HUMMINGBIRD RESOURCES

ANNUAL REPORT & ACCOUNTS 2020

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our strategy

At Hummingbird we aim to produce gold profitably, build on our medium to long term growth initiatives, whilst maintaining focus on operating responsibly through strict Environmental, Social and Governance (“ESG”) standards and respect for our stakeholders. Further, our vision is to become a multi asset, multi jurisdiction gold producer that has diversification of projects, while maintaining and continually improving on our technical expertise, both in exploration and operationally, to support the growth of the Company for the longer term.

our principles

HUMMINGBIRD FIRST

Pride and value in Hummingbird

Company-centric thinking and working

Promoting our success and values, internally and externally

FORWARD

Focus on core strategic priorities and common goals

Delivering with urgency and agility

Providing solutions to drive outcomes and progress

CARE

Thinking about others and the environment we operate in

Providing regular mutual support and feedback to help us be the best we can

Recognising and rewarding success together

SMARTER

Clear accountability and performance expectations

Empowered teams, making timely fact-based decisions

Utilising collaborative processes, tools and technology

focus and priorities

GROWTH

As a priority, we are focussed on maximising the value from our current portfolio while continuing to evaluate M&A opportunities for the long term.

One of 2020's key priorities was to improve the Life of Mine ("LOM") prospects at the Yanfolila mine in Mali with the success of the years drilling results achieving this outcome, leading to a decision to double the exploration budget at Yanfolila for 2021 to further that success.

Our next development project, the Kouroussa Gold Project, Guinea ("Kouroussa, Guinea"), purchased in 2020, once in production is expected to double the Company's production profile, adding circa 100,000 oz of gold production per annum. Further, the Dugbe Gold Project in Liberia ("Dugbe, Liberia"), being developed by earn-in partner Pasofino Gold Ltd ("Pasofino"), has the potential to have material growth and value for shareholders as Pasofino continues to deliver a Definitive Feasibility Study ("DFS") and exploration programme in 2021.

CONTINUALLY EXPLORING AND EXTENDING

AT THE CORE OF HOW WE OPERATE ARE OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

EXPLORATION

Our strategy is to continually look at exploring, extending, and maximising the value of the Group's resource base.

We are looking to maintain our 2020 exploration success into 2021 at the Yanfolila mine in Mali with the doubling of the exploration budget. Further, exploration planning at Kouroussa, Guinea began in 2020, in conjunction with our overall pre-development plans for the project. We believe there is material upside to the current 1.18Mozs of indicated and inferred gold resources at the project at known and other targeted deposits. Further, Dugbe, Liberia already has a material gold mineral resource and with Pasofino in place to add to the historical +75,000 metres of drilling already completed by Hummingbird, we remain confident that the Project's value and prospects will be materially improved during 2021.

SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE

At the core of how we operate are our ESG policies and management systems.

Our employees both corporately and on site are responsible for maintaining these standards. We strive to maintain and improve upon industry best practices and having joined the World Gold Council ("WGC") during 2020 we are working to adhere to and implement the WGC Responsible Gold Mining Principles ("RGMPs").

ENTREPRENEURIAL AND EXPERIENCED

Focus on maintaining and continually improving on our expertise, from the board room down, to support the growth of the Company for the longer term. Further, an ongoing commitment to remain entrepreneurial in how we conduct our business to create shareholder value and value for all stake holders.

chairman's statement

2020 was a year of significant challenges for us all – whether as individuals or companies, we have all had to adapt to a period of continuing uncertainty and stress caused by COVID-19.

RUSSELL KING
Non-Executive Chairman

Whilst, unfortunately, unlike last year, we have not been able to maintain the production improvements in the Company's operational performance this is certainly not through want of effort, commitment, or focus. In particular, I would like to acknowledge the huge personal sacrifices that our operational staff have made in keeping Yanfolila operating safely, and the local villages the Company supported during this period. It is of particular note, that many of our expatriate and local staff were, due to governmental COVID-19 restrictions, unable to leave the site for a prolonged period causing stress to them and their families. Yanfolila continuing to operate safely and with community support during these exceptional times is a significant achievement and one for which we should all be appreciative.

Not only has COVID-19 affected our people it has also reduced the efficiency of our supply chain, our ability to access external expertise at the mine, and has prevented the sort of face-to-face contact between the mine and our support staff that is vital for effective operations. Despite all these challenges, the Board is pleased that operations continued and pleasingly we also advanced our strategic growth objectives in Liberia through our earn-in agreement with Pasofino and in Guinea with the acquisition of Kouroussa.

OUR OPERATIONS CONTINUED DESPITE THE CHALLENGES

ESG continues to be a significant focus for the Company. We are now over two million hours worked injury free, and our COVID-19 protocols on site and in the local community have contributed significantly to mitigating COVID-19 cases, spread and adverse health related issues. Although COVID-19 impacted our community team's ability to interact with our local communities as normal, community project initiatives continued with the likes of ongoing success at our market gardens, soap manufacturing programmes, training, malaria spraying initiatives and water infrastructure improvements amongst others. This year we have enhanced our focus on the adoption of industry best practices. To this end we have now joined the WGC and are now working to implement the WGC RGMPs.

I would like to thank all our shareholders who have been there through our evolution from gold explorer to gold producer and remained committed through the challenging times. Even though this year has been exceptionally challenging, I do hope that you are able to recognise that the Company has achieved much especially in taking steps to position itself strategically for a brighter future.

ceo's statement

DAN BETTS
Chief Executive Officer

2020 was an extraordinary year by any measure with the COVID-19 pandemic dominating affairs around the world. Virtually no person or business was immune to the impact in some form or another, and our business was no different.

The challenges presented by COVID-19 were multiple, and not always predictable. By and large they affected logistics and "the human teams" element of the Company the most. Whilst on one hand video conferencing has provided us all with a very functional method of interaction, I personally believe it is a poor substitute for face time and the chemistry which bonds a team and forms the culture of a company.

At our Yanfolila mine in Mali we endured extended periods of border closures (induced by the additional complication of an in-country coup as well as COVID-19 restrictions) which impacted the movement of people and goods to supply the mine, and resulted in some changes being necessary to the mine plan in order to preserve equipment from a maintenance perspective. Despite 2020 proving a challenging year, and not meeting forecast production expectations as set at the start of the year, we are proud that the Company continued to operate during difficult circumstances without significant downtime and continued to pay down circa US$30 million of debt to end the year in a net cash position.

At the start of 2020, achieving a strengthening balance sheet and net cash position during the year was one of the Company's key objectives. Additionally, we set out to conduct a more systematic exploration programme at Yanfolila in order to prove further mine life extensions and improve confidence in our known resources. The exploration programme achieved both of these objectives with particularly exciting results coming from the Sanioumale East ("SE") deposit.

We also set ourselves the target of enhancing the growth pipeline for the Company and advancing Dugbe, Liberia in order to recognise value from the asset for shareholders. Again, both of these objectives were achieved with the acquisition of Kouroussa, Guinea and the signing of an earn-in agreement with Pasofino to advance and fund Dugbe, Liberia to feasibility study.

As a result, Hummingbird has a strengthened balance sheet, has an improved mine life outlook at Yanfolila and both a high-grade development asset at Kouroussa, Guinea and the development of a large-scale project in Liberia towards a feasibility study which could showcase a meaningful Net Present Value ("NPV") on a multi-million-ounce gold deposit.

The health and safety record at Yanfolila has been exemplary with the Company passing one year with no Lost Time Injury ("LTI"). This is a fantastic achievement as we develop into a seasoned mining company and puts us into the first rank of industry performance.

However, these achievements and the strong position Hummingbird now finds itself in, with the ability to show strong internal growth, has been largely overshadowed by the higher costs and lower than expected gold production at Yanfolila in 2020. As explained above this was in part due to the COVID-19 induced challenges encountered during the course of the year. The mine plan was changed in order to process more oxide material in order to prevent wear and tear on equipment.

In Q3 a coup in Mali impacted logistics, in particular due to border closures and extreme weather events added further complexities to those already being felt from COVID-19 impacting both our production and cost forecasts for the year.

In terms of investing in senior personnel for the future, the Company invested in adding to the senior management team with the appointment of a Chief Strategy and ESG Officer, a new General Manager at Yanfolila and in 2021 a new Chief Operating Officer amongst others as the Company positions itself to become a multi-asset, multi-jurisdiction gold producer.

Another Company initiative further advanced in 2020, being the development of the Single Mine Origin ("SMO"). The aim is to be recognised as a thought-leader in the market of responsibly sourced metal, and through our strategic partner, Betts Metals Ltd, we have the ability to segregate metal all the way through the refining and manufacturing process, into the jewellery that retail consumers buy. The purchaser is provided with a unique QR code which details which responsible mine that metal was sourced from and what environmental and community initiatives are conducted at that site in order to improve the livelihoods of the local people and the surrounding environment. All SMO mines will need to conform to a world assurance standard (like the WGC RGMP's for example) in order to receive accreditation and as a retail-led initiative, we believe it will become an industry leading way to showcase the important work that the mining industry does in positively contributing in the areas where they operate that is fully traceable. Lastly of note, during 2020 the Company became a member of the WGC which we believe is an important statement of our ambitions to adhere to a high level of operational and responsible mining practices, but also important in our future growth ambitions.

2021 OUTLOOK

During 2021 our primary focus will be to ensure that the operations at Yanfolila are stabilised and output is more predictable. Our guidance for the year is 100,000 to 110,000 oz of gold, with an All in Sustaining Cash Cost ("AISC") of US$1,250 to 1,350 per oz of gold sold. We are at the high-cost part of the LOM plan, and there are a number of initiatives in place that are being further developed in order to improve efficiencies and reduce cost across the operation.

The Company has also doubled its exploration budget at Yanfolila up to US$10 million, in order to build on the 2020 drilling success. The intention of this programme is to discover more ounces to extend the mine life at Yanfolila. We see the perceived short mine life at Yanfolila as a major hindrance on our valuation, and attention in this area can deliver material results which we have started to see in our 2020 drilling results. We expect more success in 2021 given our increased budget spend in this area.

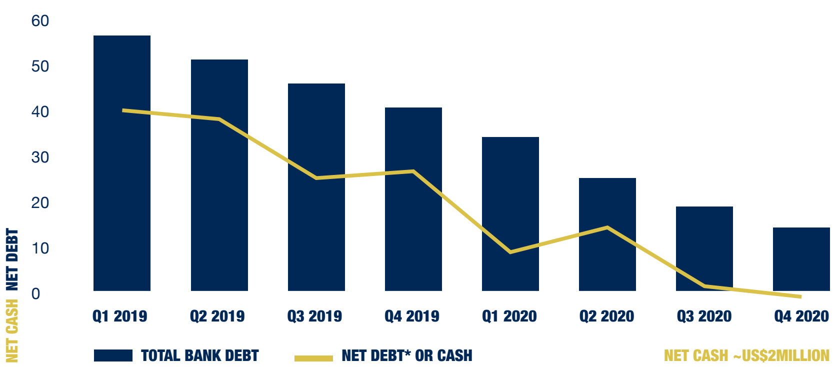
Additionally in 2021, a major focus for the Group will be the advancement of Kouroussa, Guinea. This is a major growth project for the Company and will see Group production rise materially once in production to +200,000 oz per annum as well as delivering diversification advantages as we become a multi-asset, multi-jurisdiction gold producer. Now that the mining licence has been granted, by the Government of Guinea, we are in the process of finalising the capital cost estimates with an eye to approving, financing and commencing construction of the project in the second half of 2021. In our planning process we are looking to incorporate leading ESG practices, strategies, and processes at Kouroussa, Guinea to build a mine that is not only compliant of leading industry practices but forward thinking in terms of how we care for the environment, communities, employees, and key stakeholders in the region.

Further, at Dugbe, Liberia, our earn-in partners, Pasofino, made significant progress in 2020 in terms of taking the project forward to delivering a DFS by the end of 2021 on their current estimates and we look forward to their continued progress throughout the year.

Finally, but importantly, we look forward to enhancing our overall ESG initiatives at Yanfolila, furthering our Environmental and Social Impact Assessment ("ESIA") studies at Kouroussa and progressing ESG management procedures for the project, as well as with our earn-in partners Pasofino at Dugbe leading an ESIA process. Additionally, we are excited about the prospects of SMO, as highlighted above, and seeing more global mines join the platform.

Above all else, as the restrictions placed upon us ease, we will strive to build a company that as shareholders, owners, employees and stakeholders alike, we can all be proud of.

TOTAL BANK DEBT AND NET DEBT OR CASH $US MILLION



*Net-cash including the value of gold inventory as at 31.12.2020

company overview

MULTI-ASSET

GOLD PRODUCER, DEVELOPER, EXPLORER

Total group resources inventory of +7 million oz of gold

Two core gold projects in Mali and Guinea, and a development project in Liberia

STRONG AND STRENGTHENING BALANCE SHEET

- **Total bank debt of ~US$13 million at the end of 2020 with ~ US$30 million capital repaid in the year**
- **Material deleveraging in 2020 and forecasting to have repaid all current bank debt by 1H 2021**

EXPLORATION SUCCESS

US$5 million exploration spent, drilling +21,000 metres, achieving overall successful drilling results in particular from three key future deposits.

Sanioumale East (“SE”) and the Sanioumale West (“SW”) deposit drill results confirming resource growth potential, while firming up the possibility for underground mining at the Komana East Underground (“KEUG”) deposit.

HEALTH AND SAFETY

A significant milestone was achieved in September 2020 when the Yanfolila site surpassed over 1 million free hours of LTI and closed the year with 1,780,200 LTI free hours.

Rapid protocol procedures relating to COVID-19 virus spread mitigation were successful both on site and in the surrounding villages via hand washing programmes, onsite rapid PCR testing, social distancing, mask wearing and training and awareness programmes (which all are ongoing).

KOUROUSSA GOLD PROJECT, GUINEA

To achieve our goal of becoming a multi asset gold producer, we acquired the Kouroussa Gold Project in Guinea in Q3 2020 for an initial consideration of £10m to be satisfied through the issue of 35,248,441 shares in the Company.

Pre-development plans advanced while awaiting the awarding of the mining licenses from the Guinea government which were granted May 2021.

ESIA study, Front End Engineering Design ("FEED"), Infrastructure layout, sterilisation drilling and overall mine planning advancement in progress.

DUGBE, LIBERIA

Entered into an earn in agreement with Pasofino to carry out and fund DFS and exploration programmes.

Camp infrastructure, roads, bridges and ESIA studies development begun in preparation for DFS and exploration progress in 2021.

PRODUCING THROUGH ADVERSITY IN 2020

Production and AISC were impacted during the year mainly due to COVID-19, military coup in Mali impacting boarder closures and adverse weather conditions in Q3, however production continued despite these challenges.

101,069 ounces ("oz") full year production and 104,174 oz sold at AISC of US$1,147 per oz.

Generated revenues of US$182 million, with additional US$3 million revenue generated from sale of SMO gold.

2020 EBITDA of US$75 million (vs US$55 million 2019).

ENVIRONMENTAL, SOCIAL AND GOVERNANCE "ESG"

COVID-19 impacted ability to interact with local communities, however we successfully supported, provided equipment and testing to communities on the virus during 2020.

- Over US$150,000 of COVID-19 support to governments and communities, with +3,000 PCR COVID-19 tests carried out on our sites and at local villages
- Malaria Indoor Residual Spraying ("IRS") project was a success at Yanfolila, and the two villages sprayed have seen significant reduction in reported cases
- Reforestation programme commenced, planting +8,000 trees over 20 hectares
- Continued success of eight market gardens around Yanfolila, providing livelihoods for +675 people, mainly women who are employed full time
- Adoption and advancement in terms of adherence of the WGC RGMP with a detailed Company GAP analysis initiated and an independent assurance report issued confirming Hummingbird's conformance with the RGMPs' year one requirements. Full conformance targeted in 2022.

OPERATIONAL REVIEW

yanfolila gold mine

2020 was a challenging operational year in Mali based on a culmination of factors leading to an overall level of production lower than the year guidance expectations given at the start of 2020 and a higher cost profile.

FULL YEAR RESULTS

	2020	2019
Gold poured (Ounces)	**101,069**	115,649
Ore mined (Tonnes)	**1,431,293**	1,733,870
Ore processed (Tonnes)	**1,388,641**	1,253,658
Average grade mill feed (g/t)	**2.41**	2.88
Recovery (%)	**94.08**	93.48
Gold sales (Ounces)	**104,174**	112,686
AISC (US$/oz)	**1,147**	986
Average gold sale price (US$/oz)	**1,745**	1,377

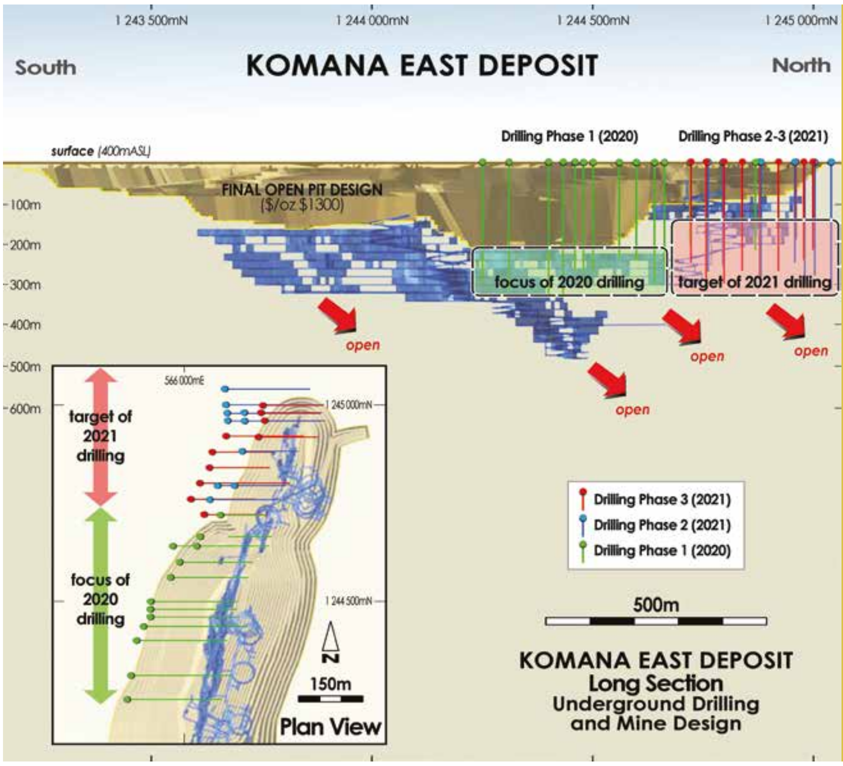
101,069 **OZ OF GOLD POURED**

101,069 oz of gold poured in FY2020 at an AISC on gold sold of US$1,147 per oz, with production in particular impacted during the year by COVID-19, border closures by way of sanctions by ECOWAS against the military-led coup in Mali and extreme weather leading to a below production guidance range being delivered

GUIDANCE FOR 2021
OF 100,000 – 110,000 OZ OF GOLD SOLD AT AISC OF US$1,230 – US$1,350 PER OZ

The emergence of COVID-19 virus in February 2020 led to supply chain and logistical pressures for goods and services and people in general throughout the year. However, positively our health and safety measures were rapidly developed and put into place which meant virus cases were able to be controlled, with no COVID-19 related deaths or severe health cases emerging due to the virus reported for the year. In Q3 2020, the Company faced several events which impacted both costs and production. This included extreme weather, where in Q3 we saw the wettest rainy season on record impacting production with the continued mining of oxides and waste that were of lower grade than the Company's start-of-year plans particularly from the Komana East ("KE") mining pit. Further, as the rainy season ended, a military coup in Mali occurred, which saw enforced border closures by surrounding countries for approximately a month to compound the already complicated COVID-19 induced logistical complications the Company had faced.

However, despite these operational challenges, no significant unscheduled down time in production occurred during the year. Further, the resilience of our team was evident with some personnel spending +6 months on site when normally on rotating shifts due to COVID-19 travel restrictions. This led to Hummingbird producing 101,069 oz, a notable achievement considering these challenges.



KOMANA EAST DEPOSIT

Long section view showing 2020 and expected 2021 underground drilling and mine design

2020 EXPLORATION AND DEVELOPMENT HIGHLIGHTS

The Company's 2020 Exploration Programme was focused on the following:

Komana East Underground: Underground mine potential confirmed under current operating pit KE

At the KEUG deposit, sitting under our existing KE open pit, over 4,535 metres ("m") were drilled from 14 holes in 2020. The result of this drilling highlighted the continuity of mineralisation plunging northwards at depth beneath the current operating pit and the presence of high grades to feasibly support underground mining at Yanfolila.

The results of hole KEUGDD014 (3.5 m at 5.41 grammes per tonne ("g/t") gold ("Au")), in the northern end of the open pit showed that mineralisation is still open in that direction, increasing the potential for further resource growth northwards.

Further drilling is being carried out at the KEUG deposit in 2021 to firm up the geology with the objective of bringing an underground mine into the life of mine plan.

Sanioumale West: 2020 results improved confidence in the mineral resource

The SW open pit deposit, located to the north of the process plant, saw over 13,000 m drilled as part of the infill and resource expansion programme for the deposit. The results have been positive in conforming improved confidence in the mineral resource grade, overall geology and further extending the known depths of mineralisation below the current shallow pit design.

Sanioumale East: Open pit with underground potential

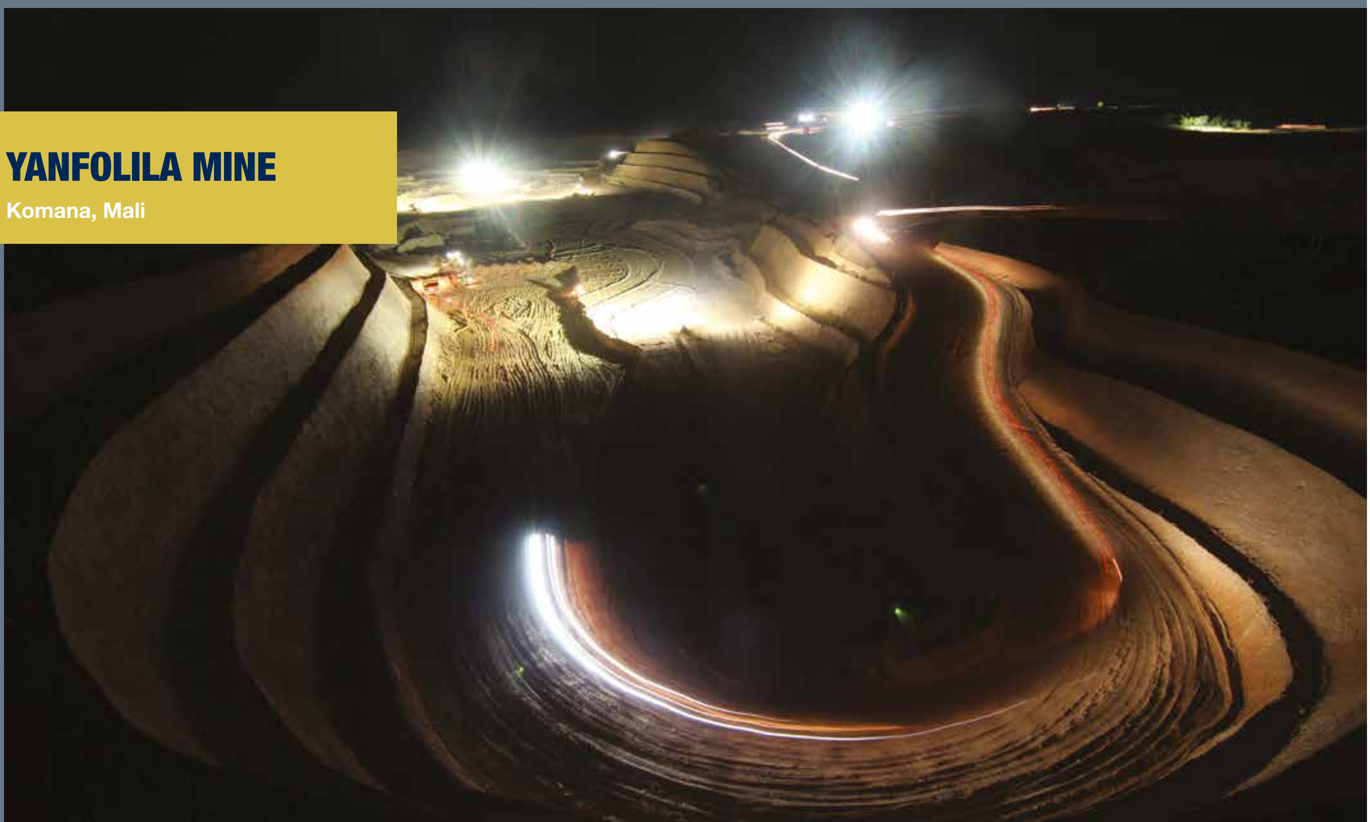
The SE deposit was a key focus area for our 2020 exploration and drilling campaign. The objective of 2020 drilling at SE was to improve the confidence of the known mineral resources, test the continuity of mineralisation into the fresh rock as only oxide and transitional material had been drilled and reported previously. The results of our SE drilling achieved some notable drill hole intersections, with SE a key focus area for our 2021 drilling campaign. Further, ESIA studies were initiated at the SE deposit, since this was not covered in our initial ESIA study assessments and plans for village resettlement in the area initiated that will be required.

Greenfield targets

Reconnaissance drilling on high priority targets both within the mining license and the adjacent Diaban exploration license will continue to be targeted during 2021.

YANFOLILA MINE

Komana, Mali



reserves and resources

In March 2021 Hummingbird announced the following updated Mineral Resource table for Yanfolila (effective date 31 December 2020).

2020 YANFOLILA MINERAL RESOURCES TABLE*

AS AT 31 DECEMBER 2020		INDICATED			INFERRED			TOTAL RESOURCES		
DEPOSIT	Mineral Resource Code	TONNES (kt)	GRADE (g/t)	OUNCES (koz)	TONNES (kt)	GRADE (g/t)	OUNCES (koz)	TONNES (kt)	GRADE (g/t)	OUNCES (koz)
Komana East	JORC	4,177	3.61	485	813	2.90	76	4,990	3.49	561
Komana West	JORC	5,877	2.07	390	1,006	1.57	51	6,883	1.99	441
Gonka	JORC	2,003	3.39	219	295	7.82	74	2,298	3.96	293
Sanioumale East	JORC	1,669	2.64	142	754	2.58	62	2,423	2.62	204
Sanioumale West	JORC	1,739	1.85	104	1,067	1.76	61	2,806	1.82	164
Guirin West	JORC	1,160	1.98	74	-	-	-	1,160	1.98	74
Kabaya South	SAMREC	1,370	1.42	62	650	1.10	23	2,020	1.31	85
Kabaya South**	Non-Code				950	1.50	46	950	1.50	46
Badogo-Malikila**	Non-Code				2,347	0.81	61	2,347	0.81	61
Total Mineral Resources		**17,995**	**2.55**	**1,475**	**7,882**	**1.79**	**454**	**25,877**	**2.32**	**1,929**

* The mineral resources shown in the table above represent the gross resources attributable to the Project (inclusive of Government interest).

** Where the Inferred resources from Kabaya South and Badogo-Malikila are reported, it is noted these are Gold Fields Ltd historical mineral resources as previously reported in the Company's MRE update of December 2015.

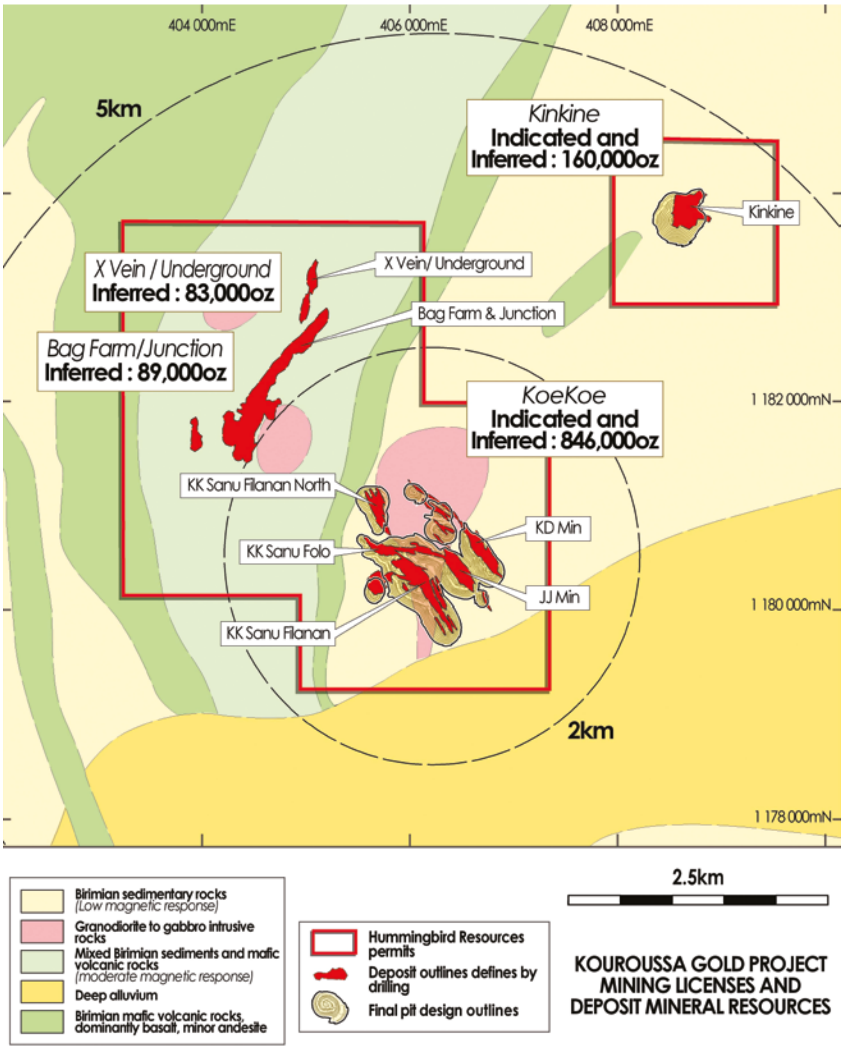
RECONCILIATION OF MARCH 2019 AND DECEMBER 2020 MRE

		EXPLORATION & DEPLETION				
MARCH 2019 TO DECEMBER 2020 MRE CHANGES TABLE	March 2019 MRE	2020 Discovered Resources (12 months)	Mined Resources Depletion (21 months)	Non-Code / Geological Model Change	MRE Adjustments	December 2020 MRE
(Ounces kozs)	2,003	+255	-258	-114	+43	**1,929**

OPERATIONAL REVIEW

business development

In 2020, we continued to progress on important growth opportunities to continue to help create our vision of being a multi asset, multi jurisdiction gold producing company while continuing to focus on extending the Life of Mine ("LOM") potential, in particular:



KOUROUSSA GOLD PROJECT

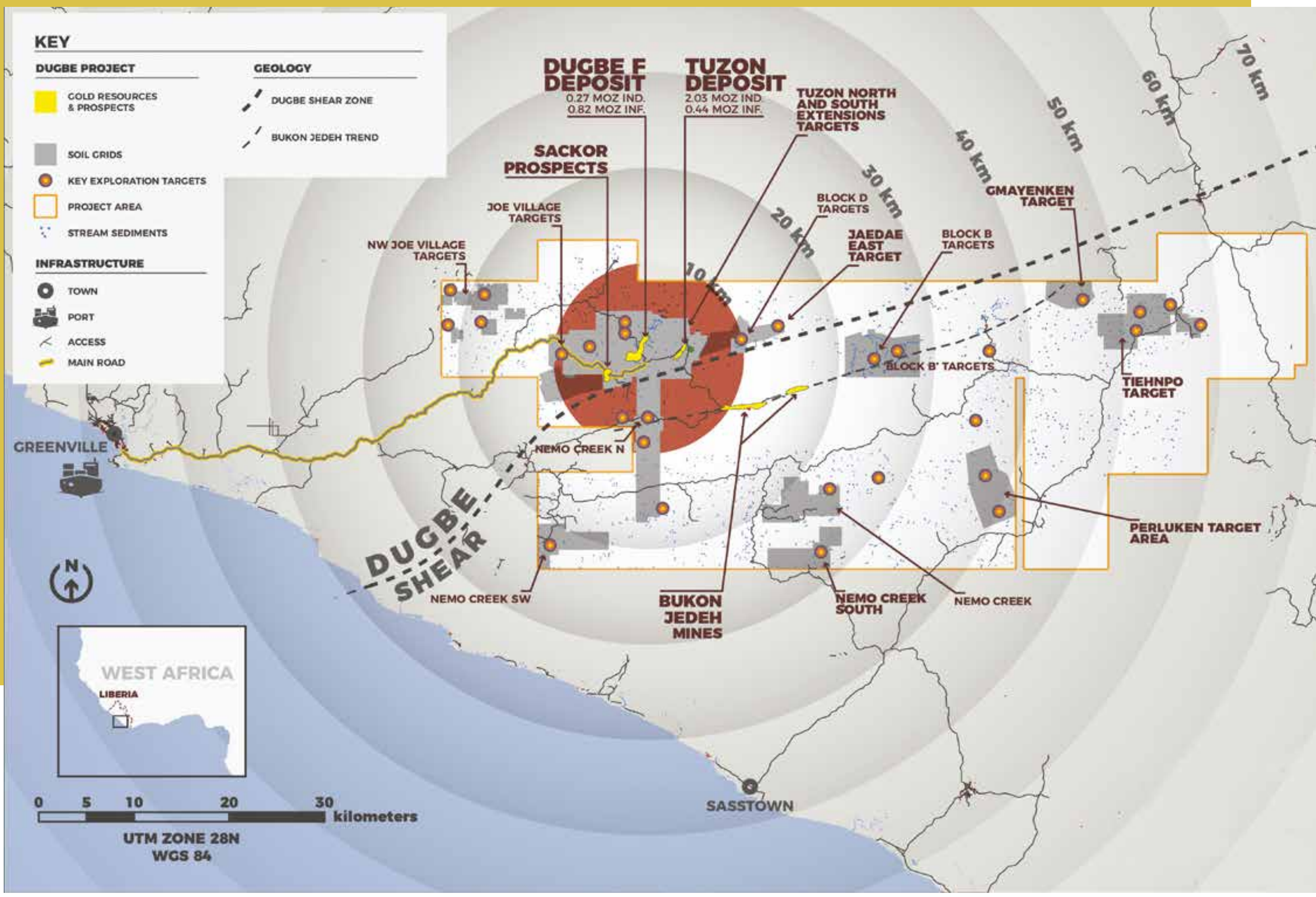
Mining licenses map

KOUROUSSA GOLD PROJECT, GUINEA

2020 was an important year for the Company setting itself up for future growth. In June the Company announced the signing of a conditional binding Sale and Purchase Agreement confirming and setting out the key terms for the acquisition of Kouroussa, Guinea, from Cassidy Gold Corp ("Cassidy") with the acquisition completed in September 2020. This strategic acquisition, once in production, will see the Company's production rise materially to +200,000 oz per annum, with material upside exploration potential, with a current mineral resource of inferred and indicated resources of 1.18 million oz of gold at >3g/t. Pre-development works began with a dedicated project management team assigned. Detailed process plant, flow sheet, infrastructure, and FEED analysis began. Capital cost estimates for equipment, construction and major contracts were initiated, along with a sterilisation drilling programme to confirm plant layout as well as exploration planning.

