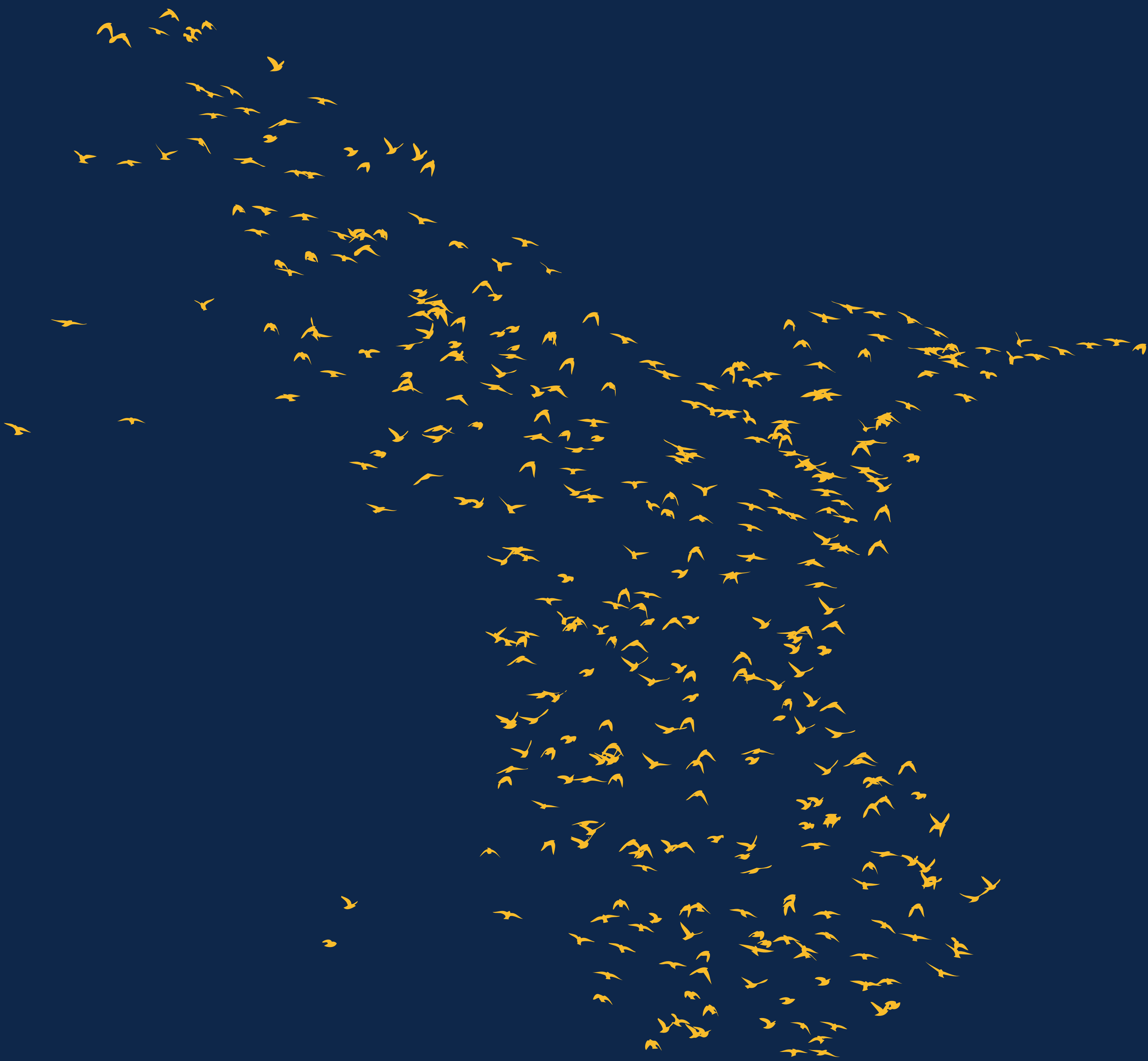
HUMMINGBIRD RESOURCES

ANNUAL REPORT & ACCOUNTS 2021



forward

contents

our strategy

“

At Hummingbird our strategy continues to be to maintain our growth trajectory to become a major gold producer through efficient and profitable production and the delivery of our medium to long term growth initiatives, all whilst maintaining a focus on operating responsibly through strict Environmental, Social and Governance (“ESG”) standards and respect for all of our stakeholders.

Furthermore, our vision is to extend on our current multi-asset, multi-jurisdiction gold producer asset base, that provides diversification of cash flows and returns from profitable 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

our values

- **Responsible mining**
- **Safe working environment**
- **Operational integrity**
- **Sustainable local engagement**
- **Environmental stewardship**
- **A lasting positive legacy**

“ continually improving on our expertise from the board room down

our priorities

Growth

Focus on growing our production profile for the medium and longer term

- Key priority being to successfully continue the advancement of Kouroussa towards first gold pour by the end of Q2 2023 to become a multi-asset gold producer
- Develop a pathway on Dugbe, Liberia, towards better driving shareholder value given the material resources spent, management hours and shareholder patience
- Continue to evaluate M&A opportunities for the long-term growth prospects of the Company

Exploration

Building on the Company's Resources and Reserves base through brownfield and greenfield exploration

- Life of mine ("LOM") extension focus at Kouroussa which is at its relative infancy in terms of exploration potential, and analysing the extensive c.44,000 m drilled at Yanfolila in 2021 and exploring underground mining potential
- Dugbe, Liberia, although significant exploration has taken place historically by Hummingbird and Pasofino Gold Ltd ("Pasofino"), there remains material exploration upside on the c.2,500 km^2 exploration area
- Focus on targeted greenfield exploration to identify additional resources

Responsible mining

Mining responsibly and adhering to leading ESG standards, to provide positive benefits for all stakeholders in the regions and environments we operate in

- Key focus for 2022 is progress towards full compliance of the year 3 World Gold Council ("WGC") Responsible Gold Mining Principles ("RGMPs") which involves a detailed independent audit of the Company's overall ESG policies and procedures
- Continued advancement of Single Mine Origin ("SMO") as the leading brand and standard in fully traceable precious metal to end source, and galvanising more mining companies to join the SMO platform alongside Hummingbird and others already on the platform
- Enhancement of our community engagement and initiatives at all our assets to provide lasting benefits to the communities in the regions we operate
- Embedding leading technologies where possible into our operations to better enhance energy efficiency and carbon emission reduction capabilities, such as those at Kouroussa including solar plant and heat recapturing recovery unit initiatives

Entrepreneurial and experienced

Maintaining a culture of being entrepreneurial to create shareholder value and positive benefits for all stakeholders

- 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 positive benefits for all stakeholders

chairman's statement

Russell King

Non-executive Chairman

Throughout the year, despite its challenges, we have remained true to our values and focused on our long-term strategy of becoming a multi-asset, multi-jurisdiction gold producer.

Last year, I wrote of the significant challenges the Company and its employees had faced and successfully navigated. 2021 was another year of overcoming challenges which included production disruptions and headwinds relating to COVID-19, together with social and political volatility in both Mali and Guinea. This has translated into Yanfolila's operational performance in 2021 being below that of the previous year. These challenges brought forward initiatives to improve the long-term viability of our production assets, which included strengthening our management team and expanding our growth platforms, in particular at Kouroussa in Guinea. As a Board, we are confident that the steps taken to address these issues have attended to the root causes of the disruptions faced by the Company. In addition, our strategy of diversifying away from being a single producing asset at Yanfolila remains central to creating a more resilient Company.

Despite operational challenges, the Company made significant progress in 2021 towards becoming a multi-asset, multi-jurisdiction gold producer with some key outcomes achieved, including amongst others:

- We have financed Kouroussa and have commenced its construction to become a multi-asset, multi-jurisdiction gold producer in 2023
- We have expanded the mine life at Yanfolila and Kouroussa through targeted exploration drilling, with Company Reserves increasing to over 1 million ounces ("oz") with further growth anticipated at the next Company Resources and Reserves statement due in June 2022
- Our earn-in partners Pasofino at Dugbe, Liberia, made material progress towards delivering a definitive feasibility study ("DFS")
- Progress on our ESG initiatives, as highlighted by the Company successfully achieving in November 2021 our year 2 independent audit assurance on the WGC responsible gold mining principles and progress towards full conformance in 2022

With operational improvements being embedded at Yanfolila and with the development of the Kouroussa mine in Guinea, the Company remains on track to being a multi-asset, multi-jurisdiction gold producer.

ESG continues to be a significant focus for the Company. At Kouroussa, we are looking to embed technologies to lower our overall mining carbon footprint, such as a solar plant and heat recovery systems. Further, as detailed above, we are looking to achieve full conformance in 2022 of the WCG RGMPs, which we believe is not just an ESG initiative but one that very much contributes to improving the overall effectiveness of the Company.

Throughout the year, despite its challenges, we have remained true to our values and focused on our long-term strategy of becoming a multi-asset, multi-jurisdiction gold producer.

Though we have faced some difficult challenges in 2021, we are focusing on operational improvements and delivering future growth platforms for the Company to generate returns for our long-term shareholders, whose support is greatly appreciated by the Board.

Furthermore, I note that this will be my last letter as Chairman. Looking back to when I started in the role, we have clearly come a long way – acquired, financed, built and operated Yanfolila, acquired, financed, and commenced building Kouroussa, and developed a way forward for Dugbe.

I would like to take this opportunity to thank my fellow directors, senior management and employees for their support and efforts over the past eight years. Your professionalism, resilience and tenacity is much appreciated.

CEO's statement

Dan Betts

Chief Executive Officer

This past year we set ourselves several key objectives to fulfilling our strategic objective of becoming a multi-asset, multi-jurisdiction gold producer, which included; the development of our second producing gold mine, Kouroussa in Guinea; the extension of Life of Mine ("LOM") across our asset portfolio through a material uplift in discovered gold ounces through exploration; continuing to improve upon our ESG initiatives; and achieve better overall operational performance at Yanfolila in Mali.

In Guinea, we made material strides towards our strategic aim of becoming a multi-mine Company with the awarding of our Kouroussa mining licenses in May. Subsequently, we completed the arrangements for a group financing facility of c.$100 million from Coris Bank International in October, with the commencement of construction in early 2022. Kouroussa's construction continues to advance rapidly towards the scheduled first gold pour by the end of Q2 2023.

At Dugbe in Liberia, our earn-in partner Pasofino has made solid progress advancing the DFS of the project, with results expected to be issued in Q2 2022. This will take Dugbe from an exploration asset to an economically viable and bankable gold mine which, once delivered, will also mark a major milestone for the Company. This project, which was the original founding asset of the Company, is one of the largest undeveloped gold projects in West Africa, with over 3.3 Moz of gold in the Measured and Indicated category and our Board looks forward to further progress on this asset to unlock value to stakeholders.

