ANNUAL REPORT DECEMBER 2014

HUMMINGBIRD RESOURCES

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Operational Highlights (includes post period highlights)

Mali – Yanfolila

- Yanfolila Project, 1.8Moz at 2.8g/t, in Mali
  - Completed acquisition of Yanfolila Project in Mali from Gold Fields Ltd (“Gold Fields”) in July 2014
  - Optimisation study published in March 2015
  - Initial earthworks underway, production due H1 2016
  - Targeting 100,000ozs gold production in year 1
  - IRR 35.1%, NPV US$72.4m
  - AISC US$733/oz, C1 Cash cost of US$641/oz
  - Significant potential to enhance economics and extend mine life

Liberia – Dugbe

- Dugbe 1 Project, 4.2Moz at 1.4g/t, in Liberia
  - Liberia’s largest gold resource with huge exploration potential
  - Collaboration Agreement signed with the International Finance Corporation (‘IFC’) and Aldwych International to conduct a-hydro electric power pre-feasibility study

Corporate

- Appointment of Russell King as Non-Executive Chairman
- Funding package of a US$95m for Yanfolila Project announced post period-end
- US$10m drawn down from Taurus Mining Finance Fund Bridge Facility

This Annual report has been written to cover the period from 1st June 2014 to 31st December 2014 and post period end. This is due to the change of year end for the Company to align it with all subsidiary Group companies. Please see the Company’s website for all up to date news including construction updates for the Yanfolila Project, www.hummingbirdresources.co.uk.

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Chairman's Statement

The last financial period, and my first as Chairman of the Company, has been an extremely busy one. During the period the Company successfully acquired the Yanfolila Project from Gold Fields and embarked on a rapid Optimisation Study to 'right size' Gold Fields' studies to the current environment. Since the end of the period the Company has also announced the results of the Optimisation Study, completed a successful placement and started earthworks at Yanfolila. As well as this, the Company continues to progress the Dugbe 1 Project in Liberia. The Company has recently signed a Collaboration Agreement with the IFC on a hydro-electric power pre-feasibility study as part of our continued drive to add value to the Project.

As I present to you the Company's Annual Report I believe the business is well placed and on track to deliver value to our shareholders. In the midst of an ongoing bear market for miners the Company has grown its assets significantly and is due to commence production in H1 2016 at its Yanfolila Project in Mali.

It has been a pleasure working with the management team since I joined and I look forward to chairing the Company as it becomes a gold producer and looks to take advantage of further expansion opportunities in the sector.

Russell King
Non-executive Chairman

CEO's Statement

It brings me great pleasure to write that initial earthworks have started at the Yanfolila Gold Project. We are due to start production in H1 2016 and will be targeting 100,000ozs of gold produced at an operating cash cost of US$641/oz in our first full year of commercial operations.

Optimisation Study:

The Optimisation Study shows a low-cost, low technical risk and quick route to gold production for Yanfolila. The initial target is 100,000oz of gold for the first year of full production with a LOM production of 79,000oz/year and an all-in sustaining cash cost of US$733/oz from a 1Mtpa plant. In addition, there are multiple options to significantly increase the project economics and LOM. These include, but are not limited to, the ability of the plant to now process up to 50% fresh ore and significant inferred ounces that have the ability to be upgraded and added to a mining schedule in the future. Importantly we have the team with the operational experience to achieve all of this.

Construction Update:

Earthworks will consist of initial excavation, placement, and compaction of fill materials of over 80,000 cubic metres. Work being undertaken will consist of: constructing the process plant terrace; plant infrastructure terrace; including reagent storage and handling; change house and security facility areas; power plant terrace; in plant roads; and storm event pond.

The objective of this work, which is due for completion by end June 2015, is to complete the preparation of level compacted areas at the Yanfolila plant site for use by the civil contractor to place structural concrete equipment foundations and slabs.

Financing:

On the 11th August 2014 the Group entered into a Mandate Letter and Bridge Loan Agreement with Taurus Mining Finance Fund LP, and subsequently drew down the full US$10m available under the Bridge Loan Agreement. The Mandate Letter set out the key terms of the refinancing mandate for a $75m facility to repay amounts due under the Bridge Loan Agreement and fund the construction of the Yanfolila Project. We are currently in discussions with Taurus over the next stage of funding. Additionally, following the period end the Company announced a funding package of $9.5m for the Yanfolila Project, consisting of $4.5m raised through a placing and open offer and a binding agreement with BCM International Limited to subscribe for up to $5m shares in lieu of payment for services.

Liberia:

The Dugbe 1 Project remains a company-making project with an anticipated 20 year mine life of over 125,000ozs/year production based on our PEA results. We are very happy to have signed the Collaboration Agreement with the IFC and Aldwych International, which is funded by the IFC Infraventures fund, to conduct a pre-feasibility study on the potential to build a 20-30MW hydro-electric run of river power plant 10-15km from the project site. With the cost of diesel power currently accounting for up to 40% of our operating costs, the potential for low cost hydro-electric power could have a significant material impact on the project economics. Work on reviewing and optimising the Dugbe 1 Project DFS is also ongoing and whilst we focus on getting Yanfolila in production we are taking the time to fully evaluate all opportunities to improve the existing DFS.

Conclusion:

I am very pleased to sign off by saying that by our next report I should be informing you of an imminent first gold pour pending completion of a successful construction and then commissioning phase. Thank you once again to all the staff at Hummingbird for your continued efforts in driving the business forward, and to our supportive shareholders.

Dan Betts
CEO

Technical Update
Yanfolila Gold Project, Mali

Highlights

- Initial earthworks commenced
- First gold pour due in H1 2016
- The Yanfolila Project aims to deliver (US$1,250 gold, post tax, 8% discount):
  - NPV US$72.4m
  - IRR 35.1%
  - 100,000oz year 1 full production after ramp up and 79,000oz p.a. over the 6.5 year LOM
  - 2.64g/t LOM grade
  - US$733/oz all-in sustaining costs, US$641 C1 cash cost
  - US$71.6m capex for a larger and longer life 1 Mtpa project
  - Opportunities identified to significantly improve economics and extend LOM
- Yanfolila Project is fully permitted with a 30 year mining licence and environmental permit granted
- Acquisition of the Yanfolila Gold Project completed in July 2014 for US$20m in shares at 56p/share

Construction update

Earthworks will consist of total excavation, placement, and compaction of fill materials of over 80,000 cubic metres. Work being undertaken will consist of constructing the process plant terrace; plant infrastructure terrace; including reagent storage and handling; change house and security facility areas; power plant terrace; in plant roads; and storm event pond.

The objective of this work, which is due for completion by end June 2015, is to complete the preparation of level compacted areas at the Yanfolila plant site for use by the civil contractor to place structural concrete equipment foundations and slabs.

Optimisation study

Hummingbird Resources has received the results of its Optimisation Study at its Yanfolila Gold Project in Mali. The study highlights the robust economics of the Project, includes the detailed plant engineering and process design work, enhanced geotechnical, hydrological and hydrogeological studies, as well as a robust mine plan. This allowed for construction to commence in April 2015, initially with plant earthworks. Construction is scheduled to take 12 months to complete, leading to first gold in H1 2016.

The Optimisation Study has been published and a copy can be viewed on our website, www.hummingbirdresources.co.uk.

Project economics

The base case provides a low-cost, low technical risk, quick route to gold production. The table below provides the key parameters and results of the Optimisation Study.

Yanfolila Project	Base case
Gold price	US$1,250
Initial full production	100,000oz
Initial mine life	6.5 years
LOM production	79,000oz p.a.
LOM grade	2.64 g/t
Initial capex	US$71.6m
Average recovery	94%
Annual processing	1Mtpa
Payback (after tax)	< 3 yrs
Direct C1 cash operating costs (US$/oz)	US$641
All-in sustaining costs (US$/oz)	US$733
After tax NPV (8%) (US$m)	US$72.4
After tax IRR	35.1%

Sensitivity

The base case study was conducted at a gold price of US$1,250/oz. Below are the sensitivities to the gold price at US$1,100/oz and US$1,400/oz.