DUGBE, LIBERIA

License area and exploration targets



THE DUGBE GOLD PROJECT, LIBERIA

Similarly, in June 2020, the Company announced an earn-in agreement in respect of Dugbe, Liberia, with ARX Resources Limited ("ARX"). ARX was subsequently acquired by Pasofino who have the option to earn a 49% economic interest (prior to the issuance of the Government of Liberia's 10% carried interest) in Dugbe, Liberia once a DFS is completed while covering all Dugbe project costs over that period. Bringing in an earn-in partner to progress the project with separately committed capital and management time is expected to unlock Dugbe's latent value.

Pasofino have made material progress during 2020 at Dugbe. Management and operational teams were assembled in mid-2020 with project budget and work programmes devised and begun. Initial focus related to improving infrastructure including camp improvements, road repairs and bridge builds. ESIA studies began along with exploration and mineral resources work programmes in November 2020.

Exploration and drilling programmes begun in late 2020, starting at the Tiehnpo exploration target area with infill drilling at the Dugbe F deposit and resource infill and expansion drilling at Tuzon planned in early 2021 (which have subsequently occurred).

DRA Global were selected as lead consultants for the DFS. Trade-off studies evaluating power and infrastructure options were initiated with metallurgical flowsheet being reviewed and mining options evaluated.

responsible mining

2020 was a year dominated by COVID-19 for many of our ESG programmes. When the first global cases started to emerge in February 2020, the Company was quick to initiate health and safety protocols for our employees, contractors and local communities. We are proud of the way in which our employees adapted to the challenges COVID-19 placed not only on the business in general but also on individuals.

BOUGOUDALE

The market garden, now part of a functioning business.

Community and site Water, Sanitation and Health ("WASH"), training and medical procedures were initiated, coupled with strict quarantine procedures and testing. These initiatives meant the Company was able to control the spread of COVID-19 with no lasting or severe health impairments or deaths reported during the period.

COVID-19 did however impact the Company's health, safety, environmental and community teams' ability to interact with local communities as normal. Despite these challenges, we did see progress with our community project initiatives in Mali at our locally supported market gardens, poultry farms, soap manufacturing, honey and education programmes. In the second half of 2020 a renewed focus was put on infrastructure improvements at existing community projects such as water bore holes and water tower improvements, school infrastructure repairs, local healthcare and poultry farm building improvements. With infrastructure improvements made in 2020 a focus for 2021 is to enhance our existing community projects, versus taking on new initiatives, while endeavouring to have our locally supported communities take greater ownership and responsibility for initiatives the Company has helped put in place.

The challenge of Artisanal and Small-scale Mining ("ASM") remained in 2020, with a rising gold price in general seeing rising ASM numbers amongst our peers for the year. Further, COVID-19 restrictions impacted the Company's plans to better engage with local communities and the government in general on this issue. We are working with local and national government to progress a potential regulated ASM corridor in the region as well as ways to enhance alternative livelihood and eduction programmes.

The Company's strong track record on safety at site continued with a Total Recordable Injury Frequency Rate ("TRIFR") of 0.82 being recorded compared to 2.82 in 2019. Ongoing training, monthly safety awards and a daily focus at site on health and safety continues to deliver a strong track record for the Company which we are proud of.

At both Kouroussa, Guinea and Dugbe, Liberia progress was made on ESIA studies, which are ongoing and expected to be completed for both projects in 2021.

EDWARD MONTGOMERY

Chief Strategy & ESG Officer

As part of being a World Gold Council member, the Board committed to achieving conformance with the WGC's RGMPs and an internal working group was set up to initiate a Company GAP analysis against RGMPs on current overall protocols and procedures in place. In 2021 we expect to continue implementing procedures to begin to close those GAPs identified, which we believe will further enhance our overall ESG performance.

Further, the Company has a ESG Committee, which includes an independent Chair, and second independent adviser and the Chief Strategy and ESG Officer. The Company Chairman, the Chief Executive, and the Finance Director are also invited to attend these meetings. It typically meets once a month to review and advise the Company on its overall ESG performance.

Lastly, our commitment to operate responsibly with strict environmental, social and governance protocols and practices integral to our overall business practices remains and is embedded in the Hummingbird Values with a revised set of organisational principles and behaviours to support our updated organisational structure as highlighted previously in our strategy section.

The below table is a summary of key performance indicators and metrics relating to governance, our people; social performance and environmental performance. Material factors have been informed by the ESG Committee and selected stakeholders both internal and external to Hummingbird in outlining our key target and focus areas, with more detailed commentary following the table.

KEY TARGETS AND FOCUS AREA STATISTICS – YANFOLILA MINE MALI STATISTICS [1]

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2019 RESULT	2020 RESULT	TREND
GOVERNANCE					
Certification	Implementation of the WGC RGMPs	Qualitative Year 1 – readiness review Year 2 – internal assessment Year 3 – third party assurance on compliance	n/a	The Hummingbird Board pledged to implement the WGC RGMPs as the organising framework for ESG issues. Working group established to undertake a GAP analysis between the RGMPs and current policies and practices. An independent limited assurance report was issued by RSM Risk Assurance Services LLP confirming Hummingbird's conformance with the RGMPs' Year One requirements	+ve
	Anti-bribery and corruption ("ABC") training	Number of people	40 people (100%) of corporate team 34 people (15%) of Mali team	Total of 92 senior and those regarded as high-risk employees were requested to and completed training across the Group.	+ve
	Human Rights training	Number of people trained	890 people trained, including Malian national security forces and private security contractors	100% of Malian national security forces and private security contractors were trained, which totalled 860 people	+ve

1 These statistics relate largely to the Yanfolila mine in Mali. The Company will include more data on Kouroussa, Guinea and Dugbe, Liberia in the 2021 annual report as those projects are further developed

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2019 RESULT	2020 RESULT	TREND
OUR PEOPLE					
Safety & Health	No work-related fatalities	Number	0	0 (Target met)	+ve
	Lost Time Injury Frequency Rate ("LTIFR") improvements	Per million hours worked	1.25	0.29	+ve
	Total Recordable Injury Frequency Rate ("TRIFR") improvements	Per million hours worked	2.82	0.82	+ve
	Malaria overall incidence rate reduction on site	% of total workforce	42% incidence	14% incidence	+ve
	Safety training – Target of 11,400 hours	Hours	11,419 hours of safety training	17,290 hours of safety training Improved training of our contractors in particular leading to the rise in safety training hours	+ve
Human Resources	95% National employees	% employees (incl. contractor companies)	95%	95%	Neutral
	25% from communities directly impacted by the operations	% employee (incl. contractor companies)	27%	29%	+ve
	Develop a Diversity Policy at site level, highlighting any restrictions on gender diversity Develop action plan to improve performance	Qualitative	New for 2020	44 women on Yanfolila mine site (3%) including contractors The Company continue to promote diversity and inclusion in our corporate policies, specifically during our recruitment processes, in line with our adoption of the RGMPs, most notably 6.5 (diversity) and 6.6 (women and mining) with further enhancements expected in 2021	Neutral

OPERATIONAL REVIEW

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2019 RESULT	2020 RESULT	TREND
SOCIAL PERFORMANCE					
	Stakeholder engagement: Review grievance mechanism in light of stakeholder feedback to ensure good awareness, accessibility and responsiveness.	Qualitative: number of grievances received and level of engagement	2 in 2019	3 in 2020 Over 120 mass meetings were held in local communities on general stake holder initiatives, training, and general engagement in order to ensure ongoing awareness and addressing of concerns in our locally supported communities	Neutral
	Local Procurement and Supply Chain: Review of local procurement policy and supply chain to identify new opportunities Complete due diligence for child labour/modern slavery in the supply chain	Qualitative	New for 2020	GAP analysis initiated on current protocols and procedures with the WGC RGMP implementation	Neutral
ASM	ASM formalisation project advanced with government support and third-party involvement	Qualitative	New for 2020	Impacted by a change of government in Mali during the year and COVID-19 ability to interact with local communities and miners in general. Interactions at the government level for overall ASM risk mitigation measures were increased in 2H 2020 and remains a focus for 2021	-ve
	Livelihood Restoration project spend	US$/yr	US$180,000	US$43,539 A lower spend amount than budgeted due to COVID-19 impacting our community team's ability to enter local communities and conduct work programmes. In 2021 we expect overall work programmes to show improvement as teams are able to engage more with local communities	-ve
	Community Investment and Health	US$/yr and qualitative	US$352,000	US$179,000 spent compared to budgeted US$219,000, however 2021 budgets are increased to offset lower 2020 spend. Despite a lower spend the Company did see material positive local community work done on health, in particular relating to COVID-19 testing, training and awareness	Neutral / +ve
	Malaria programmes in the local communities via IRS	Qualitative	Postponed in 2019	IRS completed in the Bougoudale and Tiemba villages at a cost of ~US$100,000, with support from our partners	+ve

TOPIC	TOPIC AND TEST	UNIT OF MEASURE	2019 RESULT	2020 RESULT	TREND
ENVIRONMENT					
Environmental compliance and Resource efficiency	Process water recycling - 85% target	% return water	75%	78%	+ve
	Raw (fresh) water efficiency of 0.50	m^3/tonne ore	0.49	0.42	+ve
	No major environmental incidents	Number	No major incidents	No major incidents	Neutral
	Cyanide Detoxification performance less than 50ppm Weak Acid associable (WAD) Cyanide (CN) in the TSF [1]	ppm WAD CN	2.24ppm	1.56 ppm	+ve
	80% of waste materials reused/recycled	% of material recycled	80%	80% The Yanfolila site has a comprehensive material recycling programme in place with local and national accredited contractors	Neutral
Climate Change	Introduce a site wide policy to reduce and offset Greenhouse Gas ("GHG") emissions	Qualitative	New for 2020	Ongoing review and evaluation programmes on energy efficiency are taking place at Yanfolila, with detailed reviews at both development projects, Kouroussa, Guinea and Dugbe, Liberia	Neutral / +ve
	GHG emissions efficiency	tCO_2e/AU oz	0.59 (0.59 in 2019)	0.75 Rise from 2019 levels since the processing of harder ores required the consumption of more energy and more volumes mined impacting overall GHG emissions from the mobile fleet. Initiatives are being analysed at a Group level on ways to improve overall GHG emissions, in particular at Kouroussa in Guinea as stated above	-ve
Biodiversity & Rehabilitation	We will implement Biodiversity Management Plans (BMP) at all of our Project sites	Qualitative	New for 2021	Dugbe, Liberia BMP to be updated during on-going ESIA work by Pasofino Kouroussa, Guinea BMP to be finalized based on ESIA work undertaken in 2020 Yanfolila ESIA to be reviewed and develop standalone BMP for the operation	n/a
	20 hectares reforested per year at Yanfolila	ha	0	20 hectares planted in 2020 (+8,000) trees Looking to replicate in 2021 and develop a local community nursery programme to grow and plant tree seedlings and maintain reforestation programmes	+ve

1 TSF point of compliance in pond

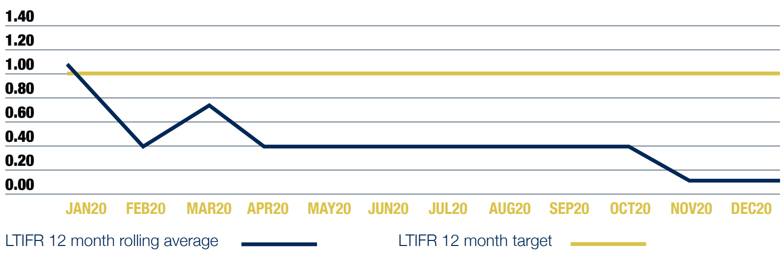
The WGC launched the RGMPs in September 2019, an overarching framework that represent international best practices in exploration, operation, and closure of gold mines. Responsible gold mining is conducted with respect for the environment and the human rights, safety and wellbeing of our employees, contractors and members of the communities associated with our activities.

WORLD GOLD COUNCIL AND RESPONSIBLE GOLD MINING PRINCIPLES

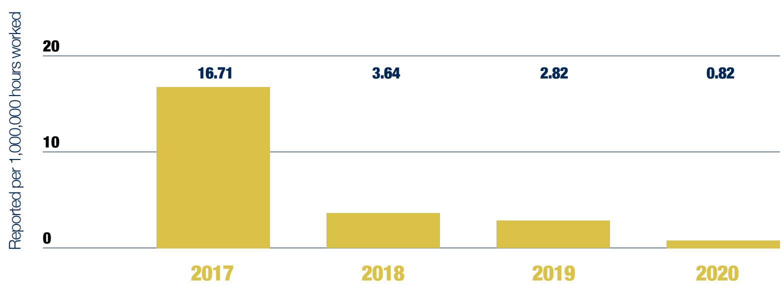
In September 2020, as part of our commitment to implement international best practices, the Board of Hummingbird declared its intent to adopt the RGMPs as an organising framework for the Company's ESG strategy and to work towards full conformance by the deadline of September 2022 and to report upon the assurance process for this during the first half of 2022.

Hummingbird is carrying out a GAP analysis, under the guidance of our ESG Committee of our policies, systems and performance against the standards set out in the principles of the RGMPs to identify areas for improvement. In October 2020, the Company received the report of our independent assurance provider, RSM Risk Management Services, detailing our conformance with the year one requirements of the RGMPs. We expect to make progress in 2021 in terms of closing internally identified Company GAPs to the RGMPs.

YANFOLILA LTIFR



YANFOLILA TRIFR



SAFETY

The Company's strong track record of on-site safety continued in 2020. In 2020 we improved our LTIFR to 0.29, compared to 1.25 in 2019 at our Yanfolila mine. We note in 2020 one injury resulted in lost time for a total of five days at Yanfolila.

In September 2020 a significant milestone was achieved when the site surpassed over one million LTI free hours and closed the year with 1,780,200 LTI free hours. Given our track record and wanting to see further improvements, the Company with our on-site team decided to reduce the TRIFR target from 2.5 in 2020 to 1.2 in 2021 with the 2020 TRIFR decreasing from 2.82 to 0.82 for 2021. The on-site safety improvements trends being recorded are achievements of which the Company is very proud. We remain committed to ongoing training, proper procedural measures and documentation in areas of key importance to prevent future incidents occurring.

PROVIDING MEDICAL EQUIPMENT AND CONSUMABLES FOR THE FIGHT AGAINST COVID-19

In relation to Yanfolila's contractor base we continue to use many well-known international groups for a range of services that have well recognised and accredited safety protocols and management systems in place. All employees and contractors are required to complete Hummingbird's safety training modules in hazard awareness, job safety analysis, basic fire response, first aid and chemicals awareness. Further, we continue to make use of smaller, and as much as possible local, contractors at site.

A particular focus for 2020 on health and safety revolved around COVID-19 prevention.

At Kouroussa we recorded one personal injury to a contracted security guard who fell into an artisanal mining shaft whilst on duty. The patient was attended to by the Company's emergency response team and then evacuated to the local village of Kankan and onward to Bamako for emergency surgery. The patient was monitored by Hummingbird's medical consultant Critical Care International ("CCI") and has since recovered. Further, we report an accident involving a company vehicle returning to site from Bamako tragically caused a fatality. All appropriate protocols were followed to support the family and village by senior onsite management teams.

MAJOR ONSITE CONTRACTORS	NUMBER OF PEOPLE ON SITE	RESPONSIBILITY
AMS *	558	Contract Mining
Capital Drilling	41	Drilling
Aggreko	8	Power provider
SGS	26	Laboratory services
Vivo	6	Fuel
IMS	71	Construction, TSF and roads
Wassa	43	Mining support
CIS	67	Camp and catering
Escort	158	Security

Examples of Major Contractors working at Yanfolila. The Company will include more data on Kouroussa, Guinea and Dugbe, Liberia in the 2021 annual report as those projects are further developed

* Now replaced by Junction Contract Mining ("JCM")

HEALTH AND COVID-19

2020 medical activities were dominated by the management of the COVID-19 pandemic. Such activities included: the education and awareness of the 1,300 workers of the mine; establishment of an on-site quarantine protocol; and installation of a P2 laboratory to allow on-site PCR testing in partnership with the Laboratoire National de Biologie Appliquée ("LBMA") being one of the four accredited COVID-19 laboratories in Mali. More than 3,000 PCR tests were carried out, making it possible to diagnose 59 cases of COVID-19, including 33 on camp, 16 among workers living in the community, and 10 among workers leaving Bamako to return to site after their break. Cases were effectively managed by our onsite medical team, with three of these 59 deemed more serious and referred to Bamako, by our internationally recognised medical services contractor CCI, working alongside our national doctor and nurses. We note all patients have fully recovered.

Further, the Yanfolila gold mine offered substantial support to the health structures of Bougoudalé, Soloba and Yanfolila, by providing them with medical equipment and consumables for the fight against COVID-19, including oxygen concentrators and large cylinders of medical oxygen. The mine also rented local community accommodation as an isolation unit for COVID-19 local population patients, procured local soap and masks from local entities and worked with local leaders to monitor adverse social and economic conditions arising from the pandemic.

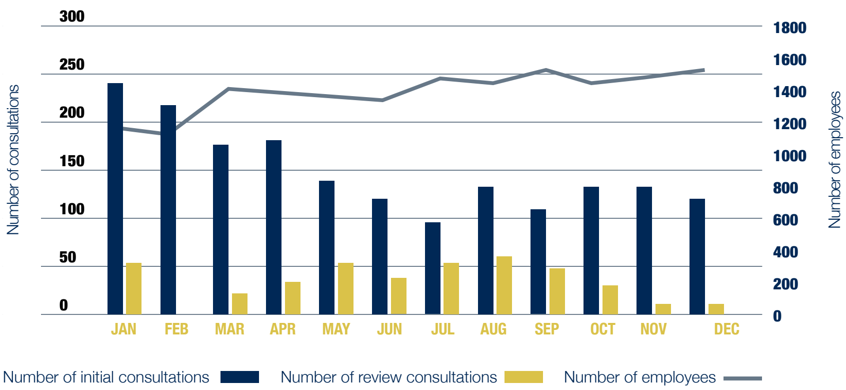
Along with the management of the COVID-19 pandemic, the clinic was busy conducting 2,359 consultations in total; of these, 1,815 were initial consultations (defined as a consultation for a new health-related issue), and 544 review consultations. These include follow-up appointments from initial consultations, chronic disease reviews, appointments for patients returning to work following a period of sickness and wound care appointments.

Malaria IRS was carried out twice at the Yanfolila site camp, and once (in August 2020) in the villages of Bougoudalé and Tiemba. This was the first time IRS was carried out in the community, which was well received by them. This activity was done under the supervision of the entomological unit of the LBMA and the National Malaria Control Programme. The cost was US$100,995 and provided enhanced protection to about 9,085 people. Malaria incidence has significantly reduced not only among mine workers (12%), but also among the community in the two villages sprayed. LBMA reported that Malaria incidence was reduced by 70% in the population of Bougoudale and Tiemba villages.

We thank our contractors and business partners who supported these malaria programmes in the communities.

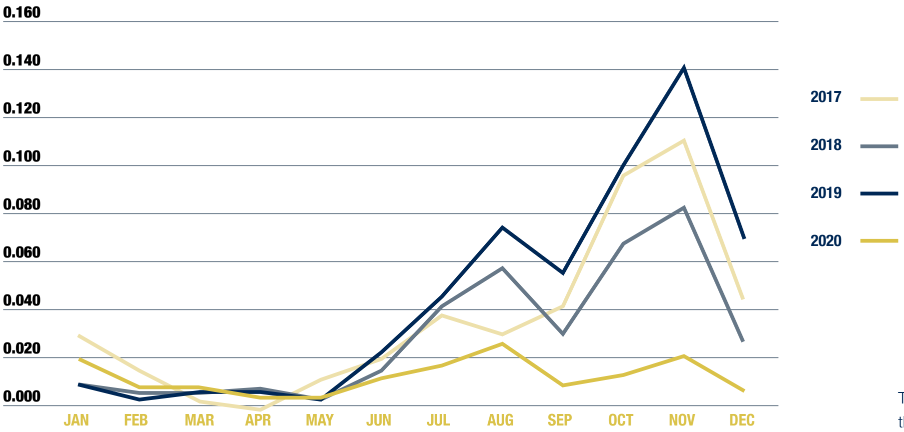
Other healthcare related initiative conducted during 2020 included: mass worker HIV awareness and testing campaigns; training of 83 first aiders; training of 30 advanced first aiders to manage potential cyanide poisoning cases, and occupational health visits (pre-employment medical visit, annual medical visits).

CONSULTATIONS AND EMPLOYEES NUMBERS 2020



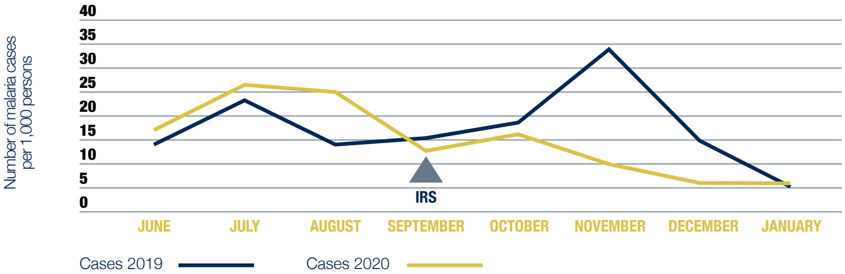
THE LOWEST INCIDENCE OF MALARIA AMONG WORKERS SINCE THE MINE OPENED

INCIDENCE OF MALARIA AMONG THE MINE WORKERS 2017–2020



The lowest incidence of malaria among workers since the mine opened was registered in 2020 (12%).

MALARIA CASES AMONG THE POPULATION IN 2019 AND 2020 IN BOUGOUDALE AND TIEMBA



PEOPLE ARE CENTRAL TO OUR VISION OF RESPONSIBLE MINING

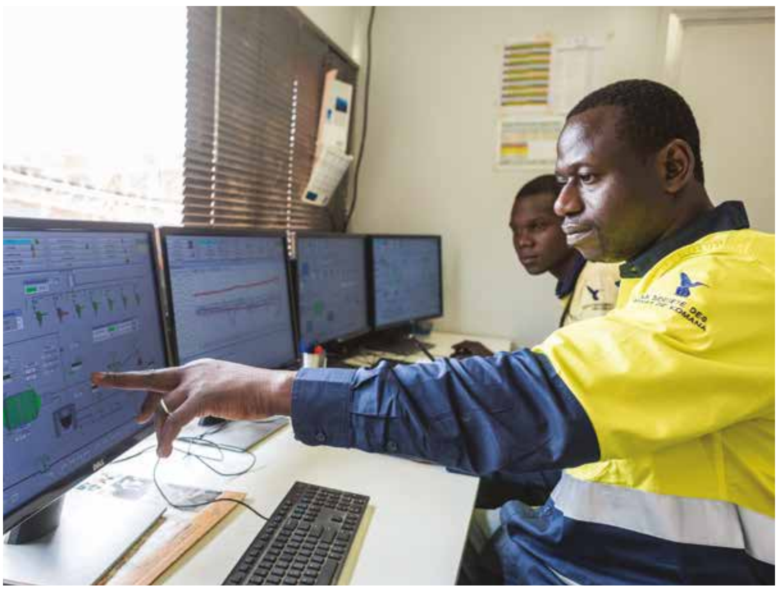
OUR WORKFORCE

Involvement of local people with the presence of the mine is central to our vision of responsible mining. Thus, local hiring and training remains a priority and Hummingbird is pleased to report that 95% of all employees (including contractors) are Malian nationals, and 27% of all Yanfolila employees (including contractors) are from the local communities (total of 243 people at end 2020). In Liberia, Pasofino employ 58 workers, 49 local and 9 expats. In Kouroussa, Guinea 222 people were employed at the end of 2020 as taken over by Cassidy, with subsequent restructuring of the Guinean work force completed in 2021 by the Company in preparation for pre-development works at the Project.

Total average number of workforces is as follows:

CORPORATE	MALI	LIBERIA[1]	GUINEA[2]	TOTAL EMPLOYEES	CONTRACTORS
20	234	58	222	**534**	1,209

1 Dugbe, Liberia workforce based on Pasofino numbers as at the end of 2020.
2 Guinea employee numbers on taking over the project from Cassidy



PAYMENTS TO GOVERNMENT AND LOCAL CONTENT

Hummingbird participates in the Extractive Industries Transparency Initiative ("EITI") processes in Mali, Guinea and Liberia. In 2020 Hummingbird paid a total of US$14.0 million to the Government of Mali comprising taxes, duties and royalties, an increase of almost US$1 million, reflecting in particular higher royalty payments. In addition to reporting in line with UK disclosure requirements we strongly support the in-country EITI transparency processes in stimulating continuing dialogue between governments, business and civil society and enhancing accountability around the use of the countries' resource endowments.

In Liberia, Hummingbird paid US$331,000 in licence fees and taxes to the Government of Liberia. Following the acquisition of the Kouroussa project in Guinea, Hummingbird paid US$200,000 to the Government of Guinea, comprising taxes and duties.

PAYMENTS TO GOVERNMENT OF MALI 2020

	2020		2019	
	XOF'000'000	US$'000	XOF'000'000	US$'000
Payroll taxes	**736**	**1,262**	824	1,411
Social Security	**1,063**	**1,833**	824	1,408
Withholding tax - IBIC	**1,297**	**2,189**	1,787	3,028
Royalties - CPS Tax Payable	**2,969**	**5,087**	2,261	3,853
Customs and import fees	**279**	**480**	236	406
Gold export fees	**600**	**1,019**	591	1,009
Corporation tax/Minimum tax	**1,043**	**1,767**	965	1,645
Other taxes	**237**	**392**	185	317
Total	**8,224**	**14,029**	7,673	13,077

PAYMENTS TO GOVERNMENT OF GUINEA 2020

Following the acquisition of Cassidy, the Group has made the following payments to the Government of Guinea.

	1 SEPTEMBER TO 31 DECEMBER 2020	
	GNF'000'000	US$'000
Payroll taxes	**587**	**60**
Social Security	**478**	**49**
Withholding tax	**884**	**91**
Total	**1,949**	**200**

PAYMENTS TO GOVERNMENT OF LIBERIA 2020

	2020	2019
	US$ '000	US$ '000
Business registration fees	**5**	5
Licence fees	**148**	165
MDA signing bonus	**-**	1,500
Payroll taxes	**76**	10
Withholding tax	**102**	67
Total	**331**	1,747

MALI LOCAL PROCUREMENT 2020

In 2020, 84% of payments for goods and services were made to nationally registered and local suppliers, equating to over US$85,000,000 of purchases.

VENDORS	2020	2019
	US$ '000	US$ '000
Local Vendors (Yanfolila area)	**111**	341
National Vendors	**85,109**	90,879
International Vendors (16% of total (2019: 19% of total)	**16,480**	21,948
Total	**101,700**	113,168

LIBERIA LOCAL PROCUREMENT 2020

In 2020, 54% of payments for goods and services were made to national and local suppliers, equating to over US$2,500,000 of payments.

VENDORS	2020
	US$ '000
Local Vendors (Dugbe area)	**283**
National Vendors	**2,308**
International Vendors	**2,182**
Total	**4,773**

GUINEA LOCAL PROCUREMENT 2020

Following the acquisition of Cassidy, the Group made the following purchases goods and services from Guinean suppliers equating to 31% of all purchases. The split of purchases still reflects the initial development phase of the project and it is expected over time local procurement will increase. The below is from 1 September to 31 December 2020.

VENDORS	2020
	US$ '000
Local Vendors (Kouroussa area)	**459**
National Vendors	**421**
International Vendors	**1,921**
Total	**2,801**

environment

Our approach to the management of environmental and social aspects across the Company's sites involves the implementation of the mitigation hierarchy to avoid, minimise, mitigate and where appropriate, compensate for or restore identified effects. Hummingbird's Environmental teams continue to utilise the environmental management system and implement a number of management plans, many of which have been reviewed and updated during the year. Over the course of the year, environmental monitoring included air quality sampling, water quality sampling, monthly noise monitoring and continuous particulate monitoring and management of all solid waste. The specialised database set up last year continues to allow us to analyse trends and understand our impacts better, and therefore manage them better.

UNDERSTANDING AND MANAGING OUR IMPACTS

WATER USE
MANAGEMENT OF WASTEWATER AND TAILINGS

Hummingbird utilises fresh water in mineral processing and extracts groundwater from the dewatering of open pits as well as returning water from the TSF for use in the plant. While abstractions of fresh water and quantities of groundwater pumped from the dewatering network remained similar to the 2019 volumes, there has been a focus on increasing the amount of water returned from the TSF in order to reduce the amounts abstracted from the river. There has also been an increased focus on reducing the amount of water on the TSF by the installation of a second evaporator in 2020, an increase in the amount of time that the evaporators operate with additional evaporators ordered to be installed in 2021.

Overall, 78% of water used in the plant is recycled, water pumped from the river and from boreholes has decreased, return water from the TSF has increased and total water consumption is down by 7%. We also manage run-off from our facilities including the waste rock dumps in order to ensure compliance with our permit. The TSF operates as a zero-discharge facility. In 2020, no significant water quality impacts were recorded. We note a moderate spill from the tailings pipeline from the plant to the site was recorded in Q1 2020 as a result of a bush fire damaging the pipe. The spill was contained on surface and did not result in uncontrolled discharge to water courses or groundwater. The spilled materials were cleaned up and deposited within the TSF. An additional five minor environmental incidents were recorded through the year, all were of negligible impact and were remediated in a timely fashion.

Lastly, we aim to continue to increase the percentage of water recycled in mineral processing (largely from TSF reclaim) with an overall efficiency of freshwater usage of 0.49 cubic metres per tonne of ore (in FY2019, the equivalent number was 0.64 cubic metres per tonne of ore).

TSF MONITORING

The TSF is independently audited quarterly by a chartered engineer. Inspections are conducted to assess the tailings storage operations relative to established international standards and practices. The inspections provide commentary on the condition of the facility, identify any unusual conditions, highlight any areas of concern, review monitoring data and provide suggestions and recommendations for any changes in operating practices. Inspections entail a physical inspection of the facility and associated infrastructure, a review of monitoring data and discussions with relevant site personnel.

In 2020 Hummingbird invested in management of the TSF water balance through increased pumping, improved water recovery rates as well as completion of the Stage 2 and 3 downstream raises. A Stage 4 raise was completed in Q1 2021. A second evaporator was commissioned in early Q1 2021. In addition, a third-party review of the dam design, construction and operation has been initiated in line with the Global Industry Standard on Tailings Management.

GREENHOUSE GAS EMISSIONS AND CLIMATE CHANGE

We continue to measure our carbon emissions and are undertaking a review of the climate change related risks associated with our Kouroussa, Guinea development project as are Pasofino for Dugbe, Libera in their overall DFS planning and development process evaluating. No grid power is available at Yanfolila, and the Company continues to investigate opportunities for efficiency improvements and reducing our carbon emissions including assessing options for the use of renewable energy, in particular with a new COO in place who is reviewing overall Group operational efficiencies.

On site power generation as well as fuel consumption from mining fleet at Yanfolila continues to represent the vast majority of our Greenhouse Gas ("GHG") emissions. In 2020: 40,726.07 MWh of power was generated from diesel generators, operated by Aggreko. A total of 28,198,484.99 litres of fuel was consumed at the Yanfolila site by the generators, process plant, the contract mining fleet and other vehicles resulting in 75,222.28 tCO_2e, which equates to 0.75 tCO_2e/Au oz.

The rise from 2019 levels in 2020 is mainly due to the processing of harder ores requiring the consumption of more energy in the process plant and more volumes mined impacting overall GHG emissions from the mobile fleet.

MALI OPERATIONS – GHG EMISSIONS	Scope 1 *
GHG Emissions 2020 in tCO_2e	75,222.28 tCO_2e

* Scope 1: emissions are direct GHG emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, vehicles).

Assessment of our climate change related risks primarily focuses on our core operations, but also takes account of our supply chain as well as the wider regulatory and institutional framework.

Mali is especially vulnerable to the impacts of climate change. Rainfall in Mali is controlled by the movement of the Inter-Tropical Conversion Zone, ("ITCZ") which oscillates between the northern and southern tropics over the course of a year and brings rainfall to the southern regions of Mali, where Yanfolila is located, when it is in its northern position between June and October, peaking in August. In the dry months between November and March, almost no rain falls. Variations in the movements of the ITCZ from one year to another cause large inter-annual variability in wet-season rainfall, which means that Mali suffers from recurring drought. It is likely that temperatures could rise sharply, while precipitation becomes less reliable and water availability being generally reduced.

AT THE CORE OF HOW WE OPERATE ARE OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

This has repercussions for important sectors of the economy such as agriculture and forestry, animal husbandry, energy and healthcare, and therefore, for potential population movements. Nationally, Mali has prepared a climate action plan that commits to an average reduction in GHG emissions of 27% by 2030 compared to business as usual, including a reduction of 29% from agriculture, 31% from the energy sector, and 21% from forestry and land-use. At the same time, the country lacks data and resources to implement its National Climate Change Action Plan (“PANC”). A project run jointly by GIZ and UNDP, is helping key decision-makers to incorporate climate change aspects into development strategies, so that these aspects can be accounted for in planning instruments for the most vulnerable sectors. There is a commitment to adaptation with priority placed on the development of a green and climate smart economy. Notably, however, over the last three years the area around Yanfolila has experienced periods of extremely high, and disruptive rainfall, showing the challenges inherent in medium-term climate forecasting.

Yanfolila’s location in South Western Mali means that by most predictions, the biophysical exposure of effects of climate change are likely to be relatively low. It is also unclear how rainfall will be affected. However, socio-economic sensitivity to extremes of climate is high and the assessed capacity of many local communities to adapt is very low. This is primarily driven by poverty, low educational levels, poor access to social services, food insecurity and poverty.

LAND DISTURBANCE AND REHABILITATION

The Company continues to implement controls to minimise land disturbance wherever possible. Minimising our footprint is a key focus area to mitigate the negative impact this can have on the local communities. In 2020 73 hectares of land were disturbed across the project for various purposes. The Company commenced a progressive rehabilitation programme as set out in our environmental permit requirements for afforestation, with ~8,000 trees planted over ~20 hectares in 2020. A further 20 hectares will be planted in 2021, and Hummingbird aims to set up a nursery which will be run and staffed by the community in 2021 to help with these overall reforestation plans. We believe this initiative not only should provide additional livelihood opportunity support for local people, but also increase the likelihood of a higher proportion of the trees surviving through to maturity with a more engaged community in our overall reforestation programmes.

BIODIVERSITY AND PROJECTED AREAS

As stated in our ESG matrix above the Yanfolila historical ESIA studies are to be reviewed in order to develop a standalone BMP for the operation. We note for 2020 at Yanfolila no significant adverse impacts would be expected to occur from mine development and that standard mitigation measures would be appropriate. Hummingbird recognises the potential sensitivities associated with our project location, in close proximity to the Sankarani River and to the Sankarani-Fie RAMSAR site, across the international border with Guinea, and we manage our impacts accordingly.

For Kouroussa, Guinea see page 38 for more details on the project’s biodiversity update and outlook.

At Dugbe, Liberia biodiversity surveys are underway as part of the ESIA in progress. The previous surveys carried out at site in 2013 and 2014 determined that the area is Tier 1 Critical Habitat for a number of indicators set out in IFC’s Performance Standard 6. The current planned biodiversity surveys will update and build on the previous extensive work. See page 39 for more details.

ENVIRONMENTAL INCIDENTS

No Reportable (High, Major or Extreme) incident recorded in 2020.

We recorded five environment incidents, where four minor cases of Loss of Containment and one moderate case of Wildlife fatality.

CATEGORY	NUMBER
Extreme	0
Major	0
High	0
Moderate	1
Minor	4

ENCOURAGING LOCAL COMMUNITIES IN TAKING INCREASED OWNERSHIP

ESIA AND PERMITTING

The Yanfolila environment team is integrated into the development of the ongoing mining and exploration plans at Yanfolila by assisting with assessment of the impact for internal governance, as well as ensuring all existing permitting conditions are met.