In 2021 the Company invested heavily in our drilling programmes. The resulting c.68,000 m of drilling at Yanfolila and Kouroussa continues to provide increased confidence of LOM extension potential at both operations. The 2021 drilling data will be incorporated in our updated Company Resources and Reserves statement scheduled for release in Q2 2022, with the aim to build upon our Reserve statement announced in November, which showed an increase in Reserves to c.1.12 Moz, including a maiden Reserve at Kouroussa. Additionally, this work highlights the potential for underground mines at both Yanfolila and Kouroussa, which will become an increasingly important part of the Company's future as these mines develop.

In terms of ESG, progress was made in 2021. At Kouroussa, we committed to embedding sustainable technologies into our process design, such as a solar power plant and heat recovery systems, which will lower our overall carbon footprint at the operation. Additionally, we finalised an updated Environmental, Social and Impact Assessment ("ESIA") study at Kouroussa to ensure our practices are to a high international standard and in line with the WGC RGMPs.

> "a driver for change for the positive impact the mining industry delivers more broadly

Another key ESG focus for 2021 for the Company was to successfully achieve year 2 independent audit assurance on the WGC RGMPs and progress towards full conformance in 2022. This was achieved and reported on in November, with more details in our Sustainability Report section of this report.

Our SMO initiative has gathered momentum during the year with several jewellers and miners showing interest in adopting the process. This initiative gives us the opportunity to showcase mining as the force for good that we at Hummingbird fundamentally believe it is. It gives us the opportunity to be a part of a movement that future proofs mining in a world of increased scrutiny and showcases responsible mines for all the valuable work that they do.

I believe this initiative has the scope to transcend our Company and be a driver for change for the positive impact the mining industry delivers more broadly.

However, these key achievements in 2021 were overshadowed by the overall underperformance of the Yanfolila mine. This performance has damaged our share price and financial performance, and it is our highest priority to ensure Yanfolila delivers better overall operational performance going forward. As such, we have taken significant steps to return operational performance to where it should be. Central to these changes has been the appointment of a group Chief Operating Officer ("COO") and remediation initiatives with our contract miner, whose excavator fleet underperformed in the latter part of 2021.

We understand that despite the opportunities and prospects the Company has developed, these are worth little if we do not deliver reliable operational performance. The focus over the past six months has therefore been to significantly increase the operational efficiency and the availability of the mining fleet and ensure that the mining is in step with the quality of our processing ability.

2022 outlook

As we look to 2022, we have several areas of focus. At Kouroussa, with construction rapidly advancing and major civil works now underway, the key priority for the project management team is to deliver the project on time, on budget and safely, with zero tolerance towards unsafe behaviours and practices. The macro-environment in terms of inflationary pressure and political instability in West Africa provides a challenging backdrop, and as we move through the year, we will increasingly focus on operational readiness so that the business of mining effectively and efficiently is in place when mining begins in 2023 and beyond.

At Dugbe, with a DFS to be issued shortly from our earn-in partner Pasofino, we will reach a significant milestone on that project for the Company. We are cognisant post the DFS that we have the opportunity to deliver meaningful shareholder value on Dugbe, and we will be carefully reviewing the best options for the Company in terms of taking this project forward.

We understand the critical need to show operational improvement at Yanfolila and one that is a key focus area for the year ahead, with a material amount of management time being spent on increasing productivity. Work has already begun with the implementation of several initiatives focused on stabilising our production, including the delivery and commissioning of additional excavators, and the essential maintenance of the processing plant, which will aim to deliver a more disciplined and predictable state of operations.

Our exploration objectives in 2022 are to finalise the analysis and delivery of our updated Company Resources and Reserves statement and extend the LOM of our assets. We will also look to continue our LOM extension journey by further analysing our geology base and developing additional exploration campaigns for the future, particularly at Kouroussa, where a large core re-logging program is currently underway.

In relation to ESG, it is core to our future for the Company, and we aim to continue the improvement of our overall ESG processes and initiatives at the corporate and site levels and to achieve a successful Year 3 full compliance independent audit assurance report on the WGC RGMPs by year end.

Furthermore, I note that Russell King has given notice of his intention to retire as Non-Executive Chair of the Company at or shortly following the AGM. The Company is actively engaged in the search for a replacement Non-Executive Chair with further updates to be provided as and when appropriate. On behalf of the board, I would like to take this opportunity to thank Russell for his valuable guidance and support to the Company and me personally over the past eight years.

Lastly above all else, we will continue to strive to build a Company that we can all be proud of as shareholders, employees, founders and other stakeholders alike. Despite the many challenges the Company has faced, there is no loss of enthusiasm from your management team, which remains fully committed to the vision of building a Company that will have a positive impact for the mining industry at large.

Strong growth catalysts

	COMPLETED DURING 2021	NEAR TERM: NEXT 12 MONTHS - 2022	MEDIUM TERM: 24 – 36 MONTHS 2023+
KOUROUSSA GUINEA	■ Q2 mining license awarded ■ Q3 Updated ESIA Study ■ Q4 Project financing finalised ■ Q4 maiden Reserves for KoeKoe 409 koz @ 4.38 g/t ■ Q4 +24,000 m infill drill programme completed	■ Q1 commencement of construction ■ Q2 Group Resources & Reserves update ■ Regular construction and exploration updates	■ Q2 2023 first gold pour ■ Ramp up to full nameplate production ■ Further exploration programmes ■ Annual update of Resources & Reserves
YANFOLILA MALI	■ Q1 MRE update of 1.92 Moz ■ Q2 COO onboarded ■ Q2 Yanfolila mine debt of +$100 million fully repaid ■ Q4 updated Yanfolila Reserves of 706 Koz @ 2.57 g/t ■ Q4 +44,000 m 2021 drilling and exploration programmes completed	■ Q2 Group Resources & Reserves update ■ Komana East Underground analysis completed & brought into future mine plans ■ Detailed operational performance updates at quarterly results	■ Komana East Underground potentially into production ■ Annual update of Resources & Reserves ■ Further exploration programmes
DUGBE LIBERIA	■ Q2 updated PEA ■ Q4 updated MRE of 4 Moz, 3.4 Moz in Measured & Indicated	■ Q2 DFS completed ■ 2H ESIA completed	■ Development decision

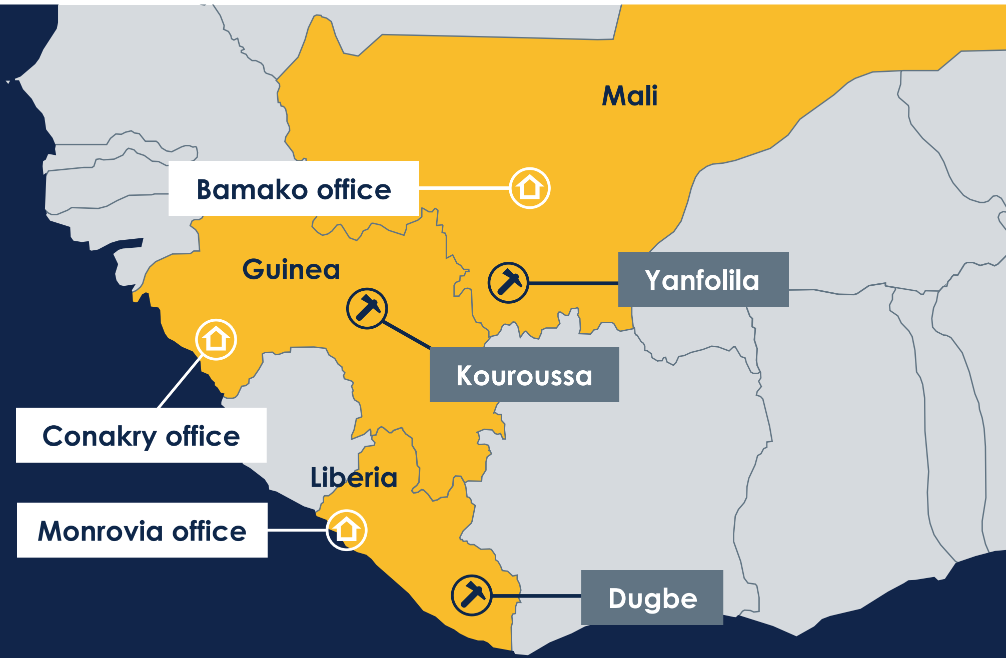
OPERATIONAL REVIEW

company overview

Hummingbird Resources (AIM: HUM) is a multi-asset, multi-jurisdiction gold Company, a member of the World Gold Council and a founding member of Single Mine Origin (singlemineorigin.com).

Currently the Company has two core projects, the operational Yanfolila Gold Mine in Mali, and the Kouroussa Gold Mine in Guinea, which once in production in 2023, will more than double Hummingbird's gold production profile to over 200,000 oz per annum. Furthermore, the Company has a controlling interest in the Dugbe Project in Liberia that is being developed by Pasofino through an earn-in agreement.

As a Company, our vision is to continue to grow our asset base, producing profitable ounces, while placing effective and practical ESG policies and practices at the heart of all that we do.



YANFOLILA, MALI

Yanfolila, Mali has been operating since 2017 and has produced over 400,000 oz of gold to date. In Q2 2021, the operation paid off the initial $100 million in debts and associated costs to fund Yanfolila's development. With a current Reserves base of 706,000 oz of gold with further upside potential, the Company is focused on expanding and increasing the mine's operational life to over 10 years in Reserves, in line with our overall goal to have over 10 years Reserves mine life at each of our assets. Yanfolila is an asset central to our strategy to generate sustainable cash flows to support the overall business growth platforms.

KOUROUSSA, GUINEA

Kouroussa, Guinea is our next operating mine, scheduled for first gold pour at the end of Q2 2023. This asset is expected to initially produce between 120,000 – 140,000 oz of gold per annum in its first three years of operation and average 100,000 oz per annum over the initial LOM of at least seven years. Situated in the prolific Siguiri gold region of Guinea, it is an asset that has high-grade open pit deposits, with underground mining potential. In November 2021, the Company produced a maiden Reserve at Kouroussa of an impressive 408,900 oz of gold at 4.38 grammes a tonne ("g/t") and has a current Resource asset base of c.1.2 million oz.

In 2021 the Company completed a c.24,000 m infill drilling campaign with a focus to increase the overall Reserve base of the asset, with these results to be included in the updated Company Resources and Reserves statement scheduled for release late Q2 2022. Further, in October 2021 the Company secured a group wide funding facility from Coris Bank International of c.$100 million to help fund, with internal cash flows, the development of Kouroussa into production.

DUGBE, LIBERIA

Dugbe, Liberia is our development asset, being advanced with our earn-in partners Pasofino, towards a definitive feasibility study ("DFS"). An asset with over 2,500 km^2 of exploration potential that we believe is only in its infancy in terms of exploration upside potential to the already material +4 Moz Resource base of the asset. An asset of material strategic value to the Company.