Gold price sensitivities	
Gold price (US$/oz)	**IRR (post tax)**
1,100	21.5%
1,250	**35.1%**
1,400	48.1%

Gold inventory

Yanfolila has a current 1.8Moz gold inventory with multiple high grade pits (2.8g/t av.)

Current gold inventory			
Category	**Tonnes (t)**	**Grade (g/t)**	**Gold (oz)**
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**

The Company has identified a number of areas where there is the potential to improve the economics of Yanfolila. These include:

- Resource – the current mine plan includes only 6.3Mt of ore compared to the gold inventory of 20.1Mt. For example, if additional higher grade ore could be introduced into the mine schedule, such as from the nearby Gonka deposit, this could significantly enhance the production levels and the economics, and in the longer term there is potential for underground mining operations at this deposit.
- Geotechnical – a review of the pit design is being carried out and an adjustment to the pit slopes could significantly reduce the strip ratio and/or add additional economic ounces to the mine plan resulting in a significant increase to the IRR and NPV.
- Mine Scheduling – a review of the mine schedule is being carried out in conjunction with the above, utilising stockpiling and blending with a view to enhance the LOM economics.
- Opex / capex – these remain under review and competitive tender processes are ongoing.
- Milling – the plant has been designed to process 1Mtpa 50:50 blend of oxide and fresh ore, and has the potential to process increased volumes of the softer oxide material that forms the majority of the initial plant feed.
- Power – a review of power suppliers is ongoing, and a potential 1MW solar project is being considered to potentially reduce operating costs.

Open pit mining

The mine plan at Yanfolila is expected to consist of progressively mining five deposits (some of which consist of several pits): Komana East, Komana West, Guirin West, Sanioumale East and Sanioumale West, with a plant throughput of 1Mtpa (increased from originally planned 850ktpa). The ongoing grade control and infill drill programme at Yanfolila is exploring the potential to bring in ore from the Gonka deposit to the mine schedule also. The plant has been designed to process 1Mtpa of a 50:50 blend of oxide and fresh ore giving a likely higher capacity when processing softer oxide ore and giving the potential to extend the LOM through processing fresh ore. The Company will contract a mining service provider to apply industry standard open pit mining methods according to its mine production schedule. A final competitive tender is underway for awarding this contract.

Mining methods will include excavating the soft oxidized ore near the surface, and drilling and blasting harder transitional and some fresh rock – 67% of ore processed during the LOM is oxide ore. Drilling and blasting requirements will vary by year as most of the saprolitic (oxide) material is free-digging, whilst all of the un-weathered material (sulphide/fresh) requires drilling and blasting. Loading will be done with a combination of excavators and front-end loaders. Material will be loaded into 50t to 90t trucks depending on the deposit's location and pit size. Where possible, material will be taken directly to the mineral sizer, but at satellite deposits, material will be placed in stockpiles near the pits. This material will then be reclaimed with front-end loaders and loaded into 50t trucks and hauled to the mineral sizer.

Mineral processing and tailings

Once the ore is fed into the process plant, it will undergo the following process steps to produce gold doré.

Soft run of mine ore will be initially crushed by a mineral sizer and passed through 18mm and 180mm screens. The ball mill will grind the feed into finer particle size (80% passing through a 106 µm screen) to enable gold recovery via gravity concentration or carbon in leach ("CIL"). Approximately 40% of the gold is gravity recoverable.

A select fraction of the mill output will be separated and fed into a gravity gold circuit applying centrifugal force to concentrate heavy, gold bearing particles for intensive leaching. Once leached, the gold bearing pregnant leach solution will be piped into an electrowinning cell. The gravity tails will be returned to mill stream.

The main mill product will flow to the CIL process. The CIL process will apply controlled cyanide bearing leach solution to the finely ground ore to remove gold from the ore and dissolve the gold into solution. This pregnant leach solution will flow to elution and electrowinning processes to produce solid gold particles.

The gold solids recovered from the gravity and CIL circuits will be transported into the secure gold room, where they will be smelted at a high temperature to produce molten gold, which will be poured into gold doré bullion and shipped to a refinery.

Energy requirements

The project is estimated to require an initial 2.6MW of base load power to operate, with 5.6MW of installed power, and will contract the power generation on a diesel rental basis. Installation of 1MW of solar PV on a turnkey rental basis is under consideration to reduce opex. The total cost of diesel generated power is US$24c/kWh, including fuel.

Mine and processing wastes

Mine waste rock will be removed from the open pits to access gold bearing ore in line with the production schedule. This waste material will be taken directly to the waste rock dumps or used in the construction of haul roads and the Tailing Management Facility ("TMF"). Currently six waste rock facilities are planned for Yanfolila.

Once the gold is removed from the ore using the gravity and CIL processes, the remaining solid tailing materials will be sent to the cyanide detoxification process. Once detoxified, the tailings will be pumped as a slurry to an engineered TMF for safe storage through the mine closure and reclamation process. The supernatant water will be reclaimed from the TMF and recirculated to the plant.

Site infrastructure

The overall site plan contains all facilities required to mine and process one million tonnes of ore per year:

- Site access road
- Camp
- Haul roads
- Process plant and infrastructure
- Water treatment plants
- Tailing management facility
- Waste rock dumps
- Auxiliary buildings and other infrastructure

The infrastructure for the process plant will include a 5.6MW diesel generator power plant, fuel farm and a substation, reagent storage, change house, a laboratory, a control room and an event pond to protect the environment in case of flooding. The layout also provides areas for a mine workshop, administrative offices and possibly a solar array.

A run-of-mine ("ROM") stockpile will be located adjacent to the crusher. A front-end loader will be used to reclaim material from the ROM stockpile. An allowance has been made for additional stockpiles farther from the ROM. Material from these stockpile(s) would be reclaimed with loaders and trucks. It is anticipated that 500,000t will be stockpiled and reclaimed each year. All of the mill feed (1Mtpa) will be sent through the crusher either by direct tipping or from stockpiles.

The process plant area will contain a soft rock run of mine tip, an air compressor structure, ball mill ball storage, the ball mill area, intensive cyanidation area, the CIL area, a carbon regeneration kiln, cyanide detoxification area, raw and process water tanks, a gold room and a tower crane to service the CIL agitator shafts.

The TMF will be situated midway between Komana East and Komana West pits, to the north east of the processing plant. The TMF will contain and store tailings from the process plant.

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.

The Dugbe 1 Project, Liberia

The Dugbe 1 Project is a 4.2Moz gold Resource with a completed PEA showing a 20 year mine life of 125,000ozs gold produced/year. This is Liberia's largest gold deposit and the Company strongly believes there is significant potential to grow these Resources further.

A review and optimisation of the uncompleted Detailed Feasibility Study ("DFS") is ongoing. The DFS was being compiled using only the Tuzon Indicated Resource. There is potential to improve the DFS by bringing into the model further Inferred Tuzon Resources, as well as 1.8Moz Inferred Resources at 'Dugbe F' and the nearby '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.

As part of the DFS Optimisation a Collaboration Agreement was signed in April 2015 between Hummingbird, IFC InfraVentures ("IFC") and Aldwych International ("Aldwych"). In this agreement the IFC are funding a US$265,000 hydro-electric power plant ("HEP") pre-feasibility study ("PFS") to be carried out by Knight Piesold. The study will evaluate the opportunity to build and run a 20-30MW HEP which would have the potential to make significant improvements to the operating costs of the Dugbe 1 Project. To read more about this study please refer to the news page of the Company website – www.hummingbirdresources.co.uk.

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 economics. 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; and
- Continue the metallurgical test-work using the Aachen oxygen shear reactor which has shown significant potential for:
  - improved recovery
  - reduced operating costs
  - improved environmental quality of tailings

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.

Exploration

Mali

Mali has a vast amount of exploration potential underlined by its position as Africa's third largest gold producer. There is a large amount of underexplored 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 licence's total 2,300km^2 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 and east of Yanfolila. Gold Fields drilled over 16,000m across these licences and spent in excess of US$6m on exploration and intersected some very prospective sections. As with the Yanfolila licences, these will be reviewed and followed up by the Hummingbird Resources exploration team.

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.

Liberia

Hummingbird has around 2,000km^2 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.

