutory tax rules give rise to temporary differences between the carrying values of certain assets and liabilities for financial reporting purposes and for income tax purposes.

At 31 May 2014, the Group had unrecognised deferred tax assets of \$2,997,000 (2013: \$3,300,000) in respect of UK and Liberian tax losses. No deferred tax asset has been recognised in respect of these amounts as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

18 Trade and other payables

	2014 \$'000	2013 \$'000
Trade payables	755	1,862
Other taxes and social security	93	111
Accruals	1,219	576
Other payables	8	15
	2,075	2,564

The average credit period taken for trade purchases is 28 days (2013: 51 days). Where possible the Group seeks to settle agreed payables within the contractual timeframe.

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Operating lease commitments

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 \$'000	2013 \$'000
Within one year	199	130
In the second to fifth years inclusive	224	361
After five years	18	32
	441	523

Operating lease payments represent rentals payable by the Group for properties located in Liberia and the head office in the UK.

19 Other financial liabilities

	2014 \$'000	2013 \$'000
Royalty liability	15,000	10,000
Warrant liability (see notes 8 and 21)	135	49
	15,135	10,049

Royalty liability

On 17 December 2012 the Group entered into a royalty financing arrangement with APG AUS No 5 Pty Limited (a wholly owned subsidiary of Anglo Pacific Group Plc) ("APG") in relation to the Dugbe 1 Project.

Under the terms of the agreement APG agreed to advance \$15m in three equal tranches subject to the satisfaction of certain criteria.

The first tranche of \$5m was received on 14 March 2013 and the second tranche of \$5m was received on 10 April 2013, the third tranche of \$5m was received on 13 March 2014 giving a total of \$15m due at 31 May 2014.

The advances will be converted into a 2% net smelter return royalty from any sales of product mined within a 20km radius of Dugbe F. After an initial grace period of six months following the commencement of commercial production, in the event that quarterly sales of gold produced are less than 50,000 oz, additional quarterly payments will be required until such time as the cumulative royalty paid is \$15m (the maximum total payment in any such quarter is equivalent to the royalty that would have arisen on sales of 50,000 oz of gold). Following this period the royalty is 2% except where both the average gold price is above \$1,800 and sales of gold are less than 50,000 oz, in which case it increases to 2.5% in respect of that quarter.

These advances do not bear interest and are only repayable in certain limited circumstances prior to the commencement of commercial production. Should the Group cease to use all reasonable commercial endeavours to be granted an MDA covering the Dugbe 1 Project, then the advances become repayable.

Until the commencement of commercial production when the liability will be extinguished and treated as a part disposal of the Group's economic interest in the Dugbe 1 Project a financial liability of the amount advanced exists.

Issue costs of \$292,000 have been capitalised within intangible exploration and evaluation assets.

The amounts advanced are secured by legal charges over the assets of Hummingbird Resources (Liberia) Inc and Sinoe Exploration Limited, and a legal charge over the shares of Hummingbird Resources (Liberia) Inc, Sinoe Exploration Limited and Golden Grebe Mining Limited. Additionally the Company has provided a guarantee to APG regarding the obligations of its subsidiaries in respect of this arrangement.

20 Share capital

Authorised share capital

As permitted by the Companies Act 2006, the Company does not have an authorised share capital.

Issued equity share capital

	2014		2013	
	Number	\$'000	Number	\$'000
Issued and fully paid				
Ordinary shares of £0.01 each	59,484,764	953	56,726,371	908

The Company has one class of Ordinary shares which carry no right to fixed income.

	Ordinary Shares of £0.01 Number
At 1 June 2012	53,410,565
Share options exercised (a)	90,000
Issue of shares (b)	3,225,806
At 1 June 2013	56,726,371
Issue of shares (c)	2,758,393
At 31 May 2014	59,484,764

(a) Share options exercised

90,000 share options were exercised during the prior year raising gross proceeds of £43,750 (\$70,000).

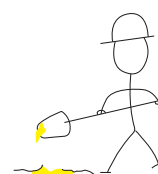
(b) Issue of shares

On 12 December 2012 3,225,806 shares were issued at a price of £0.93 to the International Finance Corporation ("IFC") in return for £3,000,000. In addition the Company has granted the IFC warrants to subscribe for a further 1,612,903 new ordinary shares. The warrants are at a strike price of £1.4415 over a five year term. Issue costs of \$43,000 have been offset against the consideration received.