"a multi-asset and multi-jurisdiction gold Company

Responsible mining

Core to Hummingbird's principles is to operate at internationally recognised ESG standards for the benefit of all stakeholders. In June 2020 the Company joined the WGC and that year committed to adhere to the high and internationally recognised RGMPs. The RGMPs provide a sustainable reporting framework that supports international best practice in addressing key ESG requirements as to what constitutes responsible gold mining via ten umbrella principles and 51 detailed principles. Hummingbird is using the RGMPs to framework our ESG process and protocols throughout the organisation which we believe will benefit all stakeholders and our belief is this will also lead to a better and more productive Company as a whole. In November 2021 the Company successfully received an independent audited assurance report highlighting year two implementation and progress towards full conformance in 2022.

As part of our sustainable mining platform, Hummingbird is a founding member of SMO, an industry leading brand and platform for fully traceable responsibly mined precious metals to end product. SMO is a growing industry brand and standard in the world of provenance for the precious metals sector which we believe enhances our overall ESG credentials and focus on being a responsible miner.

Further, the Company has a key focus on community, health and safety and environmental practices which are detailed in the Sustainability Report section of this annual report.

OPERATIONAL REVIEW

key outcomes for 2021

RESERVES GROWTH

- Company Reserves increased to c.1.12 Moz in 2021, a 438,600 oz increase to the previous Company reserve statement in October 2019 of 672,000 oz
- Establishing a maiden Reserve at Kouroussa of c.408,900 oz at 4.38 g/t and Yanfolila Reserves increasing to 705,800 oz, with a maiden underground reserve at Komana East ("KEUG") of 202,200 oz at 3.64 g/t

FINANCED FOR GROWTH

- Yanfolila, Mali successfully repaid over $100 million in debt and associated costs in less than four years of operation in Q2 2021
- The Company successfully arranged in October 2021 a c.$100 million group financing package from Coris Bank to help fund the construction of Kouroussa into production

KOUROUSSA GOLD MINE BEING CONSTRUCTED

- Awarded the mining licenses for Kouroussa in May 2021 paving the way for the advancement of the development and construction of the project
- Detailed project economics and a group funding package delivered, with equipment and personnel increasingly mobilised in December 2021, with formal construction on the project beginning in January 2022 which is rapidly advancing to scheduled first gold pour end of Q2 2023

DUGBE, LIBERIA DFS ADVANCEMENT

- Material progress was made at Dugbe in 2021 towards the completion of a DFS in Q2 2022
- Further exploration was successfully completed, with an updated Mineral Resources Estimate ("MRE") of 4.0 Moz, with 3.4 Moz being in the Measured and Indicated mineral resources category, being a 1 Moz increase from the last MRE update

EXPLORATION SUCCESS

- The Company completed a successful c.68,000 m drilling campaign at Yanfolila, Mali and Kouroussa, Guinea during 2021
- At Yanfolila, Sanioumale East ("SE") and the Sanioumale West ("SW") deposit drill results confirm resource growth potential while firming up the possibility for further growth in the Reserves profile for underground mining at the KEUG deposit being seen
- Kouroussa infill drilling results received were consistently of a high-grade nature on the key deposit KoeKoe ("KK") throughout 2021 and as seen in releases in early 2022, highlighting we have a valuable high-grade gold asset moving into production in 2023
- The 2021 drilling results will feed into our updated Company Reserves and Resources statement on schedule to be released in 2022

PRODUCTION OUTCOMES

- Production and All in Sustaining Cash Cost ("AISC") were impacted during the year mainly due to excavator equipment availability from our contract miner as highlighted in our Q3 2021 operational and trading update, and a period of community unrest causing a plant shut down in Q4 2021 of approximately 6 days
- 87,558 oz full year production (2020: 101,069 oz) and 87,553 oz sold (2020: 104,174 oz) at AISC of $1,536 per oz (2020: $1,147 per oz)
- Generated revenues of $156.6 million (2020: $181.7 million), with additional $6.2 million (2020: $3.4 million) revenue generated from sale of SMO gold
- 2021 EBITDA of $28.2 million (vs $75.0 million 2020)
- The Company implemented a Yanfolila operations review following the appointment of COO in 2021

“ valuable high-grade gold asset moving into production in 2023

HEALTH AND SAFETY

- Our free hours of lost time injury (“LTI”) at our Yanfolila site closed the year at 1,441,417 hours
- The challenges of COVID-19 continued in 2021 from 2020 for the business overall. However, our ongoing health protocols and 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 measures, mask wearing and training and awareness programmes
- $128,000 spent on indoor spraying covering 5 villages at Yanfolila, to better protect over 11,000 people from malaria
- Material increases in spending on community COVID-19 virus mitigating measures such as: testing; equipment; healthcare support and transportation was provided
- Infrastructure improvements and healthcare support for the local healthcare clinic provided

RESPONSIBLE MINING ADVANCEMENT

- The Company successfully received an independent limited assurance audit report highlighting Year Two conformance for the WGC RGMPs and progress towards full compliance in 2022
- At Kouroussa an updated ESIA study was completed in Q3 2021 to more align with recent international ESG standards and the WGC RMGPs
- Kouroussa development plans progressed in line with the ESIA coupled with a focus on local employment and procurement
- Energy efficiency and carbon reduction strategies advanced, with a solar plant and heat recovery recapturing units to be embedded into our Kouroussa plant build
- Dugbe, Liberia advancement of their detailed ESIA made good progress, with completion forecast by Pasofino in Q2 2022
- At Yanfolila, community projects advanced in particular community water infrastructure improvements; addition of two market gardens, taking the total to ten for the surrounding communities now employing over 800 women; Hummingbird Tree Initiative of over 8,000 locally grown trees planted as part of our yearly 20-hectare planting requirements for the region amongst others with further details in our Sustainability Report section of this report

COO's operational statement

Throughout 2021, Hummingbird has made significant steps towards our strategic goal of becoming a multi-asset, multi-jurisdiction gold producer. Construction at Kouroussa is advancing at pace and is on schedule for first gold by the end of Q2 2023 – taking the Company to being a +200,000 oz per annum gold producer.

We saw our Company Reserves increase, adding LOM at Yanfolila, including maiden underground Reserves and importantly maiden Reserves at Kouroussa. We expect that trend to continue when our updated Company Resources and Reserves statement is released in Q2 2022. Additionally, the DFS at Dugbe advanced materially in 2021.

Health and safety practices and procedures remain a priority for the Company.However, despite our best efforts, a fatality was sadly recorded by one of our business partners at our Yanfolila mine.

Our safety, health, environment, and community ("SHEC") teams along with site personnel in general again performed admirably in the face of the challenges of COVID-19 which continued from 2020. Further we enhanced our overall ESG practices and procedures as detailed in the Sustainability Report section of this annual report.

Yanfolila, Mali

Our progress in 2021 was overshadowed by the operational underperformance of the Yanfolila mine, in particular in the later part of 2021. Whilst the operation has been beset by a number of extraneous challenges, the overwhelming root cause for this performance has been the under performance of the contract mining fleet at site and the timeframes involved with bringing in extra capacity, in particular the excavator fleet. As such, we are placing significant focus on improving productivity and predictability at Yanfolila with several optimisation and mitigation workstream in train as highlighted in the Yanfolila mine operation optimisation strategies table below. These plans have been actioned and are largely in place at the time of this report with our forward looking 2022 guidance already accommodating these challenges.

ANTHONY KÖCKEN

Chief Operating Officer

2021 FULL YEAR RESULTS

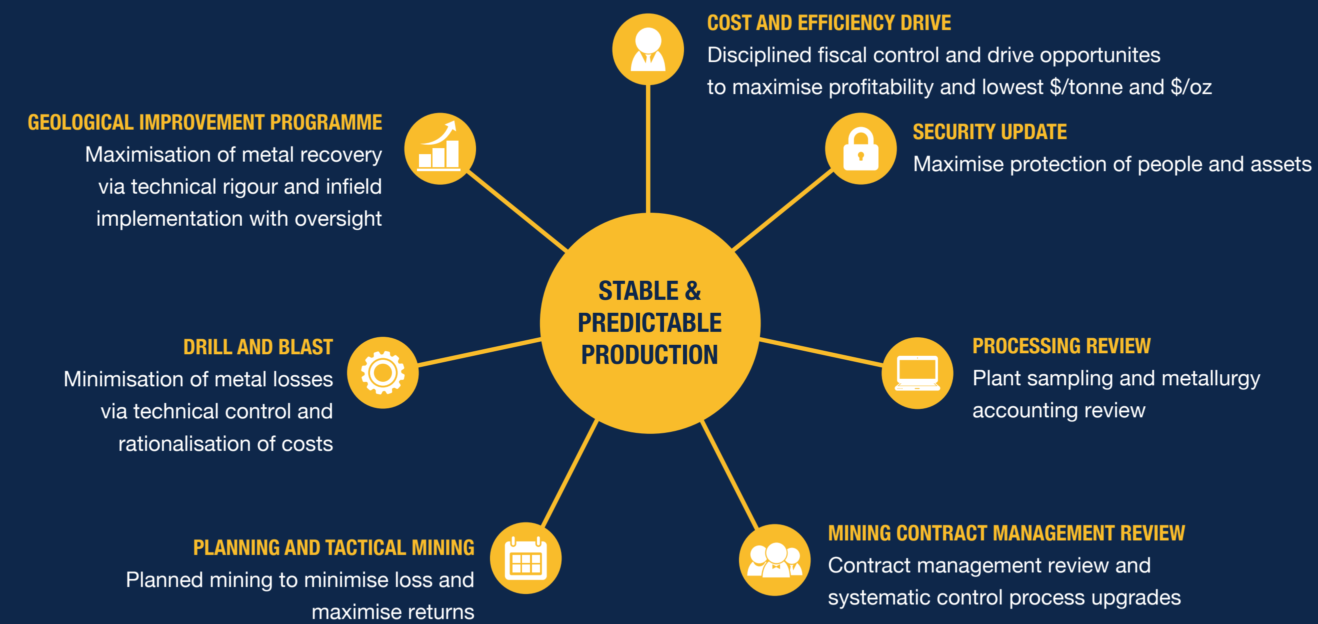
	2021	2020
Gold poured (Ounces)	87,558	101,069
Average grade mill feed (g/t)	2.09	2.41
Recovery (%)	92.26	94.08
Gold sales (Ounces)	87,553	104,174
AISC ($/oz)	1,536	1,147
Average gold sale price ($/oz)	1,788	1,745

2021 PRODUCTION STATISTIC SUMMARY

- 87,558 oz of gold poured in FY2021 at an AISC on gold sold of $1,536 per oz, with production impacted during the year mainly due to excavator equipment availability from our contractor mining as highlighted in our Q3 2021 operational and trading update, and a period of community unrest causing a plant shut down in Q4 2021 of approximately 6 days and associated ramp up to more name plate production post
- Guidance for 2022 set at 87,000 - 97,000 oz of gold, with an AISC of $1,300 - 1,450 per oz of gold

YANFOLILA, MALI – MINE OPERATION OPTIMISATION STRATEGIES

Technical, operational review and reform strategies being implemented to have a more disciplined and predictable state of operations



Kouroussa, Guinea

The Company made significant progress towards development of the Company's second producing gold mine, Kouroussa. In May 2021 the Company successfully received the mining licenses for the project to then allow Kouroussa to move from a development project into the construction phase. Further, in October 2021 the Company announced a successful group financing package with Coris Bank of c.$100 million to help fund the project into construction together with internal cash flows. Kouroussa is a high-grade, high returning asset, as detailed in the project economics and outlook statistics as highlighted in the table below which were also released in October 2021.