As we look to explore and develop new deposits across the Yanfolila licence area, ESIA activities will be undertaken to ensure that environmental permits are updated in line with Malian regulations. The current environmental permit for Yanfolila covers open pit mining from KE, KW, Gonka, SW and Kabaya South. Further ESIA studies are to be undertaken at the SE deposit as exploration plans develop and progress is made to bring the SE deposit into future mine plans. This includes the requirement to carry out community resettlement plans in that area in 2021. Also, new permitting documentation is needed for a potential KEUG mine from local authorities that are scheduled to be completed and approved by local authorities in 2021.

In terms of ESIA and permitting for Kouroussa, Guinea and Dugbe, Liberia we detail those projects progress below.

SOCIAL RESPONSIBILITY AND ENGAGEMENT WITH LOCAL STAKEHOLDERS

2020 was operationally challenging for our Yanfolila mine, made worse by the impact of COVID-19. COVID-19 did impact our community team's ability to interact with the local communities, however despite this, we managed to maintain a relatively active level of engagement with local communities, holding ~120 large scale community meetings on issues relating to: general stake holder initiatives, training, and engagement in order to ensure ongoing awareness and addressing of concerns in our locally supported communities. We were very pleased with the site's safety performance and with the results of our anti-malarial IRS initiative in two villages. In relation to artisanal and small-scale miners, we recognise continuing tensions at site with those who seek to intrude into our operational areas and hope to make substantive progress in reducing this in 2021. Other areas of focus for 2021 include maintaining our progress with safety, conducting a community resettlement at SE in line with international standards, making progress with improving gender diversity and encouraging the increased participation of local content.

In relation to grievance recording, in 2020 we recorded three new grievances (2019: two). The grievances related to recruitment policies by the Company and its contractors and were resolved through communication with the relevant stakeholders. The Company continues to follow local and national employment laws and regulations, where possible prioritising local labour, and requires all contractors to adhere to the same policies.

LIVELIHOOD RESTORATION

The advent of COVID-19 at the start of 2020 materially impacted our community liaison teams ability to interact with our locally supported villages as normal. This hindered our scheduled work programmes budgeted for and planned for 2020. In the second half of 2020 access to our local communities improved, as the local population became more knowledgeable about COVID-19 due in part to our team's public education and awareness programmes.

Our key livelihood restoration projects achievements during 2020 included:

- Rehabilitation of the water supply of three markets garden at Soloba, Kona and Bandjougoufara
- Rehabilitation of poultry houses of the villages of Leba, Bougoudalé and Soloba
- Training of 30 women of Siekorolé on the processing of cashews
- Training of 15 beekeepers in the commune of Yallankoro Soloba

In late 2020 our community team having established a number of programmes and projects, transferred their focus to encourage and support local communities in taking increased long-term ownership of and responsibility for these projects and programmes.

For 2021, with a renewed ability to better engage with the local communities in general the Company is looking to enhance the below community livelihood programmes:

- Market gardens: Adding two, bringing the total to ten, employing +700-900 locals (mainly women)
- Schools: eleven teacher salaries to continue with scheduled school maintenance improvements
- Poultry farms: Adding two, bringing the total to six, employing >40 locals and seeing improvements in terms of production techniques, sanitation and overall business practices
- Soap manufacturing: Training on manufacturing and business practices to help improve the longer-term economic viability of this initiative
- Honey initiative: Ongoing training on beehive manufacturing
- Hummingbird Tree Initiative: Develop a community led nursery and plant propagation skills that can contribute to our permit condition of planting a minimum 20 hectares a year, or +8,000s as part of a progressive reforestation programme

OPERATIONAL REVIEW

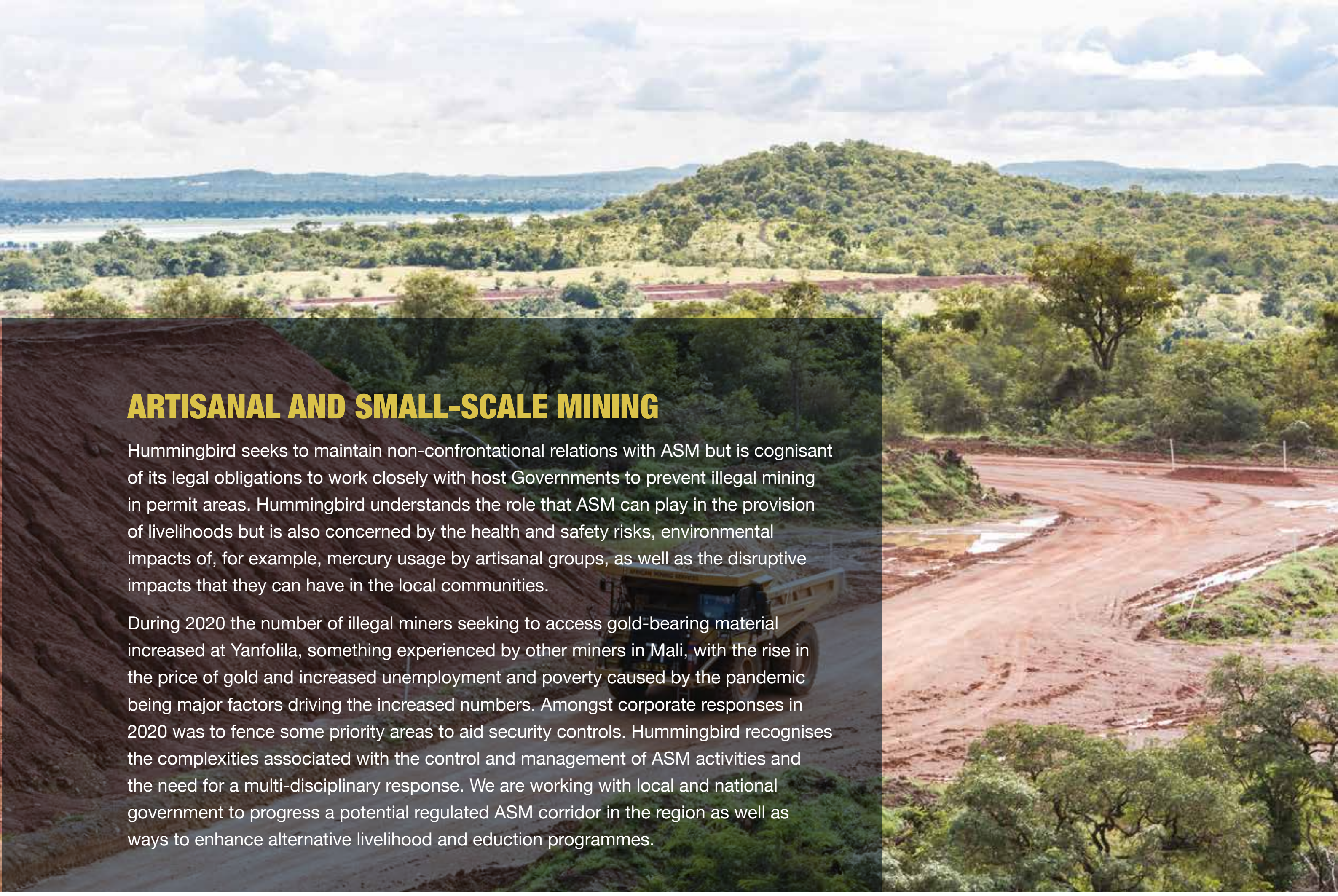
Our community investment focus by our dedicated on-site teams continued in 2020 with comprehensive community development plans delivered throughout the year. The advent of COVID-19 did impact our onsite 'community teams' to interact with the local communities as normal.

In 2020 a total of US$179,000 (versus US$219,000 budgeted) was spent on three focus areas being: 'WASH', education and community health in particular, as was the case in 2019. These projects were again identified as being priorities from our local communities and related stakeholders.

Community investment focus areas for 2020

FOCUS AREA	PROJECT	BENEFICIARIES
WASH	During 2020 we rehabilitated: three water irrigation system inside markets gardens (Bandjoukoufara, Kona, Soloba completed), rehabilitated Bougoudale and Kabaya village water supply system with a new borehole. Planning to rehabilitate the remaining three (Tiemba, Komana, Fougatie) in Q2 2021	Market garden: Villages of Bandiougoufara, Kona and Soloba a total of 250 women Water supply: Kabaya, Siekorole, 24,000 people
	Construction of 14 latrines	Village of Komana Bozodaga with ~1,200 people
Education	Three-month traineeship programme in water supply system reparation and maintenance	10 youths from local communities
	Sponsorship of teachers' salaries	11 teachers across three communes
Community Health	Donation of kits and material	COVID-19 community support, liquid soap distribution; kits and consumables donation to Bougoudale CSCOM and Yanfolila CSREF, and renting accommodation for a COVID-19 community isolation centre

WE BELIEVE IN PROVIDING SECURITY AND PROTECTING HUMAN RIGHTS



ARTISANAL AND SMALL-SCALE MINING

Hummingbird seeks to maintain non-confrontational relations with ASM but is cognisant of its legal obligations to work closely with host Governments to prevent illegal mining in permit areas. Hummingbird understands the role that ASM can play in the provision of livelihoods but is also concerned by the health and safety risks, environmental impacts of, for example, mercury usage by artisanal groups, as well as the disruptive impacts that they can have in the local communities.

During 2020 the number of illegal miners seeking to access gold-bearing material increased at Yanfolila, something experienced by other miners in Mali, with the rise in the price of gold and increased unemployment and poverty caused by the pandemic being major factors driving the increased numbers. Amongst corporate responses in 2020 was to fence some priority areas to aid security controls. Hummingbird recognises the complexities associated with the control and management of ASM activities and the need for a multi-disciplinary response. We are working with local and national government to progress a potential regulated ASM corridor in the region as well as ways to enhance alternative livelihood and eduction programmes.

SECURITY AND HUMAN RIGHTS

The Voluntary Principles on Security and Human Rights were created through a multi-stakeholder process involving governments (initially led by the US and UK), civil society and leading mining and oil and gas companies. The Principles set out recognised international good practices for risk assessments and for the control of private security and public security forces contracted to protect corporate assets. The objective is that corporate security needs should not expose local community members to authoritarian or abusive behaviours at the hands of security personnel. Hummingbird uses the Voluntary Principles as its framework for risk assessment and the governance of security personnel. The Company believes that providing security and respecting human rights can and should be consistent.

The Company retains a private security provider as well as receiving the support of a group of Gendarmes and a National Guard unit. In each case the Company ensures that personnel are trained on the requirements of the Voluntary Principles. Proactive communication, community engagement, and grievance redress are central to our approach, including through collaboration between security and community relations departments. Gender considerations are also important, as women (including illegal miners) often have different experiences and interactions with security personnel and risk exposure to gender-based violence.

STRIVING TOWARDS A FLAGSHIP ESG OPERATION

KOUROUSSA, GUINEA ESIA

When the Company acquired the Kouroussa Gold Project an internal review of the existing ESIA and management systems was completed and an ESIA addendum commenced in September 2020 seeking to better understand and assess the project and ensure that best practice requirements are integrated into the design, operation and closure of the project as per the WGC RGMPs.

Particular areas of focus include:

- The project's location within a RAMSAR site, in relatively close proximity to a National Park (Parc National du Haut Niger);
- The socio-economic baseline given the nearby town of Kouroussa and surrounding villages and;
- The hydrological regime and geochemical nature of the material to be mined given the proximity to the Niger River.

ESIA Process

Hummingbird contracted several major groups to work concurrently on specialist areas in order to update or complete baseline studies and impact assessment, as well as prepare management plans and design criteria.

Insuco (Guinea) have been responsible for completing the socio-economic baseline and impact assessment, a detailed land study to understand the history and tenure, as well as a comprehensive land compensation and livelihood restoration plan across the planned Project footprint.

A consortium of international and national biodiversity experts made up of Treweek Environmental Consultants (UK), Fairfields Consulting (UK), and Sylvatrop (Guinea) have completed Phase 1 and 2 biodiversity studies including extensive field surveys across the project area. This group has deep experience in Guinea and of conducting biodiversity studies in line with IFC Performance Standard 6 requirements.

Hydrotechnica (UK) continue to work with Hummingbird to complete hydrogeological and hydrology studies related to mine development and water resources.

Knight Piesold Pty (Australia) have completed climate studies, surface water management structure design, TSF design and assessment of potential for Acid Rock Drainage and Metal Leaching of ore and waste rock.

BIODIVERSITY BASELINE QUICK FACTS

Despite the project location next to Kouroussa and widespread degradation, some Natural Habitat in relatively good condition is observed:

- Wet bowé
- Gallery forest

Baseline surveys found 17 threatened or restricted range species as per IUCN Red List.

Confirmation of Endangered and restricted range frog species (Phrynobatrachus pintoi) is most significant and observed in four locations in the Gallery Forest. This is a significant extension of its known range.

No presence of chimpanzees observed in Study area.

Critical Habitat assessment (IFC PS6) to be completed in 2021 but on the basis of the current study only the presence of Phrynobatrachus pintoi, is expected to qualify the area as Critical Habitat.

DEVELOPMENT OF ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEM

A key part of the ESIA stage is to develop a detailed and practical Environmental and Social Management System ("ESMS") that can be implemented throughout the Project lifecycle.

Hummingbird is committed to the mitigation hierarchy seeking to:

- Avoid
- Minimise
- Rehabilitate / restore
- Offset

Based on the findings of the ESIA, incorporating international best practice design standards, and Hummingbird's operating experience in a similar setting at Yanfolila, the Kouroussa Project has an opportunity to become a flagship ESG operation through Hummingbird's implementation of its corporate commitments through the RGMP framework.

DESIGN STANDARDS FOR BEST PRACTICE

Hummingbird has incorporated best practice into the design of the project including:

- WGC RGMPs
- Cyanide Code
- ANCOLD 2019 / Global Tailings Standard
- IFC EHS Guidelines

DUGBE, LIBERIA ESIA AND COMMUNITY ENGAGEMENT

We will include more detail on the progress of Dugbe's DFS and ESIA study by our earn-in partners' Pasofino in our 2021 annual report as the work programmes on the DFS and updated ESIA studies by Pasofino commenced in October 2020.

SRK UK were selected as lead consultants for the ESIA. The formal ESIA process, mandated by Liberian regulations, commenced with ESIA and RAP field work programmes initiated and remain ongoing. Completion of the DFS is planned by the end of 2021 based on current Pasofino expectations.

In terms of overall community engagement, Pasofino designed a detailed community liaison process to engage with stakeholders, conducted in two phases between October and December 2020, including a rapid reconnaissance exercise to undertake a social assessment of the project area, particularly where exploration activities were expected to commence. This reconnaissance survey was designed to identify key stakeholders and help the Company to understand prevailing social challenges within the project area prior to the re-start of activities. The second phase of the process was also completed and provided a high-level project development presentation to historic and new stakeholders, decision-makers including the Ministry of Mines and other ministries through to County Senators, Superintendents and down to village level. Community engagement is ongoing.

financial review

BASIS OF PREPARATION

The Group's financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Group's adoption of new and revised standards, significant accounting policies, and critical accounting judgments are disclosed in the notes to consolidated financial statements. The functional currency of the Group is United States dollar ("$"). The financial information below is presented in thousands of United States dollars ("$'000").

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

An unabridged analysis of the consolidated statement of comprehensive income for the year ended 31 December 2020 is shown below.

	2020 $'000	2019 $'000
Continuing operations		
Revenue	**185,072**	**156,874**
Production costs	(93,975)	(86,298)
Amortisation and depreciation - owned assets	(29,055)	(27,944)
Amortisation and depreciation - right of use assets	(12,312)	(10,839)
Royalties and taxes	(6,747)	(5,726)
Cost of sales	**(142,089)**	**(130,807)**
Gross profit	**42,983**	**26,067**
Share based payments	(2,081)	(753)
Other administrative expenses	(8,928)	(12,056)
Operating profit	**31,974**	**13,258**
Finance income	2,014	2,241
Finance expense	(9,288)	(8,278)
Share of associate loss	–	(62)
Share of joint venture loss	(17)	(4)
Reversals in impairment of financial assets	397	23
Gain on financial assets measured at fair value	1,203	2,218
Profit before tax	**26,283**	**9,396**
Tax	(1,135)	(1,551)
Profit for the year	**25,148**	**7,845**

Principal items of income and expense are explained as follows:

REVENUE

Total Group sales was $185.1 million (2019: $156.9 million).

The Group's Malian subsidiary sold 104,174 ounces of gold dore generating revenue of $181.7 million (2019: 112,686 ounces for $155.1 million), an 18% increase in revenue. The average realised price for gold dore was $1,745 per ounce (2019: $1,377 per ounce). The gold dore is sold at a discount to the refined spot gold price which approximates to the refining and transport costs.

The Group also sold gold grain and investment gold coins worth $3.4 million (2019: $1.8 million) at a premium to the spot gold price as part our SMO Gold initiative.

The Company remains committed to operating as an unhedged gold producer. However, as a single asset producer a significant fall in the gold price could materially impact the Group's ability to service debt and meet operating costs. Accordingly, from time to time the Group invests in low cost put options to partially insure against the risk of falling gold prices without capping the exposure to the upside.

COST OF SALES

Cost of sales of $142.1 million (2019: $130.8 million) primarily relate to the following cost elements:

- Mining costs of $48.2 million (2019: $51.7 million), represents both owner and contract mining costs. During 2020, African Mining Services ("AMS") were the mining contractor who performed the full mining scope from mining, production drilling and blasting, to ore haulage for processing. AMS was replaced by Junction Contract Mining ("JCM") from 1 April 2021 on similar terms. AMS contract was based on a fixed and variable rate with allowances for inflationary rise and fall adjustments. The mining costs exclude 'lease' cost for the mining equipment of approximately $13.7 million (2019: $11.6 million) now treated as lease payments under IFRS 16.
- Processing costs of $24.8 million (2019: $20.6 million), represents costs incurred at the processing plant. Major cost categories include power, plant maintenance and chemical reagents costs. Cost increases were largely due to the increased throughput of the plant and processing of a greater proportion of harder ores following the installation of the second ball mill in 2019.
- Inventory adjustments, charge to income statement of $0.8 million (2019: $5.7 million credit to income statement). This represents the valuation of both gold on hand, stockpiles and gold in process at end of year. There was less gold on hand at 31 December 2020 due to timing of the shipments at year end. Included in inventory adjustments is $nil (2019: $nil) to carry inventory at lower of cost and net realisable value.
- Support costs of $18.0 million (2019: $17.9 million), represents costs incurred in supporting the core mining and processing areas. Included in this are all site labour, insurance, finance and administration (excluding corporate head office costs), community affairs, security and human resources. Also included in support costs is a cost of $0.9 million relating to gold put options costs (2019: $0.8 million).
- Amortisation and depreciation on owned assets of $29.1 million (2019: $27.9 million). Amortisation and depreciation costs are for most, based on a unit of production method, in line with ounces produced. The increase year on year reflects a larger depreciable base offset by lower ounces produced.
- Amortisation and depreciation on right of use assets of $12.3 million (2019: $10.8 million). This represents depreciation and amortisation of leased assets following the adoption of IFRS 16, "Leases", on 1 January 2019. This mainly represents depreciation on assets leased under the mining contract and the power generators in Mali, as well as offices in Mali and London.
- Royalties and other taxes of $6.7 million (2019: $5.7 million), primarily representing amounts payable to the Government of Mali.
- Gold grain and investment gold coins cost of sales of $2.3 million (2019: $1.7 million) representing the cost of purchasing, transporting gold grain and minting investment gold coins.

OTHER ADMINISTRATIVE EXPENSES

Other administrative costs of $8.9 million (2019: $12.0 million), represents mainly support costs including staff costs and professional fees, as well as business development costs, a $3.2 million fall from prior year.

FINANCE INCOME AND EXPENSES

Finance income of $2.0 million (2019: $2.2 million), represents interest on deposits and receivables, foreign exchange gains and fair value adjustments on warrants.

Finance expenses of $9.3 million (2019: $8.3 million), represents interest and amortised costs on borrowings, foreign exchange losses, and unwinding of present value discounts on provisions.

GAIN ON FINANCIAL ASSETS CARRIED AT FAIR VALUE THROUGH PROFIT

The Group recognised a gain of $1.2 million (2019: $2.2 million) during the year from assets at fair value through profit or loss. This gain was mainly made up of gains of $1.0 million from the Group's investment in Cora Gold due to increase in share price over the year with the balance relating to increase on the investment in Bunker Hill.

OPERATIONAL REVIEW

TAXATION

The taxation of the Group's operations in Mali are aligned to the mining convention (Mining Code of Mali 1999) under which tax is charged at an amount not less than 1% of turnover and not more than 30% of taxable profits. Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of $12,790,000 and deferred tax liabilities of $12,106,000 have been recognised on 31 December 2020, resulting in a net income of $684,000 being recognised with tax expense. These assets and liabilities were previously not recognised due to unpredictability and uncertainty of their recoverability and timing.

STATEMENT OF FINANCIAL POSITION

An abridged analysis of the statement of financial position as at 31 December 2020 is shown below:

	2020 $'000	2019 $'000
Non-current assets	248,402	223,017
Current assets	33,076	29,639
Cash and cash equivalents	11,068	8,529
Total assets	**292,546**	**261,185**
Non-current liabilities	30,743	18,540
Non-current borrowings	–	10,148
Current liabilities	65,334	63,742
Current borrowings	13,208	29,852
Total liabilities	**109,285**	**122,282**
Net assets	**183,261**	**138,903**
Equity attributable to equity holders of the parent	173,485	135,253
Non-controlling interest	9,776	3,650
Total equity	**183,261**	**138,903**

Principal movements in assets and liabilities are explained as follows:

TOTAL ASSETS

As at 31 December 2020, the Group's assets totalled $292.5 million, an increase of $31.4 million on the prior year. The increase was impacted by a total of $30.7 million assets acquired as part of the Kouroussa Project. Refer to note 23 of the financial statements for further details. Total assets comprise: Non-current assets; including investments, exploration and evaluation assets, property, plant and equipment, and Current assets; including cash and cash equivalents, inventories, trade and other receivables.

- **Non-current assets** – Increased by $25.4 million during the year, as a result of both additions and offset by depreciation and amortisation charges. The increase was also impacted by the first-time recognition of deferred tax asset of $684,000 with respect to the Malian subsidiary following an assessment by management. Included within non-current assets are leased assets capitalised under IFRS 16, Leases. This standard requires that all qualifying leased assets are recognised on the balance sheet as right of use assets. Property, plant, and equipment additions included $3.0 million spend on Saniomale West preparations, $3.0 million on Komana East and West cutback, $2.0 million on Komana East Underground Studies and $2.0 million on increasing the capacity of the tailings storage facility. A further $4.0 million was spent at Kouroussa post acquisition. Also included in non-current assets is the $5.0 million (2019: $2.1 million) Bunker Hill investment, as well as investment in Cora of $2.7 million (2019: $1.7 million). Other additions during the year included exploration and evaluation expenditure of $2.6 million. Depreciation and amortisation charges on property, plant and equipment was $29.1 million and depreciation on right of use asset of $12.3 million.
- **Current assets** – Increased by $3.4 million during the year, mainly because of increase to inventory of $2.3 million. Increase to inventory consisted of $2.0 million increase in spares and reagents inventory due to stockpiling during the COVID-19 pandemic, increases of $0.7 million in stockpile due to slight increase in tonnage of stockpile, offset by a decrease of $2.1 million in gold on hand due to timing of shipments. There was also an increase in the grain and coins inventory of $0.9 million compared to previous year.
- **Cash and cash equivalents** – As at 31 December 2020 the Group held cash and cash equivalents of $11.1 million, of which $4.5 million is restricted in accordance with the Group's borrowing obligations (2019: $8.5 million, of which $4.1 million was restricted). See analysis of consolidated statement of cashflow.

TOTAL LIABILITIES

As at 31 December 2020, the Group's liabilities totalled $109.3 million, a decrease of $13.0 million on the prior year. Total liabilities were impacted by a total of $1.9 million acquired as part of the Kouroussa Project. Refer to note 23 of the financial statements for further details. Total liabilities movements impacted by:

- **Current liabilities (excluding borrowings)** – Increased by $1.6 million during the year, mainly related to the one-year extension to the mining contract and the impact it had on the IFRS 16 lease liabilities. This balance represents the short-term position of the lease liabilities for the right of use assets.
- **Non-current liabilities (excluding borrowings)** – Increased by $12.2 million during the year, as a result of $5.4 million deferred considerations to be paid as part of the Kouroussa Project acquisition as well as the $6.8 million, 2% smelter royalty liability retained by Cassidy as part of the same acquisition. There was also a $1.2 million increase in the rehabilitation provision (including $0.3 million acquired as part of the Kouroussa Project) representing the present value of estimated future rehabilitation costs relating to mine sites (note 18).
- **Borrowings** – Borrowings (including capitalised issue costs) decreased by $26.8 million during the year. The decrease is the net result of a $29.2 million paydown of the existing Senior Loan Facility and Ball Mill Facility plus foreign exchange movements.

CONSOLIDATED STATEMENT OF CASH FLOWS

An unabridged analysis of the consolidated statement of cash flows for the year ended 31 December 2020 is shown below.

	2020 $'000	2019 $'000
Net cash inflow from operating activities	**66,256**	44,724
Investing activities		
Purchases of intangible exploration and evaluation assets	(2,601)	(3,836)
Purchases of property, plant and equipment	(18,136)	(15,471)
Pasofino funding	5,559	–
Pasofino funding utilisation	(4,673)	–
Asset purchase, net of cash acquired	(35)	–
Purchase by non-controlling interest	1,883	–
Purchase of shares in other companies	(393)	(402)
Interest received	11	65
Net cash used in investing activities	**(18,385)**	(19,644)
Financing activities		
Exercise of options	532	30
Lease principal payments	(12,663)	(11,346)
Lease interest payments	(1,201)	(525)
Loan interest paid	(2,547)	(4,280)
Loans repaid	(29,252)	(20,809)
Commission and other fees paid	(571)	(844)
Net cash used in financing activities	**(45,702)**	(37,774)
Net increase / (decrease) in cash and cash equivalents	**2,169**	(12,694)
Effect of foreign exchange rate changes	370	(307)
Cash and cash equivalents at beginning of year	**8,529**	21,530
Cash and cash equivalents at end of year	**11,068**	8,529

NET CASH GENERATED BY OPERATING ACTIVITIES

During the year ended 31 December 2020, the Group generated $66.3 million cash inflow from operating activities, a $21.5 million increase from 2019. Net cash flow from operations was higher largely as a result of higher gold sales price during the year. 2020 cash flows from operating activities exclude 'lease' cost for the mining equipment and generators of approximately $13.8 million treated as lease payments under IFRS 16 and which is reflected under financing activities.

OPERATIONAL REVIEW

NET CASH USED IN INVESTING ACTIVITIES

During the year ended 31 December 2020, the Group reported a $18.4 million cash outflows from investing activities (2019: $19.6 million cash outflow), $18.1 million on property plant and equipment. $2.6 million exploration and evaluation assets, largely in Mali. The Group also received $5.6 million from Pasofino as part of the earn-in agreement on Dugbe, of this advance $4.7 million was utilised by year end. $1.9 million was received from the Government of Mali for part consideration of their additional 10% non-controlling interest in the Mali subsidiary.

NET CASH USED IN FINANCING ACTIVITIES

During the year ended 31 December 2020, the Group reported a $45.7 million cash outflows from financing activities (2019: $37.8million cash outflow), of which $32.4 million was scheduled debt, fees and interest repayments on borrowings.

Future obligations and their maturities stated at their gross, contractual and undiscounted amounts, are shown below:

AT 31 DECEMBER 2020	LESS THAN ONE YEAR $'000	BETWEEN ONE AND FIVE YEARS $'000	OVER FIVE YEARS $'000	TOTAL $'000
Trade and other payables (note 21)	39,440	–	–	39,440
Other financial liabilities (note 22)	15,000	6,836	–	21,836
Deferred consideration (note 23)	–	5,402	–	5,402
Lease liabilities (note 19)	10,894	2,380	–	13,274
Borrowings (note 17)	13,208	–	–	13,208
	78,542	**14,618**	**–**	**93,160**
Other commitments (note 30)	2,278	–	–	2,278
	80,820	**14,618**	**–**	**95,438**

AT 31 DECEMBER 2019	LESS THAN ONE YEAR $'000	BETWEEN ONE AND FIVE YEARS $'000	OVER FIVE YEARS $'000	TOTAL $'000
Trade and other payables (note 21)	39,809	–	–	39,809
Other financial liabilities (note 22)	15,000	–	–	15,000
Lease liabilities (note 19)	8,933	3,661	–	12,594
Borrowings (note 17)	29,852	10,148	–	40,000
	93,594	**13,809**	**–**	**107,403**
Other commitments (note 30)	2,286	–	–	2,286
	95,880	**13,809**	**–**	**109,689**

NON-GAAP FINANCIAL PERFORMANCE MEASURES

The performance of the Group against its strategy and objectives is linked to the remuneration of the executives and senior employees; as the annual bonus plan performance targets are aligned to the Group's Key Performance Indicators ("KPIs") and strategic priorities.

We use the following non-GAAP financial performance measures in assessing performance.

- EBITDA and adjusted EBITDA
- Cash costs per ounce; and
- All-in sustaining costs per ounce ("AISC").
- Net cash

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") is a factor of volumes, prices and cost of production. This is a measure of the underlying profitability of the Group, widely used in the mining sector. Adjusted EBITDA removes the effect of impairment charges, foreign currency translation gains/losses and other non-recurring expense adjustments but including IFRS 16 lease payments.

Reconciliation of Net Earnings to EBITDA and Adjusted EBITDA

	2020 $'000	2019 $'000
Net profit before tax	**26,283**	9,396
Less: Finance income	**(2,014)**	(2,241)
Add: Finance costs	**9,288**	8,278
Add: Depreciation and amortisation	**41,685**	39,095
EBITDA	**75,242**	54,528
IFRS 16 lease interest and principal payments	**(13,864)**	(11,871)
Share based payments	**2,551**	850
Taurus settlement plus legal fees	**–**	2,500
Taurus case legal fees	**–**	723
Other taxes	**–**	1,718
Share of associate loss	**–**	62
Share of joint venture loss	**17**	4
Reversals in impairment of financial assets	**(397)**	(23)
Gains on financial assets measured at fair value	**(1,203)**	(2,218)
Adjusted EBITDA	**62,346**	46,273

NET CASH RECONCILIATION

The Group managed to achieve net cash at the end of the year having serviced bank debt of $32 million (capital and interest) during the year, ending the year with US$1.5 million of net cash with the remaining US$13.2 million of outstanding bank debt expected to be repaid by June 2021.

Net cash for the Group can be reconciliated to the cash in the statement of financial position as follows:

Reconciliation of net cash

	2020 $'000
Group cash balances (including restricted cash)	11,068
Add: Gold on hand (including SMO gold)	3,655
Less: Bank debt	(13,208)
Net Cash	**1,515**

OPERATIONAL REVIEW

CASH COST PERFORMANCE

Cash costs per ounce and all-in sustaining costs per ounce are non-GAAP financial measures which are calculated based on the definition published by the World Gold Council ("WGC"), a market development organisation for the gold industry. Management uses these measures to monitor the performance of our gold mining operations and their ability to generate positive cash flow.

Cash costs are calculated as direct mine operating costs (including mine based general and administration costs but excluding depreciation and amortisation) divided by ounces of gold sold.

All-in sustaining cash cost is calculated as cash cost above plus sustaining capital expenditures divided by ounces of gold sold.

Our use of cash costs and all-in sustaining cash costs are intended to assist analysts, investors and other stakeholders to understand the costs associated with producing gold better as well as assessing our operating performance and our ability to generate free cash flow from current operations.

Reconciliation of Cost of Sales to Cash Costs, All-in Sustaining Costs including on a per ounce basis

	2020 $'000	2019 $'000
Cost of sales applicable to mining operations	**139,761**	129,059
Administration expenses related to mining operations	**167**	2,643
Depreciation and amortisation related to mining operations	**(41,367)**	(38,783)
Lease charges under IFRS 16 relating to mining operations	**13,673**	11,617
Corporate recharges applicable to mining operations eliminated on consolidation	**2,759**	1,543
Cash cost	**114,993**	106,079
Mine sustaining capital expenditures	**4,529**	5,012
All-in sustaining cash cost	**119,522**	111,091
Ounces sold	**104,174**	112,686
Cash cost per ounce	**1,104**	941
All-in sustaining cash cost per ounce	**1,147**	986

Cash costs were adversely impacted mainly due to the low production due to extreme weather events as well as the impact of COVID-19.

Exploration costs and expansion capital expenditures, for example costs incurred on Gonka, SE, SW and KE Underground studies, which are all still under development, are not included in AISC. Further exploration costs on new deposits are also excluded from our AISC number.

strategic review

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 elsewhere (the Chairman's Statement, CEO's Statement, How We Operate, Operational Review and Financial Review) form part of this Strategic Review in order to achieve compliance with provision of the Companies Act 2006.

PRINCIPAL RISKS AND UNCERTAINTIES

The nature of the Group's activities and the locations in which it operates mean that it is generally exposed to significant and uncertain risk factors, some of which are beyond its control. The ability to deliver the Group's objectives and vision depends on an ability to understand and appropriately respond. The table below, while not exhaustive, sets out the principal risk factors and uncertainties which may impact the Group's future performance, and its strategy for managing them.

RISK	MITIGATION / MANAGEMENT RESPONSE
Asset portfolio	
The Group's revenue is primarily derived from the Yanfolila Gold Mine in Mali. Reliance on a single asset requires continual focus on efficient management of operations and risks.	The Group continually reviews and implements targeted projects seeking to enhance the reliability, effectiveness and long-term profitability of the Yanfolila Gold Mine.
Should cash flows from the Group's sole producing asset be impacted adversely from an unexpected event, the Group may need to raise additional funding. Should additional funding be required, then as noted in note 3, there is a risk that the Group may not be able to obtain it in the necessary timeframe.	The Group continuously assesses a range of internal and external growth opportunities to build on its existing asset portfolio as well as ensuring that efficient production from Yanfolila is maintained. The following represents focus on those areas: ■ The acquisition of the Kouroussa Project in Guinea during the year provides the Group with optionality and moves the Company towards being a multi asset producer. ■ The signing of the earn-in agreement with Pasofino also ensures the Dugbe Project in Liberia is progressed. ■ Further, ongoing exploration activities in Mali provides internal growth opportunities.
Changes to commodity prices, cash flow and credit risk	
As a junior mining company operating its first gold mine, the Group's financial performance is significantly exposed to the price of gold. Should the gold price fall significantly this will impact future reserves, profitability and could ultimately impact the Group's ability to service debt and meet operating costs. Financial performance may also be impacted through foreign exchange movements, rises in fuel prices or where there is an inability to secure adequate funding.	The Group monitors its exposure to commodity price fluctuations and foreign exchange rate fluctuations as part of financial and treasury planning. The Board reviews these risks regularly (including at the quarterly Board meetings) and considers whether any additional actions are appropriate, taking into account forecasts and expectations of stakeholders. The Company from time to time purchases low cost put options as partial insurance against a significant drop in the gold price in the short term.