At the end of 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 anomalies, is to be conducted with reconnaissance mapping and soil geochemistry.

Sustainability

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 has a duty to working safely and respectfully to protect the environment and the communities in a country we are privileged to work in.

Hummingbird Resources aims to:

- provide a safe working environment and invests 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.

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 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, including 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.

The Company supported the local communities to its Project during the Ebola crisis with both financial assistance and supplies. Fortunately there were no occurrences on or around our Project areas in Liberia.

Mali

Hummingbird has acquired an extensive local community development programme. 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.
- Brick making project and enterprise development.

As Hummingbird is moving into the construction phase, the SHEC 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 of trades and agricultural productivity.

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.

Liberia

- Stakeholder Engagement Plan and ASM strategy developed in conjunction with AMEC
- Over 120 meetings held with communities and stakeholders in Sinoe County since July 2013
- AMEC and EEC completed stakeholder engagement for the ESIA
- Implementation of revised Grievance Mechanism continues. Improvement in average time to resolution, all grievances responded to within

7 days (KPI of mechanism) and no grievances referred to third party recourse

- ESIA shows good levels of local support for the Project

Mali

- Strong community relations team on site with many years of experience across multiple gold projects in Mali
- Stakeholder engagement plan originally developed by ERM and now updated and implemented on site
- Over 140 meetings held with local communities since June 2013 by Gold fields and Hummingbird Resources Plc
- Key focus area on ASM (orpaillage) and communication / implementation of ASM strategy
- Land acquisition programme underway, led by experienced national consultants ESDCO, to acquire all land required for Project development in the build up to mining
- Good level of local support for the Project

Yanfolila Environmental and Social Studies, and Management System Development

Upon completion of acquisition of the Yanfolila Project the Company contracted ERM to assist in undertaking a GAP analysis of work competed to date against IFC Performance Standards. A number of areas were identified where targeted baseline studies and impact assessment could augment the existing studies, undertaken by Gold Fields in support of the ESIA, to help the Company develop the design of the Project and ensure adequate management and mitigation measures.

Baseline studies and impact assessment work included:

- Biodiversity; a Rapid Biodiversity Assessment (RBA) was conducted. Overall biodiversity risk profile for the Project deemed to be low.
- Air and noise; SRK contracted for air quality and successfully implemented a baseline monitoring network, installed a lab on site and trained the Company staff to run the lab. Machoy Consulting contracted for noise. Both studies and assessment show that there are no resettlement issues with the current planned mine plan.
- Social management; RePlan contracted to assist in the development of an ASM management strategy and advise on broader social management issues.
- Water management and Acid Rock Drainage assessment; Schlumberger Water Services contracted and implemented a network of monitoring locations identified and a number of new hydrological drill holes installed. On site kinetic testing undertaken for ARD testing.

The work programme has helped the Company to develop and implement an Environmental and Social Management System (ESMS) that is grounded in international best practice and implemented in a practical and pragmatic manner. Contractors and all sub-contractors are governed by this system. Environmental Design Criteria have been developed for the Project, and following best practice environmental and social considerations have been included in the design and siting of Project infrastructure to avoid negative impacts from the start and maximise opportunities for positive impact.

A land acquisition and compensation plan is currently being implemented led by national consultants ESDCO. The process started in April 2015 with the formation of Regional and Cercle level multi-stakeholder commissions. A process of land census and asset survey work followed by assessment of compensation is currently underway. This is expected to be completed in full by end of June 2015.

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.

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.

The ESIA over the Dugbe 1 Project is now completed and ready for submission.

Pygmy Hippo Foundation

PYGMY HIPPO FOUNDATION

PHF latest news

The PHF is proud to have recently partnered with the Tusk and their PACE (Pan African Conservation Education) programme. The PHF has paid for PACE materials to be supplied to Mali and distributed to local schools and communities in Mali with the aim of providing conservation education. For more on the PACE programme please visit www.paceproject.net. The PHF is proud to have widened its remit beyond Liberia and looks to use partnerships to have a greater impact.

Introduction

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

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"), for Hummingbird's ESIA, 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 as well as across West Africa by:

a) Partnering with not-for-profit organisations working in West Africa on specific conservation and education projects.

b) Raising funds for these projects through fundraising events and corporate sponsorship.

This year, PHF has continued to liaise 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 West Africa’s spectacular natural environment for generations to come.

Board of Directors

Russell King

Chairman

Russell is currently the Senior Independent Non-Executive Director of Aggreko plc, the FTSE 100 temporary power generation company. Prior to this Russell served as Chief Strategy Officer at Anglo American where he had global responsibility for strategy, business development, government relations, safety and sustainable development. He was also a member of Anglo American's plc executive committee for eight years. Between 2010 and 2013 he was a senior advisor to RBC Capital Markets on Metals and Mining. Russell is also a Non-Executive Director of Interserve plc, Sepura plc and Spectris plc.

Daniel Edward Betts

Chief Executive Officer

Daniel founded Hummingbird in November 2005 and has run the Company since its inception. 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 (and member of TAC)

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 ("TAC")

Ian Cockerill

Ian is the former Non-executive chairman of Hummingbird Resources. Ian was also formerly CEO of Gold Fields Limited and Anglo Coal Ltd. He is currently Non-executive director of Endeavour Mining, Chairman of Petmin Limited, Lead Independent director of Ivanhoe Mines, Chairman of the Leadership for Conservation in Africa and Non-executive director of Orica Limited.

Mike Skead

Mike is VP project evaluation at Dundee Resources and CEO of Kilo Gold. Previously he was CEO of Ryan Gold and former head of exploration at Banro Corp. Mike is a geologist with over 25 years of experience in Africa and has degrees from Cape Town and Rhodes Universities.

Mark Calderwood

Mark was the CEO at Perseus Mining for over 10 years and successfully led the company from being an explorer into a 200,000oz/year gold producer in Ghana. Mark is a member of the Australian Institute of Mining and Metallurgy and has over 25 years of experience in the sector.

Directors' Report

The Directors present their report on the affairs of the Group, together with the financial statements and Auditor's Report for the 7 month period ended 31 December 2014. The period end has changed from 31 May to 31 December in order to align all of the group company period ends. As a result the two periods will not be directly comparable.

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 7 month period are listed in note 16 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 Russell King (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.

Post balance sheet events

Events after the reporting date have been disclosed in note 29 to the financial statements.

Results and dividends

The results of the Group for the 7 month period ended 31 December 2014 are set out in the Consolidated Income Statement. The Directors do not recommend payment of a dividend for the 7 month period (year to 31 May 2014: nil).

Directors and directors' interests

The Directors of the Company during the 7 month period and their beneficial interests in the ordinary shares of the Company for the 7 month period were as follows:

	Number of shares at 31 December 2014	Number of shares at 31 May 2014
RJ King	50,000	–
SA Betts[1,2]	673,500	673,500
MC Idiens	2,741,607	2,741,607
DA Pelham	2,325	2,325
DE Betts[2,3]	4,611,048	4,611,048
WBT Cook	287,150	287,150
TR Hill[4]	92,617	92,617
ID Cockerill[5]	531,083	531,083

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

2 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.

3 DE Betts's interest consists of 4,139,048 shares held by DE Betts, 292,000[2] shares held by Stephen Betts & Sons Limited, and 180,000[2] shares held by the Stephen Betts & Sons Limited (Self Administered) Pension Scheme.

4 TR Hill's 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.

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

On 15 November 2014, ID Cockerill resigned as a Director, he remains a member of the Technical Advisory Committee.