The project has moved from the mobilisation phase in late 2021 to breaking ground in early 2022. Construction continues to advance rapidly with our key focus for Kouroussa remaining to maintain our diligent approach to timelines, capex management, positive community engagement and an overall quality build process. With construction advancing, our project management team, and contractors remain focused on delivering first gold pour by the end of Q2 2023, but more importantly building a project and overall management system that produces profitable ounces for years to come and delivers value for all stakeholders.

Kouroussa, Guinea – Project capex and industry leading project economics

Total project capex

- $97.5 million for a 1 Mtpa processing plant and establishment costs
- $10 million for pre-production mining cost
- $7.5 million for contingencies

Funding in place and industry leading project economics

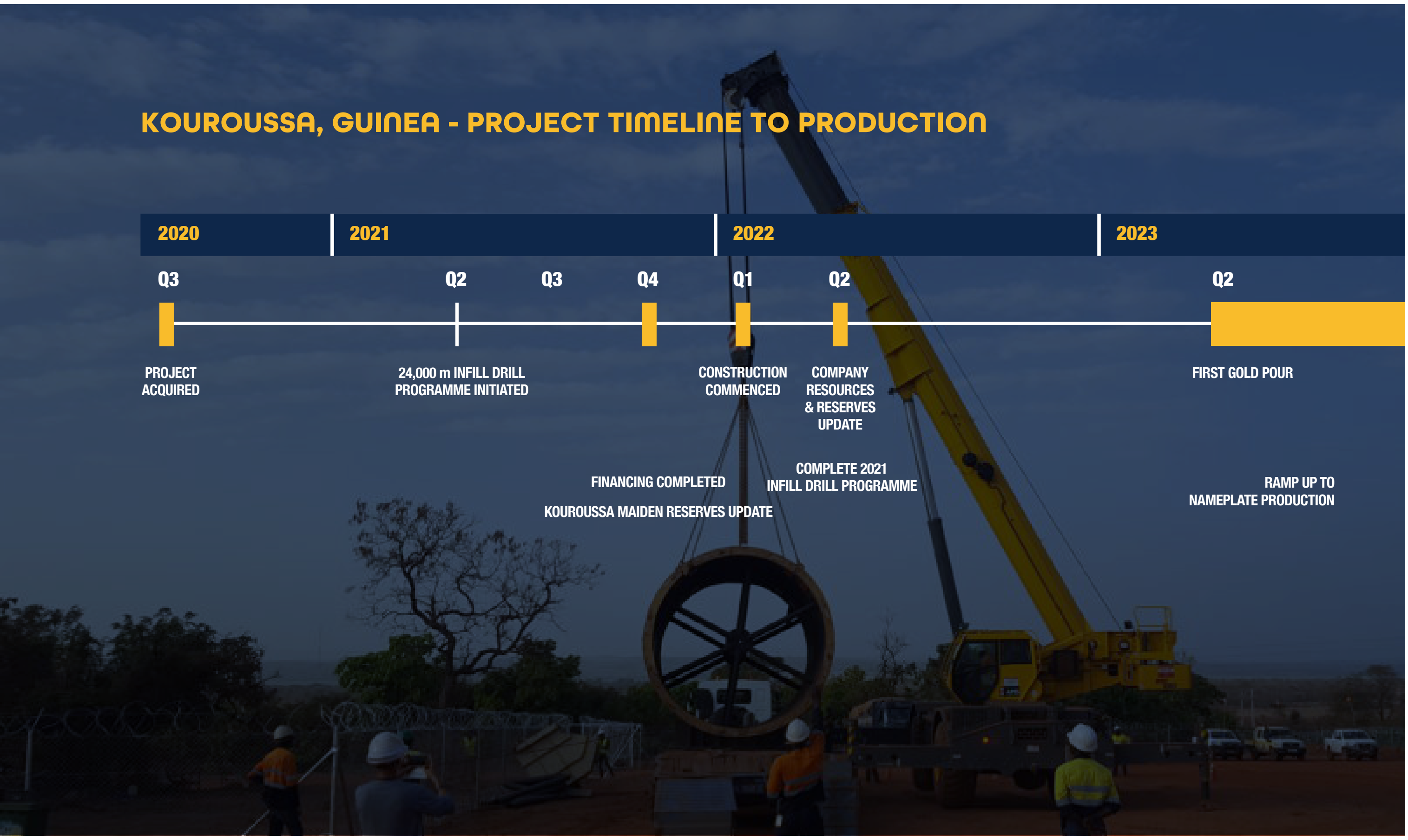
- The Project is funded through internal cash flows and a group financing facility of c.$100 million from Coris Bank International

Industry leading project economics at a gold price of $1,750 per oz

CAPITAL ITEM	ESTIMATE ($ MILLION)
Processing plant	56.0
Tailing storage facility	10.5
Camp & related infrastructure	7.2
Mining establishment	8.3
Project management, support and other equipment	15.5
Total processing plant and establishment costs	**97.5**
Pre-production mining costs	**10.0**
Contingencies	**7.5**
Total project cost	**115.0**

GOLD PRICE ($/OZ)	IRR	NPV10% ($ MILLION)
1,350	34%	75
1,500	49%	126
1,750	71%	210
2,000	93%	294
2,350	123%	412

KOUROUSSA, GUINEA - PROJECT TIMELINE TO PRODUCTION



Dugbe, Liberia

A large amount of fieldwork was completed at Dugbe during 2021 by our earn-in partners Pasofino to finalise the geotechnical and hydrological aspects of the DFS. An updated MRE was released in November 2021 of 4.0 Moz, with 3.4 Moz being in the Measured and Indicated mineral resources category, which is a 1 Moz increase from the last MRE update. A summary of the progress made during 2021 in the main disciplines is provided below.

WORK COMPLETED	2020-2021
Access road repairs	40.4 km with > 30 bridges/culverts
Camp repairs/construction	large improvements, can accommodate >100 staff
Soil samples (partially in 2020)	3,284
Trenches	16 trenches totalling 2,802 m
Diamond core holes for exploration/resource	114 holes for 14,638 m
Diamond core for pit geotechnical testing	12 holes for 2,999 m
Diamond core holes for tailings and infrastructure	21 holes for 392 m
Shallow exploration auger holes	42 holes for 270 m
Mineral Resource Estimates	updated for Dugbe F and Tuzon deposits
ESIA fieldwork	biodiversity field work campaigns

exploration

Our extensive 2021 exploration and drilling campaigns at all our assets has been successful in delineating increased geology knowledge and databases of our ore bodies for mining and the future, and once all collated, we expect to see continued Reserves growth profile for the Company as a whole once our updated Company Resources and Reserves statements are released in late Q2 2022.

2021 Yanfolila exploration highlights:

The Company's 2021 Yanfolila exploration drilling programme of c.44,000 m focused on increasing mineral resources at known deposits and testing new greenfield targets. The key focus area highlights from results received for 2021 include:

SE highlights:

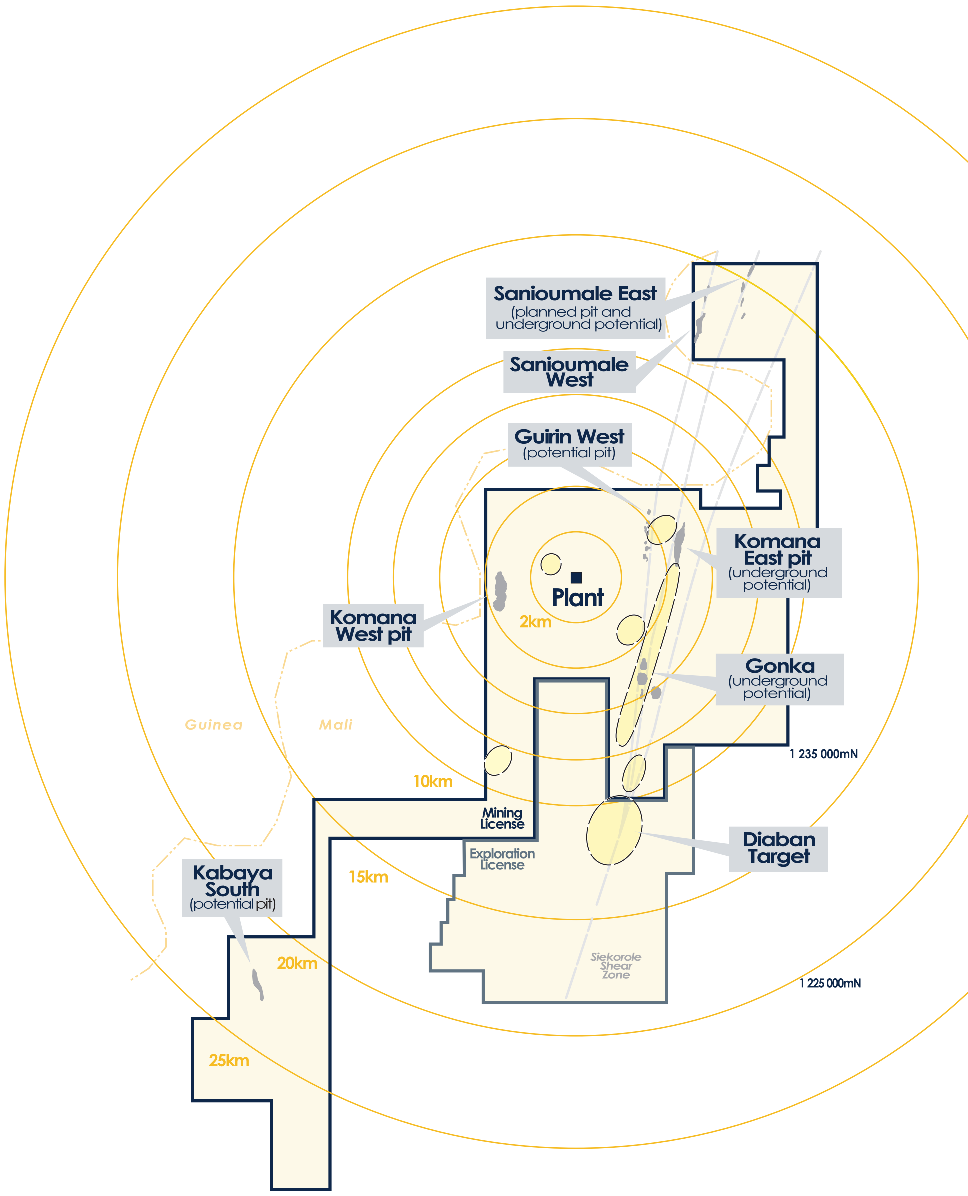
c.17,000 m of drilling was completed at the SE deposit in 2021. The SE drill holes overall intersected mineralisation, with results highlighting the potential for SE to be a material deposit, building on the positive 2020 exploration results which led to an increase of SE's JORC compliant MRE to 204,000 oz and 100,300 oz in Reserves.