(c) Issue of shares

On 28 November 2013 2,758,393 shares were issued at a price of £0.41 to Exploration Capital Partners 2012 Limited Partnership ("Exploration Capital") in return for £1,127,000. Exploration Capital is a private investment fund managed by Resource Capital Investment Corp., part of the Sprott Group of Companies.

On 29 February 2012 the Group entered into a conditional agreement to acquire the 20% interest in its Joe Village licence, which it did not previously own, for 103,255 ordinary shares in the Company. At 31 May 2014 the acquisition had not yet completed and the shares had not been issued.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

21 Warrants issued

On 12 December 2012 the Company granted 1,612,903 warrants to the IFC:

Total number of warrants granted	1,612,903
Exercise price of the warrants	£1.4415
Final exercise date:	12/12/2017

The fair value of the warrants granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the warrants were granted. The expected volatility was determined based on the volatility of the Company's own historic volatility from listing on AIM.

The table below lists the principal assumptions and inputs to the model used to fair value the warrants granted on the 12 December 2012 and to fair value the warrants at 31 May 2014:

	31 May 2014	31 May 2013
Share price	£0.4650	£0.4150
Expected dividend yield	Nil	nil
Expected volatility	51.05%	41.16%
Expected life	3.5 years	4.5 years
Risk free interest rate	1.87%	1.06%

The loss arising on the change in value of the warrants between 31 May 2013 and 31 May 2014 is disclosed in note 9.

22 Share based payments

	2014 \$'000	2013 \$'000
Share based payment charge for share options granted 5 December 2013	345	—
Share based payment charge for share options granted 11 July 2012	132	598
Share based payment charge for share options granted 27 June 2011	3	176
Total share based payment charge	480	774

Included within share based payments, is \$26,000 (2013: \$95,000) capitalised to intangible evaluation & exploration assets.

Equity settled share-based payments granted in the year to 31 May 2014

On 5 December 2013 the Company granted 2,336,500 share options to certain Directors, Group employees, and consultants. As a condition of the grant of 1,501,500 of these options was that previously issued share options were voluntarily relinquished by the holders (628,000 options granted 27 June 2011 and 873,500 options granted 11 July 2012). 432,500 of these share options have an exercise date based on the signing date of a Mineral Development Agreement with the Government of Liberia.

Total number of share options granted	2,336,500
Exercise price of the options	\$0.671 (£0.41)
Exercise period:	
Tranche 1 – 1 June 2014 and 1 June 2024	952,000
Tranche 2 – 1 June 2015 and 1 June 2025	952,000
Date of signing of MDA with Liberian Government and 10 years after such date	432,500
Number of share options lapsed during the current period	—
Number of share options outstanding as at 31 May 2014	2,336,500

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM.

The table below lists the principal assumptions and inputs to the model used for options granted on the 5 December 2013:

Share price at the date of grant	\$0.614 (£0.375)
Expected dividend yield	nil
Expected volatility	51.18%
Expected life	5 years
Risk free interest rate	1.65%

Equity settled share-based payments granted in the year to 31 May 2013

On 11 July 2012 the Company granted 989,000 share options to certain Directors and employees.

Total number of share options granted	989,000
Exercise price of the options	\$1.738 (£1.12)
Exercise period:	
Tranche 1 – 11 June 2012 and 11 June 2021	494,500
Tranche 2 – 11 June 2013 and 11 June 2021	494,500
Number of share options lapsed during prior periods	(53,000)
Number of share options lapsed during the current period (excluding those voluntarily lapsed)	(50,000)
Number of share options voluntarily lapsed during the current period	(873,500)
Number of share options outstanding as at 31 May 2014	12,500

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM.

The table below lists the principal assumptions and inputs to the model used for options granted on the 11 July 2012:

Share price at the date of grant	\$1.714 (£1.105)
Expected dividend yield	nil
Expected volatility	68%
Expected life	5 years
Risk free interest rate	0.61%

Equity-settled share based payments granted in the year to 31 May 2012

On 27 June 2011 the Company granted 1,023,000 share options to certain Directors, employees and consultants.