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

	Options at 1 June 2014	Options granted during the period	Options of directors resigned during the period	Options lapsed during the period	Options at 31 December 2014	Exercise price	Date of grant	First date of exercise	Final date of exercise
RJ King	–	125,000	–	–	**125,000**	£0.01	17/11/2014	17/11/2015	17/11/2024
RJ King	–	125,000	–	–	**125,000**	£0.01	17/11/2014	17/11/2016	17/11/2025
SA Betts	337,500	–	–	–	**337,500**	£0.486	26/10/2010	24/12/2011	26/10/2020
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	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
DA Pelham	225,000	–	–	–	**225,000**	£0.486	26/10/2010	24/12/2011	26/10/2020
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
DE Betts	1,125,000	–	–	–	**1,125,000**	£0.486	26/10/2010	24/12/2011	26/10/2020
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	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
TR Hill	67,500	–	–	–	**67,500**	£0.486	26/10/2010	24/12/2011	26/10/2020
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
ID Cockerill	45,000	–	(45,000)[2]	–	**–**	£0.41	05/12/2013	01/06/2014	01/06/2024
ID Cockerill	45,000	–	(45,000)[2]	–	**–**	£0.41	05/12/2013	01/06/2015	01/06/2025
Total	**4,499,000**	**250,000**	**(90,000)[2]**	**–**	**4,659,000**				

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.

Note 2 ID Cockerill resigned as a Director during the period and accordingly his options are not included within Directors' interests as at 31 December 2014.

DIRECTORS' REMUNERATION

	Directors emoluments for the 7 month period ended 31 December 2014 $'000	Directors emoluments for the year ended 31 May 2014 $'000
RJ King	**7**	–
SA Betts	**33**	54
MC Idiens	**33**	55
DA Pelham	**31**[1]	125
DE Betts	**299**	325
WBT Cook	**212**	271
TR Hill	**276**	239
ID Cockerill	**30**	64
Total Directors' remuneration	**921**	1,133

Note 1 in addition DA Pelham received geological consultancy fees (see related party disclosure note 27).

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 in respect of the Group's Dugbe Shear Zone licences in Liberia.

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 December 2014 were equivalent to 52 (May 2014: 28) days' purchases, based on the average daily amount invoiced by suppliers during the 7 month period. Trade payables of the Company at 31 December 2014 were equivalent to 73 (May 2014: 62) days' purchases, based on the average daily amount invoiced by suppliers during the 7 month period.

CHARITABLE AND POLITICAL DONATIONS

The Company has made charitable donations of $nil (year ended 31 May 2014: $2,000) during the 7 month period. The Company has not made any payments to political parties during the 7 month period (year ended 31 May 2014: $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

27 May 2015

Registered Office:

49-63 Spencer Street, Hockley, Birmingham, B18 6DE
Company registered in England and Wales 05467327

Strategic Report

The purpose of this report 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 and development risk

There is no assurance that the Group's exploration and development activities will be successful, and statistically few properties that are explored are ultimately developed into profitable 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. 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 had two independent outbreaks of Ebola in October and November of 2014, and the government of Mali quickly conducted a successful tracing, quarantine and treatment program of all patients and possible contacts which resulted in the WHO declaring "all-clear" in January 2015. The threat of Ebola remains, but robust measures remain in place to mitigate and reduce any potential threat. 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. Talks between the government and separatist rebels aimed at bringing about peaceful resolution ended inconclusively in March 2015 and there has been an increase in violence in the region including violence migrating further south. 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 and development 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 its licences and, to the best of its knowledge, title 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 26 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 Review:

	31 December 2014	31 May 2014
Mineral inventory	**6,047,000oz**	4,230,000oz
Exploration expenditure (cumulative)	**$86.8m**	$56.7m
Cash balance	**$8.5m**	$7.0m
Share price	**£0.340**	£0.465

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

DE Betts

Director

27 May 2015

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, 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 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;
- 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 7 month period ended 31 December 2014

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 December 2014 and of the group's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 3 Significant Accounting Policies concerning the Group's ability to continue as a going concern which is dependent on the Group's ability to obtain financing through the raising of equity capital, joint venture projects, debt financing, farm outs and other means. These conditions together with other the other matters referred to in note 3 indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

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 7 month period 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, 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

27 May 2015

Consolidated Income Statement

For the 7 month period ended 31 December 2014

	Notes	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Continuing operations			
Revenue		–	–
Share based payments	24	(119)	(454)
Other administrative expenses		(3,067)	(3,635)
Administrative expenses	6	(3,186)	(4,089)
Finance income	9	104	334
Finance expense	10	(268)	(86)
Share of joint venture loss	13	(32)	(625)
Loss before tax		(3,382)	(4,466)
Tax	11	–	–
Loss for the period attributable to equity holders of the parent		(3,382)	(4,466)
Loss per ordinary share			
Basic and diluted ($ cents)	12	(4.27)	(7.68)

Consolidated Statement of Comprehensive Income

For the 7 month period ended 31 December 2014

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Loss for the period	(3,382)	(4,466)
Other comprehensive income		
Exchange translation differences on foreign operations	–	–
Total comprehensive loss for the period attributable to equity holders of the parent	(3,382)	(4,466)

Consolidated Balance Sheet

As at 31 December 2014

	Notes	31 Dec 2014 $'000	31 May 2014 $'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	14	**86,827**	56,738
Property, plant and equipment	15	**749**	107
Investment in joint venture	13	**54**	86
		87,630	56,931
Current assets			
Trade and other receivables	17	**870**	677
Cash and cash equivalents	17	**8,536**	6,983
		9,406	7,660
Total assets		**97,036**	64,591
Liabilities			
Current liabilities			
Trade and other payables	20	**4,317**	2,075
Other financial liabilities	21	**15,050**	15,135
Amounts due to joint venture	13	**–**	185
Non-current liabilities			
Borrowings	18	**9,793**	–
Total liabilities		**29,160**	17,395
Net assets		**67,876**	47,196
Equity			
Share capital	22	**1,385**	953
Share premium		**71,627**	48,135
Retained earnings		**(5,136)**	(1,892)
Equity attributable to equity holders of the parent		**67,876**	47,196

The financial statements of Hummingbird Resources plc were approved by the Board of Directors and authorised for issue on 27 May 2015. 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 7 month period ended 31 December 2014

	Notes	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Net cash outflow from operating activities	25	**(3,319)**	(3,224)
Investing activities			
Purchases of intangible exploration and evaluation assets		**(7,252)**	(10,747)
Disposals of property, plant and equipment		**–**	40
Interest received		**12**	130
Cash and cash equivalents in subsidiaries acquired	28	**200**	–
Net cash used in investing activities		**(7,040)**	(10,577)
Financing activities			
Net proceeds from issue of shares		**2,808**	1,825
Loan interest paid		**(350)**	–
Financial liabilities issued net of issue costs		**9,722**	5,000
Net cash from financing activities		**12,180**	6,825
Net increase / (decrease) cash and cash equivalents		**1,821**	(6,976)
Effect of foreign exchange rate changes		**(268)**	267
Cash and cash equivalents at beginning of period		**6,983**	13,692
Cash and cash equivalents at end of period		**8,536**	6,983

Consolidated Statement of Changes in Equity

For the 7 month period ended 31 December 2014

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total $'000
As at 1 June 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 period	**–**	**–**	**(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**
Comprehensive loss for the period:				
Loss for the period	–	–	(3,382)	**(3,382)**
Total comprehensive loss for the period	**–**	**–**	**(3,382)**	**(3,382)**
Transactions with owners in their capacity as owners				
Issue of shares net of costs	432	23,492	–	**23,924**
Total transactions with owners in their capacity as owners	**432**	**23,492**	**–**	**23,924**
Share based payments	–	–	138	**138**
As at 31 December 2014	**1,385**	**71,627**	**(5,136)**	**67,876**

Notes to the Consolidated Financial Statements

For the 7 month period ended 31 December 2014

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 12 month period to 31 May 2014.

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

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.
IFRS 10 (amended)	(effective 1 January 2014)	Consolidated Financial Statements
IFRIC 21	(effective 1 January 2014)	Levies

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.

IAS 1(amended	(effective 1 January 2016)	Disclosure initiative on materiality
IAS 16 & IAS 38	(effective 1 January 2016)	Clarification of acceptable methods of depreciation and amortisation
IAS 19 (amended)	(effective 1 July 2014)	Employee Benefits
IAS 27	(effective 1 January 2016)	Equity method in separate financial statements
IAS 34	(effective 1 January 2016)	Clarification on interim financial reporting
IFRS 7	(effective 1 January 2016)	Disclosures – Financial instruments
IFRS 9	(effective 1 January 2018)	Financial Instruments
IFRS 11	(effective 1 January 2016)	Accounting for acquisitions of interests in joint operations
IFRS 15	(effective 1 January 2017)	Revenue from contracts with customers

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 ("$"). The financial statements are presented in thousands of United States dollars ('$'000'). For reference the period-end exchange rate from Sterling to $ was $1.5532 (May 2014: $1.6742).