KE highlights:

Following the discovery of the continuation of mineralisation to the north of the deposit in the 2020 drilling programme, the 2021 programme focused on expanding and drill testing for further mineralisation in that region. The drilling at KE focused on targeting mineralisation for KEUG development, with the goal to build on the current KEUG Reserves of 202,200 oz at 3.64 g/t.

SW and greenfield deposits, Kama, Diaban and BBC highlights:

c.12,000 m of drilling was completed at the SW deposit and c.5,000 m at greenfield deposits, Kama, Diaban and BBC. The 2021 SW drilling focused on extending the Inferred Mineral Resources and testing for additional and new Mineral Resources extensions. SW drill results received during 2021 showed high-grade mineralisation exists and remains open at depth highlighting upside potential to the deposits' current Resources and Reserves profile of 164,200 oz and 50,400 oz respectively.



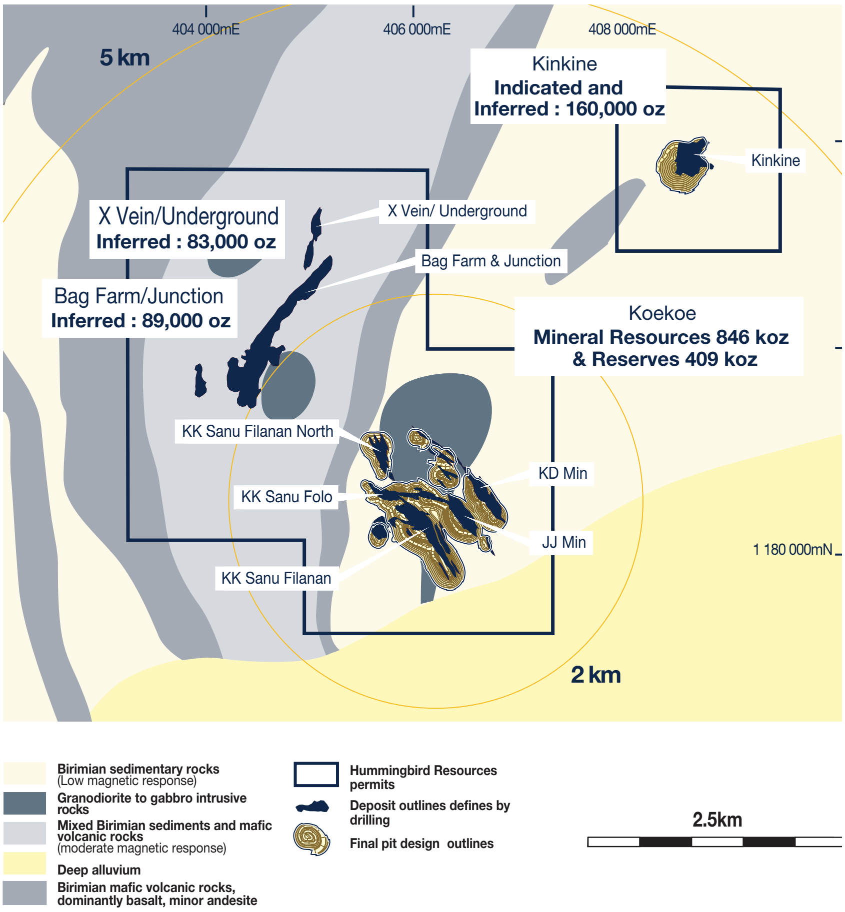
2021 Kouroussa exploration highlights:

For 2021 the Company embarked on a c.24,000 m, +300 hole, down to a maximum depth of 200 m, infill drilling campaign at Kouroussa's initial key deposit called KoeKoe. The focus of the infill drilling programme being to convert existing in-pit inferred material to indicated and to build upon the already extensive historical drilling that has occurred at Kouroussa, and look to increase Kouroussa's maiden Reserves of 408,900 oz at 4.38 g/t.

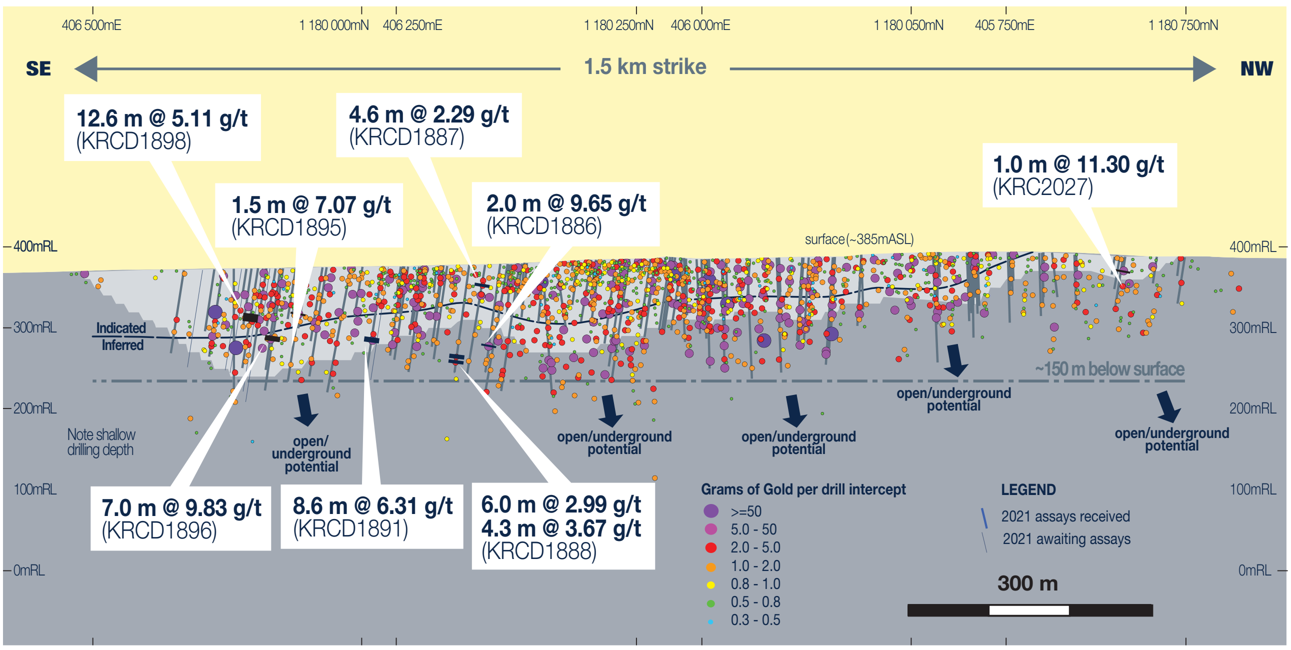
The Kouroussa infill drilling campaign tested: the deeper inferred material within the main pit of the KoeKoe deposit; extensional drilling to further grow the current mineral resource base; tested for new shallow zones of open pit mineralisation; and drilling for initial indications of underground mineral resource potential.

Results received were consistently of a high-grade nature and continued to support the current interpretation as well as highlighting additional mineralisation zones. The deposit remains open along strike and down plunge which is very encouraging for further resource growth potential with further exploration.

KOUROUSSA GOLD PROJECT MINING LICENSES & DEPOSIT MINERAL RESOURCES



KOEKOE DEPOSIT (SANU FILANAN ZONE) LONG SECTION LOOKING SOUTHWARD



2021 RESOURCES AND RESERVES STATEMENTS

In 2020 and 2021, Hummingbird has increasingly invested in exploration at each of our assets with the key focus being to maintain and increase on our already substantial Resources and Reserves asset base. We understand the finite nature of resources, in particular once production begins, and the need to replenish and enhance our Resources and Reserves base to create longevity for the Company and drive shareholder long term value.

During 2021 the Company released three key Resources and Reserve updates showcasing the material Resources and Reserves profile for the Company and the progress being made in particular in increasing the overall Reserves inventory for the Company being:

1 March 2021: Yanfolila, Mali Mineral Resources Estimate Update

2 November 2021: Company Reserve Statement Update (Yanfolila and Kouroussa)

3 November 2021: Dugbe, Liberia Updated Mineral Resources Estimate Update

Highlighted summary numbers of these material updates for the Company are detailed in the table below.

	RESOURCES[1]					RESERVES[2]	
PROJECT	MEASURED & INDICATED (INCLUDING RESERVES)		INFERRED		TOTAL RESOURCES	PROVEN & PROBABLE	
	KOZ	G/T	KOZ	G/T	KOZ	KOZ	G/T
Yanfolila	1,475	2.55	454	1.79	1,929	706	2.57
Kouroussa	626	3.36	553	2.82	1,179	409	4.38
Dugbe	3,396	1.30	617	1.13	4,013		
Total	**5,497**		**1,624**		**7,121**	**1,115**	**3.03**

PATHWAY TO GROUP RESERVES GROWTH

+10-year Reserves targeted at each asset

Q2 2022 Company Resources & Reserves Update

- To include 2021 Company drilling data of ~68,000 m

Q2 2022 Dugbe DFS and Reserves

- From defined 3.4 Mozs Measured & Indicated current Resources

1 See releases - 30 March 2021: MRE update at Yanfolila, 12 October 2021: Update on Kouroussa Gold Mine, 22 November 2021: Dugbe MRE update, Dugbe 100% owned by Hummingbird until DFS is completed by earn-in partner Pasofino

2 See release 25 November 2021: Company Reserves Statement update

OPERATIONAL REVIEW

sustainability report

2021 like 2020, continued to be dominated by COVID-19, the changing variants of the virus, travel restrictions and legislation change headwinds it imposed on our business and overall responsible mining programmes in general. Pleasingly the Company was able to successfully mitigate any significant health problems relating to COVID-19 on our employees, contractors and local communities.

A key focus for the Company for 2021 was to successfully achieve year 2 external independent audit assurance on the WGC RGMPs and progress towards full conformance in 2022. This was achieved and reported on in November. We believe achieving this and showing progress towards full compliance in 2022, which involves and even more detailed independent audit of our overall ESG practices and protocols, demonstrates the Company's continual advancement towards a high level of verifiable internationally recognised level of overall ESG standards.