Total number of share options granted	1,023,000
Exercise price of the options	\$1.994 (£1.25)
Exercise period:	
Tranche 1 – 27 June 2012 and 27 June 2021	511,500
Tranche 2 – 27 June 2013 and 27 June 2021	511,500
Number of share options lapsed during prior periods	(295,500)
Number of share options lapsed during the current period (excluding those voluntarily lapsed)	(10,000)
Number of share options voluntarily lapsed during the current period	(628,000)
Number of share options outstanding as at 31 May 2014	89,500

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as well as the Company's own historic volatility from listing on AIM.

The table below lists the principal assumptions and inputs to the model used for options granted on the 27 June 2011:

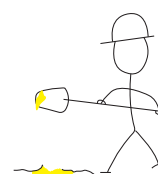
Share price at the date of grant	\$1.978 (£1.24)
Expected dividend yield	nil
Expected volatility	70%
Expected life	5 years
Risk free interest rate	1.87%

Equity settled share-based payments granted in the year to 31 May 2011

On 26 October 2010 the Company granted 78,000 share options with an exercise price of £21.875. On 23 November 2010 as a result of the bonus issue the Company adjusted the options granted, to increase the number of ordinary shares over which options were held by an additional 44 options for every one option held and to decrease the exercise price by a factor of 45 such that the option holders were in the same economic position as before the bonus issue. As a result there were 3,510,000 options outstanding as of 31 May 2011 with an exercise price of £0.48611 each. These share options are exercisable in the period between 24 December 2011 and 26 October 2020. These share options issued to employees and Directors normally lapse on cessation of employment or holding office.

Total number of share options granted (post bonus issue)	3,510,000
Exercise price of the options	£0.48611
Exercise period – 24 December 2011 and 26 October 2020	3,510,000
Number of share options lapsed in prior periods	(270,000)
Number of share options exercised in prior periods	(145,000)
Number of share options outstanding as at 31 May 2014	3,095,000

The fair value of equity-settled share options granted was estimated as at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The expected volatility was determined based on the volatility of similar quoted companies as the Company was not quoted at the time.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

The table below lists the principal assumptions and inputs to the model used for options granted on the 26 October 2010:

Share price at the date of grant	\$0.778 (£0.486)
Expected dividend yield	nil
Expected volatility	65%
Expected life	5 years
Risk free interest rate	3%

23 Notes to the statement of cash flows

	2014 \$'000	2013 \$'000
Loss before tax	(4,466)	(3,372)
Adjustments for:		
Depreciation of property, plant and equipment	97	133
Share based payments	454	679
Finance income	(334)	(463)
Finance expense	86	145
Share of joint venture loss	625	225
Operating cash flows before movements in working capital	(3,538)	(2,653)
Decrease in receivables	32	31
Increase / (decrease) in payables	479	(478)
Decrease in amounts due from joint venture	—	35
Decrease in amounts due to joint venture	(197)	(757)
Net cash outflow from operating activities	(3,224)	(3,822)

Cash and cash equivalents (which are presented as a single class of assets on the balance sheet) comprise cash in hand, cash at bank and short term bank deposits with an original maturity of three months or less. The carrying value of these assets is approximately equal to their fair value.

24 Financial Instruments

In common with all other businesses, the Group and Company are exposed to risks that arise from its use of financial instruments. This note describes the Group's and Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Capital

The Company and Group define capital as share capital, share premium and retained earnings. In managing its capital, the Group's primary objective is to provide a return to its equity shareholders through capital growth. Going forward the Group will seek to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues or the issue of debt, the Group considers not only its short-term position but also its long term operational and strategic objectives.

Externally imposed capital requirements

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 3 to the Consolidated Financial Statements.

Principal financial instruments

The principal financial instruments used by the Group from which financial risk arises are as follows:

	2014 \$'000	2013 \$'000
Financial assets		
Cash and cash equivalents	6,983	13,692
Other receivables	112	88
VAT recoverable	227	273
	7,322	14,053
Financial liabilities		
Trade payables	755	1,862
Other payables	8	15
Royalty liability (see note 19)	15,000	10,000
Warrant liability ¹ (see note 21)	135	49
Amounts due to joint venture (see note 12)	185	382
	16,083	12,308

1 The fair value of the warrant liability (see note 21) has been determined using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data and is therefore a level 3 financial instrument. Where inputs can be observed from market data without undue cost and effort, the observed input has been used. Otherwise, management determines a reasonable estimate for the input.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. Whilst retaining ultimate responsibility for these, the Board has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives regular reports from the Group's finance function through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

Credit risk arises principally from the Group's investment in cash deposits. The Group seeks to deposit funds with reputable financial institutions until such time as it is required.