Going concern

The development of the Group's properties through to production and revenue generation is dependent on the Group's ability to obtain financing through the raising of equity capital, joint venture of projects, debt financing, farm outs and other means.

As detailed in note 18 on 11th August 2014 the Group entered into a Mandate Letter and Bridge Loan Agreement with Taurus Mining Finance Find LP, and subsequently drew down the full US$10m available under the Bridge Loan

Agreement. The Mandate Letter set out the key terms of the refinancing mandate for a $75m facility to repay amounts due under the Bridge Loan Agreement and fund the construction of the Yanfolila Project.

Having prepared forecasts and budgets based on current expected levels of expenditure and financing the directors believe that the necessary financing will be obtained to continue the development programme and refinance the amounts falling due under the Bridge Loan Agreement. Accordingly the directors have prepared the financial statements on a going concern basis. However there is no assurance that the Group will be successful in obtaining the required financing to develop the Group's properties and /or repay the amounts due under the Bridge Loan Agreement. If the Group is unable to obtain the additional financing as needed, some interest may be relinquished and/ or the scope of operations reduced.

These conditions indicate the existence of a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group was not able to continue as a going concern.

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 December 2014. 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 of or disposed of during the period 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	10% – 33.3% per annum
Development assets – other	10% – 33.3% per annum
Other	10% – 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.

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 there to be two cost pools, the whole of Liberia and the whole of Mali to be one cost pool each and therefore aggregates all Liberian and Malian 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 21 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 two geographical segments, being Liberia and Mali.

Business combinations

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date, which is the date when control passes to the Company. The results of the acquired operations are included in the consolidated income statement from the date on which control was obtained. Any difference arising between the fair value and tax base of the acquiree's assets and liabilities that give rise to a taxable deductible difference results in recognition of deferred tax liability. No deferred tax liability is recognised on goodwill.

The difference between the fair value of the shares issued as consideration for the acquisition of the subsidiaries in excess of the nominal value of the shares, where 90% or more of shares are acquired, is included in merger reserve.

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.

Business combinations

The critical judgement as required by IFRS 3 Business combinations includes the identification and fair value of the assets, liabilities, and contingent liabilities at the acquisition date. The assessment of the book values and fair value of assets, especially the intangible exploration and evaluation assets is considered a key judgement in determining if any goodwill arises on acquisition.

5 Segmental analysis

Income statement for the 7 month period ending 31 December 2014

	Mali $'000	Liberia $'000	Other $'000	Total $'000
Segment result before and after allocation of central costs	(393)	(7)	(2,786)	**(3,186)**
Finance income	3	1	100	**104**
Finance expense	(94)	(2)	(172)	**(268)**
Share of joint venture loss	–	–	(32)	**(32)**
Loss before tax	**(484)**	**(8)**	**(2,890)**	**(3,382)**
Tax	**–**	**–**	**–**	**–**
Loss after tax	**(484)**	**(8)**	**(2,890)**	**(3,382)**
Other charges				
Depreciation charged to the income statement	–	–	(18)	**(18)**
Share based payments charged to the income statement	–	–	(119)	**(119)**

Statement of financial position at 31 December 2014

	Mali $'000	Liberia $'000	Other $'000	Total $'000
Segment assets	32,754	59,710	4,572	**97,036**
Segment liabilities	(12,291)	(15,327)	(1,542)	**(29,160)**
Segment net assets	**20,463**	**44,383**	**3,030**	**67,876**

Income statement for the 12 month period ending 31 May 2014

	Mali $'000	Liberia $'000	Other $'000	Total $'000
Segment result before and after allocation of central costs	–	(29)	(4,060)	**(4,089)**
Finance income	–	23	311	**334**
Finance expense	–	–	(86)	**(86)**
Share of joint venture loss	–	–	(625)	**(625)**
Loss before tax	**–**	**(6)**	**(4,460)**	**(4,466)**
Tax	–	–	–	**–**
Loss after tax	**–**	**(6)**	**(4,460)**	**(4,466)**
Other charges				
Depreciation charged to the income statement	–	–	(97)	**(97)**
Share based payments charged to the income statement	–	–	(454)	**(454)**

Statement of financial position at 31 May 2014

	Mali $'000	Liberia $'000	Other $'000	Total $'000
Segment assets	–	57,409	7,182	**64,591**
Segment liabilities	–	(15,487)	(1,908)	**(17,395)**
Segment net assets	**–**	**41,922**	**5,274**	**47,196**

6 Administrative expenses by nature

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Other income	**(35)**	(60)
Depreciation of property, plant and equipment (note 15)	**18**	97
Staff costs excluding share based payments and employers NI accrual on share options	**1,536**	1,712
Net foreign exchange gains	**(8)**	(9)
Audit fees (note 7)	**51**	52
Non-audit fees payable to associates of the Company's auditor (note 7)	**24**	11
Communications and IT	**44**	56
Insurance	**92**	50
Marketing	**125**	183
Charitable donations	**–**	2
Rent under operating leases	**53**	70
Office expenses	**61**	99
Professional and consultancy	**718**	510
Acquisition costs (see note 28)	**337**	499
Travel and accommodation	**110**	224
Bank charges	**14**	29
Share based payments	**119**	454
(Release) / charge of employers NI accrual on share options	**(73)**	110
	3,186	4,089

7 Auditor's remuneration

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

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Audit fees		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**47**	52
Total audit fees	**47**	52
Non-audit fees payable to associates of the Company's auditor		
Taxation services	**24**	11
Total non-audit fees	**24**	11

8 Staff costs

The average monthly number of employees and Directors was:

	7 months to 31 Dec 2014 Number	12 months to 31 May 2014 Number
Directors	**7**	7
Other employees	**82**	150
	89	157

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Their aggregate remuneration comprised:		
Wages and salaries	**2,027**	3,501
Social security costs	**268**	275
Pension	**54**	98
Share based payments	**138**	480
	2,487	4,354

Within wages and salaries, $1,070,000 (year ended 31 May 2014: $1,050,000) relates to amounts paid to Directors, and included within pension is an amount of $44,000 (year ended 31 May 2014: $79,000) relating to pension contributions in respect of Directors.

Included within staff costs is $832,000 (year ended 31 May 2014: $2,189,000) capitalised to intangible exploration and evaluation assets.

Included within social security costs is a release of a provision of $73,000 (year ended 31 May 2014: a provision of $110,000) 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.

9 Finance income

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Interest on bank deposits	**19**	67
Foreign exchange gain	**–**	267
Gain on revaluation of warrants (note 23)	**85**	–
	104	334

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

10 Finance expense

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Foreign exchange loss	268	–
Loss on revaluation of warrants (note 23)	–	86
	268	86

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

11 Tax

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

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Loss before tax	(3,382)	(4,466)
Tax credit at the rate of tax 21% (May 2014: 23%)	(709)	(1,028)
Tax effect of non-deductible expenses	4	4
Items not subject to tax	92	20
Deferred tax asset not recognised	613	1,004
Tax expense for the period	–	–

12 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:

	7 months to 31 Dec 2014 $'000	12 months to 31 May 2014 $'000
Losses		
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(3,382)	(4,466)

Number of shares	31 Dec 2014 Number	31 May 2014 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	79,266,208	58,120,724

Loss per ordinary share	31 Dec 2014 $ cents	31 May 2014 $ cents
Basic and diluted	(4.27)	(7.68)

At the balance sheet date there were 7,376,158 (31 May 2014: 7,249,658) 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 the Group did not previously own as described in note 22. At 31 December 2014 the potential ordinary shares are anti-dilutive and therefore there is no difference between basic and diluted loss per share.