Further, we believe complying with the WGC RGMPs supports the de-risking of many potential issues that may impact operational performance and helps define Hummingbirds socio-economic contribution in the regions and communities we operate in. We have a dedicated team assigned to complying to these practices, coupled with external ESG consultants, who meet weekly to continue our progress in this area.

At Yanfolila the focus on our community projects for 2021 was to enhance on the progress the Company has made on various projects historically versus taking on new projects. Water infrastructure improvements were a key focus at the local communities; adding an additional two market gardens, taking the total to ten supported by the Company that now provides employment for over 800 mainly local women, coupled with advancement in other community-based projects such as adding the number of locally supported poultry farms, increased local community malaria prevention programmes, local healthcare and school facility upgrades, and community road improvements amongst others as detailed below. Further, our Hummingbird Tree Initiative to plant over 8,000 trees per annum that are supplied by the local villages and paid for by the Company was achieved in 2021, with a focus on local communities' engagement to support tree growth to maturity seeing improvements.

> "we acheived our target to plant 8,000 trees per annum

EDWARD MONTGOMERY

Chief Strategy & ESG Officer

In late Q4 2021 Yanfolila had a period of community unrest that led to the plant being shut down for a period of approximately six days. This was caused by a small minority and not representative of the communities where the Company operates. The unrest included illegal activities such as public order and blocking of public access roads, with the Company elevating the disruption to the national Government, which was subsequently resolved. We were and are extremely proud in which the calm and professional manner our team along with community leaders worked through the situation to resolution, coupled with mitigation measures put in place along with the communities to safeguard against a recurrence of such issues in the future.

2021 also was a year that Kouroussa moved towards the construction stage, in order to be our second producing gold mine, with first gold pour scheduled by the end of Q2 2023. We completed an updated ESIA study on Kouroussa in Q3 2021 to make sure our practices were up to date and in-line with the WGC RGMPs. This was not a requirement, however deemed prudent by senior management and the board to insure an ESIA of best practice to form the basis to be followed by our development and on-site SHEC teams at Kouroussa. A dedicated Kouroussa head of SHEC was appointed, coupled with a building up of our overall on the ground community teams at site. Further, a key focus on local, national, and diversity employment protocols being embedded into our workforce and contractor base was initiated.

At Dugbe, Liberia 2021 saw the material advancement of the projects' DFS, coupled with detailed progress on the ESIA study. The ESIA scope was approved by the Liberian government environmental protection agency ("EPA") with a large team of specialists engaged to complete an intensive biodiversity campaign covering the project site and key surrounding ecosystems. The ESIA is currently in the final stages of completion at the timing of writing this report.

In terms of greenhouse gas ("GHG") emission reduction strategies, in our development planning at Kouroussa we committed to embedding new and leading technologies into the build process to achieve a lower overall carbon footprint at the mine versus conventional builds. Key developments included planning for a +7 mega-watt ("MW") solar plant and heat recovery recapturing units, which will materially reduce our overall carbon footprint at the project once in operation. Further, with our ESG external specialist consultants, we have embarked on developing more broader GHG emission reduction strategies which we are endeavouring to increasingly implement during 2022 and more so in 2023 once more formalised, as we understand the importance this is not only for environmental reasons, but as ESG best practice.

OPERATIONAL REVIEW

single mine origin

2021 saw the advancement of SMO as a leading standard, providing a consistent global supply of responsibly sourced, fully traceable gold on a commercial scale. Hummingbird is a founding member of SMO and believe by being part of SMO further enhances our commitment to being a responsible mining Company.

WHAT IS SMO GOLD?

SMO is a growing industry brand and standard in the world of provenance for the precious metals sector, its mines providing an auditable chain of custody from mine to refinery, through to manufacture and sale. SMO provides an assurance of responsibly sourced, traceable gold that has been kept segregated throughout the supply chain with each SMO mine supporting environmental and community projects that are developing a sustainable economy in their host countries.

Consumer demand for products of known provenance and responsible production methods is growing. Within precious metal investments and jewellery there are very few accessible 'of known provenance' products on a commercial scale.

Hummingbird is a founding member of SMO with further mines and global brands joining the platform.

WHAT DOES SMO PROVIDE?

- **Traceable to a single mine**
  Accredited mines give access to every stage of the gold supply chain, spanning exploration, mining, refining, product manufacture and recycling. Consumers can trace all gold to a single mine using a unique QR product code providing a direct link between consumer and provenance
- **Responsibly sourced**
  Metals sourced from mines that receive an assurance standard audit certification annually including WGC RGMPs and the International Council on Mining & Metals ("ICMM")
- **Consistent and reliable supply**
  SMO is the first company able to supply responsible gold for jewellers and investors on a mass market scale
- **Auditability**
  An audited chain of custody from origin to customer

singlemineorigin.com

key targets and focus areas

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

Mainly Yanfolila mine Mali statistics being our producing asset, unless qualified

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2020 RESULT	2021 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	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. Independent limited assurance report were issued by RSM Risk Assurance Services LLP confirming Hummingbird's conformance with the RGMPs' Year One and Year Two requirements	Successfully achieve year 2 external independent audit assurance on the WGC RGMPs and progress towards year 3 full conformance in 2022.	+ve
	Anti-bribery and corruption ("ABC") training	Number of people	Total of 92 senior and those regarded as high-risk employees were requested to and completed training across the Group.	Total of 102 senior and those regarded as high-risk employees were requested to and completed training across the Group. Additionally, starting from 2022 all site level staff are required to attend classroom based anti-bribery training and to pass the test.	+ve
	Human Rights training	Number of people trained	100% of Malian national security forces and private security contractors were trained, which totalled 860 people	100% of Malian national security forces and private security contractors were trained, which totalled 860 people	+ve

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2020 RESULT	2021 RESULT	TREND
OUR PEOPLE					
Safety & Health	No work-related fatalities	Number	0	1 from one of our business partners	-ve
	Lost Time Injury Frequency Rate ("LTIFR") improvements	Per million hours worked	0.29	0.30	Neutral
	Total Recordable Injury Frequency Rate ("TRIFR") improvements	Per million hours worked	0.82	0.59	+ve
	Malaria overall incidence rate reduction on site	% of total workforce	14% incidence	20.49%	-ve
	Safety training – Target of 11,400 hours	Hours	17,290 hours of safety training Improved training of our contractors in particular leading to the rise in safety training hours	6,230 hours of safety training at Yanfolila We were below the target due to stricter on site COVID-19 protocols being implemented, in particular with changing variants to prevent virus spread, which minimised on site meetings required for training, We expect training hours to improve in 2022 with COVID-19 virus risks reducing. Kouroussa safety planning begun late 2021, and to be implemented in 2022 with the begging of construction with our employees and contractor base.	-ve
Human Resources	95% National employees	% employees (incl. contractor companies)	95%	96%	Neutral
	25% from communities directly impacted by the operations	% employee (incl. contractor companies)	29%	35%	+ve
	Develop a Diversity Policy at site level, highlighting any restrictions on gender diversity Develop action plan to improve performance	Qualitative	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)	7 women in our Corporate structure (32%), with notable promotion of Tracey Fung to Company Secretary as first female officer of the Company during 2021.71 women on Yanfolila mine site (4%) including contractors. 16 women at Kouroussa (4%) including construction. 2 women at Dugbe (8%) including contractors and secondees. 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). In 2022, we are preparing to form a cross-discipline global diversity and inclusion committee led by our Group People and Performance Officer to oversee the implementation of our equality, diversity and inclusion strategy at all locations, and ensure it aligns with other corporate priorities.	Neutral

OPERATIONAL REVIEW

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2020 RESULT	2021 RESULT	TREND
SOCIAL PERFORMANCE					
	Stakeholder engagement: Review grievance mechanism in light of stakeholder feedback to ensure good awareness, accessibility and responsiveness.	Quantitative: number of grievances received and level of engagement	3 in 2020 Over 120 mass meetings were held in local communities on general stakeholder initiatives, training, and general engagement in order to ensure ongoing awareness and addressing of concerns in our locally supported communities	6 in 2021; 5 from Yanfolila and 1 from Kouroussa (we note the rise in number also correlates to adding Kouroussa, and increased community engagement seeking areas of improvement from our SHEC teams on site). At our Yanfolila site, over 147 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. Kouroussa, Guinea held a total of 20 mass meetings grouping 10 to 50 people each in local communities and with the local authorities on general stakeholder initiatives, impact assessment and mitigation measures, land restoration plan, recruitment, project planning and community development projects.	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	GAP analysis initiated on current protocols and procedures with the WGC RGMP implementation	Following policies and procedures are being implemented, to ensure - Hummingbird Supplier Code of Conduct - Supplier Risk Matrix - Due Diligence Checklist - Standard contract terms and conditions Moving forward all of our suppliers will receive a copy of the Hummingbird Supplier Code of Conduct, and that we will perform annual risk based due diligence on key suppliers that we contract with to ensure, amongst other things, that they do not involve in child and forced labour, comply with anti-bribery and corruption policies, and appropriate human rights principles	+ve

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2020 RESULT	2021 RESULT	TREND
SOCIAL PERFORMANCE					
Artisanal and Small Scale Gold Mining ("ASM")	ASM formalisation project	Qualitative	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	The Malian Government is in the process of formalising the ASM sector and has organised dialogue forums to discuss artisanal mining and further drafted a National Artisanal Gold Mining Strategy. Special mining corridors for artisanal miners have been established by the Malian Government. 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 national and local governments to progress a potential regulated ASM corridor in the region, as well as ways to improve livelihood and education programmes.	-ve / Neutral
	Livelihood Restoration project spend	$/yr	$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	At our Yanfolila, operation we spent $119,000, which was an improvement as compared with the previous reporting year. At Kouroussa, Guinea we spent $1,700,000 to compensate for 145 individual lands and $805,000 for community lands collectively utilised by the riparian community.	+ve
	Community Investment and Health	$/yr and qualitative	$179,000 spent compared to budgeted $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	$363,000 was spent on community investment, which was an increase from the previous year. Key community projects for 2021 included: ■ Wash programmes e.g., construction of community water supply systems ■ Community health projects e.g., infrastructure improvements at the local healthcare facility, purchasing of COVID-19 equipment and training in the communities ■ Education projects e.g., upgrade of local schools' infrastructure and business training initiatives ■ Rehabilitation of community roads	Neutral / +ve
	Malaria programmes in the local communities via Indoor Residual Spraying ("IRS")	Qualitative	IRS completed in Bougoudalé and Tiemba villages at a cost of c.$100,000, with support from our partners	$128,000 spent on indoor spraying covering 5 villages, to better protect over 11,000 people from malaria	+ve