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
Mining risk	
The Group's financial performance is largely dependent on the efficient operation of the Yanfolila Gold Mine in Mali. This requires effective management of the mining contractor, strip ratios, mining techniques, dewatering, infrastructure and pit slopes in ensuring cost effectiveness and timely delivery of material at sufficient quantity and grade for processing. Any significant delays in delivering the planned ore volumes or additional costs of mining, ore losses and additional dilution could lead to the project requiring additional working capital or becoming uneconomic.	The Group continuously reviews its mining methods and, together with the mining contractor, assesses performances against targets on a regular basis.
Geological risk	
The Groups cashflows and profitability is dependent on achieving the predicted grades and tonnages of ore forecast in the mine plans. The mine plans are based on geological models, supported by resource and reserve estimates. Resources and reserves are estimated based on assumed continuity between points of observation where data samples have been gathered. Until material is mined and processed, there is a risk that the grades and tonnages of ore may be materially different to that estimated, including through unanticipated incursions by artisanal mining groups.	Geological models are subject to internal and external reviews before being classified as resources and reserves or being used to support mine plans. Additionally, as further information becomes available, including through mining, geological models are updated accordingly.
Fraud, error and corruption	
The Group is aware of the risk of internal fraud, error and corruption activities, and the various ways that such risk may transpire. There is also awareness that the risk is increased where there are differences in financial processes, language or culture between stakeholders.	The Group has robust policies and internal controls in place with the objective of mitigating the risk of fraud, corruption and error to the business.
Operational performance and reporting	
As a listed company, the Group acknowledges the importance of communicating actual and forecast operational performance on a timely basis.	The Group's focus on a culture of sustainability, good governance and disclosure is aimed to provide timely information on activities impacting shareholders and other key stakeholders.
Social licence to operate	
The Group's ability to develop and operate its projects is dependent on the support of its host communities. Overall relations with the host communities have been positive, however there is a risk that if the relationships deteriorate then the ability of the Group to operate could be temporarily or permanently adversely impacted.	The Group is proactive in its social engagement and places a high importance on its relationship with the host communities as key stakeholders.
Safety	
The mining workplace environment is subject to a number of hazards, including the risk of serious injury or fatality while working on site. The physical remoteness of sites also increases the risk of commuting to site and the availability of medical assistance in the event of an incident. The Group is also aware of the risk of an outbreak of a serious illness amongst the workforce and the associated potential for large-scale disruption to operations as a consequence.	The Group employs a wide range of safety management systems with the objective of ensuring the safety of the team. The Group provides training and supervision on safety management, which the intention of promoting and embedding safe operating practices. The Board is able to draw upon the expertise of its Environment, Social and Governance Committee and its medical adviser Critical Care International ("CCI") for guidance.

RISK	MITIGATION / MANAGEMENT RESPONSE
Security and conflict risk	
The Group is exposed to the external physical security risks presented by artisanal mining activities, territorial conflicts and/or terrorist actions which could impact our people, our operations and our broader supply chain.	The Group employs a range of measures to mitigate the risk of harm to our people and operations. Country and regional information is continuously monitored to assess the risk of terrorism and security plans are in place to mitigate identified risks including relative to the OECD Due Diligence Guidance on the responsible sourcing of minerals from conflict-affected and high-risk areas. The Company is seeking to pursue an ASM formalisation initiative in partnership with government so as to reduce the potential for conflict with ASM.
Geopolitical, legal, and regulatory risks	
The Group's exploration, development and exploitation 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. There is a risk that negotiations with a Government in relation to the grant, renewal or extension of a licence, or 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. 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. Changes to existing applicable laws and regulations, more stringent interpretations of existing laws or inconsistent interpretation or application of existing laws by relevant authorities have the potential to adversely impact the Group's business activities. The Group's operational and exploration activities are subject to extensive regulation in the relevant jurisdictions.	The Group monitors legal and geopolitical risks as a key part of its overall assessment process when considering changes to operations or pursuing new growth opportunities. The Group actively engages with Governments and policy makers at the most senior levels to discuss regulatory developments that are applicable to 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.	The Group aims to conduct exploration on a systematic basis focusing on opportunities to increase long term shareholder value within available budgets. The 2020 Mineral Resource Estimate for Yanfolila was announced on 30 March 2021, reflecting continued focus on exploration and future development of the Company. Where appropriate the Group will consider farmouts and joint ventures such as with Pasofino on the Dugbe Project and with Cora Gold.

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
Capital project delivery	
Following the Kouroussa Project acquisition in Guinea, the Group is embarking on a large-scale capital project. Large capital projects require multi-year execution plans. The Group's ability to deliver projects in terms of safety, cost and schedule – may vary due to changes in technical requirements, law and regulation, government or community expectations, skills, availability of funding or through commercial or economic assumptions proving inaccurate through the execution phase. Delays and overruns in projects could negatively impact our profitability, cash flow, ability to repay project-specific debt and relationships with key stakeholders.	The Group previously delivered the Yanfolila Project on time and on budget. The team tasked with delivery of the project are supported by an experienced Technical Advisory Committee ("TAC") and Board. Our methodology includes: ■ Following strict budgetary and project approval processes ■ Constant monitoring and status evaluation, together with ongoing stakeholder engagement ■ Strong focus on contractor management
Corona virus 2019 – COVID-19	
On March 11, 2020, the World Health Organization ("WHO") declared the outbreak of the coronavirus (COVID-19) a pandemic. The potential for transmission across our sites, workforce, immediate communities and supply chains continues to be a threat that requires management to guard against. These risks primarily involve potential disruptions to logistical movement, both into and out of our operational areas, of people, goods, supplies, spares, reagents and the export of gold which may impact our ability to operate. Whilst the Company has continued to ensure it has the necessary supplies to last for the immediate short term, there remains some uncertainties into how long this pandemic will last. The development and roll out of vaccines across the globe and the social distancing measures put in place, has seen the decrease in the cases reported in recent months, however, there still remains a risk of flare ups which ultimately this may result in the Company being forced to close its production facilities due to lack of spares and reagents. To date there has been disruptions to production due to COVID-19, due to longer lead times in getting spares on site, as well as significant cost pressures already felt by the Company. Therefore, there remains a risk that challenges being placed on the business, and the wider economy will impact the Group's ability to operate, which will ultimately impact its cash flows.	Throughout 2020 and to date, the Group put in place plans and procedures to meet the Groups' primary objective of ensuring business continuity for the long-term benefit of all our stakeholders, as well as minimise any risk that may contribute to the virus spreading. These include: ■ COVID-19 testing and screening procedures across the sites. ■ Hygiene practices and availability of adequate PPE. ■ Physical distancing and segregation measures to prevent transmissions. ■ Organising short term alternative shipping arrangements – both gold exports as well as consumables and supplies to help manage the logistical challenges. ■ Focusing on maintaining stockpiles and inventories that could be utilised should logistics or mining be disrupted. ■ Restrictions on travel, providing up-to-date resources to all employees and guidance on working remotely where required. These have been put in place across the entire Group, with special focus on the Yanfolila Mine, in order to protect, support and secure the operating environment and local communities, and protect the health, safety and fitness-to-work of our workforce. Whilst there have been a limited number of cases on our mine sites, these have been managed in line with the Company's internal protocols and plans which has to date proved to be effective in controlling significant infections and transmissions within the sites. The Group was able to draw upon the expertise of Critical Care International to developing its approach to the pandemic.

SECTION 172 STATEMENT

The Board of Directors (the "Board") consider that they have acted responsibly and appropriately in discharging their duties under the Companies Act 2006 (the 'Act'), including their duty to act in the way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members, having due regard, amongst other matters, set out in section 172 in the Act:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers and others,
- the impact of the Company's operations on the community and the environment,
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the Company.

The Board have overarching decision making authority for the Company on a number of reserved matters. The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

At every Board meeting, the Chief Executive and Chief Financial Officer report on the safety, operating and business performance of the Group against our Key Performance Indicators, as well as how certain material stakeholder issues are being managed.

Details of the Board's decisions in 2020 (and subsequently) to promote long-term success, how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Annual Report.

Our business and the decisions that we make affect the lives of many. Understanding the interests of our stakeholders, as well as our shareholders, remains the Board's priority. Below is a summary of our key stakeholders and summarise their interests, how the Board has engaged with them, and how what the Board has heard has influenced our decision-making.

Employees

Hummingbird is proud, and grateful, for the contribution of its 534 strong workforce across its west African operations and at corporate head office. People are central our ambitious corporate goals, most notably around our vision as a responsible miner. Ensuring a safe working environment for all our employees is paramount and a key focus throughout to the Company's leadership structure.

How we engage and communicate

- COVID-19 impacted our ability to engage extensively with our employees during the year.
- COVID-19 affected our people and also reduced the efficiency of our supply chain, our ability to access external expertise at the mine, and has prevented the sort of face-to-face contact that we believe is invaluable in building a strong team for the long term.
- Increased use of virtual meetings was essential during this period, and an improved performance management process is in the process of being implemented.

How the Board has taken account of these interests

- In early 2020 and in subsequent meetings, the Board discussed the impact of COVID-19 on the business including management responses and measures being put in place to combat the pandemic and keep our employees safe.
- The Board received regular updates on people related initiatives. In 2020 the Board received and approved the appointments of key employees within the Group to support the Chief Executive and Chief Financial Officers in delivering their duties.
- The Board approved an external review of our organisational structure and internal communications which resulted in the appointment of a Group People and Performance Officer in early 2021.

Communities and governments

Our social licence to operate is vital to our success and we seek to take a proactive approach in building trust with the communities we are part of. We recognise our business operations have the potential to impact these communities both positively and negatively. Our communities expect us to commit to high standards in managing our environmental footprint and respecting community and human rights

How we engage and communicate

- We consult with our communities regularly, through our dedicated community teams at each site, and always aim to do so in good faith, and in ways that are transparent, inclusive, and culturally appropriate.
- We aim to make our engagement programmes participatory and representative of the community, including women, youth and vulnerable people.
- In 2020, COVID-19 did impact the Company's health, safety, environmental and our teams' ability to interact with local communities.

Despite these challenges, we did see progress with our community project initiatives in Mali at our locally supported market gardens, poultry farms, soap manufacturing, honey and education programmes. In the second half of 2020 a renewed focus was put on infrastructure improvements at existing community projects such as water bore holes and water tower improvements, school infrastructure repairs, local healthcare and poultry farm building improvements.

How the Board has taken account of these interests

- In May 2020 the Board received and assessed political risks across its operational areas and in particular the coup in Mali and its potential impacts on the Malian operations
- The Board has overall oversight on all ESG matters, and as part of the focus on strengthening this area the Board discussed and approved the Company joining the World Gold Council ("WGC") in September 2020, with the intention to be fully compliant with the Responsible Gold Mining Principles framework by September 2022.
- The Board approved financial support to both national and local governments in response to the impact of COVID-19 as well as the provision of medical supplies for use in the local communities around Yanfolila.
- The Board acknowledged the impact of the change of government in Mali during the year and COVID-19 restricting ability to interact with local communities and artisanal miners in general. Interactions at the government level for overall ASM risk mitigation measures were increased in 2H 2020 and remains a focus for 2021.

OPERATIONAL REVIEW

Shareholders and other capital providers

Our investors, who include both Institutional and private, have put their faith in the Group to provide them with a financial return and expect us to allocate capital with discipline to create shareholder value. Our investors are interested in our strategy, the culture of the Group, sustainability, our operational and financial performance as well as the risks that may affect our business.

How we engage and communicate

- We hold an annual general meeting ("AGM") each year where shareholders and analysts are invited.
- From time to time we conduct analysts site visits for them to explore our sites and see the work we do including our community programmes.
- Due to COVID-19 our 2020 AGM was virtual, however all written questions were responded to either in writing or verbally by senior management.
- Our relationship with our West African banking partner, Coris International ("Coris"), remains strong with their continued support of our growth strategy. Our CEO, CFO and our West African Regional Director are in regular communication with Coris and where COVID-19 restrictions allowed, face to face meetings were held.
- We also maintain a comprehensive programme of engagement with investors through our quarterly market updates and investor presentations, including VOX Markets podcasts and other investor relations podcasts. Going forward this will be further increased in 2021, including Investor Q&A sessions through various platforms.

How the Board has taken account of these interests

The objective of delivering long term shareholder value is paramount in all the board's decision making.

Investor feedback is taken into account when the Board is making decisions.

Some of the key investor feedback over the years have been the risk of a single producing asset, our short mine life impacting the share price and the lack of value given to Dugbe externally. To address this the Board:

- In May 2020 an independent subcommittee of the Board received management recommendations and considered the earn-in arrangement with ARX. The earn-in was in subsequent meetings approved. The earn-in was approved on the basis it could allow the Company to unlock the considerable value in the Dugbe with an experienced partner who shares our vision in Liberia.
- In June 2020, the Board received a presentation from management and reviewed and assessed the due diligence undertaken on the Kouroussa Gold Project in Guinea and in subsequent meetings approved the acquisition of this project. The acquisition was deemed a strategic fit in furthering the Company's mission to become a multi asset, multi jurisdiction gold producer.
- Reviewed and approved exploration programmes and budgets targeting increased mine life.

The Board believes that the above as part of our stated strategy will deliver long term shareholder value.

Customers and suppliers

We strive to build long-term relationships with our customers and suppliers based on trust and mutual benefits. Our success is directly correlated with our ability to successfully work these key partners. This requires open and honest lines of communication to ensure we work together safely and maintain uninterrupted operations. Our partners worked closely with us throughout 2020 to manage the impacts of the COVID-19 pandemic and ensure that our operations remained operational and safe.

How we engage and communicate

- We regularly hold meetings with our suppliers and partners to review performances for the mutual benefits of our organisation.
- Our suppliers are important to us and at Yanfolila we made purchases $101 million to supplier globally with a significant portion of this being spend on local and national suppliers in Mali.

How the Board has taken account of these interests

The board discusses the relationships with key suppliers regularly. For example:

- The Board discussed the Yanfolila mining contractor's performance and subsequent approval for a one-year extension to the contract to September 2021.
- The board reviewed the tender submissions for a new mining contractor at Yanfolila and approved the early termination of the existing mining contract and appointment of Junction Contract Mining ("JCM").

The Board have overarching decision making authority for the Company on a number of reserved matters. The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

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

DE Betts
Director

26 May 2021

corporate governance

The Board of Hummingbird Resources PLC (the 'Company') has adopted the QCA Corporate Governance Code 2018 (the 'QCA Code') and believe the application of the QCA Code supports the Company in pursuing medium to long-term value for shareholders, without stifling the entrepreneurial spirits and creativity. The Board believes that it applies the ten principles of the QCA Code but recognises the need to continue to review and develop governance practices and structures, to ensure they are in line with the growth and strategic plan of the Company. The 10 QCA principles and how the Company has applied them can be found on the website.

STRATEGY AND BUSINESS MODEL

The Company currently has two core gold projects, the Yanfolila Gold Mine in Mali and the recently acquired Kouroussa Gold Project in Guinea. Additionally, the Company controls the Dugbe Gold Project in Liberia that is being developed by Pasofino Gold Limited through an earn-in agreement.

The Strategic Review on pages 47 to 52 provides details the Company's strategy, as well as key risks and mitigation actions.

UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

The Company's Executive Committee meets institutional shareholders, fund managers and analysts to understand how the strategy and the Board's decisions impact on and is received by shareholders.

Shareholders are encouraged to engage with the Company throughout the year through RNS announcements, direct communication, conference calls, website content, corporate presentations together with national and international medias including social media.

Additionally, shareholders are typically invited to the AGM where they are given opportunities to ask questions. Where this is not practical (for example in 2020 it was not possible to invite shareholders to the AGM due to COVID-19 travel restrictions) shareholders are encouraged to submit questions to the Company in advance of the AGM.

Contact details are provided within every Company announcement and are available on the Company's website.

WIDER STAKEHOLDER NEEDS AND SOCIAL RESPONSIBILITIES

In accordance with Section 172 of the UK Companies Act 2006, the Board has a duty to promote the success of the Company for the benefit of its members as a whole. In doing so, it must have regard (amongst other matters) including the interest of the Company's employees, the need to foster the Company's business relationship with host governments, suppliers, customers and others, and the impact of the Company's operations on local communities and the environment.

The Board has always recognised the relationships with key stakeholders are central to the long-term success of the business and therefore seeks active engagement with all stakeholder groups, to understand and respect their views, in particular of those with the local communities in which it operates, its host governments, employees and suppliers.

Details of the Board's decisions in 2020 to promote long-term success, and how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Operational Review, Strategic Review and Directors reports.

The World Gold Council ("WGC") launched the Responsible Gold Mining Principles ("RGMPs") in September 2019, an overarching framework that represent international best practices in exploration, operation and closure of gold mines. The Company, as part of its support of international best practices, declared its intent to adopt the RGMPs and to work towards the September 2022 full conformance deadline. Responsible gold mining is conducted with respect for the environment, the human rights and wellbeing of our employees, contractors and members of the communities associated with our activities.

The Responsible Mining page on the Company's website provides details regarding our commitment to creating value for all stakeholders and building a lasting legacy for the communities living within its licence areas.

GOVERNANCE

EFFECTIVE RISK MANAGEMENT THROUGHOUT THE ORGANISATION

The Company has four committees to assist in its continuous assessment and management of potential risks to the Company, both from a corporate and project perspective:

- The Audit Committee
- The Remuneration Committee
- The Technical Advisory Committee ("TAC")
- The Environment, Social and Governance ("ESG") Committee

The Audit and Remuneration Committees aim to meet a minimum of four times a year; whilst the Technical Advisory and ESG Committees typically meet monthly.

The Board receives and reviews reports on Company's principal risks on a regular basis, including Political, Social, Financial, Mining and Technical risks. Control mechanisms have been put in place for the purpose of monitoring and mitigating these risks.

A BALANCED AND WELL-FUNCTIONING BOARD LED BY THE CHAIRMAN

The Board consists of the Non-Executive Chairman, Chief Executive Officer, the Finance Director and five Non-Executive Directors (including the Chairman). All Non-Executive Directors are considered to be independent, and the Board believes there to be an appropriate composition, given the size and nature of the business.

Biographies of all Directors are included on pages 68 and 69.

The Board endeavours to meet on a quarterly basis and holds additional meetings either in person or by conference calls to review and, if considered necessary, make plans to improve Company performance.

The Board had four scheduled meetings in 2020 and where necessary additional meetings were held to discuss matters outside of the Board's regular agenda items. During 2020, we have had to adapt to the challenges associated with COVID-19. As a consequence, most meetings have been held virtually. The table below shows the number of meetings of Board and committees during the year to 31 December 2020:

DIRECTOR	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION COMMITTEE	TECHNICAL ADVISORY COMMITTEE
Russell King	6/6	–	–	–
Dan Betts*	6/6	–	–	–
Thomas Hill*	6/6	–	–	–
Stephen Betts	6/6	–	–	–
David Straker-Smith	6/6	6/6	4/4	–
Attie Roux	6/6	–	–	13/13
Ernie Nutter	6/6	6/6	4/4	13/13

* The CEO and CFO were invited to and regularly attended TAC and Remuneration Committee Meetings. The CFO was invited to and regularly attended Audit Committee meetings. The Chairman, CEO and CFO are all routinely invited to and regularly attended meetings of the ESG Committee.

EXPERIENCE, SKILLS AND CAPABILITIES OF THE BOARD

The Board is satisfied that the current Directors have a breath of experience, skills and capabilities relevant to the Company's evolving activities.

All Directors retire at intervals in accordance with the Company's Articles of Association, and if appropriate offer themselves for election by the shareholders.

The Directors have gained their skillsets and knowledge through experience in gold exploration, development and production, as well as in wider business sectors; their skillsets and knowledge are kept up to date by the Company's advisory teams, involvement and participation in industry conferences, and through their own continuing professional development.

The Company Secretary ensures the Board is informed of its legal responsibilities, and the Company is compliant with applicable regulatory requirements and legislation. The Board also has access to advice from external bodies such as the Company's nominated advisor, auditors and lawyers.

BOARD EVALUATION

The Board reviews its performance quarterly, seeking to identify opportunities for improvement with the overriding objective of maximising long-term shareholder value.

CORPORATE CULTURE

A key part of the Board's function is to ensure that there are sound ethical values and behaviours upheld throughout the organisation.

The Company has four organisational principles as set out on page 3.

The Company strives to drive environmental and community projects which will leave the environments where we work a better place for the long term. The Company aims to build a legacy of improvement in the education, health, standard of living and environment in the places where it has been and wants to be known for always dealing in an honest and respectful manner at all times.

People are central in the Company's long-term success, and therefore the Company encourages opportunities for people to develop their skills to the best they can, to learn, to grow and above all, to challenge.

Honesty and trust are paramount values throughout the business.

DIVISION OF RESPONSIBILITIES

The Chairman and Chief Executive have separate, clearly defined roles. The Chairman leads the Board and is responsible for its overall effectiveness in directing the Company and the Chief Executive is responsible for implementing the Group's strategy and for its operational performance.

GOVERNANCE STRUCTURE AND PROCESSES

The Chairman is responsible for the Company's adherence to an appropriate corporate governance structure. Detailed roles and responsibilities of the Directors can be found on pages 53 to 56.

The Board is supported in its decision making by four committees. Each committee has Terms and Reference setting out its duties, authorities and reporting responsibilities.

Audit Committee

The Audit Committee oversees and reviews the Company's financial reporting and internal control processes, its relationship with external auditors and the conduct of the audit process together with its process for ensuring compliance with laws, regulations and corporate governance. The Company's external auditors are invited to attend the meetings of the Committee on a regular basis. The Audit Committee comprises David Straker-Smith (Chairman) and Ernie Nutter.

Remuneration Committee

The Remuneration Committee is responsible for determining the framework and policy for the remuneration of the Company's Chairman and the executive directors including pension rights and compensation payments. The Committee is also responsible for making recommendations as to the level and structure of remuneration for senior management. The Remuneration Committee comprises David Straker-Smith (Chairman) and Ernie Nutter.

Technical Advisory Committee

The Technical Advisory Committee acts as an independent body of experts for the Company in order to establish formal and transparent arrangements to assist the Company in assessing and guiding technical and operational performance. The TAC comprises Attie Roux (Chairman), Ernie Nutter, John Meneghini and Wayne Galea.

ESG Committee

The ESG Committee acts as an independent body of experts to establish formal and transparent arrangements for considering how the Board should assist the Company to implement Group policies and manage risks relating to occupational and community health and safety, environmental performance and compliance, social performance, stakeholder relations and political risk. The ESG Committee also provides advice and guidance on relevant aspects of the licence to operate including strategies on security, procurement, tax and human resources. The ESG Committee has a rotating chair between its independent members and comprises Edward Bickham, Kate Harcourt (Chairwoman) and Edward Montgomery.

Further details regarding the roles and responsibilities of these committees can be found on the Company's website.

The Company has adopted, and will maintain, governance structures and processes that are fit for purpose. This governance structure may evolve over time in parallel with the development of the Company and therefore any fluctuation in its objectives, strategy and business model.

GOVERNANCE

COMMUNICATION WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

The Company seeks to engage regularly with shareholders, including through post-RNS announcements, conference calls and the AGM. The Company welcomes engagement with shareholders throughout the year either in person, by telephone or by email. A range of corporate information, including all Company announcements, historical annual reports and other governance-related material, is also available to shareholders, investors and the public on the Company's website.

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

Russell King
Non-Executive Chairman

26 May 2021

audit committee report

Dear Shareholder,

I am pleased to present you the Audit Committee Report for the financial year ended 31 December 2020.

The Group had to respond to the unprecedented challenges caused by the COVID-19 pandemic, and I would like to comment our people and partners for their dedication and work during this period. The Group have seen significant costs pressures throughout 2020 because of this pandemic caused by supply chain bottlenecks as well as higher transport costs of its critical spares and parts.

COMPOSITION

The Audit Committee consists of two Non-Executive Directors. Ernie Nutter and myself. The Board consider that the Committee as a whole has the necessary competence relevant to the sector in which the Company operates.

The Audit Committee held 6 meetings in 2020 and all members attended.

RESPONSIBILITY

Detailed duties and responsibilities of the Committee are set out in its Terms of Reference, which was approved by the Board of Directors. The primary function of the Committee is to assist the Board of Directors of the Company in fulfilling its responsibilities with regard to financial reporting, external and internal audit, risk management and controls and to oversee various policies including whistleblowing, anti-corruption and bribery.

In the past financial year, the Committee reviewed and approved the interim and year-end financial results. The Committee met with the auditors to review and approve their audit plan, received their findings and monitored the integrity of the financial statements of the Company. During the year, the Committee also worked closely in ensuring adherence to the anti-bribery protocols as well as monitoring the maintenance of sound internal controls and risk management across the Group. The Chief Financial Officer provided regular updates to the Committee throughout the year and the Committee was satisfied with the effectiveness of internal controls and risk mitigation.

EXTERNAL AUDIT

The Audit Committee reviewed and recommended to the Board the appointment and remuneration of the Company's external auditor, and is satisfied that the current auditor, RSM UK Audit LLP maintains its objectivity and independence in carrying out audit work.

Accordingly, the Committee recommended to the Board that RSM UK Audit LLP be re-appointed for the next financial year.

Significant issues related to the financial statements

The Committee reviewed the key judgements applied to a number of significant issues in the preparation of the financial statements. The review included consideration of the following:

Going concern

As set out in note 3, the annual financial statements have been prepared on a going concern basis. In making an assessment on going concern, the Group has prepared cash flow forecasts based on estimates of key variables including production, gold price, operating costs and capital expenditure through to December 2022 that supports the conclusion of the Directors that there is sufficient funding available to meet the Group's anticipated cash flow requirements to this date. These cashflow forecasts are subject to a number of risks and uncertainties, in particular the ability of the Group to achieve the planned levels of production. The Committee reviewed and challenged the key assumptions used by management in its going concern assessment, as well as the scenarios applied and risks considered, including the risks associated with COVID-19.

Based on its review, the Committee has reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and hence the Committee considers that the application of the going concern basis for the preparation of the Financial Statements is appropriate.

Exploration and evaluation (E&E) assets

As a result of a deficit arising between the Group's market value (capitalisation) against book value (net assets) at 31 December 2020, the Group conducted an assessment of impairment over E&E assets. As set out in note 4, in respect of E&E assets, the Group considers there to be two cost pools, being the whole of Liberia and whole of Mali, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred. Following the signing of the earn-in agreement with ARX/Pasofino who continue to progress the project, the recoverability of the Liberian cash generating was assessed using a combination of two methods. The first was through the valuation of Pasofino as management believes most of the value of this company is driven from the earn-in agreement on the Dugbe Project, and therefore believe the value of Pasofino provides an indication of the value of Dugbe. The second method continued to consider the recoverable amount of the Liberian cash generating unit ("CGU"), with reference to the 2013 Preliminary Economic Assessment ('PEA'). Both these methods proved that no impairment loss was to be recognised for the year ended 31 December 2020. Having considered the recoverable amount of the Malian CGU, with reference to the Group's latest budget and life of mine ("LOM") plan for the Group's Yanfolila Gold Mine in Mali, no impairment loss was recognised for the year ended 31 December 2020. Further assessment was done in respect of the newly acquired Kouroussa Gold Project in Guinea, with reference to the most recently available economic information and its current life of mine estimates. There are currently no separately identified E&E assets in Guinea, and therefore, no impairment loss was recognised for the year ended 31 December 2020. There is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

Having considered the above, the Committee found the Group's assessment of impairment in respect of E&E assets to be appropriate.

Property, plant and equipment

As a result of a deficit arising between the Group's market value (capitisation) against book value (net assets) at 31 December 2020, the Group conducted an assessment of impairment over property, plant and equipment. As set out in note 4, determination as to whether, and by how much, an asset or cash generating unit ("CGU") is impaired involves management estimates on highly uncertain matters such as; gold price, discount rates used in determining the estimated discounted cash flows of CGU, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources that may be included in the determination of fair value less cost to dispose ("fair value").

The principal CGU, to which mine property, plant and equipment relates is the Group's Yanfolila Gold Mine in Mali (operating segment). In determining the recoverable amount of CGU at 31 December 2020, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. Operating and capital cost assumptions are based on the Group's latest budget and life of mine ("LOM") plan.

The table below summarises the key assumptions used in the carrying value assessments:

Gold price ($ per ounce):	2020: $1,700 2019: $1,350	Commodity price and foreign exchange rates were estimated with reference to external market forecasts. The rates applied to the valuation had regard to observable market data.
Discount rate % (post tax):	2020: 21.47% 2019: 19.6%	In determining the fair value of CGU, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU and Company size.
Operating and capital costs:	LOM operating and capital cost assumptions are based on the Group's latest budget and life of mine plan.	

Based on the recoverable amount of the CGU, no impairment loss was recognised for the year ended 31 December 2020. There is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

Having considered the above, the Committee found the Group's assessment of impairment in respect of property, plant and equipment to be appropriate.

Other receivables

As set out in note 4, included in other receivables is an amount of CFA 4,968,387,000, approximately $9,302,000 (2019: $10,317,000), due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). During the year CFA 1,656,130,505, approximately $1,883,000 was received from the Government of Mali in relation to this receivable. The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the remaining balance. The relevant shares will not be issued until the mechanism on payment of the remaining balance has been agreed.

The Group considers the receivable to be 'credit-impaired' as part of it remains unpaid more than 1 year since the Government of Mali exercised its right. The Group has reassessed the recoverability of the balance having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivable, the recent part payment together with movements in exchange rates. This assessment resulted in reversal of the lifetime expected credit loss of $397,000 as at 31 December 2020. This takes the net lifetime expected credit loss for the full balance to $1,395,000 as at 31 December 2020. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Having considered the above, the Committee found the Group's assessment of impairment (on application of IFRS 9 'Financial Instruments') in respect of the receivable due from the Government of Mali to be appropriate.

Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities. The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2029. The Group assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Approximately $350,000 of liabilities were acquired as part of the Kouroussa Gold Project during the year. Management assessed this to be reasonable at the acquisition date and further assessment of the amount will done as development progresses in Guinea.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Kouroussa Asset Purchase

On 1 September 2020 Hummingbird Resources plc, through its wholly owned subsidiary, Trochilidae Resources Limited, acquired 100% of the shares of Cassidy Gold Guinea SA, which held the Kouroussa Gold Project, located in Guinea from Cassidy Gold Corp, a company incorporated in British Columbia, Canada. The Directors consider it to be an asset purchase under IFRS 3 as opposed to a business combination due the fact that on date of acquisition, Cassidy did not have any mining permit and further studies were required ahead of a construction decision.

The Company was awarded the mining licences in May 2021.

The consideration for this purchase is as follows:

- Initial consideration of £10 million, which has been satisfied through the issue of 35,248,441 new Ordinary Shares in the Company ("Initial Consideration").
- Deferred consideration of £10 for every ounce of gold reserve published (or processed if not included in a reserve) in excess of 400,000 ounces (subject to a maximum of 1,000,000 ounces, or £6 million)

The vendors retain a 2% net smelter royalty on all gold sales by or on behalf of the Company over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

The consideration above was contingent on a mining license being granted, with the shares held in treasury until such a time. The mining licence was granted in May 2021.

Having considered the above, the Committee considered that managements judgments and estimates and the related treatment of the asset purchase to be appropriate.

Liberia Earn-In Agreement

On 4 June 2020 the Company announced an earn-in with ARX Resources Limited ("ARX") in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn-in agreement requires ARX to complete a Definitive Feasibility Study ("DFS"), carry out a significant exploration programme and cover all project costs over the 2 year earn-in period (the "Earn-in"). The Earn-in entitles ARX to earn up to a 49% interest in the Dugbe.

The Earned Interest of 49% is made up as:

a. 39% of the equity securities of Hummingbird Resources Liberia.

b. all of Hummingbird Resources plc's economic rights in 5.1% of the equity securities of Hummingbird Resources Liberia held by Hummingbird Resources plc; and

c. 49% of any loan advanced to Hummingbird Resources Liberia or its subsidiaries by Hummingbird Resources plc and its affiliates. This was approximately $50.6 million on 30 September 2020.

All the money that ARX spend in Dugbe is non-refundable should they decide not to pursue the earn-in.

The amount advanced to Dugbe by Pasofino has been recognised as $Nil in the statement of financial position. This is because despite the spend, this amount was not spent by the Company and therefore no recognition of these expenditure in the Company's financial position for the money spend by Pasofino as it is not refundable.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Deferred Tax

As set out in note 20 management assessed the taxation situation of the Group. The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at an amount not less than 1% of turnover and not more than 30% of taxable profits.

Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of $684,000 were recognised at 31 December 2020 in respect of the Malian subsidiary. These assets were previously not recognised due to unpredictability and uncertainty of their timing. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets.

No deferred tax assets have been recognised in respect of the remaining deferred tax assets of $15,145,000, as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

Following the acquisition of Kouroussa Project in Guinea, and in light of a new mining company being required for the mining permit, and although it should be possible, but not certain, to transfer historic costs to the new company, management have assumed that any losses within Cassidy Gold SA will not be available for future profits. This position will be assessed as the new mining licence is granted and when the transfer of balances between the two entities is approved. Hence no deferred tax assets and liabilities have been recognised with respect to Guinea.

Having considered the above, the Committee found the Group's estimate and assumptions therein to be appropriate.

Looking forward

In the coming financial year, in addition to ongoing duties, the Committee will review the cost and benefit of changes to the internal control and internal audit capability and will make recommendations to the Board accordingly.

Approval

This Audit Committee Report has been approved by the Committee and signed on its behalf by:

David Straker-Smith
Chair of the Audit Committee

26 May 2021

remuneration committee report

This report is for the year ended 31 December 2020. It sets out the remuneration policy and the detailed remuneration for the Executive and Non-Executive Directors of the Company. As an AIM-quoted Company, the information is disclosed to fulfil the requirements of AIM Rule 19. Hummingbird Resources plc is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The information is unaudited except where stated.

Dear Shareholder,

I am pleased to introduce the Directors' Remuneration Report for the 2020 financial year. This letter introduces the report, outlines the major decisions on Directors' remuneration during the year and explains the context in which these decisions have been taken. Later in this report we set out information on our remuneration policy and information on remuneration during the year.

During the year, the Company carried out a review led by external remuneration advisors of the appropriate balance of short-term incentives and long-term share-based incentives and retention structures for Directors and key employees in light of the Company's potential development paths. Following this review, from 2021 the Company has adopted a new and more standard approach to senior team incentives comprising an annual cash bonus plan and long-term share incentive awards. Our new approach is summarised below with greater detail set out later in this report.

AIMS OF THE REMUNERATION COMMITTEE

Our overall aim is to determine the framework and policy for the remuneration of the Company's employees including the executive directors. We aim to align remuneration with delivery of long-term value for our shareholders and stakeholders.

The terms of reference of the Remuneration Committee are set out below:

- Determine and agree with the Board the Company's overall remuneration principles and policy for the chairman and the executive directors as well as considering policies for the rest of the employees below the board and executive team.
- Approve the principles, objectives and headline targets for any performance-related bonus or incentive schemes.
- Prepare an annual remuneration report to shareholders to show how the policy has been implemented.
- Review and approve any termination payment for executive directors such that these are appropriate for both the individual and the Company.

The Company aims to offer competitive salary packages that attract, retain, and motivate highly skilled individuals and align remuneration packages with performance related metrics.

The Remuneration Committee consists of myself as the Chairman and Ernie Nutter. The Committee met formally 4 times in 2020 and all committee members attended the meetings. Additionally, the Committee met a number of times informally to provide oversight, support and guidance as required. The Chief Executive Officer and Chief Financial Officer are invited to attend meetings of the Committee. None of the Committee members have any personal financial interest, conflicts of interests arising from cross directorships, or day-to-day involvement in running the business.

PERFORMANCE FOR THE YEAR

Despite the many challenges in the year, the Group continued to operate and explore, repaid approximately US$30m of debt and ended the year in the targeted net cash position.

HIPPO 2020

For 2020, the Company operated the HIPPO 2020 incentive scheme for its Executive Directors and other senior managers in line with the incentives provided in previous years. Under this scheme, which was announced on 27 February 2020, Executive Directors could receive awards up to 250% of their base salaries payable half in cash and half in shares (structured as restricted stock units, RSUs), with 50% of any amounts due in cash and RSUs being paid in the first quarter of 2021, 25% in December 2021 year and 25% in December 2022. Targets covered key performance areas: production, AISC, net cash, safety, and individual performance.