13 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 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**
Share of joint venture results for the period from 31 May 2014 to 31 Dec 2014	(32)
Investment in joint venture as at 31 December 2014	**54**

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

	$'000
Share of:	
Non-current assets	**–**
Current assets	**67**
Current liabilities	**(13)**
Net assets	**54**

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

14 Intangible exploration and evaluation assets

	Liberia $'000	Mali $'000	Total $'000
Cost			
At 1 June 2013	46,589	–	**46,589**
Additions for the year	10,149	–	**10,149**
At 31 May 2014	**56,738**	**–**	56,738
Additions for the period	2,434	7,318	**9,752**
Acquisition (note 28)	–	20,337	**20,337**
At 31 December 2014	**59,172**	**27,655**	**86,827**

Additions to intangible exploration and evaluation assets during the 7 month period include $213,000 (year ended 31 May 2014: $374,000) of capitalised depreciation of property, plant and equipment used in exploration and evaluation activities.

15 Property, plant and equipment

	Development assets – vehicles $'000	Development assets – other $'000	Other $'000	Total $'000
Cost				
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**
Additions	–	–	3	3
Acquisition	800	1,152	609	2,561
Disposals	–	–	(3)	(3)
At 31 December 2014	**2,323**	**2,271**	**1,078**	**5,672**
Accumulated depreciation				
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**
Charge for the period	71	108	52	231
Acquisition	554	660	477	1,691
Disposals	–	–	(3)	(3)
At 31 December 2014	**2,135**	**1,822**	**966**	**4,923**
Carrying amount				
At 31 December 2014	**188**	**449**	**112**	**749**
At 31 May 2014	**13**	**65**	**29**	**107**

Of the property, plant and equipment depreciation charged in the period $213,000 (year ended 31 May 2014: $374,000) was capitalised into intangible exploration and evaluation assets, with the balance being charged to the income statement.

16 Subsidiaries

The Company had investments in the following subsidiary undertakings as at 31 December 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			
Trochilidae Resources Limited	Isle of Man	100	Intermediate holding & service company
Hummingbird Resources (Liberia) Inc.	Liberia	100	Exploration
Afro Minerals Inc.	Liberia	80	Dormant
Golden Grebe Mining Limited	United Kingdom	100	Intermediate holding company
Indirectly held			
Deveton Mining Company	Liberia	80	Dormant
Sinoe Exploration Limited	Liberia	90	Exploration
Hummingbird Security Limited	Liberia	100	Security
Glencar Mining Plc	Ireland	100	Intermediate holding company
Hummingbird Sankarani (BVI) Ltd	British Virgin Islands	100	Intermediate holding company
Centrebind Agency Limited	Cyprus	100	Intermediate holding company
Glencar International (BVI) Limited	British Virgin Islands	100	Intermediate holding company
Ensign Resources Limited	Isle of Man	100	Intermediate holding company
Antubia Resources Limited	Ghana	100	Exploration
Glencar Mali SARL	Mali	95	Exploration
Sankarani Resources SARL	Mali	95	Exploration
Hummingbird Exploration Mali SARL	Mali	100	Exploration
Hummingbird Yanfolila Resources SARL	Mali	100	Exploration
Yanfolila Mining Limited	Isle of Man	100	Intermediate holding company

17 Current assets

Trade and other receivables

	31 Dec 2014 $'000	31 May 2014 $'000
Other receivables	**105**	112
VAT recoverable	**129**	227
Prepayments and accrued income	**636**	338
	870	677

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 December 2014 of $8,536,000 (31 May 2014: $6,983,000) comprise cash held by the Group. The Directors consider that the carrying amount of these assets approximates their fair value.

18 Non-current borrowings

	$'000
At 1 June 2014	–
Received during the period	**9,722**
Issue costs amortised in the period	**71**
Repaid during the period	**–**
Total borrowing at 31 December 2014	**9,793**
Payable within one year included under current liabilities	**–**
Payable after one year included under non-current liabilities	**9,793**

The Group through its wholly owned subsidiary, Trochilidae Resources Limited ("Trochilidae"), on 11 August 2014 entered into a Mandate Letter and Bridge Loan Agreement with Taurus Mining Finance Fund LP ("Taurus"). The Mandate Letter provided the terms of the Bridge Loan Agreement and also set out the key terms of a refinancing mandate for $75m to fund the construction of the Yanfolila project and repay the amounts borrowed under the Bridge Loan Agreement. On 15 August 2014 Trochilidae drew down the full $10m available under the Bridge Loan Agreement.

Amounts borrowed under the Bridge Loan Agreement bear interest at 9% per annum (payable semi-annually) and fall due for repayment in February 2016.

As per IAS 39 financial instruments the loans have been measured at amortised cost. Total issue costs of US$278,000 have been offset against the loan at inception. During the period to 31 December 2014 $71,000 of issue costs were amortised to intangible exploration and evaluation assets. During the period to 31 December 2014 $350,000 of loan interest costs were charged to intangible exploration and evaluation assets.

Security for the loan is held by Taurus over the present and future inter group debt between Trochilidae and Glencar Mali SARL ("Glencar Mali") as well as the shares of Glencar Mining plc. Additionally the Company has provided a guarantee to Taurus regarding the obligations of Trochilidae in respect of this agreement.

19 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 December 2014, the Group had unrecognised deferred tax assets of $3,350,000 (31 May 2014: $2,997,000) 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.

20 Trade and other payables

	31 Dec 2014 $'000	31 May 2014 $'000
Trade payables	**1,263**	755
Other taxes and social security	**474**	93
VAT payable	**58**	–
Accruals	**2,251**	1,219
Other payables	**271**	8
	4,317	2,075

The average credit period taken for trade purchases is 52 days (31 May 2014: 28 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:

	31 Dec 2014 $'000	31 May 2014 $'000
Within one year	**169**	199
In the second to fifth years inclusive	**161**	224
After five years	**71**	18
	401	441

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

21 Other financial liabilities

	31 Dec 2014 $'000	31 May 2014 $'000
Royalty liability	**15,000**	15,000
Warrant liability (see notes 9 and 23)	**50**	135
	15,050	15,135

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 December 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.

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.

22 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

	31 Dec 2014		31 May 2014	
	Number	**$'000**	Number	$'000
Issued and fully paid				
Ordinary shares of £0.01 each	**84,843,267**	**1,385**	59,484,764	953

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

	Ordinary Shares of £0.01 Number
At 1 June 2013	56,726,371
Issue of shares (a)	2,758,393
At 31 May 2014	**59,484,764**
Issue of shares (b)	21,258,503
Issue of shares (c)	4,100,000
At 31 December 2014	**84,843,267**

(a) Issue of shares

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

(b) Issue of shares

On 2 July 2014 the Group 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$20,000,000 approved by shareholders for the issue of 21,258,503 ordinary shares in Hummingbird Resources Plc at a price of £0.58 per share at an GBP:US$ exchange rate of 1.71.

(c) Issue of shares

On 7 October 2014 4,100,000 shares were issued at a strike price of £0.45 to Exploration Capital Partners 2000 Limited Partnership ("Exploration Capital 2000") in return for £1,845,000. Exploration Capital 2000 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 December 2014 the acquisition had not yet completed and the shares had not been issued.

23 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 December 2014:

	31 Dec 2014	31 May 2014
Share price	**£0.340**	£0.465
Expected dividend yield	**Nil**	Nil
Expected volatility	**49.40%**	51.05%
Expected life	**3.5 Years**	3.5 years
Risk free interest rate	**1.17%**	1.87%

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

24 Share based payments

Current share option plans

	31 Dec 2014 $'000	31 May 2014 $'000
Share based payment charge for share options granted 17 November 2014	**12**	–
Share based payment charge for share options granted 5 December 2013	**125**	345
Share based payment charge for share options granted 11 July 2012	**–**	132
Share based payment charge for share options granted 27 June 2011	**–**	3
Total share based payment charge	**137**	480

Included within share based payments for the period is $19,000 (year ended 31 May 2014: $26,000) capitalised to intangible evaluation & exploration assets.

	31 Dec 2014 Number	Granted Number	Lapsed Number	31 May 2014 Number
Share options granted 17 November 2014	**250,000**	250,000	–	–
Share options granted 5 December 2013	**2,254,000**	–	(82,500)	2,336,500
Share options granted 11 July 2012	**12,500**	–	–	12,500
Share options granted 27 June 2011	**48,500**	–	(41,000)	89,500
Share options granted 26 October 2010	**3,095,000**	–	–	3,095,000
Total number of share options	**5,660,000**	250,000	(123,500)	5,533,500

Equity settled share-based payments granted in the 7 month period to 31 December 2014

On 17 November 2014 the Company granted 250,000 share options to the Non-Executive Chairman Russell King.