OPERATIONAL REVIEW

TOPIC	TOPIC AND TARGET	UNIT OF MEASURE	2020 RESULT	2021 RESULT	TREND
ENVIRONMENT					
Environmental compliance and Resource efficiency	Process water recycling - 85% target	% return water	78%	86%	+ve
	Raw (fresh) water efficiency of 0.50	m^3/tonne ore	0.42	0.26	+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	ppm WAD CN	1.56 ppm	6.05 ppm (as remains well below the 50 ppm level)	Neutral
	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	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	New Initiatives are being analysed at a Group level on ways to minimise climate risks impacts at all our assets. We demonstrate our commitment by planning and designing for climate risks and impacts on our operations and projects, including the upcoming integration of solar energy at Kouroussa, Guinea. We will report transparently on our progress in reducing GHG emissions and meeting our climate change objectives.	Neutral
	GHG emissions efficiency	tCO^2e/Au oz	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.	0.82 This is a 9% rise from 2020 levels due to the continued processing of harder ores which increased the energy consumption as more volumes were mined and processed, consequently increasing GHG emissions from the processing plant and mobile fleets. Initiatives are being analysed at a Group level on ways to improve overall GHG emissions, for all our assets.	-ve
Biodiversity & Rehabilitation	We will implement Biodiversity Management Plans ("BMP") at all of our Project sites	Qualitative	Dugbe, Liberia BMP to be updated during on-going ESIA work by Pasofino Kouroussa, Guinea BMP to be finalised based on ESIA work undertaken in 2020 Yanfolila ESIA to be reviewed and develop standalone BMP for the operation	The ESIA was reviewed, and the BMP will be developed for our Yanfolila site. At Kouroussa, an updated biodiversity study and plan was undertaken as part of the updated ESIA study that was completed the end of 2021. A detailed biodiversity study programme was completed at Dugbe,as part of the ESIA which is nearing finalization at the time of writing this report.	Neutral / +ve
	Restoration programmes	ha	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	25 hectares planted in 2021, with +10,000 trees planted at our Yanfolila operation A local community nursery programme as planned in 2020 has been implemented. The programme is managed by local community women who grow and nurture the plant seedlings in their market gardens.	+ve

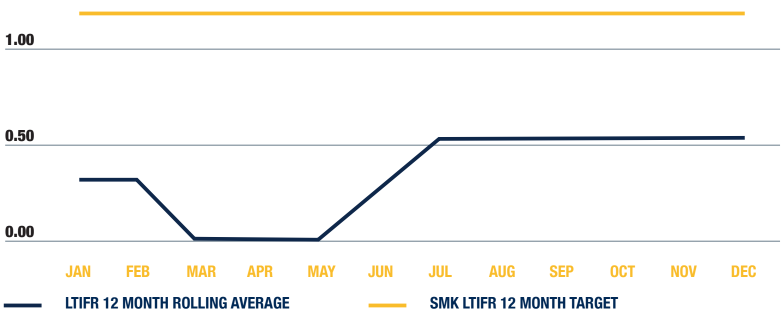
ESG governance

Since 2019, we have put in place increasingly robust governance mechanisms to ensure ESG and sustainability issues are discussed and addressed at the local level and more broadly at the corporate level.

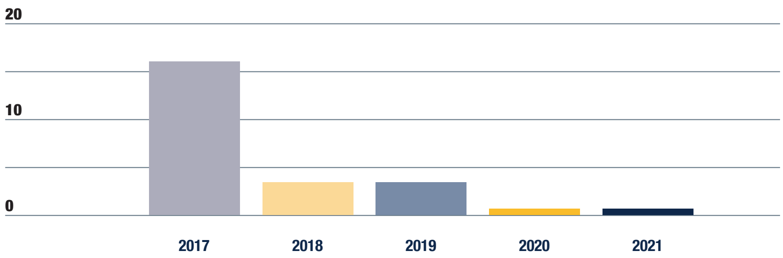
Our ESG Committee provides a formal and transparent mechanism for the Board to assist the Company to develop and revise Group ESG and sustainability policies. The committee provides support in managing risks relating to occupational and community health and safety, environmental performance and compliance, 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 is chaired by Adrian Mill, a Senegal-based ESG and sustainability specialist with more than 20 years of experience who has worked for many years in the mining industry.

YANFOLILA LTIFR



TRIFR



Summary safety statistics at Yanfolila, Mali

Examples of Major Contractors working at Yanfolila

MAJOR ON-SITE CONTRACTORS	NUMBER OF PEOPLE ON SITE	RESPONSIBILITY
JCM (AMS*)	558	Contract Mining
Capital Drilling	60	Drilling
Aggreko	9	Power provider
SGS	26	Laboratory services
Vivo	8	Fuel
IMS	72	Construction, TSF and roads
Wassa	52	Mining support
CIS	61	Camp and catering
Escort	221	Security
EKD Sarl	79	Process plant clean up
AEMS	26	Contract mining
SAER	112	Recruitment contractor

*Change of contractor to JCM occurred during 2021

Safety

The Company continued to have a focused agenda of on-site safety in 2021. However, despite our best efforts, a fatality was sadly recorded by one of our business contractor partners.

A detailed review was conducted, and a safety campaign was undertaken with our business partner's workforce, with regular training and information sessions held. We remain committed to ongoing training, proper procedural measures, and documentation in areas of key importance to prevent future incidents occurring.

Safety programmes at Kouroussa began to be developed in late 2021 as the project move from development into construction. With the hiring of a dedicated SHEC team leader and increasing overall ESG personnel being hired at Kouroussa, overall safety and training programmes are being developed and implemented overall.

In terms of Yanfolila's primary suppliers of goods and services, we continue to use many well-known international suppliers 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, where reasonable and practical we continue to make use of local small enterprises, to uplift the communities where we operate within.

Healthcare

During this year, in addition to its routine tasks of providing consultations and patient care, the medical team of Yanfolila, supported by the internationally recognised medical company Critical Care International ("CCI"), were busy with several activities.

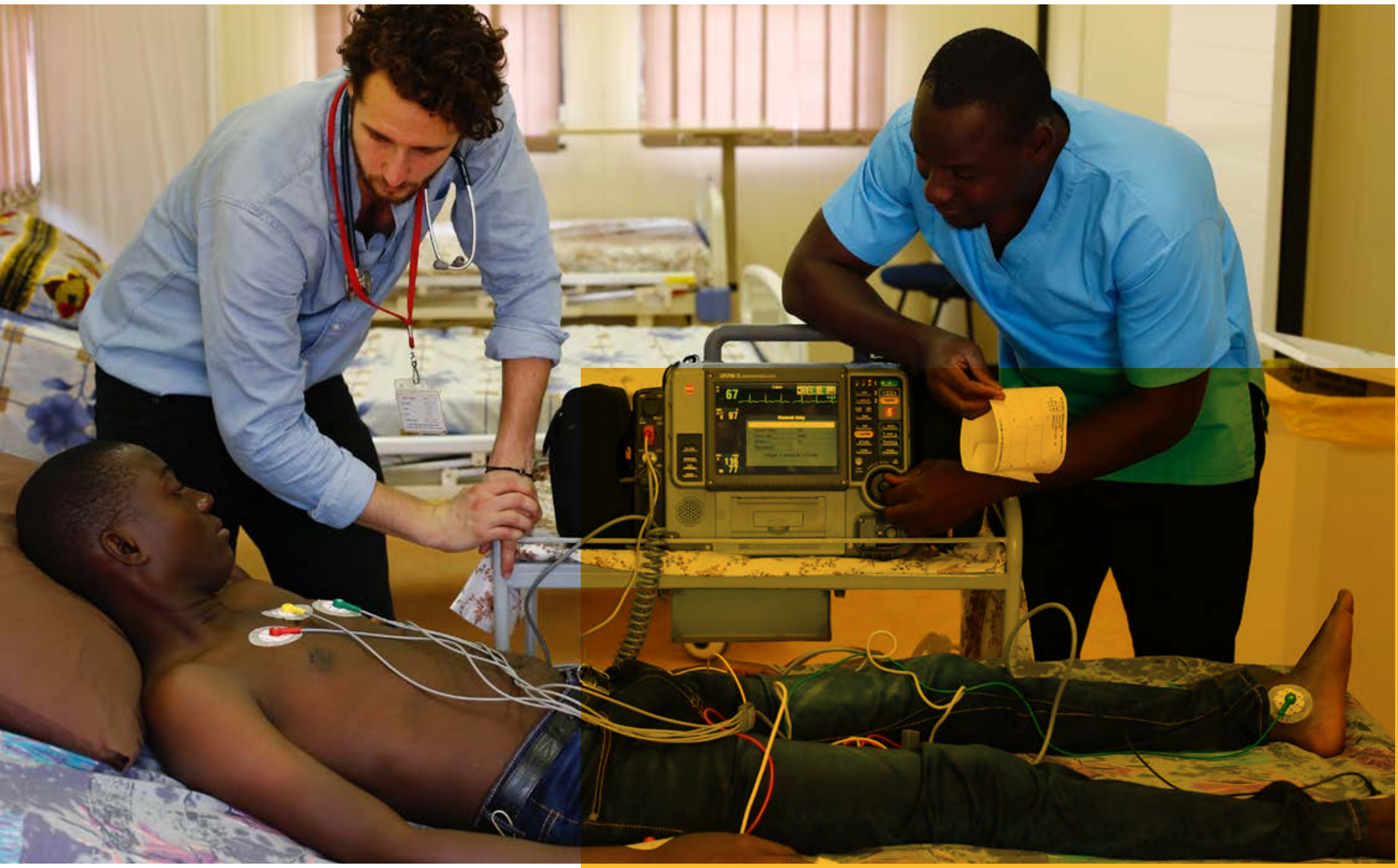
These included the continuation of the management of the COVID-19 pandemic, the Indoor Residual Spraying ("IRS") as part of the fight against malaria in the communities, which was expanded from 2 to 5 villages of the commune in 2021 from the previous year with the help and monetary contributions from our business partners, and with other community health projects.

A total of 2,834 health consultations were conducted, including 2,287 initial consultations and 547 follow-ups.

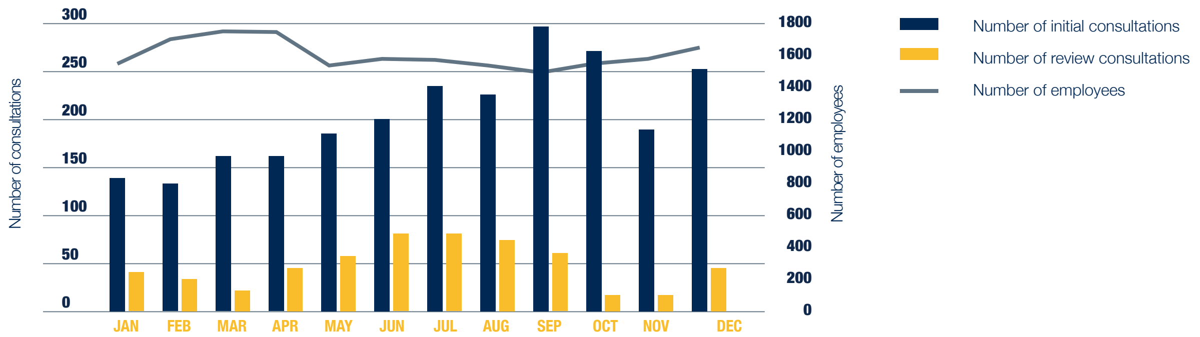
385 cases of malaria were diagnosed including 62 in the living camp and 323 outside the camp. The incidence of malaria among the mine workers in 2021 was the second lowest since operations began in 2017, with the lowest incidence recorded in 2020 because of workers staying inside their rooms more, because of the fear of contracting COVID-19. This drop in incidence is also due to our IRS campaigns both in the camp and in the villages where the workers live.