For 2020, the Company did not meet its demanding AISC or production targets. However, the Company did meet the target of being net cash positive. Taking into account Company and individual performances, the scheme paid out at 50% of the potential maximum for the CEO and the CFO. Amounts awarded in cash and shares will vest in three tranches over the period to 31 December 2021 dependent on continued employment with the Company and malus provisions.

NEW INCENTIVES FOR 2021

As referred to above, the Company carried out a comprehensive review of its incentive arrangements during 2020, with the objective of moving to a more industry standard incentive structure with an appropriate balance of short term and long-term incentive and retention structures in light of the Group's potential development paths.

The Company appointed h2glenfern Remuneration Advisory to carry out this review and provide advice to the Committee and the board. Following this review, the Company has adopted a discretionary short-term cash-based scheme based on both corporate and personal targets (with awards being paid out over 2 years subject to continued employment and malus provisions), together with a new equity based Long Term Incentive Plan ("2021 LTIP"), intended to better align participants with shareholders to create shareholder value over the medium to long term. The maximum amounts payable under the new arrangements have not increased from the maximum incentive payment under HIPPO.

Details of how and annual discretionary short-term cash-based scheme and the Long-Term Incentive Plan will operate in 2021 are set out later in this report.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Company has also made changes to Non-executive Director remuneration which are detailed later in this report.

David Straker-Smith
Chair of the Remuneration Committee

26 May 2021

Remuneration Policy

Basic salary and benefits for Executive Directors are reviewed on an annual basis and any changes made to the structure of these are based on a combination of individual performance and market conditions. Bonus awards are assessed on overall business and individual performance. Executive Directors and senior management remuneration packages are heavily linked to performance criteria to incentivise daily conduct in alignment with the best interests of our shareholders.

Executive Directors are entitled to a pension allowance at 10% of base salary, medical and life insurance.

Annual and long term share based incentives are described elsewhere in this report.

2014 Founders Equity Alignment Plan ("FEAP")

On 1 July 2014, the shareholders approved the adoption of a long-term incentive plan for the purpose of retaining and motivating the executive directors to deliver the proposed new strategy. The FEAP was rebased on 21 June 2016 as part of the £49.5m fundraise carried out at 22p to recapitalise the Company. Participants in the FEAP are limited to existing executive directors. Allocations of the FEAP are proposed by the Principal Director (currently the CEO) and ratified by the board. As at 31 December 2019 no allocation had been proposed. The FEAP will issue shares to the participants for adding material long term shareholder value and therefore align the interest of the executives with the shareholders by providing a strong incentive for the 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 FEAP, 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 FEAP if the growth in shareholder value is less than 50% of the market capitalisation of Hummingbird on 21 June 2016. If the growth in shareholder value is over 50%, a proportion of value added to shareholders will accrue to the FEAP, 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 FEAP will be issued on vesting or the value can be settled in cash at the Company's option. There is also the flexibility to allow early payments under the FEAP where assets or companies are disposed of and value has been added exceeding 50% on the same principles.

Malus

Both annual bonus and long-term incentive awards are subject to malus provisions as detailed elsewhere in this document.

Executive Directors' service contracts and payments for loss of office

The CEO and CFO have rolling service contracts dated 1 June 2014 and 2 August 2010, with notice periods of 12 months and 3 months, respectively. Our approach to remuneration in each of the circumstances in which an Executive Director may leave is determined by the Remuneration Committee in accordance with the terms of the service contracts and any other relevant agreements including incentive schemes.

Non-Executive Directors' letters of appointment

The Non-Executive Directors do not have service contracts but instead have letters of appointment which set out their responsibilities and are subject to a 1-month notice period.

Annual report on remuneration in year

This section sets out details of remuneration in 2020.

2020 SUMMARY OF DIRECTORS' TOTAL REMUNERATION (AUDITED)

	31 DECEMBER 2020				31 DECEMBER 2019			
	BASE SALARY $'000	OTHER BENEFITS/ COMMITTEE FEES[2] $'000	DEFERRED BONUS PAID[1] $'000	TOTAL	BASE SALARY $'000	OTHER BENEFITS/ COMMITTEE FEES[2] $'000	DEFERRED CONSTRUCTION BONUS PAID[1] $'000	TOTAL $'000
DE Betts	**486**	**21**	**143**	**650**	473	29	240	742
TR Hill	**310**	**21**	**92**	**423**	298	29	192	519
RJ King	**91**	**13**	**–**	**104**	91	10	–	101
SA Betts	**64**	**12**	**–**	**76**	64	8	–	72
RD Striker-Smith	**64**	**12**	**–**	**76**	64	10	–	74
GE Nutter	**64**	**43**	**–**	**107**	64	40	–	104
AA Roux	**64**	**47**	**–**	**111**	64	40	–	104
	1,143	**169**	**235**	**1,547**	1,118	166	432	1,716

In addition to the amounts above, the Directors are accruing potential benefits under incentive schemes as set out in note 25.

1. Represents the vested cash portion of the HIPPO 2018 and HIPPO 2016 performance plans, the plans set up to incentivise management. Further details on the performance plans and related vesting conditions are disclosed in note 26.
2. Other benefits and committee fees include pension allowances, medical and life insurances for DE Betts and TR Hill, additional benefits for attending board meetings and US$30,000 annual fee for GE Nutter and AA Roux for membership of the Technical Advisory Committee.

SALARY AND FEES

The salaries of the CEO and CFO in the year were £350,000 and £225,000, respectively.

The Chairman's annual fee was £70,000, the base fee of the non-executive directors was £50,000. Members of the Technical Advisory Committee receive an additional committee fee of US$30,000 per annum.

HIPPO 2020

For 2020, the company operated the HIPPO 2020 incentive scheme for its Executive Directors and other senior managers in line with the incentives provided in previous years. Under this scheme, which was announced on 27 February 2020, Executive Directors could receive awards up to 250% of their base salaries payable half in cash and half in shares (structured as restricted stock units, RSUs), with 50% of any amounts due being paid in the first quarter of 2021, 25% in December 2021 year and 25% in December 2022. Targets covered three key performance areas: production, AISC, net cash, safety, and individual performance.

For 2020, the Company did not meet its demanding AISC or production targets. However, the Company did meet the target of being net cash positive. The Remuneration Committee approved awards to Executive Directors and certain senior management of approximately 35% of the maximum amount with the balance lapsing, reflecting the demanding nature of the targets and the Company's track record of aligning management and shareholder interests.

Taking account of company and individual performance, the scheme paid out at 50% of the potential maximum for the CEO, corresponding to a potential cash bonus of £218,750 and the award of 1,093,750 RSUs and 50% for the CFO, corresponding to a potential cash bonus of £140,750 and the award of 703,750 RSUs. These amounts awarded will vest in three tranches over the period to 31 December 2022 dependent on continued employment with the Company.

DIRECTORS' INTERESTS IN SHARES

The Directors beneficial interests in the ordinary shares of the Company were as follows:

	APPOINTMENT DATE	RESIGNATION DATE	NUMBER OF SHARES AT 31 DECEMBER 2020	NUMBER OF SHARES AT 31 DECEMBER 2019
DE Betts 1 & 2	30 October 2005	–	**5,049,149**	4,949,149
TR Hill	17 July 2012	–	**208,235**	148,235
SA Betts 1 & 3	28 April 2006	–	**1,498,601**	712,542
RJ King	17 November 2014	–	**303,955**	303,955
RD Straker–Smith	24 May 2017	–	**–**	–
AA Roux	30 April 2018	–	**–**	–
GE Nutter	30 April 2018	–	**–**	–

1. The 315,101 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.
2. DE Betts's interest consists of 4,554,048 shares held by DE Betts, 315,101 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by the Stephen Betts & Sons Limited (Self-Administered) Pension Scheme.
3. SA Betts's interests consist of 733,919 shares held by SA Betts, 292,682 shares held by Caroline Betts, 292,000 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by the Stephen Betts & Sons Limited (Self-Administered) Pension Scheme.

DIRECTORS' INTERESTS IN SHARE OPTIONS

The Directors' interests in the share options and RSUs of the Company at 31 December 2020 were as follows:

	PLAN TYPE/ YEAR	RSUs AT 1 JAN 2020	GRANTED	EXERCISED	LAPSED	RSUs AT 31 DEC 2020	EXERCISE PRICE	DATE OF GRANT	FIRST DATE OF EXERCISE	FINAL DATE OF EXERCISE
DE Betts	2010	1,125,000	–	–	–	**1,125,000**	£0.22	26/10/2010	24/12/2011	26/10/2020*
DE Betts	2013	217,000	–	–	–	**217,000**	£0.22	05/12/2013	01/06/2014	01/06/2024
DE Betts	2013	217,000	–	–	–	**217,000**	£0.22	05/12/2013	01/06/2015	01/06/2025
DE Betts	2013	150,000	–	–	–	**150,000**	£0.22	05/12/2013	10/04/2020	10/04/2029
DE Betts	HIPPO 2016	426,136	–	–	–	**426,136**	£0.01	30/09/2016	19/12/2017	19/12/2022
DE Betts	HIPPO 2016	426,136	–	–	–	**426,136**	£0.01	30/09/2016	30/06/2019	30/06/2023
DE Betts	HIPPO 2016	426,136	–	–	–	**426,136**	£0.01	30/09/2016	19/12/2019	19/12/2023
DE Betts	HIPPO 2016	426,137	–	–	–	**426,137**	£0.01	30/09/2016	19/12/2020	19/12/2024
DE Betts	HIPPO 2018	683,594	–	–	455,729	**227,865**	£0.01	30/04/2019	27/02/2020	27/02/2025
DE Betts	HIPPO 2018	341,797	–	–	227,865	**113,932**	£0.01	30/04/2019	31/12/2020	31/12/2025
DE Betts	HIPPO 2018	341,797	–	–	227,865	**113,932**	£0.01	30/04/2019	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	–	1,093,750**	–	–	**1,093,750**	£0.01	27/02/2020	31/03/2021	27/02/2026
DE Betts	HIPPO 2020	–	546,875**	–	–	**546,875**	£0.01	27/02/2020	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	–	546,875**	–		**546,875**	£0.01	27/02/2020	31/12/2022	31/12/2027
TR Hill	2010	67,500	–	–	–	**67,500**	£0.22	26/10/2010	24/12/2011	26/10/2020*
TR Hill	2013	100,500	–	–	–	**100,500**	£0.22	05/12/2013	01/06/2014	01/06/2024
TR Hill	2013	100,500	–	–	–	**100,500**	£0.22	05/12/2013	01/06/2015	01/06/2025
TR Hill	2013	100,000	–	–	–	**100,000**	£0.22	05/12/2013	10/04/2020	10/04/2029
TR Hill	HIPPO 2016	340,909	–	–	–	**340,909**	£0.01	30/09/2016	19/12/2017	19/12/2022
TR Hill	HIPPO 2016	340,909	–	–	–	**340,909**	£0.01	30/09/2016	19/12/2019	30/06/2023
TR Hill	HIPPO 2016	340,909	–	–	–	**340,909**	£0.01	30/09/2016	19/12/2018	19/12/2023
TR Hill	HIPPO 2016	340,909	–	–	–	**340,909**	£0.01	30/09/2016	27/02/2020	19/12/2024
TR Hill	HIPPO 2018	439,844	–	–	293,229	**146,615**	£0.01	30/04/2019	27/02/2020	27/02/2025
TR Hill	HIPPO 2018	219,922	–	–	146,615	**73,307**	£0.01	30/04/2019	31/12/2020	31/12/2025
TR Hill	HIPPO 2018	219,922	–	–	146,615	**73,307**	£0.01	30/04/2019	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	–	703,750	–	–	**703,750**	£0.01	27/02/2020	31/03/2021	27/02/2026
TR Hill	HIPPO 2020	–	351,875	–	–	**351,875**	£0.01	27/02/2020	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	–	351,875	–	–	**351,875**	£0.01	27/02/2020	31/12/2022	31/12/2027
SA Betts	2010	337,500	–	337,500***	–	**–**	£0.22	26/10/2010	24/12/2011	26/10/2020
SA Betts	2013	33,000	–	33,000***	–	**–**	£0.22	05/12/2013	01/06/2014	01/06/2024
SA Betts	2013	33,000	–	33,000***	–	**–**	£0.22	05/12/2013	01/06/2015	01/06/2025
Total		**7,796,057**	**3,595,000**	**403,500**	**1,497,918**	**9,489,640**				

* The expiry date of these RSUs has been extended due to close periods, until the start of the open period.

** 50% of these expired post year end, refer to note 31.

*** Shares retained by SA Betts on exercise.

2021 LOOKING AHEAD

SALARIES

There was no change in the salaries of the CEO or CFO for 2021.

ANNUAL BONUS

Under the new policy, Executive Directors will participate in the annual discretionary bonus plan with a maximum potential opportunity of 125% of salary payable in cash 50% in Q1 2022, 25% in December 2022 and 25% in December 2023 (subject to continuous employment and malus provision). Half of the bonus will be based on Company performance including production, AISC / Free Cash flow, Strategic growth, Kouroussa project, ESG / Safety. Half of the bonus will be based on personal targets.

The scheme is completely discretionary. Malus conditions apply to the annual bonus in certain circumstances including in the event of acts or omissions which justify summary or dismissal represents gross misconduct, material failures of risk management, conduct resulting in significant losses, failure to meet appropriate standards of fairness and propriety, or misstatement of financial information (whether or not audited).

LONG TERM INCENTIVE AWARDS

Awards will be made under the new 2021 Long Term Incentive Plan approved by the board on 27 January 2021.

Executive Directors will also receive an award of performance and restricted shares up to a notional maximum of 125% of their base salaries. Two thirds of these awards are performance shares subject to total shareholder return performance conditions and one third are restricted share awards, subject only to continued employment and having no performance conditions. Awards vest (where applicable subject to the meeting of performance conditions) three years from award. In calculating the value of the awards within the 125% limit, the value of the RSUs is doubled, in line with best practice guidance, reflecting the absence of performance conditions. As such, the total actual award has a potential value at award of 94% of the Executive Director's base salary.

One third of the award is subject to an absolute compound annual total shareholder return performance condition with 25% of the award vesting at 8% annual Total Shareholder Return ("TSR") and full vesting at 18% annual TSR and above (and straight-line vesting for TSR performance between these points). One third of the award is subject to relative TSR performance against the S&P Commodity Producers Gold Index with 25% of the award vesting at the index and full vesting at 5% outperformance of the index.

The award of restricted shares without performance conditions will provide long-term alignment with shareholders, without the complexities of performance conditions. The Committee is conscious that having even a small portion of restricted shares although common internationally, is less conventional for UK quoted companies but sees it is a small but significant mitigation of the impact of cyclicality. In calculating values against the LTIP limit, the value of restricted share awards will be multiplied by two to reflect that they do not have performance conditions attached in line with best practice.

The share price used to determine the number of awards was 21.54p, being the 5-day volume weighted average price at the end of February 2021 (shortly after the Q4 2020 Production and 2021 Outlook announcement on 3 February 2021). Total awards to be granted to the CEO and CFO, are 1,597,494 and 1,026,960, respectively.

Malus conditions apply for three years from the date of the vesting of the award in certain circumstances including if the participant is responsible for conduct resulting in significant losses, failure to meet appropriate standards of fitness and proprietary, material wrong doing, acting in a manner likely to bring the group into material disrepute or materially adverse to the interests of the group, breach of contract that is potentially a fair reason for disposal, misstatement of financial information which was taken into account in determining whether an Award should be made, determining the size and nature of an Award or assessing the extent to which any Performance Condition was satisfied at the end of the Performance Period and in the event of a material failure of risk management.

The 2021 LTIP rules contain provisions to reduce amounts which vest to the extent and amount that an individual receives value in cash or shares under the FEAP in that year.

NON-EXECUTIVE DIRECTOR REMUNERATION

For 2021, no changes have been made to the base fees for the Chairman and the Non-executive Directors.

As part of the review conducted, h2glenfern Remuneration Advisory provided recommendations in respect of Non-executive director remuneration.

The following changes have been made to Non-executive Director remuneration:

(a) Effective from 1 February 2021, due to the additional time commitment and responsibility of board committees, additional fees will be paid for chairing and being a member of both the audit and remuneration committees of £7,500 and £5,000 respectively.

(b) In recognition of the significant experience and the high level of personal commitment of the Non-executive Directors, each Non-executive Director (including the Chairman) will receive an annual deferred share award with a value of £25,000, vesting one year from award date. These awards must be retained until the individual ceases to hold office. For the year to 31 December 2021, each Non-executive will be awarded 116,063 deferred shares (total 580,315).

(c) Each Non-executive will be able to elect to receive up to £50,000 of their cash fees in shares annually.

GOVERNANCE

board of directors

RUSSELL KING

Non-Executive Chairman

Russell is a Non-Executive Director of Ricardo plc and an Independent Non-Executive of BDO LLP, and until April 2020, was also a Senior Independent Director of Spectris plc. Between 2010 and 2013 he was a Senior Advisor to RBC Capital Markets on Metals and Mining. Prior to this, Russell served as Chief Strategy Officer at Anglo American plc where he had global responsibility for strategy, business development, government relations, safety and sustainable development. He was also a member of Anglo American's executive committee for eight years. Additionally, Russell was Senior Independent Non-Executive Director of Aggreko plc, the FTSE 100 temporary power company, from February 2007 to April 2017.

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. Since founding Hummingbird, Dan has successfully taken the Company from a grassroots exploration business to a listed, producing mining firm.

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 Hummingbird Resources 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.

DAVID STRAKER-SMITH

Non-Executive Director

David Straker-Smith is a Director of CrossBorder Capital Ltd, which he joined in April 1999. CrossBorder Capital is a London-based investment research and advisory firm regulated by the FCA. Previously, he worked at ING Barings Securities Ltd from 1996 to 1999, where he was Head of Equity Sales for Eastern Europe, and at Gerrard & National Holdings plc from 1980 until 1995, a firm which operated as a discount house, futures broker, money broker, stockbroker and fund manager. During his time at Gerrard & National Holdings plc, he became a main Board Director and active Fund Manager. He is a Director of New Vision Management Limited, a Dublin regulated management company, and a Director of Nomad Energy UK Limited. David serves as Chairman of the Audit and Remuneration Committees.

ATTIE ROUX

Non-Executive Director

Adriaan (Attie) Roux is a Metallurgical Engineer with over 40 years' Operational, Technical and Executive Management experience in the Mining Industry. Attie was previously the COO of Endeavour Mining where he was instrumental in its development and growth. He has been internal director in a number of companies such as Anglogold Ashanti and Endeavour. He is a Registered Professional with the SA Council for Natural Scientific Professions. Attie also serves as Chairman of the Technical Advisory Committee.

ERNIE NUTTER

Non-Executive Director

Ernie is a highly regarded mining analyst, formerly with one of the world's largest money managers, Capital Group, from 2004 until his retirement in 2017. Prior to this, he spent over 13 years with the Royal Bank of Canada where he was Managing Director of RBC Capital Markets, Director of RBC's Global Mining Research team and former Chairman of RBC Dominion Securities' (now RBC Capital Markets) Strategic Planning Committee. Ernie holds a Bachelor of Science degree in Geology from Dalhousie University and sits on the Audit, Remuneration and Technical Advisory Committees.

GOVERNANCE

DIRECTORS' REPORT

The Directors present their report on the affairs of the Group, together with the financial statements and Auditor's Report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

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

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

CORPORATE GOVERNANCE

The Group has adopted to the Quoted Companies Alliance (QCA) Code as set out in the United Kingdom. Further details are set out on pages 53 to 56 and the Group's website.

BOARD

The Board currently comprises seven members, two 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.

SECTION 172 STATEMENT

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

Details of the Board's decisions in 2019 (and subsequently) to promote long-term success, how it engaged with stakeholders and considered their interests when making those decisions, can be found throughout the Strategic review, Sustainability, Directors' and Corporate Governance reports.

directors' report

AUDIT COMMITTEE

The audit committee comprises David Straker-Smith (Chairman) and Ernie Nutter. 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.

POST REPORTING DATE EVENTS

Events after the reporting date have been disclosed in note 31 to the financial statements.

STRATEGIC REVIEW

The Strategic Review is shown on pages 47 to 52.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2020 are set out in the Consolidated Statement of Comprehensive Income. The Directors do not recommend payment of a dividend for the year (2019: $Nil).

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 2020 were equivalent to 55 (2019: 46) days' purchases, based on the average daily amount invoiced by suppliers during the year. Trade payables of the Company at 31 December 2020 were equivalent to 70 (2019: 63) days' purchases, based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made no charitable donations (2019: $Nil).

The Company did not make any payments to political parties during the year (2019: $Nil).

FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. Some of the objectives and policies applied by management to mitigate these risks are outlined in both the Strategic Review and note 28 to the Consolidated Financial Statements.

ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS

Details of the Company's energy efficiency measures are reported in the Operational Review section of this annual report. For the UK, the Company's annual energy consumption is less than 40,000 kWh and is therefore exempt from reporting its UK greenhouse gas emission under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

FUTURE DEVELOPMENTS

Details of future developments are set out in the CEO's Statement and Chairman's Statement.

GOVERNANCE

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.

AUDITOR

RSM 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.

The Strategic Review and Directors' Report have been approved by the Board and signed on its behalf by:

DE Betts
Director

26 May 2021

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

directors’ responsibility statement

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards (“IFRS”) and the Companies Act 2006) and have elected under company law to prepare the company financial statements in accordance with IFRS.

The financial statements are required by law and IFRS 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;
- 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUMMINGBIRD RESOURCES PLC

OPINION

We have audited the financial statements of Hummingbird Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cashflows, consolidated statement of changes in equity, company statement of financial position, company statement of cashflows, company statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included obtaining cash flow forecasts covering a period of more than 12 months from the date of sign off and reviewing these for reasonableness, including the associated assumptions and sensitivities. The gold price is a key assumption in the forecasts. Prices around the current level are expected to remain at least for the remainder of 2021 and, therefore, is considered extremely unlikely to fall below the sensitised value as an average over the forecast period. In the event that the price fell to the sensitised value, there are a number of options available to management to address the resulting cash shortfall, including an overdraft facility, sale of liquid assets and the removal of some planned, but discretionary, project costs.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	**Group** ■ Acquisition of Kouroussa Gold Project ■ Liberia earn-in agreement **Parent Company** ■ None	
Materiality	**Group** ■ Overall materiality: $1,200,000 (2019: $829,000) ■ Performance materiality: $903,000 (2019: $622,000) **Parent Company** ■ Overall materiality: $853,000 (2019: $298,000) ■ Performance materiality: $639,000 (2019: $223,000)	
Scope	■ Our audit procedures covered 100% of revenue, total assets and profit before tax.	

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of Kouroussa Gold Project	
Key audit matter description	As detailed in note 23, on 1 September 2020, the group acquired 100% of the shares in Cassidy Gold Guinea SA, the Kouroussa Gold Project, located in Guinea from Cassidy Gold Corp, a company incorporated in British Columbia, Canada. The Directors have treated this as an asset purchase as opposed to a business combination on the basis that, in their view, on the date of acquisition, Cassidy Gold Guinea SA did not constitute a business. Consideration was comprised of shares in Hummingbird Resources Plc and deferred consideration, as detailed in note 23. In accordance with the treatment for the acquisition of a group of assets that does not constitute a business, the cost (fair value of consideration paid) has been allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. The majority of the cost was allocated to the mine development asset. We considered this to be a Key Audit Matter due to the significant judgement and estimation required for both deciding on the appropriate treatment, the subsequent fair values at which to recognise the assets and liabilities and their classification in the financial statements.
How the matter was addressed in the audit	We have obtained and reviewed the documentation surrounding the acquisition and considered the nature of the transaction against the requirements of IFRS 3. In our assessment, we concluded that the fair value of the gross assets acquired is concentrated in one identifiable asset and consequently the concentration test is satisfied. It is therefore appropriate to recognise this purchase as an asset acquisition. We have audited the fair value of consideration, which totals $22.861m, through consideration of the inputs used and recalculation, considering each of the components of the consideration. We have corroborated the shares issued and held in treasury at the year end, recalculating the fair value with reference to the applicable price and exchange rates on the day of the purchase. We have obtained and audited management's calculations for the fair values of the deferred consideration, agreeing the terms to supporting documentation, considered the assumptions made for reasonableness and confirmed the mechanical integrity of the models including consultation with a valuation specialist. We have considered the allocation of the cost to the assets and liabilities acquired for reasonableness, with the majority of assets recorded as mine development assets and the most significant liability being the smelter royalty. We have audited the smelter royalty by developing our own point estimate and by agreeing the terms to supporting documentation, considering the assumptions made for reasonableness and confirmed the mechanical integrity of the models, again including consultation with a valuation specialist.

Liberia earn-in agreement	
Key audit matter description	As described in note 24, on 4 June 2020 the group signed an earn-in agreement with ARX Resources Limited in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn in agreement requires ARX to complete a Definitive Feasibility Study ("DFS"), carry out a significant exploration programme and cover all project costs over the 2 year earn-in period. Should the requirements be satisfied, ARX will earn up to a 49% interest in Dugbe. Management have developed an accounting policy (see page 91) to credit the funding received from ARX to the Liberia E&E assets, with subsequent expenditure being capitalised. The ARX funding therefore does not impact on the E&E carrying value. Management consider that this policy reflects the substance of the transaction. Given the judgement involved in developing an appropriate accounting policy, this has been identified as a key audit matter.
How the matter was addressed in the audit	We have obtained and reviewed the documentation of the earn-in agreement with ARX Resources Limited and have confirmed the key terms, as well as discussing with management to understand the commercial rationale. We have considered whether the accounting policy adopted by management is appropriate given the nature of the transaction and sufficiently disclosed.

OUR APPLICATION OF MATERIALITY

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	GROUP	PARENT COMPANY
Overall materiality	$1,200,000 (2019: $829,000)	$853,000 (2019: $298,000)
Basis for determining overall materiality	5% of result before tax	0.6% of net assets
Rationale for benchmark applied	Investors are interested in the return on their investment, especially in relation to potential future dividends and therefore results of the year drive share price and the Group's ability to pay dividends.	The parent is a holding company for the group with the key balances being the investment in group companies and the intercompany receivables.
Performance materiality	$903,000 (2019: $622,000)	$639,000 (2019: $223,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $60,200 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of $42,600 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The group consists of four components, being Mali, Liberia, Guinea and Corporate. Their locations and operations are set our below:

- Mali – Located in Mali and contains the Group's mining operations and some Exploration and Evaluation assets.
- Liberia – Located in Liberia and contains the majority of the Group's Exploration and Evaluation assets.
- Guinea – Located in Guinea and contains the assets and liabilities of the newly acquired Kouroussa Gold Project
- Corporate – Located in the United Kingdom and contains the head office operations.

The coverage achieved by our audit procedures was:

	NUMBER OF COMPONENTS	REVENUE	TOTAL ASSETS	PROFIT BEFORE TAX
Full scope audit	3	100%	89%	100%
Specific audit procedures	1	0%	11%	0%
Total	4	100%	100%	100%

The Guinea component was subject to specific audit procedures as it contains the assets and liabilities acquired in respect of the Kouroussa Gold Project, which is a Key audit matter.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 73, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance including the Audit Committee, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
Mining laws	Obtaining an understanding of the control environment in monitoring compliance with laws and regulations in the countries in which the group operates, primarily Mali; Reviewing minutes from board meetings of those charged with governance to identify any instances of non-compliance with laws and regulations.
IFRS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from internal tax advisors.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
Liberia earn-in agreement	See Key audit matters section above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

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.

PAUL WATTS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

Date: 26 May 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	Notes	2020 $'000	2019 $'000
Continuing operations			
Revenue		**185,072**	156,874
Production costs		(93,975)	(86,298)
Amortisation and depreciation		(41,367)	(38,783)
Royalties and taxes		(6,747)	(5,726)
Cost of sales		**(142,089)**	(130,807)
Gross profit		**42,983**	26,067
Share based payments	26	(2,081)	(753)
Other administrative expenses	6	(8,928)	(12,056)
Operating profit		**31,974**	13,258
Finance income	9	2,014	2,241
Finance expense	9	(9,288)	(8,278)
Share of associate loss	12	–	(62)
Share of joint venture loss	12	(17)	(4)
Reversals in impairment of financial assets	16	397	23
Gains on financial assets measured at fair value	12	1,203	2,218
Profit before tax		**26,283**	9,396
Tax	10	(1,135)	(1,551)
Profit for the year		**25,148**	7,845
Attributable to:			
Equity holders of the parent		19,022	5,422
Non-controlling interests		6,126	2,423
Profit for the year		**25,148**	7,845
Earnings per share *(attributable to equity holders of the parent)*			
Basic ($ cents)	11	5.35	1.53
Diluted ($ cents)	11	5.02	1.50

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	2020 $'000	2019 $'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	13	75,574	73,859
Intangible assets software	13	204	284
Property, plant and equipment	14	150,247	129,732
Right of use assets	19	13,797	12,940
Investments in associates and joint ventures	12	175	99
Financial assets at fair value through profit or loss	12	7,721	6,103
Deferred tax assets	20	684	–
		248,402	223,017
Current assets			
Inventory	16	20,352	18,082
Trade and other receivables	16	12,724	11,557
Unrestricted cash and cash equivalents	16	6,552	4,398
Restricted cash and cash equivalents	16	4,516	4,131
		44,144	38,168
Total assets		**292,546**	**261,185**
Liabilities			
Non-current liabilities			
Borrowings	17	–	10,148
Lease liabilities	19	2,380	3,661
Deferred consideration	23	5,402	
Other financial liabilities	22	6,836	–
Provisions	18	16,125	14,879
		30,743	28,688
Current liabilities			
Trade and other payables	21	39,440	39,809
Lease liabilities	19	10,894	8,933
Other financial liabilities	22	15,000	15,000
Borrowings	17	13,208	29,852
		78,542	93,594
Total liabilities		**109,285**	**122,282**
Net assets		**183,261**	**138,903**
Equity			
Share capital	25	5,344	5,301
Share premium	25	488	–
Shares to be issued	25	17,407	–
Retained earnings		150,246	129,952
Equity attributable to equity holders of the parent		**173,485**	**135,253**
Non-controlling interest		9,776	3,650
Total equity		**183,261**	**138,903**

The financial statements of Hummingbird Resources PLC were approved by the Board of Directors and authorised for issue on 26 May 2021. They were signed on its behalf by:

DE Betts
Director

Company number 05467327

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	Notes	2020 $'000	2019 $'000
Net cash inflow from operating activities	27	**66,256**	44,724
Investing activities			
Asset purchase, net of cash acquired	23	(35)	–
Purchases of intangible exploration and evaluation assets		(2,601)	(3,836)
Purchases of property, plant and equipment		(18,136)	(15,471)
Pasofino funding	24	5,559	–
Pasofino funding utilisation	24	(4,673)	–
Purchase by non-controlling interest	16	1,883	–
Purchase of shares in other companies		(393)	(402)
Interest received		11	65
Net cash used in investing activities		**(18,385)**	(19,644)
Financing activities			
Exercise of share options		532	30
Lease principal payments		(12,663)	(11,346)
Lease interest payments		(1,201)	(525)
Loan interest paid		(2,547)	(4,280)
Loans repaid		(29,252)	(20,809)
Commissions and other fees paid		(571)	(844)
Net cash used in financing activities		**(45,702)**	(37,774)
Net increase/(decrease) in cash and cash equivalents		**2,169**	(12,694)
Effect of foreign exchange rate changes		370	(307)
Cash and cash equivalents at beginning of year		**8,529**	21,530
Cash and cash equivalents at end of year		**11,068**	8,529

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	SHARE CAPITAL $'000	SHARES TO BE ISSUED $'000	SHARE PREMIUM $'000	RETAINED EARNINGS $'000	TOTAL EQUITY ATTRIBUTABLE TO THE PARENT $'000	NON–CONTROLLING INTEREST $'000	TOTAL $'000
Balance at 1 January 2019	**5,271**	**–**	**–**	**124,117**	**129,388**	**1,227**	**130,615**
Comprehensive income for the year:							
Profit for the year	–	–	–	5,422	5,422	2,423	7,845
Total comprehensive income for the year	**–**	**–**	**–**	**5,422**	**5,422**	**2,423**	**7,845**
Share based payments	30	–	–	422	452	–	452
Other	–	–	–	(9)	(9)	–	(9)
As at 31 December 2019	**5,301**	**–**	**–**	**129,952**	**135,253**	**3,650**	**138,903**
Comprehensive income for the year:							
Profit for the year	–	–	–	19,022	19,022	6,126	25,148
Total comprehensive income for the year	**–**	**–**	**–**	**19,022**	**19,022**	**6,126**	**25,148**
Transactions with owners in their capacity as owners:							
Shares to be issued as consideration in asset purchase (note 23)	–	17,407	–	–	17,407	–	17,407
Total transactions with owners in their capacity as owners	**–**	**17,407**	**–**	**–**	**17,407**	**–**	**17,407**
Share based payments	43	–	488	1,272	1,803	–	1,803
As at 31 December 2020	**5,344**	**17,407**	**488**	**150,246**	**173,485**	**9,776**	**183,261**

Share capital

The share capital comprises the issued ordinary shares of the Company at par value.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares for consideration above par value.

Retained earnings

Retained earnings comprise distributable reserves.

Non–controlling interest

The non–controlling interest relates to the 20% stake the Government of Mali has in Société Des Mines De Komana SA ("SMK") which owns and operates the Yanfolila Mine.

Shares to be issued

Relates to the shares to be issued in settling the initial purchase consideration on the Kouroussa Gold Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2020

1 GENERAL INFORMATION

Hummingbird Resources PLC is a public limited company with securities traded on the AIM market of the London Stock Exchange. It is incorporated and domiciled in the United Kingdom and has a registered office at 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, development, and operating of mineral projects, principally gold, focused currently in West Africa.

2 ADOPTION OF NEW AND REVISED STANDARDS

The financial statements have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2019. The following standards have been adopted in the year with no material impact on the financial statements of the Company or the Group.

Amendment to Conceptual Framework	(effective 1 January 2020)	
IFRS 3 (Amendment)	(effective 1 January 2020)	Definition of a Business
IFRS 9, IAS 39, IFRS 7 (Amendments)	(effective 1 January 2020)	Interest Rate Benchmark Reform
IFRS 16 (Amendments)	(effective 1 June 2020)	COVID-19 Rent Concessions
Definition of Materiality (amendments to IAS 1 and IAS 8)	(effective 1 January 2020)	

The following Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective.

IFRS 17	(effective 1 January 2023)	Insurance contracts

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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 year-end exchange rate from Sterling to $ was $1.3650 (2019: $1.3185).

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial Review on pages 40 to 46. At 31 December 2020, the Group had cash and cash equivalents of $11.1 million and total borrowings of $13.2 million. As at December 31, 2020, the Company had a working capital deficiency (current assets less current liabilities) of $34.3 million. The current liabilities include Anglo Pacific royalty liability of $15 million which, although current due to the nature of the agreement, is not expected to be paid soon. Details on the Group's borrowings are set out in note 17 to the financial statements.

The Group has prepared cash flow forecasts based on estimates of key variables including production, gold price, operating costs, capital expenditure through to December 2022 that supports the conclusion of the Directors that they expect funding arrangements currently in place to be sufficient to meet the Group's anticipated cash flow requirements to this date.

These cashflow forecasts are subject to a number of risks and uncertainties, in particular the ability of the Group to achieve the planned levels of production and gold prices. The Board reviewed and challenged the key assumptions used by management in its going concern assessment, as well as the scenarios applied and risks considered, including the risks associated with COVID-19. To date, although there have not been any significant operational disruptions due to COVID-19, cost and logistical pressures were felt by the Group throughout 2020. The Board has considered the operational disruption that could be caused by factors such as illness amongst our workforce and potential disruptions to supply chain, factoring in these potential impacts and reasonable mitigating actions to forecasts and sensitivity scenarios.