Total number of share options granted	250,000
Exercise price of the options	$0.015 (£0.01)
Exercise period:	
Tranche 1 – 17 November 2014 and 17 November 2025	125,000
Tranche 2 – 17 November 2014 and 17 November 2026	125,000
Number of share options lapsed during the current period	–
Number of share options outstanding as at 31 December 2014	250,000

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 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 17 November 2014:

Share price at the date of grant	$0.55 (£0.355)
Expected dividend yield	nil
Expected volatility	49.94%
Expected life	5 years
Risk free interest rate	1.40%

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	(82,500)
Number of share options outstanding as at 31 May 2014	2,254,000

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 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%

Long term incentive plan ("LTIP")

On 1 July 2014 the shareholders approved the adoption of a 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 interest 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 absolute dilution limit relating to awards under employee share incentive schemes (including this LTIP) is 20%.

There were no share awards allocated to participants or any share awards that vested during the period.

25 Notes to the statement of cash flows

	31 Dec 2014 $'000	31 May 2014 $'000
Loss before tax	**(3,382)**	(4,466)
Adjustments for:		
Depreciation of property, plant and equipment	**18**	97
Share based payments	**119**	454
Finance income	**(104)**	(334)
Finance expense	**268**	86
Share of joint venture loss	**32**	625
Operating cash flows before movements in working capital	**(3,049)**	(3,538)
(Increase) / decrease in receivables	**(38)**	32
(Decrease) / increase in payables	**(47)**	479
Decrease in amounts due to joint venture	**(185)**	(197)
Net cash outflow from operating activities	**(3,319)**	(3,224)

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.

26 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:

	31 Dec 2014 $'000	31 May 2014 $'000
Financial assets		
Cash and cash equivalents	**8,536**	6,983
Other receivables	**105**	112
VAT recoverable	**129**	227
	8,770	7,322
Financial liabilities		
Borrowings (note 18)	**9,793**	–
Trade payables	**1,263**	755
Other taxes and social security	**227**	67
VAT payable	**58**	–
Other payables	**271**	8
Royalty liability (see note 21)	**15,000**	15,000
Warrant liability1 (see note 23)	**50**	135
Amounts due to joint venture (see note 13)	**–**	185
	26,662	16,150

1 The fair value of the warrant liability (see note 23) 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 work programmes. 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, and from holding non-functional currency 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.

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	
	31 Dec 2014 $'000	31 May 2014 $'000	**31 Dec 2014 $'000**	31 May 2014 $'000
Euros ("€")	**79**	13	**141**	19
Sterling ("GBP")	**818**	685	**1,701**	2,976
Canadian Dollars ("CAD")	**–**	–	**60**	71
South African Rand ("ZAR")	**1**	48	**774**	449
Australian Dollars ("AUD")	**44**	54	**46**	204
French CFA Franc ("FCFA")	**600**	–	**348**	–

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.

	31 Dec 2014 $'000	31 May 2014 $'000
Decrease in income statement and net assets	**(94)**	(229)

27 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 7 month period Stephen Betts & Sons Limited charged the Company $46,000 (May 2014: $92,000) under a contract for the provision of staff, office equipment and premises. $nil was accrued outstanding between the parties as at 31 December 2014 (May 2014: $9,000). 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 $nil (May 2014: $2,000). At 31 December 2014 The Pygmy Hippo Foundation owed the Company $nil (May 2014: $nil). 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)

Petmin Limited is a related party of the Group because Petmin Limited is a joint venture partner in Iron Bird Resources Inc (note 13) and Ian Cockerill is the chairman of Petmin Limited. During the 7 month period the Group received management fees of $35,000 (May 2014: $60,000) from Iron Bird Resources Inc.

Transactions with D Pelham

David Pelham is a related party as he is a Non-Executive Director during the current period. During the 7 month period to 31 December 2014 D Pelham received geological consultancy fees of $10,000 (year ended 31 May 2014: $3,000).

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.

	31 December 2014 $'000	31 May 2014 $'000
Short-term employee benefits	**877**	1,056
Social security cost	**113**	133
Pension	**44**	79
Share based payment charge	**100**	371
(Reduction)/provision for potential social security costs on share options	**(62)**	92
	1,072	1,731

28 Acquisitions

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 the Acquisition was US$20,000,000 and was satisfied through the issue of 21,258,503 Ordinary Shares in the capital of the Company. The Issue Price of the Consideration Shares is 56 pence per share and has been calculated by reference to the volume weighted average price of the Company's Ordinary Shares for the 15 days prior to 25 April 2014, being the date upon which the parties entered into a binding exclusivity agreement. However at the date of the approval by shareholders the share price was 58p and the exchange rate of US$1.7126:GBP for a total consideration of US$21,116,000.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	**On Acquisition**
Number of shares issued in Hummingbird Resources Plc	21,258,503
Hummingbird Resources Plc share price at 2 July 2014	58p
GBP:US$ exchange rate at 2 July 2014	1.7126
Total consideration in shares	US$ 21,116,000
Total purchase consideration	US$ 21,116,000
Fair value of the net assets acquired	US$ (21,116,000)
Goodwill	**–**

The assets and liabilities arising from the acquisition, provisionally determined, are as follows:

	Fair value $'000
Intangible exploration and evaluation assets	20,337
Property, plant and equipment	870
Cash and cash equivalents	200
Trade and other receivables	4
Trade and other payables	(295)
Net assets acquired	**21,116**

Direct costs related to the acquisition charged to the income statement during the period include US$ 337,000 (note 6) and US$ 499,000 during the prior year to 31 May 2014.

29 Events after the reporting date

Funding for Yanfolila

On 20 March 2015, the Company announced details of a funding package for the Yanfolila project in Mali. The funding package consisted of two tranches of a placing of units and a binding agreement with BCM International Ltd ("BCM"). Each placing unit consists of one new ordinary share of 1 pence each a half of one warrant to subscribe for a new ordinary share ("placing units"). The placing units were priced at 30 pence per share. Each warrant will grant the holder the right to subscribe for one new ordinary share at 33 pence at any time during the 6 month period from the date of issue. Additionally an open offer was provided to eligible shareholders to subscribe for placing units on the basis of 1 new ordinary share for every 12.64 existing ordinary shares held on 19 March 2015.

Tranche 1 funding

On 25 March 2015 3,638,292 placing units were issued, including 3,638,292 ordinary shares and 1,819,146 warrants.

Tranche 2 funding

On 16 April 2015 4,963,498 placing units were issued, including 4,963,498 ordinary shares and 2,481,749 warrants.

Open offer

On 16 April 2015 1,332,416 placing units were issued, including 1,322,416 ordinary shares and 661,208 warrants.

In total from tranches 1 and 2 and the open offer 9,924,206 ordinary shares and 4,962,103 warrants have been issued. The gross proceeds of the placing units were $4,420,000.

Warrants

On 14 May 2015 11,449 warrants were exercised at 33 pence per share resulting in 11,449 new ordinary shares of 1 pence each being issued, the total number of shares in issue was 97,788,922. The gross proceeds were $6,000.

BCM subscription

On 18 March 2015 the Company has entered into a binding agreement with BCM, a well-established mining and civil earthworks contractor servicing the mining industry in West Africa, whereby BCM has agreed to subscribe for new ordinary shares in the Company in lieu of payment for services, once definitive project contracts have been entered into with the Company in relation to pre-production mining for the Yanfolila Gold Project, as well as the construction of an access road, airstrip and tailings management facility.

The Company has agreed to use reasonable endeavours to agree the terms of the contracts as soon as practicable, and BCM has agreed that upon satisfactory performance of its relevant work obligations, its respective invoices can be satisfied on a quarterly basis half in cash and half by the allotment of new ordinary shares in the Company at 30 pence per share, up to a maximum of US$5m (being 11,261,261 new ordinary shares). In addition, BCM has agreed that any new ordinary shares allotted to it will be subject to a 6 month lock-in period from their issue. Definitive contracts are currently under negotiation.