The Group does not have any significant credit risk exposure on trade and other receivables.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Liquidity risk

Liquidity risk arises from the Group and Company's management of working capital and the amount of funding committed to its exploration programme. It is the risk that the Group or Company will encounter difficulty in meeting its financial obligations as they fall due.

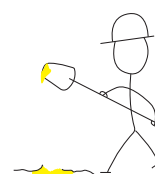
The Group and Company's policy is to ensure that sufficient funds will be available to allow it to meet its liabilities as they fall due. To achieve this, the Board receives cash flow projections as well as information regarding available cash balances on a regular basis. The Board will not commit to material expenditures prior to being satisfied that sufficient funding is available.

The Group's financial liabilities are not significant and therefore no maturity analysis has been presented. All financial liabilities held by the Group are non-interest bearing.

Foreign exchange risk and foreign currency risk management

The Group is exposed to foreign exchange risk through certain of its costs being denominated in currencies other than the functional currency (in particular Sterling), and from holding Sterling cash balances.

Although the Group has no formal policy in respect of foreign exchange risk, as the majority of the Group's forecast expenditures are in United States Dollars and Sterling, the Group holds the majority of its funds in these two currencies. Currency exposures are monitored on a monthly basis.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

The carrying amounts of the Group's and Company's foreign currency denominated financial assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Euros ("€")	13	37	19	55
Sterling ("GBP")	685	592	2,976	4,386
Canadian Dollars ("CAD")	—	—	71	6
South African Rand ("ZAR")	48	17	449	29
Australian Dollars ("AUD")	54	5	204	35

Foreign currency sensitivity analysis

The Group is exposed primarily to movements in GBP against the \$. Sensitivity analyses have been performed to indicate how the profit or loss would have been affected by changes in the exchange rate between the \$ and GBP. The analysis is based on a weakening and strengthening of the \$ by 10% against the GBP in which the Group has assets and liabilities at the end of each respective period. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three to five year timeframe. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A positive number below indicates an increase in profit where the \$ strengthens 10% against the GBP. For a 10% weakening of the \$ against the GBP, there would be an equal and opposite impact on the profit, and the balance below would be negative.

The following table details the Group's sensitivity to a 10% strengthening in the \$ against the GBP.

	2014 \$'000	2013 \$'000
Decrease in income statement and net assets	(229)	(380)

25 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Stephen Betts & Sons Limited

During the year the Company charged Stephen Betts & Sons Limited \$nil (2013: \$38,000) under a contract for the provision of office equipment and premises. Additionally during the year Stephen Betts & Sons Limited charged the Company \$92,000 (2013: \$88,000) under a contract for the provision of staff, office equipment and premises. \$9,000 was accrued outstanding between the parties as at 31 May 2014 (2013: \$nil). The amounts outstanding are unsecured and will be settled in cash.

Stephen Betts & Sons Limited is a related party of the Group because Stephen Betts and Daniel Betts are shareholders and Directors of that company.

Transactions with The Pygmy Hippo Foundation

During the year the Company made charitable contributions to The Pygmy Hippo Foundation of \$2,000 (2013: \$80,000). At 31 May 2014 The Pygmy Hippo Foundation owed the Company \$nil (2013: \$18,000). The Pygmy Hippo Foundation is a related party as Daniel Betts, Thomas Hill and William Cook are Directors of the Company and The Pygmy Hippo Foundation.

Joint venture with Petmin Limited (Iron Bird Resources Inc)

During the prior year, the Group entered into a transaction with Petmin Limited as described in note 12. Petmin Limited is a related part of the Group because Petmin Limited is a joint venture partner and Ian Cockerill is the chairman of that company. During the year the Group received management fees of \$60,000 (2013: \$160,000) from Iron Bird Resources Inc.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in *IAS 24 Related Party Disclosures*.