The Board also considered sensitivities to those cash flow scenarios (including where production is lower than forecast) which in some cases showed tight cash flow months. Should this situation arise, the Directors believe that they have a number of options available to them, such as deferring certain expenditures and/or obtaining additional funding, which would allow the Group to meet its cash flow requirements through this period.

Based on its review, the Board has a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future and hence the Board considers that the application of the going concern basis for the preparation of the Financial Statements was appropriate.

Should the Group be unable to achieve the required levels of production and associated cashflows, defer expenditures or obtain additional funding such that the going concern basis of preparation was no longer appropriate, adjustment would be required including the reduction of balance sheet asset values to their recoverable amounts and to provide for future liabilities should they arise.

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 2020. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed during the period are included in the consolidated statement of comprehensive income 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 relevant 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 subsidiary's 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

Joint ventures are entities or arrangements where the Group has joint control. Investments in joint ventures are accounted for using the equity method of accounting, after initially being recognised at cost.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights, or where the Group can exercise other forms of influence. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Equity method

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 12.

Changes in ownership interests

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Leasing

The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

The lease liability is initially measured at the present value of the unpaid lease payments at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rates as the discount rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

The lease liability is measured at amortised cost using the effective interest method. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is subsequently remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and low-value assets

The Group has elected to account for short-term leases of 12 months or less and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Lease under IAS 17

Prior to 1 January 2019, the Group classified rentals payable as operating leases and these were not recognised in the Group's financial position. Payments made under operating leases were charged to income on a straight-line basis over the term of the relevant lease.

Right of use assets are depreciated at the lower of lease term and useful life.

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 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 statement of comprehensive income 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 reporting 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 reporting 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 statement of comprehensive income, 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.

Revenue

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Sale of gold

Revenue from gold sales is recognised when the customer has accepted delivery of the goods. Amounts disclosed as revenue are net of sales returns and trade discounts. Consideration is paid by the customer once the customer has accepted delivery.

The Company remains committed to operating as an unhedged gold producer. However, as a single asset producer a significant fall in the gold price could materially impact the Group's ability to service debt and meet operating costs. Accordingly, where considered appropriate the Group invests in low cost put options to insure against the risk of falling gold prices without capping the exposure to the upside. On 31 December 2020, the Group carried no put options. The cost of options throughout 2020 was $479,000.

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 reporting 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 statement of comprehensive income as they are incurred.

Once the legal rights are obtained to explore 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 statement of comprehensive income. The carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as mine development 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.

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

The Group considers there to be two cost pools, being the whole of Liberia and whole of Mali, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred.

Intangible assets software
Intangible software assets are carried at cost less accumulated amortisation. Amortisation of the software to the statement of comprehensive income will be completed in line with the useful life of the software. However, where the software assets relate to mine development assets, amortisation to mine development assets will occur and follow the amortisation of mine development as shown below.

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

Property, plant and equipment are depreciated using the units of production method based on ounces produced, or the straight-line method over the estimated useful lives of the related assets using the following rates:

Mine development assets	units of production method
Mine closure assets	units of production method
Plant & equipment	units of production method
Infrastructure	10% - 33.3% per annum
Mobile & other equipment	10% - 33.3% per annum
Other	10% - 33.3% per annum

Under the units of production ("UOP") method, estimated economically recoverable reserves are used in determining the depreciation and/or amortisation of mine development assets. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the mining interest at which the asset is located. The Group has adopted the total output method (i.e., ounces produced) as a basis for determining the UOP. Changes are accounted for prospectively.

Upon disposal or abandonment, the carrying amounts of property, plant and equipment and accumulated depreciation and depletion are removed from the accounts and any associated gains or losses are recorded in the statement of comprehensive income.

Amounts incurred on assets under construction are capitalised until the asset becomes available for its intended use, at which time depreciation commences on the assets over its useful life. Repairs and maintenance of plant and equipment are expensed as incurred. Costs incurred to enhance the service potential of plant and equipment are capitalised and depreciated over the remaining useful life of the improved asset.

Impairment of property, plant and equipment
At each reporting 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.

Borrowing costs

Borrowing costs are capitalised when they are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale, or if construction is interrupted for an extended period. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Inventory

Inventory consists of finished goods, work-in-process, stockpiled ore and consumables. Finished goods, work-in-process, and stockpiled ore are valued at the lower of average production costs and net realisable value. Production costs include the cost of raw materials, direct labour, mine-site overhead expenses, depreciation and depletion of mining interests. Consumables are valued at the lower of average cost and net realisable value. Cost includes acquisition, freight and other directly attributable costs.

Net realisable value is calculated as the estimated sale price (based on prevailing market rates) less estimated future production costs to convert the inventories into saleable form. When inventories have been written down to net realisable value, a new assessment of net realisable value is made in each subsequent period. When the circumstances that caused the write down no longer exist, the amount of the write down is reversed.

Financial instruments

Recognition of financial assets and financial liabilities

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Fair value measurement hierarchy

The classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the input used in making the fair value measurement.

The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the three levels.

(a) Financial assets

Classification of financial assets

All recognised financial assets are measured subsequently at either amortised cost or fair value, depending on the classification of the financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group does not hold any financial assets that meet conditions for subsequent recognition at fair value through other comprehensive income ("FVTOCI"). All other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Derecognition of financial assets

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.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost through other profit or loss. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(b) Financial liabilities

Classification of financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

The Group's financial liabilities measured at amortised cost comprise loans and other borrowings, lease obligations and other payables and accruals.

Derecognition of financial liabilities

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

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 in 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

The Group records the present value of estimated costs of legal and constructive obligations required to restore mining and other operations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and revegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the mining production location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/construction of the mine. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability.

The periodic unwinding of the discount is recognised in profit or loss as a finance cost. Additional disturbances or changes in rehabilitation costs are recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

Changes to estimated future costs are recognised in the statement of financial position by either increasing or decreasing the rehabilitation liability and asset to which it relates if the initial estimate was originally recognised as part of an asset measured in accordance with *IAS 16 Property, Plant and Equipment.*

Any reduction in the rehabilitation liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

Contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed by uncertain future events that are not wholly within the control of the Group. An example is litigation against the Group when it is uncertain whether the Group has committed an act of wrongdoing and when it is not probable that settlement will be needed.

Contingent liabilities also include obligations that are not recognised because their amount cannot be measured reliably or because settlement is not probable. Contingent liabilities do not include provisions for which it is certain that the Group has a present obligation that is more likely than not to lead to an outflow of cash or other economic resources, even though the amount or timing is uncertain.

Unless the possibility of an outflow of economic resources is remote, a contingent liability is disclosed in the notes to the financial statements.

Other financial liabilities (accounting for royalty financing)

In order to determine the appropriate accounting treatment for the royalty financing which is described in note 22. assessment is required of whether the substance of the arrangements constituted a financial liability, 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. Following commencement of commercial production, the Group is 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.

Borrowings

The Group records and measures borrowings at amortised cost, using the effective interest rate method.

Equity

Ordinary shares are classed as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Share-based payments

The Group has applied *IFRS 2 Share based Payment* for all share-based payments.

The Group has used shares, share options and other share-based payments as consideration for goods and services received from suppliers and employees.

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 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 (or other instruments) that will eventually vest. For equity settled share-based payments the corresponding amount is credited to retained earnings. For cash settled share-based payments the corresponding amount is recognised as a liability and remeasured at each reporting date with any changes in fair value being recognised in the statement of comprehensive income.

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 in equity.

Fair value of share options and similar instruments are 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.

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 considers there to be four operating segments with only one operating to a significant degree during the year, the exploration, development and exploitation of mineral resources, and four geographical segments, being Liberia, Mali, Guinea and United Kingdom.

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 statement of comprehensive income 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.

Liberia earn-in earn agreement

Amounts advanced as part of earn-in agreements are initially netted off against the related asset, and then added back when spent, until the conclusion of the earn-in agreement. This is because despite the spend, these amounts would not have been spent by the Company and therefore no recognition of these expenditure in the Company's financial position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Determination as to whether an exploration and evaluation ("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 ("CGU") and a suitable discount rate in order to calculate present value.

The Group considers there to be three cost pools, being the whole of Liberia, the whole of Guinea and whole of Mali, and therefore aggregates assets in respect of each for the purposes of determining whether impairment of E&E assets has occurred.

At 31 December 2020, the share price of the Group was 33.25 pence per share which valued the Group at approximately $178 million. The net assets of the Group were $183 million. Based on above the net assets of the Group are less than the market capitalisation and hence there were indicators of impairment at that date. Since the Group's net assets exceeded the Group's market capitalisation, a review for impairment indicators was required.

Liberia

Following the signing of the earn-in agreement with ARX/Pasofino who continue to progress the project, the recoverability of the Liberian cash generating unit was assessed using a combination of two methods. The first was through the valuation of Pasofino as management believes most of the value of this company is driven from the earn-in agreement on the Dugbe Project, and therefore believe the value of Pasofino provides an indication of the potential value of Dugbe. The second method continued to consider the recoverable amount of the Liberian cash generating unit ("CGU"), with reference to the 2013 Preliminary Economic Assessment ('PEA'). Both these methods proved that no impairment loss was to be recognised for the year ended 31 December 2020.

Guinea

Assessment was done in respect of the newly acquired Kouroussa Gold Project in Guinea, with reference to the most recently available economic information and its current life of mine estimates. There are currently no separately identified E&E assets in Guinea, and therefore, no impairment loss was recognised for the year ended 31 December 2020.

Mali

Having considered the recoverable amount of the Malian CGU, with reference to the Group's latest budget and life of mine plan for the Group's Yanfolila Gold Mine in Mali (noted below), no impairment loss was recognised for the year ended 31 December 2020.

There is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

Recoverability of mine property, plant and equipment

Determination as to whether, and by how much, an asset or cash generating unit ("CGU") is impaired involves management estimates on highly uncertain matters such as; gold price, discount rates used in determining the estimated discounted cash flows of CGU, foreign exchange rates, the level of proved and probable reserves and measured, indicated and inferred mineral resources that may be included in the determination of fair value less cost to dispose ("fair value"), future technological changes which could impact the cost of mining, and future legal changes (including changes to environmental restoration obligations). The costs to dispose are estimated by management based on prevailing market conditions.

When applicable, fair value is estimated based on discounted cash flows using latest budgets, based on CGU life of mine ("LOM") plans. The fair value methodology adopted is categorised as Level 3 in the fair value hierarchy (in accordance with International Financial Reporting Standards).

The principal CGU, to which mine property, plant and equipment relates is the Group's Yanfolila Gold Mine in Mali (operating segment). In determining the recoverable amount of CGU at 31 December 2020, future cash flows were discounted using rates based on the Group's estimated weighted average cost of capital. When it is considered appropriate to do so, an additional premium is applied with regard to the geographic location and nature of the CGU. LOM operating and capital cost assumptions are based on the Group's latest budget and LOM plan.

The table below summarises the key assumptions used in the carrying value assessments:

Gold price ($ per ounce):	2020: $1,700 2019: $1,350	Commodity price and foreign exchange rates were estimated with reference to external market forecasts. The rates applied to the valuation had regard to observable market data.
Discount rate % (post tax):	2020: 21.5% 2019: 19.6%	In determining the fair value of CGU, the future cash flows were discounted using rates based on the Group's estimated real weighted average cost of capital, with an additional premium applied having regard to the geographic location of the CGU and Company size.
Operating and capital costs:	Life-of-mine operating and capital cost assumptions are based on the Group's latest budget and life of mine plan.	

Having considered the recoverable amount of the CGUs, no impairment loss was recognised for the year ended 31 December 2020. As always, there is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

Recoverability of other receivables and impairment of financial assets

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000 approximately $9,302,000 (2019: $10,317,000), due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). During the period CFA 1,056,129,505, approximately $1,883,000 was received from the Government in relation to this receivable. The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the remaining balance. The relevant shares will not be issued until the payment mechanism of the final balance has been agreed.

The Group considers the receivable to be 'credit-impaired' as part of the balance remains unpaid more than 1 year since the Government of Mali exercised its right. Having considered multiple scenarios including the partial receipt in 2020, on the manner, timing, quantum and probability of recovery on the receivable, the Group recognised a reduction in the lifetime expected credit losses previously recognised of $397,000 as at 31 December 2020 (2019: gain of $23,000). The net cumulating lifetime expected credit loss for the balance is $1,395,000 at 31 December 2020. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Deferred tax assets

In assessing the probability of realising potential deferred tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Group's control and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognised. At the end of each reporting period, the Group reassesses unrecognised and recognised income tax assets, and there is the possibility that a change in circumstances may impact on the recoverability of the relevant deferred tax asset.

Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of $684,000 were recognised at 31 December 2020 in respect of the Malian subsidiary. Only a small portion of the losses were recognised as the recoverability of the remaining balance is not certain. These assets were previously not recognised due to unpredictability and uncertainty of their timing. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets.

Rehabilitation provision

The Group assesses its mine rehabilitation provision at each reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate amount payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates (2%) and changes in discount rates (0.39%). These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

Approximately $350,000 of liabilities were acquired as part of the Kouroussa Gold Project during the year. Management assessed this to be reasonable at the acquisition date and further assessment of the amount will be done as development progresses in Guinea.

Kouroussa asset purchase

Following the acquisition of the Kouroussa Gold Project in Guinea, the Directors had to apply judgment and estimations. The Directors consider the acquisition of Kouroussa Gold Project in Guinea (see note 23 for details) to be an asset purchase as opposed to a business combination. The Directors also consider fair value of the consideration payable in relation to this acquisition to be as detailed in note 23.

Fair value of the Cassidy Smelter Royalty

Following the acquisition of Kouroussa Project in Guinea a royalty of $6.8 million was recognised. This represents a 2% smelter royalty retained by the vendors on all gold sales from the project over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

Significant judgement and estimations were used to determine the fair value of this liability including judgment on likelihood of payment of this liability, estimating the discounts rates used in determining the net present values of amounts used as well as estimating the future production profiles. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors including timing of reserves growth, as well as commodity prices. Some of the key assumptions used in the model include average gold production volumes of approximately 100,000 ounces per annum over 10 years, and production needs to be over 200,000 ounces before the royalty is payable. As part the model, production was assumed to start from 2023 and the royalty currently estimated to be payable from 2025, with a discount rate of 10%. The model is also subject to gold price changes.

Development of earn-in agreement accounting policy

Following the signing of the earn-in agreement on Dugbe, and without a formal accounting standard guiding these transactions, judgment had to be applied in what accounting policy to adopt, including estimating the implication of this accounting policy on the Group's financial position. Management believe they have adopted a prudent policy that reflects the substance of this transaction.

5 SEGMENTAL ANALYSIS

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2020	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Revenue	181,711	–	–	3,361	185,072
Cost of sales	(139,761)	–	–	(2,328)	(142,089)
Gross profit	**41,950**	**–**	**–**	**1,033**	**42,983**
Share based payments	–	–		(2,081)	(2,081)
Other administrative expenses	(167)	–	(11)	(8,750)	(8,928)
Operating profit/(loss)	**41,783**	**–**	**(11)**	**(9,798)**	**31,974**
Finance income	1,100	–	13	901	2,014
Finance expense	(9,003)	–	(3)	(282)	(9,288)
Share of joint venture loss	–	–	–	(17)	(17)
Reversal of impairment of financial assets	397	–	–	–	397
Gain on financial assets measured at fair value	–	–	–	1,203	1,203
Profit/(loss) before tax	**34,277**	**–**	**(1)**	**(7,993)**	**26,283**
Tax	(1,135)	–	–	–	(1,135)
Profit/(loss) after tax	**33,142**	**–**	**(1)**	**(7,993)**	**25,148**

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2020	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	$'000
Segment assets	175,859	36,436	66,051	14,200	292,546
Segment liabilities	(72,133)	(8,882)	(22,170)	(6,100)	(109,285)
Segment net assets	**103,726**	**27,554**	**43,881**	**8,100**	**183,261**

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2019	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Revenue	155,065	–	–	1,809	156,874
Cost of sales	(129,059)	–	–	(1,748)	(130,807)
Gross profit	**26,006**	**–**	**–**	**61**	**26,067**
Share based payments	–	–	–	(753)	(753)
Other administrative expenses	(2,643)	–	(44)	(9,369)	(12,056)
Operating profit/(loss)	**23,363**	**–**	**(44)**	**(10,061)**	**13,258**
Finance income	2,001	–	–	240	2,241
Finance expense	(8,208)	–	–	(70)	(8,278)
Share of associate loss	–	–	–	(62)	(62)
Share of joint venture loss	–	–	–	(4)	(4)
Reversals in impairment of financial assets	23	–	–	–	23
Gain on financial assets measured at fair value	–	–	–	2,218	2,218
Profit/(loss) before tax	**17,179**	**–**	**(44)**	**(7,739)**	**9,396**
Tax	(1,551)	–	–	–	(1,551)
Profit/(loss) after tax	**15,628**	**–**	**(44)**	**(7,739)**	**7,845**

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2019	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Segment assets	184,274	–	64,883	12,028	261,185
Segment liabilities	(100,421)	–	(16,045)	(5,816)	(122,282)
Segment net assets	**83,853**	**–**	**48,838**	**6,212**	**138,903**

NON-CURRENT ASSETS FOR THE YEAR ENDING 31 DECEMBER 2020	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Intangible exploration and evaluation assets	10,456	–	65,118	–	75,574
Intangible assets software	201	3	–	–	204
Property, plant and equipment	114,714	35,491	–	42	150,247
Right of use assets	13,667	–	–	130	13,797
Investment in joint ventures	–	–	–	175	175
Financial assets at fair value through profit and loss	–	–	–	7,721	7,722
Deferred tax assets	684	–	–	–	684
Segment non-current assets	**139,722**	**35,494**	**65,118**	**8,068**	**248,402**

NON-CURRENT ASSETS FOR THE YEAR ENDING 31 DECEMBER 2019	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Intangible exploration and evaluation assets	9,061	–	64,798	–	73,859
Intangible assets software	284	–	–	–	284
Property, plant and equipment	129,564	–	–	168	129,732
Right of use assets	12,638	–	–	302	12,940
Investment in joint ventures	–	–	–	99	99
Financial assets at fair value through profit and loss	–	–	–	6,103	6,103
Segment non-current assets	**151,547**	**–**	**64,798**	**6,672**	**223,017**

Geographic information

During the year the Group had four operating segments, with only Mali currently producing gold. Revenues in connection with the operating segment totalled $181,711,000 (2019: $155,065,000) and were derived from a single external customer. The Group is not economically dependent on the customer, as gold can be sold through numerous commodity market traders worldwide.

Additionally, during the year sales of Single Mine Origin ("SMO") gold and gold investment coins (via its UK head office) generated revenues of $3,361,000 (2019: $1,809,000), and all were derived from a single related customer (note 29) at a premium to the spot gold price.

Revenues from customers are based on the locations of the customers.

	LOCATION	2020 $'000	2019 $'000
Dore	Puerto Rico	181,711	155,065
SMO gold and gold investment coins	UK	3,361	1,809
Total revenue from customers		185,072	156,874

6. ADMINISTRATIVE EXPENSES BY NATURE

	2020 $'000	2019 $'000
Other income	(172)	(34)
Audit fees, including fees paid to subsidiary auditors (note 7)	156	157
Non-audit fees, including fees paid to subsidiary advisors (note 7)	5	19
Bank charges	68	33
Communications and IT	202	157
Depreciation of property, plant and equipment	318	312
Insurance	321	288
Marketing	211	511
Office expenses	16	133
Taurus settlement	–	2,500
Other taxes	234	621
Professional and consultancy	1,465	2,136
Rent under operating leases	236	188
Staff costs excluding share-based payments and employers NI accrual on share options	4,904	3,871
Travel and accommodation	242	465
Share based payments	2,081	753
Charge of employers NI accrual on share options	470	97
Net foreign exchange losses	252	602
	11,009	**12,809**

7 AUDITOR'S REMUNERATION

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

	2020 $'000	2019 $'000
Audit fees		
Fees payable to the Company's auditor for the audit of the annual accounts	146	116
Fees payable to the Company's auditors for the audit of certain subsidiaries	10	9
Total audit fees	**156**	**125**
Non-audit fees payable to associates of the Company's auditor		
Taxation compliance	–	8
Taxation advice	–	1
Total non-audit fees	–	9

8 STAFF COSTS

The average monthly number of employees and directors was:

	2020 NUMBER	2019 NUMBER
Directors	7	7
Other employees	340*	258
	347	**265**

* Now includes Kouroussa employees from 1 September 2020

	2020 $'000	2019 $'000
Their aggregate remuneration comprised:		
Wages and salaries	11,092	10,381
Social security costs	2,212	1,744
Pensions	86	82
Charge for share based payments	2,081	753
Charge for potential social security costs related to share based payments	470	97
	15,941	**13,057**

Within wages and salaries, $1,298,000 (2019: $1,403,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $1,221,000 (2019: $259,000) under cash-settled share based payment scheme payable to directors, and within pensions is $14,000 (2019: $34,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $650,000 (2019: $742,000) comprising $643,000 (2019: $724,000) in relation to wages and salaries (including vested performance bonuses paid) and pension contributions of $7,000 (2019: $18,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2019: 2).

Included within staff costs is $1,168,000 (2019: $1,232,000) capitalised to intangible exploration and evaluation assets and $1,200,000 (2019: $396,000) capitalised into mine development assets.

9 FINANCE INCOME AND EXPENSE

FINANCE INCOME	2020 $'000	2019 $'000
Interest on bank deposits	127	271
Foreign exchange gain	1,549	1,651
Gain on revaluation of warrants	338	319
	2,014	**2,241**

FINANCE EXPENSE	2020 $'000	2019 $'000
Interest on borrowings	5,020	5,406
Amortisation of borrowing costs (note 17)	1,128	962
Unwinding of discount on rehabilitation provision	257	845
Foreign exchange loss	2,883	1,065
	9,288	**8,278**

Foreign exchange gains and losses arose on non-functional currency bank deposits and foreign currency loans.

10 TAX

The tax charge for the year is summarised as follows:

	2020 $'000	2019 $'000
Minimum tax pursuant to Malian law	1,819	1,551
Deferred tax income	(684)	–
Tax expense for the year	**1,135**	1,551

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

	2020 $'000	2019 $'000
Profit before tax	26,283	9,396
Tax expense at the rate of tax 30.00% (2019: 30.00%)	7,885	2,819
Tax effect of non-deductible items	(5)	515
Origination and reversal of temporary differences	(4,152)	(7,570)
Deferred tax asset (recognised)/not recognised	(3,728)	4,236
Recognised deferred tax assets - initial recognition	(684)	–
Minimum tax pursuant to Malian law	1,819	1,551
Tax expense for the year	**1,135**	1,551

The Group's primary tax rate is aligned with its operations in Mali of 30% (2019: 30%). The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at an amount not less than 1% (2019:1%) of turnover and not more than 30% of taxable profits.

11 PROFIT PER ORDINARY SHARE

Basic profit per ordinary share is calculated by dividing the net profit 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 profit per share is based on the following data:

	2020 $'000	2019 $'000
Profit		
Profit for the purposes of basic profit per share being net profit attributable to equity holders of the parent	19,022	5,422

NUMBER OF SHARES	2020 NUMBER	2019 NUMBER
Weighted average number of ordinary shares for the purposes of basic profit per share	355,380,149	353,815,287
Weighted number of shares to be issued as part of asset purchase	11,685,100	–
Adjustments for share options and warrants	11,835,883	8,347,731
Weighted average number of ordinary shares for the purposes of diluted profit per share	378,901,132	362,163,018

PROFIT PER ORDINARY SHARE	2020 $ CENTS	2019 $ CENTS
Basic	5.35	1.53
Diluted	5.02	1.50

At the reporting date there were 50,761,957 (2019: 15,549,307) potentially dilutive ordinary shares. Potentially dilutive ordinary shares include share options issued to employees and directors, warrants issued and in 2020 includes the 35,248,441 shares to be issued as part of the Kouroussa Project acquisition.

FINANCIAL STATEMENTS

12 INVESTMENTS

NAME OF ENTITY	PLACE OF BUSINESS/COUNTRY OF INCORPORATION	% OF OWNERSHIP INTEREST		NATURE OF RELATIONSHIP	MEASUREMENT METHOD
		2020 %	2019 $		
Cora Gold Limited	British Virgin Islands	11.36%	18%	Investment [1]	Fair value through profit or loss
Betts Investments Limited*	United Kingdom	49%	19.36%	Joint venture [2]	Equity method
Bunker Hill Mining Corporation	Canada	8.58%	5.46%	Investment [3]	Fair value through profit or loss

1 Cora Gold Limited ("Cora") is incorporated and domiciled in the British Virgin Islands with securities traded on the AIM market of the London Stock Exchange. The principal activity of Cora and its subsidiaries is the exploration and development of mineral projects, with a primary focus in West Africa.
2 Betts Investments Limited ("BIL") has been established for the marketing of gold together with other precious metals investment products, and the development of the Single Mine Origin business.
3 Bunker Hill Mining Corporation ("Bunker Hill") is listed on the Canadian Securities Exchange. The principal activity of Bunker Hill is exploration and development of the historic Bunker Hill mine.

* Private entity – no quoted price available.

Investments:

Investments as at 31 December 2020 totalled $7,896,000 (2019: $6,202,000).

	2020 $'000	2019 $'000
Investment in associates and joint ventures (a)	175	99
Financial assets at fair value through profit and loss (b)	7,721	6,103
	7,896	**6,202**

(a) Investment in associates and joint ventures:

INVESTMENTS:	BETTS INVESTMENTS LIMITED 2020 $'000	2019 $'000
Opening carrying value	99	103
Acquisition at cost	93	–
Share of loss	(17)	(4)
Closing carrying value	**175**	**99**

Summarised financial statement information (100% share) of joint ventures, based on their financial statements, and a reconciliation with the carrying amount of the investment in the Group's consolidated financial statements, are set out below:

SUMMARISED STATEMENT OF COMPREHENSIVE INCOME:	BETTS INVESTMENTS LIMITED 2020 $'000	2019 $'000
Loss before income tax	(34)	(18)
Income tax expense	–	–
Loss for the year	**(34)**	**(18)**
Group's % ownership	49%	19.36%
Group's share of loss	**(17)**	**(4)**

SUMMARISED STATEMENT OF FINANCIAL POSITION:	$'000	$'000
Non-current assets	18	42
Current assets	113	23
Current liabilities	(17)	(1)
Net assets	**114**	**64**
Group's % ownership	49%	19.36%
Group's share of net assets	**56**	**12**

RECONCILIATION TO CARRYING AMOUNTS:	$'000	$'000
Group's share of net assets (as shown above)	56	12
Goodwill	119	87
Closing carrying value	**175**	**99**

Betts Investments Limited ("BIL")
On 23 May 2018 the Group entered into a joint venture agreement ("JV Agreement") with Stephen Betts and Sons Limited ("SBS") and Betts Investments Limited ("BIL"). Daniel Betts and Stephen Betts who are both directors of the Company, are also directors of and shareholders in SBS.

Under the JV Agreement, the Group invested $105,000 (£75,000) for a 19.36% interest in BIL, and in April 2020 the Group exercise its option to increase its stake to 49% for a further investment of $93,000 (£75,000). The Group has agreed to sell Hummingbird gold investment coins to SBS to fulfil orders placed by customers via BIL. Additionally, the Group provides marketing support and treasury services to BIL. SBS shall be responsible for the fulfilment of all orders of gold and other precious metals investment products and BIL will receive a commission equal to 50% of the gross margin on all sales of gold and other precious metals investment products.

(b) Financial assets at fair value through profit and loss:

	CORA GOLD SHARES		BUNKER HILL – SHARES AND WARRANTS[1]		BUNKER HILL – CONVERTIBLE LOAN		TOTAL	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Opening position	**1,731**	1,363	2,297	–	2,075	1,903	**6,103**	3,266
Additions	–	402	300	–	–	–	**300**	402
Conversion of loans	–	–	2,400	100	(2,400)	(100)	**–**	–
Accrued interest		–	–	–	115	217	**115**	217
Gains/(loss) through profit or loss	977	(34)	16	2,197	210	55	**1,203**	2,218
Closing carrying value	**2,708**	**1,731**	**5,013**	**2,297**	**–**	**2,075**	**7,721**	**6,103**

1 Warrants are valued using the Black Scholes model.

Cora Gold Limited ("Cora")
On 11 April 2017 the Group entered into a sale and purchase agreement to sell two exploration companies containing exploration permits, Hummingbird Exploration Mali SARL ("HEM") and Sankarani Resources Mali SARL ("SKR"), to Cora Gold Limited ("Cora") in exchange for a 50% shareholding in Cora.

In August 2020 the Group sold its warrants to subscribe for a further 4,730,000 shares at a price of 10 pence per share for a consideration of $150,000. This warrant was previously regarded as immaterial and not recognised in the financial position and hence the full sales proceeds has been recognised as other income in the statement of comprehensive income.

The investment in Cora Gold has been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Group recognised a fair value gain of $977,000 (2019: loss of $34,000).

The value of these shares on 28 April 2021 was $2.5 million.

Bunker Hill Mining Corporation – shares, warrants and convertible loans
The Company entered into an arm's length convertible loan arrangement, with Bunker Hill Mining Corp ("Bunker Hill"), a Canadian listed exploration and development company, advancing $1,500,000 and $500,000 on 18 June 2018 and 9 August 2018 respectively. The loan was repayable by 30 June 2020 and attracted interest of 10% p.a. calculated daily from date of advance until repayment or conversion. The loans and accrued interest were convertible to common shares at CAD$8.50 and CAD$4.50 per share, respectively.

On 28 January 2020, the Group acquired a further 1,392,857 shares in the company for a total consideration of $600,000 at a price of $0.43 (CAD$0.56) a share, split as conversion of loan of $300,000 due from Bunker Hill as well as cash investment of $300,000.

The loan conversion rights were then extended by one month to 31 July 2020. On 5 October 2020, the Group converted the final outstanding loan balance of $2,100,00 due from Bunker Hill for 5,572,980 shares at a cost of C$0.5 per share at the time of conversion.

As part of this investment the Group also has the option to acquire an additional 2,660,000 shares at a cost of CAD$0.59 per share before 31 December 2025. The investment is carried at fair value through profit and loss.

The shares in Bunker Hill have been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Group regards the warrants to be level 2 asset under the fair value hierarchy. These have been valued using a combination of quoted prices as well as calculations under the Black Scholes model. The total investments on 31 December 2020 are split as follows, level 1 shares $3,928,000 and level 2 warrants $1,085,000.

The value of these shares and warrants on 28 April 2021 was $3.2 million.

13 INTANGIBLE ASSETS

(a) Intangible exploration and evaluation assets

	LIBERIA $'000	MALI $'000	TOTAL $'000
Cost			
At 31 December 2018	**61,775**	**7,396**	**69,171**
Additions for the year	3,023	1,665	4,688
At 31 December 2019	**64,798**	**9,061**	**73,859**
Additions for the year	320	1,395	1,715
At 31 December 2020	**65,118**	**10,456**	**75,574**

Exploration in Liberia is undertaken by Hummingbird Resources (Liberia) Inc, a wholly owned subsidiary. The intangible exploration and evaluation assets in respect of Liberia principally relate to the Dugbe Gold Project ("Dugbe"). As announced on 1 May 2019 (note 31), the Group signed a 25-year renewable Mineral Development Agreement ("MDA") with the with the Government of Liberia ("GoL"), covering a land package of approximately 2,000km^2, which includes the Group's 4.2Moz Dugbe Project. In accordance with the MDA, the GoL will be granted a 10% free carried shareholding in Hummingbird Resources (Liberia) Inc.

On 4 June 2020 the Company announced an earn-in agreement with ARX Resources Limited ("ARX") in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn-in agreement requires ARX to complete a Definitive Feasibility Study, carry out a significant exploration programme and cover all project costs over the 2 year earn-in period (the "Earn-in"). The Earn-in entitles ARX to earn up to a 49% interest in the Dugbe. ARX have advanced over $5,500,000 to Liberia to 31 December 2020. However, in line with accounting guidelines, this spend is not reflected in the additions above as the amount was not effectively spent by Hummingbird Resources as was just passing through from ARX. Upon satisfaction of all the earn-in conditions ARX will be granted the 49% stake in Dugbe.

On 3rd November 2020 Hummingbird Resources (Liberia) Inc exercised its option to acquire the Central Licence (an exploration licence surrounded by the MDA area), which was subsequently absorbed into the MDA.

Intangible exploration and evaluation assets in respect of Mali principally relate to the Yanfolila Gold Project. Exploration licences in Mali provide the Government with the right to a 10% free carried interest and the right to buy a further 10% interest.

(b) Intangible software assets

	TOTAL $'000
Cost	
At 31 December 2018	**176**
Reclassification from PPE	227
At 31 December 2019	**402**
Asset purchase	7
Additions	4
At 31 December 2020	**413**
Accumulated amortisation	
At 31 December 2018	**58**
Charge for the year	60
At 31 December 2019	**118**
Charge for the year	91
At 31 December 2020	**209**
Carrying amount	
At 31 December 2019	**284**
At 31 December 2020	**204**

Intangible software assets include software purchased for the operations of the mine. Amortisation charge of $4,000 was capitalised into to mine development assets during the year.

14 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property. The net book value of property plant and equipment is summarised as follows:

	2020 $'000	2019 $'000
Right-of-use assets (note 19)	13,797	12,940
Property, plant and equipment – owned	150,247	129,732
	164,004	**142,672**

(a) Property, plant and equipment - owned

	MINE DEVELOPMENT $'000	MINE CLOSURE $'000	PLANT & EQUIPMENT $'000	INFRASTRUCTURE $'000	MOBILE & OTHER EQUIPMENT $'000	ASSETS UNDER CONSTRUCTION $'000	OTHER $'000	TOTAL PPE $'000
Cost								
At 31 December 2018	**90,013**	**13,229**	**34,149**	**17,509**	**2,581**	**7,666**	**915**	**166,062**
Additions	2,436	1,018	10,150	1,833	–	1,799	23	17,259
Transfers of finished PPE	336	–	2,229	4,826	–	(7,391)	–	–
Reclassification to intangibles	–	–	–	–	–	(227)	–	(227)
Disposals	–	–	–	–	–	–	(5)	(5)
At 31 December 2019	**92,785**	**14,247**	**46,528**	**24,168**	**2,581**	**1,847**	**933**	**183,089**
Asset purchase (note 23)	29,510	350	10	99	845	–	–	30,814
Additions	4,260	–	3	2,791	535	11,454	20	19,063
Transfers of finished PPE	–	–	73	–	–	(73)	–	–
Disposals	–	–	–	–	(73)	–	–	(73)
At 31 December 2020	**126,555**	**14,597**	**46,614**	**27,058**	**3,888**	**13,228**	**953**	**232,893**
Accumulated depreciation								
At 31 December 2018	**13,149**	**1,801**	**4,614**	**2,758**	**2,388**	**–**	**629**	**25,339**
Charge for the year	16,061	2,243	6,476	3,045	57	–	141	28,023
Disposals	–	–	–	–	–	–	(5)	(5)
At 31 December 2019	**29,210**	**4,044**	**11,090**	**5,803**	**2,445**	**–**	**765**	**53,357**
Charge for the year	16,087	2,033	7,098	3,686	299	–	146	29,349
Disposals	–	–	(60)	–	–	–	–	(60)
At 31 December 2020	**45,297**	**6,077**	**18,128**	**9,489**	**2,744**	**–**	**911**	**82,646**
Carrying amount								
At 31 December 2019	**63,575**	**10,203**	**35,438**	**18,365**	**136**	**1,847**	**168**	**129,732**
At 31 December 2020	**81,258**	**8,520**	**28,486**	**17,569**	**1,144**	**13,228**	**42**	**150,247**

Amortisation charge of $240,000 was capitalised into to mine development assets during the year.