Company Balance Sheet

As at 31 December 2014

	Notes	31 Dec 2014 $'000	31 May 2014 $'000
Assets			
Non–current assets			
Investments	34	**34,101**	11,501
Property, plant and equipment	35	**20**	36
Receivables from subsidiaries	36	**32,230**	31,276
		66,351	42,813
Current assets			
Trade and other receivables	37	**1,052**	698
Cash and cash equivalents	37	**4,343**	6,654
		5,395	7,352
Total assets		**71,746**	50,165
Liabilities			
Current liabilities			
Trade and other payables	38	**1,492**	1,587
Other financial liabilities	38	**50**	135
Amounts due to joint venture		**–**	185
Total liabilities		**1,542**	1,907
Net assets		**70,204**	48,258
Equity			
Share capital	39	**1,385**	953
Share premium		**71,627**	48,135
Retained earnings		**(2,808)**	(830)
Total equity		**70,204**	48,258

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2015.

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 7 month period ended 31 December 2014

	Notes	31 Dec 2014 $'000	31 May 2014 $'000
Net cash outflow from operating activities	41	**(2,630)**	(3,175)
Investing activities			
Disposals of property, plant and equipment		**1**	18
Investment in subsidiaries		**(1,393)**	(3,763)
Decrease in amounts due from subsidiary companies		**(935)**	(592)
Interest received		**10**	56
Net cash used in investing activities		**(2,317)**	(4,281)
Financing activities			
Proceeds from issue of shares		**2,808**	1,825
Net cash from financing activities		**2,808**	1,825
Net decrease in cash and cash equivalents		**(2,139)**	(5,631)
Effect of foreign exchange rate changes		**(172)**	267
Cash and cash equivalents at beginning of period		**6,654**	12,018
Cash and cash equivalents at end of period		**4,343**	6,654

Company Statement of Changes in Equity

For the 7 month period ended 31 December 2014

	Share capital $'000	Share premium $'000	Retained earnings $'000	Total $'000
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 1 June 2014	**953**	**48,135**	**(830)**	**48,258**
Comprehensive loss for period:				
Loss for period	–	–	(2,116)	(2,116)
Total comprehensive loss for the period	**–**	**–**	**(2,116)**	**(2,116)**
Transactions with owners in their capacity as owners:				
Issue of shares	432	23,492	–	23,924
Total transactions with owners in their capacity as owners	**432**	**23,492**	**–**	**23,924**
Share based payments	–	–	138	138
As at 31 December 2014	**1,385**	**71,627**	**(2,808)**	**70,204**

Notes to the Company Financial Statements

For the 7 month period ended 31 December 2014

30 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 7 month period ended 31 December 2014 of $2,116,000 (year ended 31 May 2014: $3,814,000).

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.

31 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 December 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 part of the impairment review of the carrying value of the Groups exploration and evaluation assets the Directors considered that there was no impairment as at 31 December 2014.

32 Auditor's Remuneration

The auditor's remuneration for audit and other services is disclosed in note 7 to the consolidated financial statements.

33 Staff costs

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

	31 Dec 2014 Number	31 May 2014 Number
Directors	**7**	7
Other employees	**6**	5
	13	12
	$'000	$'000
Their aggregate remuneration comprised:		
Wages and salaries	**1,270**	1,592
Social security costs	**89**	302
Pension	**55**	98
Share based payments	**118**	454
	1,532	2,446

Within wages and salaries, $875,000 (year ended 31 May 2014: $1,050,000) relates to amounts paid to Directors for services rendered. Included within staff costs is $nil (year ended 31 May 2014: $197,000) recharged to subsidiaries as intangible exploration and evaluation assets.

Included within social security costs is a release of a provision of $73,000 (year ended 31 May 2014: $110,000 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 27 to the consolidated financial statements.

34 Investments

	Investment in subsidiaries 31 Dec 2014 $'000	Investment in subsidiaries 31 May 2014 $'000
Cost at the beginning of the period	**11,501**	7,730
Acquisition (note 28)	**21,116**	–
Additions	**1,484**	3,771
Total	**34,101**	11,501

The Company's subsidiaries are disclosed in note 16 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.

35 Property, plant & equipment

	Development assets – other $'000	Other $'000	Total $'000
Cost			
At 1 June 2013	85	339	424
Additions	–	–	–
Disposals	(26)	(1)	(27)
At 1 June 2014	59	338	397
Additions	–	3	3
Disposals	–	(3)	(3)
At 31 December 2014	**59**	**338**	**397**
Accumulated depreciation			
At 1 June 2013	54	227	281
Charge for the year	15	82	97
Disposals	(17)	–	(17)
At 31 May 2014	52	309	361
Charge for the period	4	15	19
Disposals	–	(3)	(3)
At 31 December 2014	**56**	**321**	**377**
Carrying amount			
At 31 December 2014	**3**	**17**	**20**
At 31 May 2014	7	29	36

36 Receivables from subsidiaries

At the balance sheet date amounts receivable from the subsidiaries were $32,230,000 (31 May 2014: $31,276,000). 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.

37 Current Assets

Trade and other receivables

	31 Dec 2014 $'000	31 May 2014 $'000
Other receivables	**32**	49
VAT recoverable	**–**	227
Prepayments and accrued income	**415**	422
Trade receivables – intercompany	**605**	–
	1,052	698

There are no past due or impaired receivables.

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2014 of $4,343,000 (31 May 2014: $6,654,000) 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.

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.

38 Current Liabilities

Trade and other payables

	31 Dec 2014 $'000	31 May 2014 $'000
Trade payables	**942**	699
Other taxes and social security	**59**	67
VAT	**58**	–
Accruals	**424**	814
Other payables	**9**	7
	1,492	1,587

The average credit period taken for trade purchases is 73 days (May 2014: 61 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 21 of the consolidated financial statements.

Amounts due to joint venture

Amounts due by the Company to the joint venture are disclosed in note 13.

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:

	31 Dec 2014 $'000	31 May 2014 $'000
Within one year	**86**	115
In the second to fifth years inclusive	**–**	94
	86	209

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

39 Share Capital

The movements on this item are disclosed in note 22 to the consolidated financial statements.

40 Share based payments

The Company's share based payments information is disclosed in note 24 to the consolidated financial statements.

41 Notes to the statement of cash flows

	31 Dec 2014 $'000	31 May 2014 $'000
Loss before tax	**(2,116)**	(3,814)
Adjustments for:		
Depreciation of property, plant and equipment	**18**	97
Share based payments	**119**	454
Finance income	**(100)**	(311)
Finance expense	**172**	86
Operating cash flows before movements in working capital	**(1,907)**	(3,488)
(Increase) / decrease in receivables	**(382)**	31
(Decrease) / increase in payables	**(156)**	479
Decrease in amounts due to joint venture	**(185)**	(197)
Net cash outflow from operating activities	**(2,630)**	(3,175)

42 Financial Instruments

The Company's strategy and financial risk management objectives are described in note 26.

Principal financial instruments

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

	31 Dec 2014 $'000	31 May 2014 $'000
Financial assets		
Cash and cash equivalents	**4,343**	6,654
Other receivables	**32,262**	31,552
	36,605	38,206
Financial liabilities		
Trade payables	**942**	699
VAT payable	**58**	–
Other payables	**9**	7
Warrant liabilities[1]	**50**	135
Amounts due to joint venture	**–**	185
	1,059	1,026

1 The fair value of the warrant liability (see note 23) 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 26 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 26, which affect the Group, the Company is also subject to credit risk on the balances receivable from its subsidiaries (see note 36).

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 26).

43 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:

	31 Dec 2014 $'000	31 May 2014 $'000
Hummingbird Resources (Liberia) Inc.	**32,230**	31,276

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 27 to the consolidated financial statements.

44 Events after the balance sheet date

Events after the balance sheet date are disclosed in note 29 to the Consolidated Financial Statements.

Through endurance comes conquest.

The time to be boldest is when the exhausted sit back in easy comfort to accept whatever fate the tide brings them.

Basil De Tent

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