	2014 \$'000	2013 \$'000
Short-term employee benefits	1,056	998
Social security cost	133	126
Pension	79	78
Share based payment charge	371	584
Provision/(reduction) for potential social security costs on share options	92	(354)
	1,731	1,432

26 Events after the reporting date

Acquisition of Mali assets from Gold Fields Limited

On 2 July 2014 the Company acquired all of the mining and exploration interests, represented principally by the Yanfolila Project, from Gold Fields Metals BV and Gold Fields Orogen Holding (BVI) Limited (collectively "Gold Fields"). The purchase price of US\$20,000,000 approved by shareholders for the issue of 21,258,503 ordinary shares in Hummingbird Resources Plc at a price of £0.56 per share at a Sterling to \$ exchange rate of \$1.68. The fair value of the consideration when the shares were issued was \$21,116,000 through the issue of 21,258,503 at a £0.58 share price and a Sterling to \$ exchange rate of \$1.7126.

Direct costs related to the acquisition charged to the income statement include \$499,000 (note 5) in respect of the year ended 31 May 2014.

Long term incentive plan

On 1 July 2014 the shareholders approved the adoption of a long term incentive plan ('LTIP') for the purpose of retaining, motivating and building an appropriate senior executive team to deliver the proposed new strategy.

Participants in the LTIP are expected to be limited to selected senior executives. The LTIP will issue shares to the participants for adding material long term shareholder value and therefore align the interests of the senior executives with the shareholders by providing a strong incentive for the senior executives to drive shareholder value. The value that may be delivered to executives and the dilution of shareholders are commensurate with levels applying in schemes implemented by industry comparators.

Under the LTIP, shares may be distributed to participants depending upon the value that has been added to shareholders over the vesting period. No value will accrue to the LTIP if the growth in shareholder value is less than 50% of the market capitalisation of Hummingbird on the date of inception. If the growth in shareholder value is over 50%, a proportion of value added to shareholders will accrue to the LTIP, increasing progressively, starting at 5% of the value added to shareholders up to a maximum of 15% of the value added to shareholders above 150%. Shares with a value equal to the value accrued in the LTIP will be issued on vesting. There is also the flexibility to allow early payments under the LTIP where assets or companies are disposed of and value has been added exceeding 50% on the same principles. The allocation and vesting (subject to a minimum of 2 years) of the LTIP shall be at the discretion of Daniel Betts (for as long as he is an executive director), subject to the approval of the Remuneration Committee.

The absolute dilution limit relating to awards under employee share incentive schemes (including this LTIP) is 20%.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

Funding for Yanfolila

The Company through its wholly owned subsidiary, Trochilidae Resources Limited ("Trochilidae"), on 11 August 2014 entered into a Mandate Letter and Bridge Facility Agreement with Taurus Mining Finance Fund ("Taurus"). The Mandate Letter provides the terms of the Bridge Facility Agreement and also sets out the key terms of the tied refinancing mandate for \$75m.

The key terms of the Bridge Facility Agreement are as follows:

- 18 month term funding of \$10m
- Interest rate of 9% per annum paid semi annually
- Arrangement fee of 1% of facility amount
- Early repayment at option of the borrower
- Mortgage over the shares of Glencar Mining Plc

On 15 August 2014 the full \$10m available under the Bridge Facility Agreement was drawn down.

Share options

Since the year end 24,500 share options that were granted on 27 June 2011 have lapsed.

Issue of shares

On 6 October 2014 4,100,000 shares were issued at a price of £0.45 to Exploration Capital Partners 2000 Limited Partnership ("Exploration Capital 2000") raising £1,845,000 before issue costs. Exploration Capital is a private investment fund managed by Resource Capital Investment Corp., part of the Sprott Group of Companies.

COMPANY BALANCE SHEET

AS AT 31 MAY 2014

Hummingbird Resources PLC
Annual Report and Accounts 2014

Strategic Report
Report of the Directors
Accounts

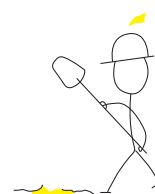
	Notes	2014 \$'000	2013 \$'000
Assets			
Non-current assets			
Investments	31	11,501	7,730
Property, plant and equipment	32	36	143
Receivables from subsidiaries	33	31,276	30,624
		42,813	38,497
Current assets			
Trade and other receivables	33	698	722
Cash and cash equivalents	33	6,654	12,018
		7,352	12,740
Total assets		50,165	51,237
Liabilities			
Current liabilities			
Trade and other payables	34	1,587	1,039
Other financial liabilities	34	135	49
Amounts due to joint venture		185	382
Total liabilities		1,907	1,470
Net assets		48,258	49,767
Equity			
Share capital	36	953	908
Share premium		48,135	46,355
Retained earnings		(830)	2,504
Total equity		48,258	49,767

The financial statements were approved by the Board of Directors and authorised for issue on 16 October 2014.