15 SUBSIDIARIES

The Company had investments in the following subsidiary undertakings as at 31 December 2020, all of which have been included in these consolidated financial statements:

NAME	COUNTRY OF INCORPORATION AND OPERATION	PROPORTION OF VOTING INTEREST % – 2020	PROPORTION OF VOTING INTEREST % –2019	ACTIVITY
Directly held				
Trochilidae Resources Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	100	Intermediate holding & service company
Hummingbird Resources (Liberia) Inc. *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	100	100	Exploration & development
Afro Minerals Inc. *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	80	80	Dormant
Golden Grebe Mining Limited *46-63 Spencer Street, Hockley, Birmingham, England BD18 6DE, UK*	United Kingdom	100	100	Intermediate holding company
Eagle Mining Limited *46-63 Spencer Street, Hockley, Birmingham, England BD18 6DE, UK*	United Kingdom	100	100	Dormant
Indirectly held				
Deveton Mining Company *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	80	80	Dormant
Sinoe Exploration Limited *Warren & Carrey Street Intersection, Congo Town, Monrovia, Liberia*	Liberia	90	90	Dormant
Hummingbird Security Limited *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	100	100	Security
Intervest Inc *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	100	100	Dormant
Bentley International Trading Corporation *Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia*	Liberia	100	100	Dormant
Glencar Mining Limited *10 Earlsfort Terrace, Dublin 2, DO2 T380, Ireland*	Ireland	100	100	Intermediate holding company
Centrebind Agency Limited *17 GR.Xenopolou, 3106 Limasol, Cyprus*	Cyprus	100	100	Intermediate holding company
Glencar International (BVI) Limited *Craigmuirr Chambers, Road Town, Tortola, BVI*	British Virgin Islands	100	100	Intermediate holding company
Glencar Mali SARL *Sebenikoro Villa Fatoumata Bangoura Cissoko, Lot B11 Commune iv, Bamako, Mali*	*Mali*	*100*	*100*	*Exploration*
Société des Mines de Komana SA [1] *Sebenikoro Villa Fatoumata Bangoura Cissoko, Lot B11 Commune iv, Bamako, Mali*	Mali	90	90	Mining
Sunangel Resources Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	100	Intermediate holding company
Sunangel Resources SARL *09 BP 399 Ouagadougou 09, Burkina Faso*	Burkina Faso	100	100	Exploration
Yanfolila Mining Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	100	Intermediate holding company
Yanfolila Finance Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	100	Finance company
Yanfolila Holdings Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	100	Intermediate holding company
Kouroussa Gold Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	–	Intermediate holding company
Kouroussa Mining Limited *Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB*	Isle of Man	100	–	Intermediate holding company
Cassidy Gold Guinea SA [2] *Landreah Cite Ministerielle, Conakry Republique de Guniee,*	Guinea	100	–	Exploration
Kouroussa Gold Mining SA [2] *Landreah Cite Ministerielle, Conakry Republique de Guniee,*	Guinea	100	–	Mining

1 On 2 February 2017 the Government of Mali exercised its right to participate in the Yanfolila project by acquiring in the subsidiary;
i) a 10% free carried interest (pursuant to the applicable mining law); and
ii) a 10% additional interest (for agreed consideration). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment for the additional interest. The relevant shares will not be issued until the payment mechanism has been agreed.
The Government of Mali's participation interest is considered a non-controlling interest, being a change in the ownership of a subsidiary that does not result in a change in control.

2 The Group acquired the Guinea subsidiaries during the year. Refer to note 23 for further details. As of 31 December 2020, the Group was still in process of obtaining the related mining licences for the Kouroussa Gold Project. This mining licence is now held by a new operating company, Kouroussa Gold Mining SA in which the Government of Guinea is expected to hold up to a 35% interest.

Additionally, as of 31 December 2020 the Group had a 11.38% (2019: 18%) investment in Cora Gold Limited, 49% (2019: 19.36%) investment in Betts Investments Limited and a 8.58% (2019: 5.46%) investment in Bunker Hill Mining Corporation (note 12).

Non-controlling interests

Société des Mines de Komana SA in which the NCI is 20% (refer above).

Movement in NCI during the year are as follows:

	$'000
At 31 December 2018	**1,227**
Profit attributable to NCI	2,423
At 31 December 2019	**3,650**
Profit attributable to NCI	6,126
31 December 2020	**9,776**

Summarised financial information of the subsidiary adjusted for Group accounting policies, prior to elimination of intra-group items is set out below:

	2020 $'000	2019 $'000
Non-current assets	176,815	190,230
Current assets	35,921	32,590
Current liabilities	(42,197)	(32,463)
Non-current liabilities	(28,944)	(67,185)
Net assets	141,595	123,172

	2020 $'000	2019 $'000
Profit after tax	31,184	12,117
	31,184	12,117

16 CURRENT ASSETS

Inventory

	2020 $'000	2019 $'000
Doré, refined gold, SMO gold, gold grain and coins	3,340	4,548
Gold in process	1,869	1,207
Stockpiled ore	10,891	10,149
Consumables	4,252	2,178
	20,352	**18,082**

At 31 December 2020, inventory included a provision of $nil (2019: $nil) to adjust finished gold and gold in process inventory to net realisable value, being a provision of $nil (2019: $nil) and $nil (2019: $nil) respectively.

Cost of inventories of $123,181,000 (2019: $111,835,000) were recognised within cost of sales during the year.

Trade and other receivables

	2020 $'000	2019 $'000
Other receivables	11,266	11,522
Less: Allowance for expected credit losses	(1,395)	(1,792)
Net other receivables	9,871	9,730
Prepayments and accrued income	1,785	1,011
VAT recoverable	1,068	816
	12,724	**11,557**

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000, approximately $9,302,000 (2019: $10,318,000), due from the Government of Mali, arising on 2 February 2017 when the Government of Mali exercised its right to acquire an additional 10% of Societe Des Mines De Komana SA (which would take its total interest in Societe Des Mines De Komana SA to 20%). During the period CFA 1,656,129,505, approximately $1,883,000 was received in relation to this receivable. The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the remaining balance. The relevant shares will not be issued until the mechanism on payment of the remaining balance has been agreed.

Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivable, the Group recognised a lifetime expected credit reversal of $397,000 (2019: gain of $23,000). The net cumulating lifetime expected credit loss for the balance is $1,395,000 at 31 December 2020. The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

Refer to note 28 for a reconciliation of lifetime expected credit losses.

Cash and cash equivalents
Cash and cash equivalents as at 31 December 2020 of $6,552,000 (2019: $4,398,000) comprising cash held by the Group.

Restricted cash and cash equivalents
Restricted cash and cash equivalents of $4,516,000 (2019: $4,131,000), is cash held in an escrow account as part of the security for the Coris Bank loan (note 17).

Net debt reconciliation

	AT 1 JANUARY 2020 $'000	ACQUIRED AS PART OF ASSET PURCHASE $'000	CASH FLOW $'000	FOREIGN EXCHANGE MOVEMENT $'000	AMORTISATION OF ISSUE COSTS/OTHER [1] $'000	AT 31 DECEMBER 2020 $'000
Unrestricted cash	4,398	17	2,152	(15)	–	6,552
Restricted cash	4,131	–	–	385	–	4,516
Total cash & cash equivalents	**8,529**	**17**	**2,152**	**370**	**–**	**11,068**
Borrowings (note 17)	(40,000)	–	29,252	(1,332)	(1,128)	(13,208)
Lease liabilities (note 19)	(12,594)	–	13,864	–	(14,545)	(13,275)
Net debt	**(44,065)**	**17**	**45,286**	**(962)**	**(15,673)**	**(15,415)**

1 Included within the other category on lease liabilities is $12,963,000 additions to liabilities as a result of the one year extension to the mining contract in Mali as well as $1,201,000 unwind of discount. Refer to note 19.

	AT 1 JANUARY 2019 $'000	ADOPTION OF IFRS 16 $'000	CASH FLOW $'000	FOREIGN EXCHANGE MOVEMENT $'000	AMORTISATION OF ISSUE COSTS/OTHER $'000	AT 31 DECEMBER 2019 $'000
Unrestricted cash	17,320	–	(11,858)	(1,064)	–	4,398
Restricted cash	4,210	–	–	(79)	–	4,131
Total cash & cash equivalents	**21,530**	**–**	**(11,858)**	**(1,143)**	**–**	**8,529**
Borrowings (note 17)	(60,931)	–	20,809	1,246	(1,124)	(40,000)
Lease liabilities (note 19)	–	(24,959)	11,871	–	494	(12,594)
Net debt	**(39,401)**	**(24,959)**	**20,822**	**103**	**(630)**	**(44,065)**

17. BORROWINGS

	CORIS SENIOR LOAN FACILITY $'000	CORIS SECOND BALL MILL FACILITY $'000	TOTAL BORROWINGS $'000
At 1 January 2020	31,550	8,450	40,000
Issue costs amortised in the year	914	214	1,128
Interest charged during the year	2,076	471	2,547
Principal & interest repayments during the year	(23,445)	(8,354)	(31,799)
Foreign exchange loss during the year	1,213	119	1,332
Total borrowings at 31 December 2020	12,308	900	**13,208**
Analysed as:			
Current	12,308	900	**13,208**
Non-current	–	–	**–**

Coris Senior Loan Facility
On 11 April 2017, the Group's subsidiary, Société des Mines de Komana SA ("SMK") entered into a senior secured term debt facility with Coris Bank International ("Coris") for CFA 37,000,000,000 (approximately $60,000,000). On 10 April 2017 SMK drew down the CFA 15,500,000,000 (approximately $25,000,000) and on 4 July 2017 drew down the remaining CFA 21,500,000,000 (approximately $35,000,000). The debt facility has the following key terms:

– A 4 year term.

– Interest at 9% per annum (payable monthly).

– Principal deferral period of 12 months from first draw down, payable monthly thereon.

Coris Second Ball Mill Facility

On 26 November 2019, following approval for the construction of the Second Ball Mill at the Yanfolila Mine, the Group's subsidiary, SMK, entered into a senior secured term debt facility with Coris for CFA 5,500,000,000 (approximately $9,600,000). On 28 December 2019 SMK drew down the balance of the facility. The debt facility has the following key terms:

– A 2 year term.

– Interest at 9% per annum (payable monthly).

– Principal deferral period of 12 months from first draw down, payable monthly thereon.

Coris Overdraft Facility

On 18 November 2019, the Group's subsidiary, SMK entered into an overdraft facility with Coris for CFA 5,500,000,000 (approximately $9,400,000 at 31 December 2020 exchange rate), to provide additional working capital flexibility. This facility was renewed on 18 December 2020. The Coris Overdraft Facility carries an interest rate of 9% per annum and remains available twelve months from date of renewal.

Security for the borrowings has been granted to Coris over the assets of SMK, a parent company guarantee, and restricted cash held in an escrow account (note 16).

The Group records and measures borrowings at amortised cost, using the effective interest rate method.

18 PROVISIONS

Rehabilitation provision

The Group makes full provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis at the time of developing the mines and installing and using those facilities.

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred up to 2029. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

	REHABILITATION PROVISION $'000
At 1 January 2019	13,541
Arising during the year	740
Remeasurement	278
Unwinding of discount	320
At 31 December 2019	**14,879**
Asset purchase	350
Utilised during the year	(36)
Remeasurement	675
Unwinding of discount	257
At 31 December 2020	**16,125**
Analysed as:	
Current	587
Non-current	15,538
At 31 December 2020	**16,125**

19 LEASES

The Group leases mining equipment, power plant generators and office space with terms of two to five years. Lease payments represent rentals payable by the Group for the Yanfolila Gold Mine power plant generators, fixed mining equipment in addition to lease costs for properties located in Liberia, Mali, and the head office in the UK. The Group has elected not to recognise right of use assets for lease of low value and/or short-term leases.

(a) Right of use assets

Information about leased assets for which the Group is a lessee is presented below:

	PLANT & EQUIPMENT $'000	OFFICES $'000	TOTAL $'000
Cost			
Initial adoption of IFRS 16, at 1 January 2019	**24,482**	**477**	**24,959**
Remeasurements	(1,005)	(2)	(1,007)
At 31 December 2019	**23,477**	**475**	**23,952**
Arising during the year	12,963	–	12,963
Remeasurement	379	–	379
At 31 December 2020	**36,819**	**475**	**37,294**
Depreciation			
At 1 January 2019	**–**	**–**	**–**
Charge for the year	10,839	173	11,012
At 31 December 2019	**10,839**	**173**	**11,012**
Charge for the year	12,312	173	12,485
At 31 December 2020	**23,151**	**346**	**23,497**
Carrying amount at 31 December 2019	**12,638**	**302**	**12,940**
Carrying amount at 31 December 2020	**13,668**	**129**	**13,797**

(b) Lease liabilities

Maturity analysis

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

	2020 $'000	2019 $'000
Within one year	11,011	8,970
In the second to fifth years inclusive	4,795	4,970
Greater than five years	–	–
Total undiscounted lease liabilities at 31 December	**15,806**	13,940

Lease liabilities included in the statement of financial position at 31 December 2020 were:

	2020 $'000	2019 $'000
At 1 January	**12,594**	**–**
At adoption of IFRS 16	–	24,959
Arising during the year	12,963	–
Remeasurement	380	(1,007)
Lease liability and lease interest paid during the year	(13,864)	(11,871)
Interest expense on lease liabilities	1,201	513
At 31 December	**13,274**	**12,594**
Analysed as:		
Current	10,894	8,933
Non-current	2,380	3,661
At 31 December	**13,274**	**12,594**

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $12.5 million (2019: $11 million) and $1,201,000 (2019: $513,000) interest expense on lease liabilities. Low value and short-term lease charges of $46,000 (2019: $16,000) were also charged into the income statement during the year. A further $23,000 (2019: $62,000) was capitalised into exploration and evaluation assets in respect of Liberian based short-term leases.

Total of $13,864,000 (2019: $11,871,000) was paid during in respect of lease principal and interest, and this is reflected in statement of cash flows under financing activities.

20 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.

The taxation of the Group's operations in Mali are aligned to the Mining Code of Mali 1999 under which tax is charged at an amount not less than 1% of turnover and not more than 30% of taxable profits.

Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, deferred tax assets of $684,000 were recognised at 31 December 2020 in respect of the Malian subsidiary. Only a small portion of the losses were recognised as the recoverability of the remaining balance is not certain. These assets were previously not recognised due to unpredictability and uncertainty of their timing. Further, $4,991,000 of previously unrecognised deferred tax assets were utilised to offset tax. The deferred tax has arisen on the temporary differences between the carrying value of assets and tax written down value of assets.

No deferred tax assets have been recognised in respect of the remaining deferred tax assets of $15,145,000, as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

Following the acquisition of Kouroussa Project in Guinea, and in light of a new mining company being required for the mining permit, and although it should be possible, but not certain, to transfer historic costs to the new company, management have assumed that any losses within Cassidy Gold SA will not be available for future profits. This position will be assessed as the new mining licence is granted and when the transfer of balances between the two entities is approved. Hence no deferred tax assets and liabilities have been recognised with respect to Guinea.

The movement in deferred tax assets and liabilities during the year is as follows:

	UNRECOGNISED		RECOGNISED		
	DEFERRED TAX ASSETS $'000	DEFERRED TAX LIABILITY[2] $'000	DEFERRED TAX ASSETS $'000	DEFERRED TAX LIABILITY[2] $'000	NET DEFERRED TAX ASSETS $'000
At 31 December 2018	**21,608**	**(5,832)**	**–**	**–**	**15,776**
Revisions on earlier taxes rates	–	–	–	–	–
Tax losses arising during the year	10,239	–	–	–	10,239
Accelerated tax depreciation	–	(6,629)	–	–	(6,629)
At 31 December 2019	**31,847**	**(12,461)**	**–**	**–**	**19,386**
Adjustment	279	3,640	–	–	3,919
Reclassification[1]	(17,781)	8,821	17,781	(8,821)	–
Tax losses arising during the year	800	–	–	–	800
Tax losses utilised during the year	–	–	(4,991)	–	(4,991)
Accelerated tax depreciation	–	–	–	(3,285)	(3,285)
At 31 December 2020	**15,145**	**–**	**12,790**	**(12,106)**	**15,829**

	2020 $'000	2019 $'000
Unrecognised tax losses utilised during the year	(4,991)	–
Initial recognition of deferred tax assets	(684)	–
Tax losses arising during the year	800	10,239
Accelerated tax depreciation	(3,285)	(6,629)
Effect of different tax rates	463	626
Deferred tax assets (recognised)/not recognised (note 10)	**(7,697)**	4,236

1 Following a review of the future profitability of the Malian subsidiary, in light of the relatively high gold price environment being experienced, management have concluded appropriate to recognise the deferred tax assets and liabilities of the Malian subsidiary.

2 Net deferred tax asset of $684,000 was recognised in the statement of financial position as at 31 December 2020.

21 TRADE AND OTHER PAYABLES

	2020 $'000	2019 $'000
Trade payables	18,687	15,809
Other taxes and social security	5,709	6,125
VAT payable	440	354
Accruals	13,546	16,611
Other payables	1,058	910
	39,440	39,809

The average credit period taken for trade purchases is 55 days (2019: 46 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.

22 OTHER FINANCIAL LIABILITIES

	2020 $'000	2019 $'000
Royalty liability – Kouroussa	6,836	–
Royalty liability – Anglo Pacific Group PLC	15,000	15,000
	21,836	15,000

Royalty liability – Anglo Pacific Group PLC

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 Dugbe. 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.

During that same year the advances were converted into a 2% net smelter return royalty from any sales of product mined within a 20km radius of Dugbe. 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.

The amount advanced of $15m is repayable in certain limited circumstances, such as a change in control, and therefore is treated as a financial liability. 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.

Royalty liability – Kouroussa

Following the acquisition of the Kouroussa Project in Guinea a royalty of $6.8 million was recognised. This represents a 2% smelter royalty retained by the vendors on all gold sales from the project over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales. The amount of royalty was estimated using the projected production over the life of mine.

23 KOUROUSSA GUINEA ASSET PURCHASE

On 1 September 2020 Hummingbird Resources plc, through its wholly owned subsidiary, Trochilidae Resources Limited, acquired 100% of the shares of Cassidy Gold Guinea SA, the Kouroussa Gold Project, located in Guinea from Cassidy Gold Corp, a company incorporated in British Columbia, Canada. The Directors consider it to be an asset purchase under IFRS 3 as opposed to a business combination due the fact that on date of acquisition, Cassidy did not have any mining permit and further studies were required ahead of a construction decision.

The consideration for this purchase is as follows:

- Initial consideration of £10 million, which was satisfied through the issue of 35,248,441 new Ordinary Shares in the Company at a price of 28.4 pence ("Initial Consideration").
- Deferred consideration of £10 for every ounce of gold reserve published (or processed if not included in a reserve) in excess of 400,000 ounces (subject to a maximum of 1,000,000 ounces, or £6 million).

The vendors retain a 2% net smelter royalty on all gold sales by or on behalf of the Company over and above the first 200,000 ounces of its production and sales, subject to a maximum of 2.2 million ounces of production and sales.

The consideration above was contingent on a mining license being granted, with the shares held in treasury until such a time. The mining licence was granted in May 2021.

The Project is a near term development asset in the prolific Siguiri Basin, situated near the town of Kouroussa in the Kouroussa Prefecture in eastern Republic of Guinea. Kouroussa has a high-grade mineral resource of 1.18 million ounces of gold at over three grams per tonne. The synergies between the Project and Hummingbird's existing producing Yanfolila Mine, enable the Company to use similar metallurgical flow sheet and process plant design to leverage construction and, operational expertise. The addition of Kouroussa will enable the Company to achieve its next step of becoming a multi-asset gold producer.

The Directors consider the fair value of the consideration paid at the point of acquisition to be:

	FAIR VALUE $'000
Fair value of consideration paid	
Shares to be issued	17,407
Deferred consideration	5,402
Professional costs incurred	407
Working capital adjustment received	(355)
Total net consideration	**22,861**

The deferred consideration is payable of £10 for every ounce of gold reserve published (or processed if not included in a reserve) more than 400,000 ounces (subject to a maximum of 1,000,000 ounces). In short, any growth in reserves up to a maximum of 1,000,000 results in additional purchase price.

The fair value of the deferred consideration was assessed with the help of a third-party valuer, RFC Ambrian, who have assessed the likelihood of the growth in reserves and assessed that it is likely that the full £6,000,000 will become payable. An 8% discount factor was used to determine the present value of these expected cash flows. The potential obligation is classified as financial liability and included with long term payables.

Professional and other costs of $407,000 were incurred in respect of this asset purchase. These have all been allocated against mine development asset.

The consideration above has been allocated against the assets and liabilities acquired as follows:

	NET FAIR VALUE $'000
Assets and liabilities purchased	
Property, plant and equipment – mine development asset	29,607
Property, plant and equipment – mine closure	350
Property, plant and equipment – other at net book value	857
Intangible assets – net book value	7
Inventories	177
Trade and other receivables	615
Cash and cash equivalents	17
Provisions	(350)
Trade other payables	(1,583)
Other financial liabilities – Smelter Royalty	(6,836)
Total net assets acquired	**22,861**

The assets and liabilities have been recorded in the financial statements areas to which they relate.

24 LIBERIA EARN-IN AGREEMENT

On 4 June 2020 the Company announced an earn-in with ARX Resources Limited ("ARX") in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn-in agreement requires ARX to complete a Definitive Feasibility Study ("DFS"), carry out a significant exploration programme and cover all project costs over the 2 year earn-in period (the "Earn-in"). The Earn-in entitles ARX to earn up to a 49% interest in the Dugbe.

The Earned Interest of 49% is made up as:

a. 39% of the equity securities of Hummingbird Resources Liberia.

b. all of Hummingbird Resources plc's economic rights in 5.1% of the equity securities of Hummingbird Resources Liberia held by Hummingbird Resources plc; and

c. 49% of any loan advanced to Hummingbird Resources Liberia or its subsidiaries by Hummingbird Resources plc and its affiliates. This was approximately $50.6 million on 30 September 2020.

All the money that ARX spend in Dugbe is non-refundable should they decide not to pursue the earn-in.

On 9 July 2020, Pasofino Gold Limited, a Canadian listed gold exploration company acquired 100% of ARX. ARX has a right to extend this earn-in agreement for an additional 12 months for payments of $1 million a month.

If ARX/Pasofino completes its conditions above, on being granted the 49 per cent economic interest in the Dugbe, the parties will enter into a customary joint venture agreement, as well as both having the right, subject to certain protections, to convert the Company's 51 per cent controlling interest in the Dugbe into a 51 per cent controlling interest in Pasofino or any then listed parent company.

Pasofino have advanced approximately $5,500,000 to Liberia to 31 December 2020, as their work programmes continue. Some of the key achievements over the year include:

- Rehabilitation of infrastructure including camp, roads and other key infrastructure items;
- Completion of preliminary PEA outputs in preparation for a full DFS; and
- Significant exploration activities across the deposit.

The amounts advanced to Dugbe by Pasofino has initially been netted off against historic E&E spend, and then added back when spent. This is because despite the spend, this amount was not spent by the Company and therefore no recognition of these expenditure in the Company's financial position for the money spend by Pasofino as it is not refundable.

Current spend by Pasofino is reflected as below:

	CASH ADVANCED $'000	ADJUSTMENT $'000	RECOGNISED IN FINANCIAL POSITION $'000
Pasofino Dugbe Spend			
Exploration and evaluation assets	2,717	(3,603)	(886)
Property plant and equipment	1,956	(1,956)	–
Cash on hand at end of year	886	–	886
Total cash advanced	5,559	(5,559)	–

The credit of $886,000 will be offset as the remaining cash is spent.

25 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

	2020		2019	
	NUMBER	$'000	NUMBER	$'000
Issued and fully paid				
Ordinary shares of £0.01 each	**357,428,368**	**5,344**	354,155,878	5,301
Shares to be issued [1]				
Ordinary shares to be issued of £0.01 each	**35,248,441**	**470**	–	–
Total Ordinary after issue - shares of £0.01 each	**392,676,809**	**5,814**	354,155,878	5,301

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

1 Following the acquisition of Kouroussa Project in Guinea during the year, a total of 35,248,441 new Ordinary Shares in the Company will be issued.

	NUMBER OF ORDINARY SHARES OF £0.01
At 1 January 2019	351,826,899
Issue of shares - exercise of options [1]	2,328,979
At 31 December 2019	**354,155,878**
Issue of shares - exercise of options [2]	3,272,490
At 31 December 2020	**357,428,368**

1 On 24 February 2019, 1,861,302 options were exercised in the Company. A further 467,677 options were exercised on 11 November 2019. All options were exercised at £0.01 per share return for £23,000 ($30,000).

2 A total of 1,831,000 options were exercised in 2020 in the Company at an exercise price of £0.22 per share for a total return of £402,820, generating a share premium of £384,500 ($488,000). A further 1,441,490 options were exercised in 2020 at an exercise price of £0.01 per share for a total return of £32,700 ($43,000), generating no share premium.

The total number of outstanding share options are:

Share options	
As at 31 December 2019	15,446,050
Issued	9,080,000
Exercised	(3,272,490)
Lapsed	(5,843,300)
As at 31 December 2020	**15,410,260**
Total	**15,410,260**

26 SHARE BASED PAYMENTS

The following table outlines movement in share options granted and outstanding:

SHARE OPTIONS	2019 NUMBER	GRANTED NUMBER	EXERCISED NUMBER	LAPSED NUMBER	2020 NUMBER
Granted 26/10/2010	2,960,000	–	(1,395,000)	–	**1,565,000**
Granted 5/12/2013	1,904,000	–	(436,000)	–	**1,468,000**
Granted 30/09/2016	5,148,134	–	(1,275,567)	–	**3,872,567**
Granted 26/09/2017	110,795	–	–	–	**110,795**
Granted 30/04/2018	4,703,129	–	(165,923)	(4,083,300)	**453,906**
Granted 24/01/2019	619,992	–	–	–	**619,992**
Granted 27/02/2020	–	7,715,000	–	(830,000)	**6,885,000**
Granted 16/04/2020	–	1,365,000	–	(930,000)	**435,000**
Total number of share options	**15,446,050**	**9,080,000**	**(3,272,490)**	**(5,843,300)**	**15,410,260**
Weighted average exercise price	**£0.08**	**£0.01**	**£0.13**	**£0.01**	**£0.05**

Of the total number of share options outstanding at 31 December 2020, 7,780,310 (2019: 10,122,929) had vested and were exercisable.

The weighted average fair value of share options granted during the year was $0.269 (£0.2125) (2019: $0.298, (£0.229)).

The weighted average share price (at the date of exercise) of share options exercised during the year was $0.455 (£0.35) (2019: $0.3 (£0.231)).

The exercise price of share options outstanding at 31 December 2020 ranged between £0.01 and £0.22 (2019: £0.01 and £0.22) and their weighted average contractual life was 6 years (2019: 6 years).

The following table outlines share based payment charges:

	2020 $'000	2019 $'000
Charge for equity settled share-based payments (HIPPO 2016) *	75	371
Charge for equity settled share-based payments (HIPPO 2019)	108	740
Charge for equity settled share-based payments (HIPPO 2020)	1,663	–
Charge for cash settled share-based payments (CEO Deferred bonus)	310	13
Total share-based payment charges	**2,156**	**1,124**
Total share-based payment charges recognised in profit and loss	**2,081**	**753**

* Included within share-based payments for the year is $75,000 (2019: $371,000) capitalised to mine development assets.

Hummingbird incentive plan – performance orientated ("HIPPO 2016")

In recognition of the critical importance of delivering the Yanfolila Mine ("the Mine") on time, on budget, to retain and incentivise key team members, and to align management and shareholders, the Company granted options to certain group employees and directors of the Company under the rules of HIPPO, subject to a maximum dilution limit of 20% of issued share capital. On 30 September 2016 and 26 September 2017, the Company granted 7,954,386 and 727,272 share options respectively. Additionally, cash awards were granted with a total value of $2,450,000 based on a 95% probability of meeting the vesting criteria.

	SHARE AWARD	CASH AWARD ($'000)
Total award granted	8,681,658	2,450
Exercise price of the options	£0.01	–
Fair value of the options at the dates of grant		
30 Sep 2016	$0.312 (£0.24)	–
26 Sep 2017	$0.446 (£0.33)	–
Vesting:		
25% – from the first gold pour at the Mine [1]	2,170,415	*
25% – from the passing of completion tests in respect of the Mine [2]	2,170,415	*
25% – 12 months from first gold pour at the Mine [3]	2,170,414	*
25% – 24 months from first gold pour at the Mine [4]	2,170,414	*
Number of shares options exercised or lapsed in prior periods	(3,422,729)	–
Number of share options exercised or lapsed during the current period	(1,275,567)	–
Number of share options outstanding as at 31 December 2020	**3,983,362**	–

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.
1 First gold was successfully poured on 17 December 2017, upon which options vested. Cash award paid in December 2017.
2 Completion tests successfully met in June 2018, upon which options vested. Cash award paid July 2018.
3 Options vested 17 December 2018. Cash award paid January 2019.
4 Options vested 19 December 2019. Cash award paid December 2019.

The fair value of both the equity settled share award and cash award was capitalised to mine development assets on a straight-line basis over the vesting period of the award.

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:

	DATE OF GRANT	
	26 SEP 2017	30 SEP 2016
Share price	$0.459 (£0.340)	$0.324 (£0.249)
Expected dividend yield	Nil	Nil
Expected volatility	46.52%	47.78%
Expected life	2 years	3 years
Risk free interest rate	0.447%	0.164%
Resultant fair value	$0.446 (£0.33)	$0.312 (£0.24)
Multiplied by the probability of meeting the vesting conditions at date of grant	95%	95%

Hummingbird incentive plan – performance orientated ("HIPPO 2018")

The Company announced on 30 April 2018 that it had implemented the Hummingbird Incentive Plan – Performance Orientated 2018 ("HIPPO 2018") incentive scheme to retain and incentivise key team members to deliver efficient production from Yanfolila in its first year of operations. The initial grant was for 6,157,819 share options. Additionally, cash awards were granted with a total value of $2,010,000 based on an 80%, 75% and 50% probabilities (respectively) of meeting the vesting criteria. As a result of operational challenges during 2018, no options vested during the performance period 1 April 2018 to 31 December 2018.

In recognition of the critical importance of the recovery plan announced on 29 November 2018 and to retain and incentivise key team members, on 24 January 2019 the Company amended the targets for the HIPPO 2018 incentive scheme to align these with the Company's key objectives for 2019.

The below reflect HIPPO 2018 as at 31 December 2020:

	SHARE AWARD	CASH AWARD ($'000) *
Total award granted 30 April 2019 – original grant	6,157,819	2,010
Black scholes revaluation change	–	(507)
Lapsed as part of amendment	(234,375)	(231)
Reissued as part of amendment	751,427	9
Total HIPPO 2019 awards granted - as amended	**6,674,871**	**1,281**
Lapsed/paid out during the prior periods	(1,351,750)	(771)
Lapsed/paid out during the current period	(4,249,223)	(376)
Number of share options outstanding as at 31 December 2020	**1,073,898**	**134**
Exercise price of the options - amended	$0.013 (£0.010)	–
Fair value of the options at the date of grant -amended	$0.298 (£0.229)	–

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.

Performance period 1 January 2019 to 31 December 2019.

The Company has the option to defer payment of cash awards until sufficient funds are available or settle in shares.

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:

	DATE OF GRANT
Share price at the date of amended grant	$0.311 (£0.239)
Expected dividend yield	Nil
Expected volatility	45.89%
Expected life	4.0 years
Risk free interest rate	0.819%
Resultant fair value	$0.298 (£0.229)

Multiplied by the probability of meeting the vesting conditions at date of grant of 80%, 75% and 50% (respectively).

Hummingbird incentive plan – performance orientated ("HIPPO 2020")

The Company announced on 27 February 2020 that it had, consistent with prior years, initiated the HIPPO 2020 incentive scheme to retain and incentivise key team members to deliver on the Company's strategy.

The Restricted Share Units ("RSUs") in the form under HIPPO 2020 have been granted over ordinary shares in the Company of £0.01 each ("Shares") and have an exercise price of £0.01 per Share. Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs shall vest 50% by 31 March 2021, 25% by 31 December 2021 and 25% by 31 December 2022. These were allocated as follows:

a) Production Tranche:

   i. 1/9 of the RSUs will vest if 120,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.

   ii. A further 1/9 of the RSUs will vest if 125,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.

   iii. A further 1/9 of the RSUs will vest if 130,000 (or more) ounces of gold are poured between 1 January 2020 and 31 December 2020.

b) Cost and Cashflow Tranche:

   i. 1/6 of the RSUs will vest if the Yanfolila AISC (as announced by the Company), as normalised for a US$0.70 / litre fuel price and a US$1,350 gold price, is equal to or lower than US$850 per ounce sold;

   ii. 1/6 of the RSUs will vest if the Company is in a net cash position by 31 December 2020.

c) Performance Tranche:

   i. up to 1/3 of the RSUs may vest based on participant performance against individually set KPIs and the Company's overall ESG and safety performance, at the Board's discretion, following the recommendation of the Remuneration Committee.

Once vested, any RSUs may be exercised during a set exercise period determined by the Company and notified to the option holders. This is intended to be a minimum of a one-week period per year when the Company is in an "open period" under MAR. Unvested RSUs will normally lapse on cessation of employment for any reason. The RSUs holders will retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the option shall lapse.

The below reflect HIPPO 2020 as at 31 December 2020:

	SHARE AWARD	CASH AWARD ($'000) *
Total award granted 27 February/16 April 2020 – original grant	9,080,000	2,350
Lapsed during year	(1,760,000)	(1,500)
Number of share options outstanding as at 31 December 2020	**7,320,000**	**850**

* Proportionally in line with vesting conditions and prevailing exchange rates at the date of payment.

The performance period runs from 1 January 2020 to 31 December 2020.

The Company has the option to defer payment of cash awards until sufficient funds are available or settle in shares.

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:

	DATE OF GRANT
Share price at the date of amended grant	$0.282 (£0.2125)
Expected dividend yield	Nil
Expected volatility	45.96%
Expected life	4.0 years
Risk free interest rate	0.819%
Resultant fair value	$0.269 (£0.203)

CEO Deferred bonus

On 1 June 2014, contingent on the successful acquisition by the Company (or a subsidiary of the Company) of the Yanfolila Project the Company awarded the Chief Executive Officer a deferred bonus in the form of a cash settled share-based payment equivalent to the cash value on the date of payment of 1,785,714 shares (subject to a maximum share price of £2.016). This bonus is deferred and except in the event of a change of control, only becomes payable after a vesting period of 2 years and at the earlier of the Chief Executive Officer ceasing to be a director of the Company or 10 years.

The Yanfolila Project was acquired on 2 July 2014 and accordingly this cash settled share-based payment was granted on that date. The share price and resultant fair value of this cash settled share-based payment was estimated as at the date of grant as $0.99 (£0.58) and $1,774,000 (£1,036,000) respectively, which was spread over the vesting period of 2 years and is re-measured at each reporting date using the share price on that date. The share price as at 31 December 2020 was $0.45 (£0.3325) (2019: $0.28, £0.2125).

As a result of movement in the share price and changes in foreign exchange rates, the deferred bonus liability was increased by $310,000 (2019: $13,000).

Founders Equity Alignment Plan ("FEAP")

On 1 July 2014 the shareholders approved the adoption of a long-term incentive plan for the purpose of retaining and motivating the executive directors to deliver the proposed new strategy, which was rebased on 21 June 2016 as part of the fundraise to recapitalise the Company.