They were signed on its behalf by:

DE Betts
Director

The notes to the Company financial statements form part of these financial statements.



COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2014

	Notes	2014 \$'000	2013 \$'000
Net cash outflow from operating activities	37	(3,175)	(4,027)
Investing activities			
Disposals / (purchases) of property, plant and equipment		18	(69)
Investment in subsidiaries		(3,763)	(2,604)
(Increase) / decrease in amounts due from subsidiary companies		(592)	755
Interest received		56	69
Net cash used in investing activities		(4,281)	(1,849)
Financing activities			
Proceeds from issue of shares		1,825	4,486
Proceeds from warrants issued		—	355
Net cash from financing activities		1,825	4,841
Net decrease in cash and cash equivalents		(5,631)	(1,035)
Effect of foreign exchange rate changes		267	(145)
Cash and cash equivalents at beginning of year		12,018	13,198
Cash and cash equivalents at end of year		6,654	12,018

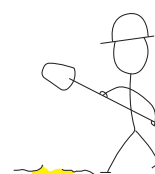
COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2014

Hummingbird Resources PLC
Annual Report and Accounts 2014

Strategic Report
Report of the Directors
Accounts

	Share capital \$'000	Share premium \$'000	Retained earnings \$'000	Total \$'000
As at 1 June 2012	855	41,922	4,778	47,555
Comprehensive loss for the year:				
Loss for the year	—	—	(3,048)	(3,048)
Total comprehensive loss for the year	—	—	(3,048)	(3,048)
Transactions with owners in their capacity as owners:				
Issue of shares	53	4,433	—	4,486
Total transactions with owners in their capacity as owners	53	4,433	—	4,486
Share based payments	—	—	774	774
As at 1 June 2013	908	46,355	2,504	49,767
Comprehensive loss for the year:				
Loss for the year	—	—	(3,814)	(3,814)
Total comprehensive loss for the year	—	—	(3,814)	(3,814)
Transactions with owners in their capacity as owners:				
Issue of shares	45	1,780	—	1,825
Total transactions with owners in their capacity as owners	45	1,780	—	1,825
Share based payments	—	—	480	480
As at 31 May 2014	953	48,135	(830)	48,258



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

27 Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006 (the 'Act'). As permitted by the Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

As permitted by section 408 of the Act, the Company has elected not to present its income statement for the year. Hummingbird Resources Plc reported a loss for the financial year ended 31 May 2014 of \$3,814,000 (2013: \$3,048,000).

Investments

Fixed asset investments, including investments in subsidiaries, are stated at cost and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

28 Critical accounting judgements and key sources of estimation uncertainty

The Company's financial statements, and in particular its investments in and receivables from subsidiaries, are affected by the critical accounting judgements and key sources of estimation uncertainty in respect of the recoverability of exploration and evaluation assets which are described in note 4 to the consolidated financial statements.

Recoverability of investment in subsidiaries and amounts due from subsidiaries

Where the majority of the assets of subsidiary undertakings are exploration and evaluation assets, determining whether an investment in and loan to a subsidiary is impaired requires an assessment of whether there are any indicators of impairment, of these underlying exploration and evaluation assets. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. This assessment involves judgement as to: (i) the likely future commerciality of each cost pool of assets; (ii) when such commerciality should be determined, and (iii) the potential future revenues and value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

As the market capitalisation of the Company was less than the carrying value of the Company's net assets as at 31 May 2014, an impairment review was carried out in respect of the carrying values of the investment in subsidiaries and the amounts due from subsidiaries as stated in the Company Balance Sheet. As a result of the positive Preliminary Economic Assessment on the Dugbe 1 Project which was published during the prior year and the Group proceeding with the DFS in respect of the Dugbe 1 Project, the Directors consider that there was no impairment as at 31 May 2014.

29 Auditor's Remuneration

The auditor's remuneration for audit and other services is disclosed in note 6 to the consolidated financial statements.

30 Staff costs

The average monthly number of employees (including Directors) was:

	2014 Number	2013 Number
Directors	7	7
Other employees	5	5
	12	12
	\$'000	\$'000
Their aggregate remuneration comprised:		
Wages and salaries	1,592	1,482
Social security costs	302	(185)
Pension	98	101
Share based payments	454	679
	2,446	2,077

Within wages and salaries, \$1,050,000 (2013: \$992,000) relates to amounts paid to Directors for services rendered. Included within staff costs is \$197,000 (2013: \$194,000) recharged to subsidiaries as intangible exploration and evaluation assets.

Included within social security costs is a provision of \$110,000 (2013: \$367,000 release of a provision) for the potential employers social security contributions in respect of the share options issued to employees and Directors.

Key management remuneration is disclosed in note 25 to the consolidated financial statements.

31 Investments

	Investment in subsidiaries 2014 \$'000	Investment in subsidiaries 2013 \$'000
Cost		
At 1 June	7,730	4,698
Additions	3,771	3,032
At 31 May	11,501	7,730

The Company's subsidiaries are disclosed in note 15 to the consolidated financial statements. The additions in the year relate to certain costs incurred by the Company on behalf of its subsidiaries that are not invoiced to subsidiaries, including share based payments. These costs are not repayable by the Company's subsidiaries.

32 Property, plant & equipment

	Development assets – other \$'000	Other \$'000	Total \$'000
Cost			
At 1 June 2012	69	294	363
Additions	16	45	61
At 1 June 2013	85	339	424
Additions	—	—	—
Disposals	(26)	(1)	(27)
At 31 May 2014	59	338	397
Accumulated depreciation			
At 1 June 2012	27	121	148
Charge for the year	27	106	133
At 1 June 2013	54	227	281
Charge for the year	15	82	97
Disposals	(17)	—	(17)
At 31 May 2014	52	309	361
Carrying amount			
At 31 May 2014	7	29	36
At 31 May 2013	31	112	143

33 Current Assets

Receivables from subsidiaries

At the balance sheet date amounts receivable from the fellow Group companies were \$31,276,000 (2013: \$30,624,000). These amounts are repayable on demand however these are not expected to be repaid within one year and no interest is currently charged. The carrying amount of these assets approximates their fair value.

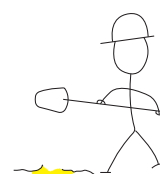
Trade and other receivables

	2014 \$'000	2013 \$'000
Other receivables	49	38
VAT recoverable	227	273
Prepayments and accrued income	422	411
	698	722

There are no past due or impaired receivables.

Cash and cash equivalents

Cash and cash equivalents as at 31 May 2014 of \$6,654,000 (2013: \$12,018,000) comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 31 MAY 2014

The Company's principal financial assets are bank balances and cash and receivables from related parties, none of which are past due. The Directors consider that the carrying amount of receivables from related parties approximates their fair value.

34 Current Liabilities

Trade and other payables

	2014 \$'000	2013 \$'000
Trade payables	699	689
Other taxes and social security	67	61
Accruals	814	274
Other payables	7	15
	1,587	1,039

The average credit period taken for trade purchases is 61 days (2013: 28 days).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Other financial liabilities

The Company's other financial liabilities are included within note 19 of the consolidated financial statements.

Amounts due to joint venture

Amounts due by the Company to the joint venture are disclosed in note 12.

Operating lease commitments

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 \$'000	2013 \$'000
Within one year	115	97
In the second to fifth years inclusive	94	—
After five years	—	—
	209	97

Operating lease payments represent rentals payable by the Company for the UK head office.

35 Share Capital

The movements on this item are disclosed in note 20 to the consolidated financial statements.

36 Share based payments

The Company's share based payments information is disclosed in note 22 to the consolidated financial statements.

37 Notes to the statement of cash flows

	2014 \$'000	2013 \$'000
Loss before tax	(3,814)	(3,048)
Adjustments for:		
Depreciation of property, plant and equipment	97	133
Share based payments	454	679
Finance income	(311)	(361)
Finance expense	86	145
Operating cash flows before movements in working capital	(3,488)	(2,452)
Decrease / (increase) in receivables	31	(446)
Increase / (decrease) in payables	479	(372)
Decrease in amounts due to joint venture	(197)	(757)
Net cash outflow from operating activities	(3,175)	(4,027)

38 Financial Instruments

The Company's strategy and financial risk management objectives are described in note 24.