Participants in the FEAP are limited to existing executive directors ("executives"). Allocations of the FEAP are proposed by the Principal Director (currently the CEO) and ratified by the board. As at 31 December 2020 no allocation had been proposed. The FEAP will issue shares to the participants for adding material long term shareholder value and therefore align the interest of the executives with the shareholders by providing a strong incentive for the 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 FEAP, 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 FEAP if the growth in shareholder value is less than 50% of the market capitalisation of Hummingbird on 21 June 2016. If the growth in shareholder value is over 50%, a proportion of value added to shareholders will accrue to the FEAP, 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 FEAP will be issued on vesting or the value can be settled in cash at the Company's option. There is also the flexibility to allow early payments under the FEAP where assets or companies are disposed of and value has been added exceeding 50% on the same principles.

27 NOTES TO THE STATEMENT OF CASH FLOWS

	NOTES	2020 $'000	2019 $'000
Profit before tax		26,283	9,396
Adjustments for:			
Amortisation and depreciation	14 & 13	29,200	28,083
Amortisation and depreciation – right of use assets	19	12,485	11,012
Share based payments	26	2,551	850
Finance income	9	(2,014)	(2,241)
Finance expense	9	9,288	8,278
Share of associate loss	12	–	62
Share of joint venture loss	12	17	4
Reversals in impairment of financial assets	16	(397)	(23)
Gain on financial assets measured at fair value	12	(1,203)	(2,218)
Operating cash flows before movements in working capital		76,210	53,203
Increase in inventory		(2,095)	(4,275)
Increase in receivables		(1,796)	(121)
Decrease in payables		(4,297)	(2,438)
		68,022	**46,369**
Taxation paid		(1,766)	(1,645)
Net cash inflow from operating activities		**66,256**	**44,724**

Cash and cash equivalents (which are presented as a single class of assets on the statement of financial position) 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.

28 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, unissued share capital, share premium, other reserves 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:

CATEGORIES OF FINANCIAL INSTRUMENTS	FINANCIAL ASSETS MEASURED AT AMORTISED COST		FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets								
Cash and cash equivalents (note 16)	**11,068**	8,529	**–**	–	**–**	–	**–**	–
Investments (note 12)	**–**	–	**7,721**	6,103	**–**	–	**–**	–
Other receivables (note 16)	**10,114**	9,730	**–**	–	**–**	–	**–**	–
	21,182	18,259	**7,721**	6,103	**–**	–	**–**	–
Financial liabilities								
Borrowings (note 17)	**–**	–	**–**	–	**13,208**	40,000	**–**	–
Lease liabilities (note 19)	**–**	–	**–**	–	**13,274**	12,594	**–**	–
Trade payables (note 21)	**–**	–	**–**	–	**18,687**	15,809	**–**	–
Other payables (note 21)	**–**	–	**–**	–	**1,058**	910	**–**	–
Accruals (note 21)	**–**	–	**–**	–	**13,546**	16,611	**–**	–
Royalty liability (note 22)	**–**	–	**–**	–	**15,000**	15,000	**6,836**	–
Deferred consideration (note 23)	**–**	–	**–**	–	**5,402**	–	**–**	–
	–	–	**–**	–	**80,175**	100,924	**6,836**	–

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, trade and other receivables.

In respect of investments in cash, the Group seeks to deposit funds with reputable financial institutions until such time as it is required.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model are trade and other receivables.

The Group's credit risk on the trade receivables is concentrated with its primary customer, a global physical precious metals merchant with a strong credit rating. The historical level of customer defaults is nil. As a result, the credit risk associated with trade receivables at December 31, 2020 is considered negligible.

The Croup's credit risk on other receivables include amounts receivable from the Government of Mali. Having completed a recoverability assessment on other receivables in accordance with IFRS 9, the Group revaluated the expected credit loss allowance 31 December 2020 (note 16).

The Group's credit risk management practices and how they relate to the recognition and measurement of expected credit losses is set out below.

Definition of default

The loss allowance on all financial assets is measured by considering the probability of default.

Receivables are considered to be in default when the principal or any interest is more than 75 days past due, based on an assessment of past payment practices and the likelihood of such overdue amounts being recovered.

Determination of credit-impaired financial assets

The Group considers financial assets to be 'credit-impaired' when the following events, have occurred:

- default or late payments;
- significant financial difficulty of the counterparty arising from significant downturns in operating results and/or significant unavoidable cash requirements when the counterparty has insufficient finance from internal working capital resources, external funding and/or group support;
- observations of default or breach of contract; and
- it becoming probable that the counterparty will enter bankruptcy or liquidation.

Where a significant increase in credit risk is identified, the loss allowance is measured based on the risk of a default occurring over the expected life of the instrument rather than considering only the default events expected within 12 months of the year-end.

Write-off policy

Receivables are written off by the Group when there is no reasonable expectation of recovery, such as when the counterparty is known to be going bankrupt, or into liquidation or administration.

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

Lifetime expected credit losses

A reconciliation of the lifetime expected credit losses at 1 January 2020 and 31 December 2020 in accordance with IFRS 9, is set out below.

	OTHER RECEIVABLES
	GOVERNMENT OF MALI $'000
As at 1 January 2019	**1,815**
Decrease during the year	(23)
As at 31 December 2019 (under IFRS 9)	**1,792**
Decrease during the year	(397)
As at 31 December 2020	**1,395**

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 borrowings including maturity dates are detailed in note 17.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. The Group's interest-bearing financial liabilities are at a fixed rate of interest.

Foreign exchange risk and foreign currency risk management

The Group is exposed to foreign exchange risk through certain 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, Australian Dollars, Euros, Sterling, South African Rand, Guinea Francs and West Africa CFA Franc, the Group holds the majority of its funds in these currencies. Currency exposures are monitored on a monthly basis.

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

	LIABILITIES		ASSETS	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Australian Dollars ("AUD")	203	–	104	79
Canadian Dollars ("CAD")	–	–	74	77
Euros ("EUR")	396	31	8,082	763
Sterling ("GBP")	9,810	5,412	1,954	1,461
South African Rand ("ZAR")	106	46	36	–
Guinea Franc ("GNF")	725	–	151	–
West African CFA Franc ("FCFA")	32,360	52,746	10,492	14,778

Foreign currency sensitivity analysis

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily to movements in the $ against the EUR, GBP, ZAR, GNF and FCFA. The Group ensures it places any excess liquidity in stable currencies to reduce its exposure to foreign currency risks. Foreign exchange differences on retranslation of monetary assets and liabilities are recorded in the income statement.

At 31 December, if the $ had weakened/strengthened by 10% against the EUR, GBP, ZAR, GNF and FCFA, with all other variables held constant, the impact on profit before tax on the non-$ denominated financial assets and liabilities would have been as follows. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three to five-year timeframe. A positive amount in the table reflects a potential net increase in the profit before tax:

	2020 $'000	2019 $'000
Increase in comprehensive income and net assets - EUR	769	73
Decrease in comprehensive income and net assets - GBP	(786)	(395)
Decrease in comprehensive income and net assets - ZAR	(7)	(12)
Decrease in comprehensive income and net assets - GNF	(58)	–
Decrease in comprehensive income and net assets - FCFA	(2,187)	(3,797)

29 RELATED PARTY TRANSACTIONS

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

Transactions with Stephen Betts & Sons Limited

During the year Stephen Betts & Sons Limited charged the Company $79,000 (2019: $68,000) under a contract for the provision of staff, office equipment and warehouse space. There were $20,000 accrued outstanding charges between the parties as at 31 December 2020 (2019: $19,000). Amounts outstanding are unsecured and have been settled in cash.

Additionally, during the year the Company sold Stephen Betts & Sons Limited $3,361,000 (2019: $1,774,000) in gold grain and investment gold coins at a premium to the spot gold price. There was $345,000 accrued outstanding sales between the parties as at 31 December 2020 (2019: $171,000). Amounts outstanding are unsecured and have been 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 the ultimate parent company.

Earn-in Agreement with Pasofino/ARX

As previously announced the Group entered into an earn-in agreement with ARX (which was subsequently acquired by Pasofino), for the development of Dugbe, Liberia.

Three directors of the Company (Daniel Betts, Ernie Nutter and Thomas Hill) invested into ARX in support of their strategy to develop Dugbe, as well as to demonstrate their personal commitment and long-term belief in the potential of the Dugbe Gold Project as a result the three directors have an aggregate holding of approximately 17% in Pasofino as of 31 March 2021, which will be diluted in the normal course as a result of Pasofino's pending close of their most recent fundraising.

Each of their investments was on the same terms as third parties investing at the time, and the Company's interaction with Pasofino was handled by an independent committee of the Hummingbird Board, chaired by the Chairman, and comprising the three other directors (in addition to the Chairman).

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.*

	2020 $'000	2019 $'000
Short-term employee benefits	1,298	1,403
Social security cost	169	153
Pensions	14	34
Share based payment charge	1,221	259
Increase in provision for potential social security costs on share options	374	52
	3,076	**1,901**

30 COMMITMENTS

As at 31 December 2020 the Group had commitments of $2,278,000 (2019: $2,286,000) in respect of the Yanfolila Project and Kouroussa Project.

31 EVENTS AFTER THE REPORTING DATE

Change of Mining Contractor

On 1 April 2021 Junction Contract Mining ("JCM") were appointed as mining contractor at the Yanfolila mine. JCM took over the mining fleet and approximately 90% of the existing employees of AMS allowing a seamless hand over process.

Vested Options under HIPPO 2020

Following the year and the Board approved the following Restricted Share Units ("RSUs") should vest in line with achieved performance criteria, once the Company was in an open period (subject to continuous employment).

				RSUs ALREADY VESTED, OR TO VEST		
NAME	POSITION	RSUs GRANTED*	RSUs LAPSED**	IMMEDIATE **	AT 31/12/2021	AT 31/12/2022
Daniel Betts	Chief Executive Officer	2,187,500	1,093,750	546,874	273,438	273,438
Thomas Hill	Finance Director	1,407,500	703,750	351,874	175,938	175,938
Other Employees	n/a	5,485,000	4,134,082	737,122	306,898	306,898
Total Directors and Employees		9,080,000	5,931,582	1,635,870	756,274	756,274

* The RSUs under HIPPO 2020 consist of options granted over ordinary shares in the Company of £0.01 each ("Shares") and have an exercise price of £0.01 per Share. RSUs vest subject to performance and continuous employment criteria being met.

** These RSUs will lapse / vest as soon as the Company is in an open period.

As a result of HIPPO 2020's strict performance criteria on production and cost targets, and the Company's track record of aligning management and shareholders' interests, only 35% of the HIPPO 2020 scheme is expected to vest, while the remainder has lapsed.

New incentive structures for 2021

Following a review led by external remuneration advisors of the appropriate balance of short and long of future short and long term incentives and retention structures for Directors and key employees in light of the Company's potential development paths, the Company has adopted a more standard approach of an annual award of a discretionary short term cash based scheme based on both corporate and personal targets together with an equity based Long Term Incentive Plan ("LTIP") intended to better align shareholders with participants to create shareholder value over the medium to long term.

Subject to the performance criteria being met for each respective tranche and continuous employment with positive performance, under normal circumstances, the RSUs are expected to vest on 28 February 2024 in equal thirds as follows:

a) Retention Tranche: based on continuous employment and subject to malice provisions.

b) Absolute Total Shareholder Return versus the 5-working day VWAP to 28 February 2021, with 25% vesting for 8% compound annual growth and 100% vesting for 18% compound annual growth.

c) Relative Total Shareholder Return against the S&P Commodity Producers Gold Index (CAPs) with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

Under the 2021 LTIP the following RSU awards have been approved.

NAME	POSITION	TOTAL NUMBER OF SHARES SUBJECT TO RSUS* UNDER THE 2021 LTIP
Daniel Betts	Chief Executive Officer	1,597,494
Thomas Hill	Finance Director	1,026,960
Other Employees		4,871,094
Total Directors and Employees		**7,495,548**

Additionally one off awards have been approved as follows to certain key employees for the purposes of recruitment, retention and alignment with the long term strategy: 370,370 RSUs vesting on 31 August 2021 subject to continuous employment and a 3 month subsequent lock in; and 2,500,000 RSUs vesting on 31 May 2024 subject to continuous employment, a minimum share price of 60 pence and then on a sliding scale of 25% vesting on a $300m market capitalisation to 100% on a $500m market capitalisation.

Once vested, any RSUs may be exercised during a set exercise period determined by the Company and notified to the option holders. This is intended to be a minimum of a one-week period per year when the Company is in an “open period” under MAR. Unvested RSUs will normally lapse on cessation of employment for any reason. The RSUs holders will retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the option shall lapse.

The RSUs under the 2021 LTIP and one-off awards consist of options granted over ordinary shares in the Company of £0.01 each (“Shares”) have an exercise price of £0.01 per Share. RSUs vest subject to performance and continuous employment criteria being met, and will be formally issued as soon as the Company is in an open period.

Non-executive Director Deferred Share Awards

In recognition of the significant experience and the high level of personal commitment of the Non-executive Directors, each non-executive Director (including the Chairman) will receive an annual deferred share award with a value of £25,000, vesting one year from award date. These awards must be retained until the individual ceases to hold office. For the year to 31 December 2021, the awards are as follows:

NAME	POSITION	TOTAL NUMBER OF DEFERRED SHARE AWARDS
Russell King	Chairman	116,063
Attie Roux	Non-executive director	116,063
Ernie Nutter	Non-executive director	116,063
Stephen Betts	Non-executive director	116,063
David Straker-Smith	Non-executive director	116,063
Total		**580,315**

Note 1: The Deferred Share Awards will be formally issued as soon as the Company is in an open period.
Note 2: The entitlement to the above Deferred Share Awards shall normally vest on 31 December 2021, subject to the relevant director remaining in office.
Note 3: No shares will be issued until the relevant director ceases to hold office.

Granting of Mining Licences in Guinea

As announced on 20 of May 2021, the Company has been granted the mining licences for the Kouroussa Gold Project in Guinea by the Government of Guinea, with the following key terms:

a) 15-year, renewable licence term

b) Mine construction to start within one year, from licence grant

c) 5% royalty payable to the Federal Government of Guinea

d) 1% contribution to Local Development Fund

e) 30% tax on profits

The Government has the right to a 15% non-dilutable free carried interest in the share capital of Kouroussa Gold Mine SA (the wholly owned subsidiary of the Company which owns the Project), with the right to acquire a further 20% participating interest for cash. The grant triggers the requirement to pay the initial consideration of £10.0 million, which will have been satisfied by issue of shares in the Company.

COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2020

	NOTES	2020 $'000	2019 $'000
Assets			
Non-current assets			
Investments	38	110,825	87,848
Financial assets at fair value through profit or loss	38	5,981	4,991
Property, plant and equipment	39	42	168
Right of use assets	43	129	302
Receivables from subsidiaries	40	37,430	36,740
		154,407	130,049
Current assets			
Inventory	41	3,183	2,242
Trade and other receivables	41	5,181	3,724
Cash and cash equivalents	41	500	1,108
		8,864	7,074
Total assets		163,271	137,123
Liabilities			
Non-current liabilities			
Deferred consideration	44	5,402	–
Lease liabilities	43	–	103
		5,402	103
Current liabilities			
Trade and other payables	42	15,282	6,680
Lease liabilities	43	105	186
		15,387	6,866
Total liabilities		20,789	6,969
Net assets		142,482	130,154
Equity			
Share capital	45	5,344	5,301
Share premium	45	488	–
Shares to be issued	45	17,407	–
Retained earnings		119,243	124,853
Total equity		142,482	130,154

As permitted by section 408 of the Act, the Company has elected not to present its statement of comprehensive income for the year. Hummingbird Resources PLC reported a loss for the year ended 31 December 2020 of $6,882,000. The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2021.

They were signed on its behalf by:

DE Betts
Director

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

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	NOTES	2020 $'000	2019 $'000
Net cash outflow from operating activities	47	**(1,650)**	**(4,821)**
Investing activities			
Purchases of property, plant and equipment		(20)	(22)
Increase in investment in subsidiaries		(75)	–
Decrease in amounts lent to subsidiaries		1,205	4,845
Purchase of shares in other companies		(393)	(402)
Interest received		5	65
Net cash generated by investing activities		**722**	**4,486**
Financing activities			
Exercise of share options		532	30
Lease interest payments		(25)	(7)
Lease principal payments		(166)	(186)
Net cash from/ (used in) financing activities		**341**	**(163)**
Net decrease in cash and cash equivalents		**(587)**	**(498)**
Effect of foreign exchange rate changes		(21)	(24)
Cash and cash equivalents at beginning of year		**1,108**	**1,630**
Cash and cash equivalents at end of year		**500**	**1,108**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

	SHARE CAPITAL $'000	SHARES TO BE ISSUED $'000	SHARE PREMIUM $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2019	**5,271**	**–**	**–**	**129,116**	**134,387**
Comprehensive loss for year:					
Loss for year	–	–	–	(4,685)	(4,685)
Total comprehensive loss for the year	**–**	**–**	**–**	**(5,431)**	**(5,431)**
Share based payments	30	–	–	422	452
As at 31 December 2019	**5,301**	**–**	**–**	**124,853**	**130,154**
Comprehensive loss for year:					
Loss for year	–	–	–	(6,882)	(6,882)
Total comprehensive loss for the year	**–**		**–**	**(6,882)**	**(6,882)**
Transactions with owners in their capacity as owners:					
Shares to be issued	–	17,407	–	–	17,407
Total transactions with owners in their capacity as owners	**–**	**17,407**	**–**	**–**	**17,407**
Share based payments	43		488	1,272	1,803
As at 31 December 2020	**5,344**	**17,407**	**488**	**119,243**	**142,482**

Share capital

The share capital comprises the issued ordinary shares of the Company at par value.

Share premium

The share premium comprises the excess value recognised from the issue of ordinary shares for consideration above par value.

Retained earnings

Retained earnings comprise distributable reserves.

Shares to be issued

The shares to be issued in settling the initial purchase consideration on the Kouroussa Gold Project.

32 BASIS OF PREPARATION

The financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

33 ADOPTION OF NEW AND REVISED STANDARDS

The financial statements have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2019. The following standards have been adopted in the year with no material impact on the financial statements of the Company.

Amendment to Conceptual Framework	(effective 1 January 2020)	
IFRS 3 (Amendment)	(effective 1 January 2020)	Definition of a Business
IFRS 9, IAS 39, IFRS 7 (Amendments)	(effective 1 January 2020)	Interest Rate Benchmark Reform
IFRS 16 Amendments)	(effective 1 June 2020)	COVID-19 Rent Concessions
Definition of Materiality (amendments to IAS 1 and IAS 8)	(effective 1 January 2020)	

The following Standards and Interpretations which have not been applied in the financial statements were in issue but not yet effective.

IFRS 17	(effective 1 January 2023)	Insurance contracts

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2020

34 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.

Investments

Fixed asset investments, except those carried at fair value through profit or loss, 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.

35 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

Where the majority of the assets of subsidiary undertakings are exploration and evaluation assets and mine development assets, determining whether an investment in 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 Group was less than the carrying value of the Company's net assets as at 31 December 2020, an impairment review was carried out in respect of the carrying values of the investment in subsidiaries as stated in the Company Statement of Financial Position. As part of the impairment review of the carrying value of the Group's mine development assets and exploration and evaluation assets the Directors considered that there was no impairment as at 31 December 2020.

Recoverability of receivables from subsidiaries and impairment of financial assets

Receivables from subsidiaries represent trading balances and interest free amounts advanced to Group companies with no fixed repayment dates, being amounts due from; Hummingbird Resources (Liberia) Inc, focused on supporting the Group's Liberia exploration interests; and Trochilidae Resources Limited, focused on supporting the Group's wider business, including its Mali operations. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivables, the Company recognised a lifetime expected credit reversal of $28,000 (2019: credit reversal of $626,000). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement.

36 AUDITOR'S REMUNERATION

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

37 STAFF COSTS

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

	2020 NUMBER	2019 NUMBER
Directors	7	7
Other employees	10	11
	17	**18**

	$'000	$'000
Their aggregate remuneration comprised:		
Wages and salaries	3,127	2,696
Social security costs	371	353
Pensions	86	82
Charge for share based payments	1,935	696
Charge for potential social security costs related to share based payments	470	97
	5,989	**3,924**

Within wages and salaries, $1,370,000 (2019: $1,403,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $1,221,000 (2019: $259,000) under cash-settled share based payment scheme payable to directors, and within pensions is $14,000 (2019: $34,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $650,000 (2019: $742,000) comprising $643,000 (2019: $724,000) in relation to wages and salaries including bonuses paid and pension contributions of $7,000 (2019: $18,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2019: 2).

Key management remuneration is disclosed in note 29 to the consolidated financial statements.

38 INVESTMENTS

(a) Investments and investments in joint ventures and subsidiaries:

	$'000
Investments in joint ventures	
At 31 December 2019	105
Additions	93
At 31 December 2020	**198**
Investment in subsidiaries [1]	
At 31 December 2018	57,405
Additions	30,338
At 31 December 2019	**87,743**
Additions due to asset purchase (note 23)	**22,809**
Additions	**75**
At 31 December 2020	**110,627**
Total investments	
At 31 December 2019	**87,848**
At 31 December 2020	**110,825**

[1] Investment in Subsidiaries

The Company's subsidiaries are disclosed in note "Amortisation charge of $240,000 was capitalised into to mine development assets during the year." to the consolidated financial statements. The additions in the year include $75,000 (2019: $338,000) in respect of HIPPO 2016 incentive scheme that have not been recharged to subsidiaries as well as $22,809,000 because of the Kouroussa Project acquisition. Refer to note 23 of the consolidated financial statements.

(b) Financial assets at fair value through profit or loss:

	Cora Gold		Bunker Hill Shares and Warrants[1]		Bunker Hill Convertible Loan		Total	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Opening balance	619	–	2,297	–	2,075	–	**4,991**	**–**
Reclassification	–	276	–	–	–	1,903	**–**	**2,179**
Additions	–	402	300	–	–	–	**300**	**402**
Conversion of loans	–	–	2,400	100	(2,400)	(100)	**–**	**–**
Accrued interest	–	–	–	–	115	217	**115**	**217**
Gain/(loss) through profit or loss	349	(59)	16	2,197	210	55	**575**	**2,193**
Closing carrying value	**968**	**619**	**5,013**	**2,297**	**–**	**2,075**	**5,981**	**4,991**

[1] Warrants are valued using the Black Scholes model.

Investments - Cora Gold Limited ("Cora")

In August 2020 the Company sold its warrant option to subscribe for a further 4,730,000 shares at a price of 10 pence per share for a consideration of $150,000. This warrant was previously regarded as immaterial and not recognised in the financial position and hence the full sales proceeds has been recognised as other income in the statement of comprehensive income.

The investment in Cora Gold has been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Company recognised a fair value gain of $349,000 (2019: impairment charge of $59,000).

Bunker Hill Mining Corporation – shares, warrants and convertible loans

The Company entered into an arm's length convertible loan arrangement, with Bunker Hill Mining Corp ("Bunker Hill"), a Canadian listed exploration and development company, advancing $1,500,000 and $500,000 on 18 June 2018 and 9 August 2018 respectively. The loan was repayable by 30 June 2020 and attracted interest of 10% p.a. calculated daily from date of advance until repayment or conversion. The loans and accrued interest were convertible to common shares at CAD$8.50 and CAD$4.50 per share, respectively.

On 28 January 2020, the Company acquired a further 1,392,857 shares in the company for a total consideration of $600,000 at a price of $0.43 (CAD$0.56) a share, split as conversion of loan of $300,000 due from Bunker Hill as well as cash investment of $300,000.

The loan conversion rights were then extended by one month to 31 July 2020. On 05 October 2020, the Company converted the final outstanding loan balance of $2,100,00 due from Bunker Hill for 5,572,980 shares at a cost of C$0.5 per share at the of conversion.

As part of this investment the Company also has option to acquire an additional 2,660,000 shares at a cost of CAD$0.59 per share before 31 December 2025. The investment is carried at fair value through profit and loss.

The shares in Bunker Hill have been deemed to be a level 1 asset under the fair value hierarchy. This instrument has been valued using publicly quoted share price. The Company regards the warrants to be level 2 asset under the fair value hierarchy. These have been valued using a combination of quoted prices as well as calculations under the Black Scholes model.

39 PROPERTY, PLANT & EQUIPMENT

	Owned $,000
Cost	
At 31 December 2018	**784**
Additions	22
At 31 December 2019	**806**
Additions	20
At 31 December 2020	**826**
Accumulated depreciation	
At 1 January 2019	499
Charge for the year	139
At 31 December 2019	**638**
Charge for the year	146
At 31 December 2020	**784**
Carrying amount	
At 31 December 2019	**168**
At 31 December 2020	**42**

40 RECEIVABLES FROM SUBSIDIARIES

	2020 $'000	2019 $'000
Receivables from subsidiaries	37,961	37,243
Less: Cumulative allowance for expected credit losses	(531)	(503)
	37,430	**36,740**

Receivables from subsidiaries represent deferred trading balances and amounts advanced to Group companies, in the interest of supporting long term growth, and are therefore shown within non-current assets. These in include amounts due from; Hummingbird Resources (Liberia) Inc, focused on supporting the Group's Liberia exploration interests; and Trochilidae Resources Limited, focused on supporting the Group's wider business, including its Mali and Guinea operations. Receivables from subsidiaries are interest free and repayable on demand. In accordance with IFRS 9 'Financial Instruments', where the counterparty would not be able to repay the loan if demanded at the reporting date, the Company has made an assessment of expected credit losses.

Having considered multiple scenarios on the manner, timing, quantum and probability of recovery on the receivables, the Company recognised a lifetime expected credit loss of $28,000 (2019: loss of $626,000). The net cumulating lifetime expected credit loss for the balance is $531,000 at 31 December 2020 (2019: $503,000). The allowance for lifetime expected credit losses assessment requires a significant degree of estimation and judgement. Refer to note 48 for a reconciliation of lifetime expected credit losses.

The Directors consider that the carrying amount of the receivables from subsidiaries approximates their fair value.

41 CURRENT ASSETS

Inventory

	2020 $'000	2019 $'000
Finished gold	3,183	2,242
	3,183	**2,242**

At 31 December 2020, inventory included a provision of $nil to adjust finished gold to net realisable value (2019: $nil).

Finished gold consist of Single Mine Origin ('SMO') gold coins and gold grain, originating from the Yanfolila Gold Mine in Mali. Further details are set out on the Group's website.

Trade and other receivables

	2020 $'000	2019 $'000
Other receivables	885	486
Prepayments and accrued income	619	568
Trade receivables - intercompany	3,676	2,670
	5,181	**3,724**

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2020 of $500,000 (31 December 2019: $1,108,000) 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.

42 CURRENT LIABILITIES

Trade and other payables

	2020 $'000	2019 $'000
Trade payables	1,892	1,454
Other taxes and social security	187	432
VAT	423	47
Accruals	2,913	3,018
Other payables	501	445
Trade payables - Intercompany	9,366	1,284
	15,282	6,680

The average credit period taken for trade purchases is 69 days (2019: 70 days).

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

43 LEASES

The Company leases office space with terms of up to five years. Lease payments represent rentals payable by the Company for those office spaces in the UK. The Company has elected not to recognised right of use assets for lease of low value and/or short-term leases.

(a) Right of use assets

Information about leased assets for which the Company is a lessee is presented below:

	OFFICES $'000
Cost	
Initial adoption of IFRS 16, at 1 January 2019	477
Remeasurements	(2)
At 31 December 2019	**475**
Remeasurements	–
At 31 December 2020	**475**
Depreciation	
At 1 January 2019	**–**
Charge for the year	173
At 31 December 2019	**173**
Charge for the year	173
At 31 December 2020	**346**
Carrying amount at 31 December 2019	**302**
Carrying amount at 31 December 2020	**129**

(b) Lease liabilities

Maturity analysis

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

	2020 $'000	2019 $'000
Within one year	99	186
In the second to fifth years inclusive	–	123
Greater than five years	–	
Total undiscounted lease liabilities at 31 December	99	309

Lease liabilities included in the statement of financial position at 31 December 2020 were:

	2020 $'000	2019 $'000
At 1 January	**289**	**–**
At adoption of IFRS 16	–	477
Remeasurement	(18)	(2)
Lease liability and interest paid during the year	(191)	(193)
Interest expense on lease liabilities	25	7
At 31 December	**105**	**289**
Analysed as:		
Current	105	186
Non-current	–	103
At 31 December	**105**	**289**

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $173,000 and $25,0000 interest expense on lease liabilities. A total of $191,000 of lease principal and lease interest were also paid during the year and disclosed within financing activities on the statement of cash flows.

44 KOUROUSSA GUINEA ASSET PURCHASE

Asset purchase are disclosed in note 25 to the consolidated financial statements.

45 SHARE CAPITAL

The movements on this item are disclosed in note 25 to the consolidated financial statements.

46 SHARE BASED PAYMENTS

The Company's share-based payments information is disclosed in note 26 to the consolidated financial statements.

47 NOTES TO THE STATEMENT OF CASH FLOWS

	2020 $'000	2019 $'000
Loss before tax	**(6,882)**	**(4,685)**
Adjustments for:		
Amortisation and depreciation	319	312
Share based payments	2,405	793
Finance income	(509)	(246)
Finance expense	101	86
Impairment/ (reversals) in impairment) of financial assets	28	(626)
Gain on financial assets measured at fair value	(575)	(2,193)
Operating cash flows before movements in working capital	**(5,113)**	**(6,559)**
(Increase)/decrease in inventories	(941)	1,756
Increase in receivables	(1,456)	(1,097)
Increase in payables	5,860	1,079
Net cash outflow from operating activities	**(1,650)**	**(4,821)**

48 FINANCIAL INSTRUMENTS

The Company's strategy and financial risk management objectives are described in note 28.

Principal financial instruments

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

CATEGORIES OF FINANCIAL INSTRUMENTS	FINANCIAL ASSETS MEASURED AT AMORTISED COST		FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS		FINANCIAL LIABILITIES MEASURED AT AMORTISED COST		FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Financial assets								
Cash and cash equivalents	**500**	1,108	**–**	–	**–**	–	**–**	–
Other receivables	**885**	486	**–**	–	**–**	–	**–**	–
Investments	**5,981**	–	**–**	4,991	**–**	–	**–**	–
Intercompany trade receivables	**3,676**	2,670	**–**	–	**–**	–	**–**	–
Loans due from subsidiaries	**37,430**	36,740	**–**	–	**–**	–	**–**	–
	48,472	**41,004**	**–**	**4,991**	**–**	–	**–**	–
Financial liabilities								
Trade payables	**–**	–	**–**	–	**1,892**	1,454	**–**	–
Other payables	**–**	–	**–**	–	**501**	445	**–**	–
Accruals	**–**	–	**–**	–	**2,913**	3,018	**–**	–
Intercompany trade payables	**–**	–	**–**	–	**9,366**	1,284	**–**	–
Deferred consideration	**–**	–	**–**	–	**5,402**	–	**–**	–
Lease liabilities	**–**	–	**–**	–	**105**	289	**–**	–
	–	–	**–**	–	**20,179**	**6,490**	**–**	–

The risks that the Company is subject to in addition to the Group risks described in note 28 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 28, which affect the Group, the Company is also subject to credit risk on receivables from subsidiaries.

Lifetime expected credit losses

A reconciliation of the lifetime expected credit losses at 31 December 2020 in accordance with IFRS 9, is set out below.

	RECEIVABLES FROM SUBSIDIARIES		
	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	TOTAL $'000
As at 1 January 2019 (under IAS 39)	**–**	**–**	**–**
Restated through opening retained earnings	724	509	1,233
Opening allowance for expected credit losses	**724**	**509**	**1,233**
Increase / (decrease) during the year	33	(137)	(104)
As at 31 December 2019 (under IFRS 9)	**503**	**–**	**503**
Decrease during the year	28	–	28
As at 31 December 2020 (under IFRS 9)	**531**	**–**	**531**

The Company applied IFRS 9 'Financial Instruments' for the first time on 1 January 2018. As a result of the adoption, the cumulative catch-up approach has been applied. Any adjustments arising on transition to IFRS 9 were recognised in opening retained earnings.

Foreign currency exposure and sensitivity analysis

The Company is exposed to foreign exchange risk through certain costs being denominated in currencies other than the functional currency, and from holding non-functional currency cash balances.

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

	LIABILITIES		ASSETS	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Australian Dollars ("AUD")	211	20	9	–
Canadian Dollars ("CAD")	–	–	74	74
Euros ("EUR")	1	–	361	378
Sterling ("GBP")	9,773	5,396	1,172	925
South African Rand ("ZAR")	2	16	–	–

Foreign currency sensitivity analysis

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to movements in the $ against the EUR, GBP and ZAR. The Company ensures it places any excess liquidity in stable currencies to reduce its exposure to foreign currency risks. Foreign exchange differences on retranslation of monetary assets and liabilities are recorded in the income statement.

At 31 December, if the $ had weakened/strengthened by 10% against the EUR, GBP and ZAR, with all other variables held constant, the impact on profit before tax on the non-$ denominated financial assets and liabilities would have been as follows. A movement of 10% reflects a reasonably possible sensitivity when compared to historical movements over a three to five-year timeframe. A positive amount in the table reflects a potential net increase in the profit before tax:

	2020 $'000	2019 $'000
Decrease in comprehensive income and net assets - AUD	(21)	(2)
Increase in comprehensive income and net assets - CAD	8	8
Increase in comprehensive income and net assets - EUR	36	38
(Decrease)/increase in comprehensive income and net assets - GBP	(861)	(447)
Decrease in comprehensive income and net assets – ZAR	(2)	(2)

49 RELATED PARTIES

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 interest free and repayable on demand. The following amounts were outstanding at the reporting date:

AS AT 31 DECEMBER 2019	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIETE DES MINES DE KOMANA SA $'000	TOTAL $'000
Trade receivables - Intercompany	379	2,291	–	2,670
Loans due from related parties	36,740	–	–	36,740
Total related party receivables	**37,119**	**2,291**	**–**	**39,410**
Trade payables - Intercompany	–	1,284	–	1,284
Total related party payables	**–**	**1,284**	**–**	**1,284**

AS AT 31 DECEMBER 2020	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIETE DES MINES DE KOMANA SA $'000	TOTAL $'000
Trade receivables - Intercompany	373	3,300	3	3,676
Loans due from related parties	37,383	36	10	37,429
Total related party receivables	**37,756**	**3,336**	**13**	**41,105**
Trade payables - Intercompany	–	9,366	–	9,366
Total related party payables	**–**	**9,366**	**–**	**9,366**

During the year, the Company entered into the following related party transactions with its subsidiary undertakings:

YEAR ENDED 31 DECEMBER 2019	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIETE DES MINES DE KOMANA SA $'000	TOTAL $'000
Management fees	90	3,701	–	3,791
Recharge of technical fees	–	3,588	–	3,588
Total sales with related parties	**90**	**7,289**	**–**	**7,379**

YEAR ENDED 31 DECEMBER 2020	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIETE DES MINES DE KOMANA SA $'000	TOTAL $'000
Management fees	68	1,084	–	1,152
Recharge of technical fees	–	2,889	–	2,889
Total sales with related parties	**68**	**3,973**	**–**	**4,401**

The Company's transactions with other related parties and remuneration of key management personnel are disclosed in note 29 to the consolidated financial statements.

50 EVENTS AFTER THE REPORTING DATE

Events after the reporting date are disclosed in note 31 to the Consolidated Financial Statements.

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"THE ROAD IS LONG, WITH MANY A WINDING TURN
THAT LEADS US TO WHERE? AND WHO KNOWS WHEN?
BUT WE'RE STRONG, STRONG ENOUGH TO CARRY ON,
SO ON WE GO……"

Basil de Tent