Principal financial instruments

The principal financial instruments used by the Company from which risk arises are as follows:

	2014 \$'000	2013 \$'000
Financial assets		
Cash and cash equivalents	6,654	12,018
Other receivables	31,552	30,935
	38,206	42,953
Financial liabilities		
Trade payables	699	689
Other payables	7	15
Warrant liabilities ¹	135	49
Amounts due to joint venture	185	382
	1,026	1,135

1 The fair value of the warrant liability (see note 21) has been determined using a valuation technique where at least one input (which could have a significant effect on the instrument's valuation) is not based on observable market data, and is therefore a level 3 financial instrument. Where inputs can be observed from market data without undue cost and effort, the observed input has been used. Otherwise, management determines a reasonable estimate for the input.

The risks that the Company is subject to in addition to the Group risks described in note 24 are set out below:

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

In addition to the risks described in note 24, which affect the Group, the Company is also subject to credit risk on the balances receivable from its subsidiaries (see note 33).

Foreign currency exposure and sensitivity analysis

The Company's exposure to foreign currency exposure and sensitivity to exchange rates is the same as the Group's (see note 24).

39 Related parties

Amounts due from subsidiaries

The Company has entered into a number of unsecured related party transactions with its subsidiary undertakings. The most significant transactions carried out between the Company and its subsidiary undertakings are mainly for short and long-term financing. Amounts owed from these entities are detailed below:

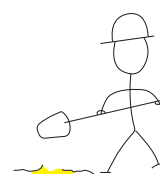
	2014 \$'000	2013 \$'000
Hummingbird Resources (Liberia) Inc.	31,276	30,624

These amounts are repayable on demand and no interest is currently charged.

The Company's transactions with other related parties and remuneration of key management personnel are disclosed in note 25 to the consolidated financial statements.

40 Events after the balance sheet date

Events after the balance sheet date are disclosed in note 26 to the Consolidated Financial Statements.



To mine, or not to mine: that is the question:
Whether 'tis nobler in the world to suffer
The slings and arrows of outrageous markets,
Or to take arms against a sea of troubles,
And by opposing end them? To mine: no sleep;
No rest; and by delivery say we end
The heart-ache and the thousand natural shocks
That Gold is heir to; 'tis a consummation
Devoutly to be wish'd. To mine, no sleep;
To build: perchance to pour: ay, there's the game;
For in that gold a death to all who doubt may come;
When tides do shift, and those who dared to dream
Do wake to find a golden sun upon their castle

Basil De Tent.



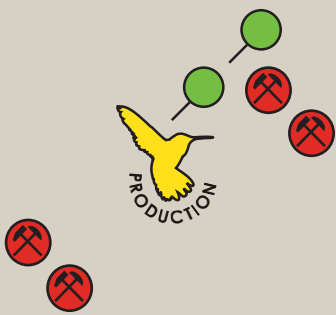
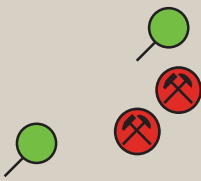
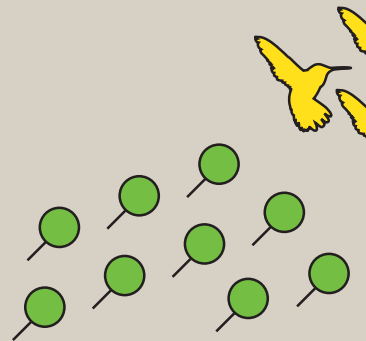
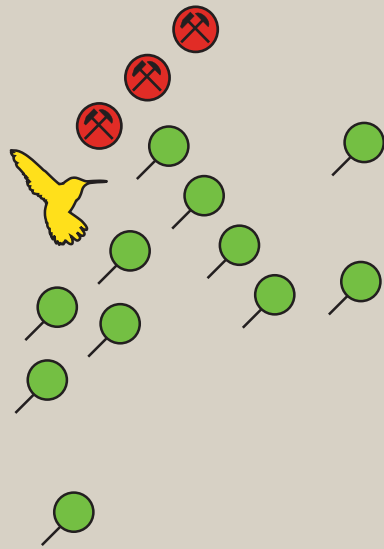
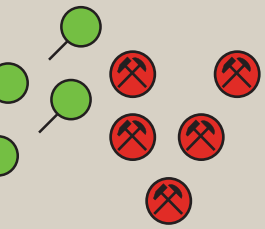


HUMMINGBIRD
RESOURCES

Hummingbird Resources Plc
22 Mount Row
London
W1K 3SF

Tel +44 (0)20 3416 3560

www.hummingbirdresources.co.uk



hummingbirdresources.co.uk