The Yanfolila 2021 IRS campaign was conducted in five villages around the mine, under the supervision of the entomological unit of the 'Laboratoire de Biologie Médicale Appliquée' ("LBMA") and the National Malaria Control Programme ("NMCP"). This campaign protected 11,585 people in 5 satellite villages of the mine and contributed to significantly reduce malaria incidence during the high transmission period in those villages (Bougoudalé, Tiemba, Soloba, Leba and Komana).

“ providing consultations and patient care in the community



CONSULTATIONS AND EMPLOYEES NUMBERS 2022



Among the general population in the villages sprayed, the risk of having malaria was 2 times lower in 2021 compared to 2019 and this difference was statistically significative ($p<0.0001$) and it was similar in 2020 compared to 2021 ($p=0.2202$).

Among the children <5 years population in the villages sprayed, the risk of having malaria was 38% lower in 2021 compared to 2019 and this difference was statistically significative ($p=0.0075$).

COVID-19 prevention and control measures instituted in 2020 were continued in 2021 with some adaptations. The medical team continued to educate workers on the prevention and control of the spread of COVID-19 and conducted COVID-19 vaccination sessions at the site. Approximately 200 employees received 2 doses of vaccine and a total of 9,426 COVID-19 PCR tests performed in our on-site laboratory, including 169 positive cases, all subsequently recovered from any health care symptoms.

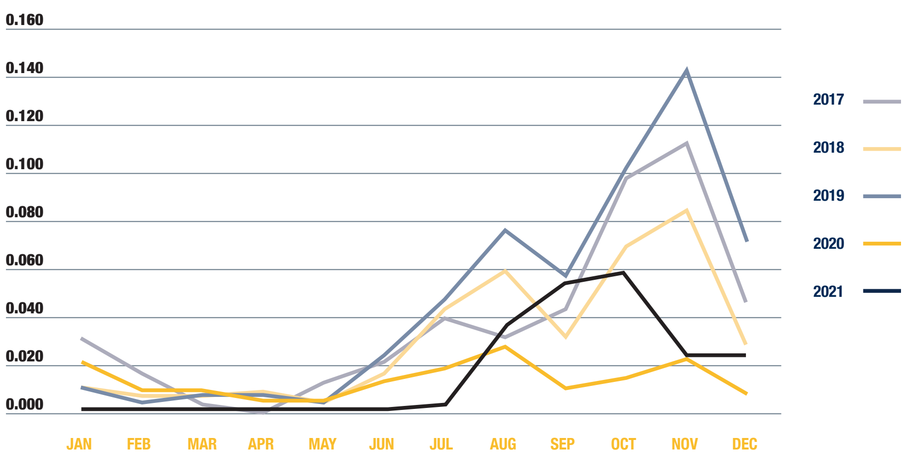
The medical team alongside the community projects department carried out the following community health care initiatives in 2021 at Yanfolila:

- Construction of two improved incinerators, for the management of biomedical waste, in the community medical centres ("CSCOM") of Bougoudalé and Kabaya
- Building of a maternity block within the CSCOM of Kabaya
- Equipment with medical materials for the maternity unit of the village of Bandjougoufara
- Support for the CSCOMs of Bougoudalé and the Yanfolila health centre in the screening of suspected cases of COVID-19
- Subsidy of the salary of a doctor for a period of six months, with a view to strengthening the medical staff of the CSCOM of Bougoudalé

Further, occupational medicine activities were also conducted, and the medical team provided 'preventive maintenance' of our workforce. This systematic medical surveillance made it possible to diagnose and initiate adequate treatment of pathologies such as cataracts, glaucoma, diabetes, prostate tumours, dyslipidaemias and cases of gout at an early stage. No occupational disease was diagnosed and the blood and urine tests of the employees of the gold room, exposed in particular to lead, did not reveal any abnormalities.

We note for Kouroussa we are doing detailed planning on implementing key healthcare initiatives at site and for our surrounding communities, now that the project has moved into the construction phase, with more details to be provide in our 2022 annual report.

INCIDENCE OF MALARIA AMONG THE MINE WORKERS 2017–2021



Our workforce

The involvement of local people working within our mine and across our projects is central to our vision of sustainable and responsible mining. Thus, local hiring, training and succession planning remains a priority.

At Yanfolila, 96% of all Yanfolila employees (including contractors) are Malian nationals, and 35% of all employees (including contractors) are from the local communities, an improvement from last year of 29%.

In line with construction plans at Kouroussa, we currently have 443 people engaged on the project, 76 employees (of which 80% are Guinean nationals), as well as 367 contractors.

In Liberia, via our earn-in partner Pasofino, there is a combined total of 25 workers on the project, including consultants, contractors and government secondees.

Total average number of workforces as at March 2022 was as follows:

CORPORATE	MALI	LIBERIA	GUINEA	TOTAL EMPLOYEES	CONTRACTORS
22	256	16	76	370	1,816

“at Yanfolila 96% of our employees are Malian nationals

Payments to Government and Local Content

Hummingbird participates in the Extractive Industries Transparency Initiative ("EITI") processes in Mali, Guinea and Liberia. In 2021 Hummingbird paid a total of $15.9 million to the Government of Mali comprising taxes, duties and royalties, an increase of almost $1 million, reflecting in particular higher minimum tax 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 through our earn-in partner, Pasofino, paid $874,000 in licence fees and taxes to the Government of Liberia and in Guinea the Group paid $215,000 to the Government of Guinea, comprising taxes, duties and licence fees.

PAYMENTS TO GOVERNMENT OF MALI 2021

	2021		2020	
	XOF'000'000	$'000	XOF'000'000	$'000
Payroll taxes	739	1,351	736	1,262
Social Security	1,125	2,043	1,063	1,833
Withholding tax - IBIC	1,058	1,943	1,297	2,189
Royalties - CPS Tax Payable	2,547	4,623	2,969	5,087
Customs and import fees	1,079	1,939	279	480
Gold export fees	551	999	600	1,019
Corporation tax/ Minimum tax	1,352	2,419	1,043	1,767
Other taxes	318	570	237	392
Total	**8,769**	**15,887**	**8,224**	**14,029**

PAYMENTS TO GOVERNMENT OF GUINEA 2021

The Group has made the following payments to the Government of Guinea.

	2021		1 SEPTEMBER TO 31 DECEMBER 2020	
	GNF'000'000	$'000	GNF'000'000	$'000
Payroll taxes	1,042	108	587	60
Social Security	349	36	478	49
Withholding tax	688	71	884	91
Total	**2,079**	**215**	**1,949**	**200**

PAYMENTS TO GOVERNMENT OF LIBERIA 2021

The Group through its earn-in partner, Pasofino, has made the following payments to the Government of Liberia.

	2021 $ '000	2020 $ '000
Business registration fees	**5**	5
Licence fees	**37**	6
Surface rent	**142**	142
Payroll taxes	**102**	76
Withholding tax	**588**	102
Total	**874**	**331**

MALI LOCAL PROCUREMENT 2021

In 2021, 89% of payments for goods and services were made to nationally registered and local suppliers, equating to over $108,000,000 of purchases.

VENDORS	2021	2020
	$ '000	$ '000
Local Vendors Yanfolila area	96	111
National Vendors	108,058	85,109
International Vendors (16% of total (2020: 19% of total))	13,080	16,480
TOTAL	**121,234**	**101,700**

LIBERIA LOCAL PROCUREMENT 2021

In 2021, 61% of payments for goods and services were made to national and local suppliers, equating to over $6,000,000 of payments.

VENDORS	2021	2020
	$ '000	$ '000
Local Vendors Dugbe area	578	283
National Vendors	5,422	2,308
International Vendors	3,791	2,182
Total	**9,791**	**4,773**

GUINEA LOCAL PROCUREMENT 2021

In 2021, 93% of payments for goods and services were made to national and local suppliers, equating to over $7,053,000 of payments.

VENDORS	2021	2020
	$ '000	$ '000
Local Vendors Kouroussa area	279	459
National Vendors	6,773	421
International Vendors	491	1,921
TOTAL	**7,543**	**2,801**

Social responsibility and engagement with local stakeholders

2021 was operationally challenging at Yanfolila, made worse by the impact of COVID-19 on our community team's ability to interact with the local communities. Despite this, we managed to maintain an active level of engagement with local communities.

At our Yanfolila site, we held 151 large scale community meetings on a range of issues, including general stakeholder engagement initiatives, training, and addressing issues raised by stakeholders. We also undertook an anti-malaria indoor residual spraying initiative in five villages, as detailed in the health section above, which was well received.

At our Kouroussa site, we have held a total of 20 mass meetings in local communities and with the local authorities on general stakeholder initiatives, impact assessment and mitigation measures, land restoration plan, recruitment, project planning and community development projects.

In relation to grievance recording, in 2021 we recorded five new grievances at our Yanfolila site (compared to one in 2020 which had not yet been closed out). The grievances related to blasting activities from our operations that are nearest to the Silikila village and to community farms that were impacted by the runoff mud, with these grievances being rectified by our Yanfolila SHEC teams.

From our Kouroussa operation, one grievance was reported related to recruitment policies of the Company and its contractors, which was 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.

As highlighted in the opening section of the Sustainability Report, in late Q4 2021 Yanfolila had a period of community unrest that led to the plant being shut down for a period of approximately six days. This was caused by a small minority and not representative of the communities where the Company operates. The unrest included illegal activities such as public order and blocking of public access roads, with the Company elevating the disruption to the national Government, which was subsequently resolved. Increased community engagement, and with village leaders, in particular highlighting the benefits of the mine to the region and community benefits it provides was initiated, coupled with other mitigation measures being in place so as to safeguard against a recurrence of such issues in the future.

Livelihood restoration

Despite many challenges brought about by the COVID-19 pandemic which hindered the ability of our community liaison teams to fully engage with the local communities, there was an improvement in the number of livelihood restoration programmes implemented in 2021 with a total cost spend of $119,000, which was an improvement as compared to 2020.

Our key livelihood restoration projects implemented in 2021 at Yanfolila included:

FOCUS AREA	PROJECT	BENEFICIARIES
Food Security	Development of 2 additional market gardening areas covering 4 hectares and training of women in market gardening techniques. This took the total number of locally supported market gardens to 10	Women from the villages of Bougoudalé, Tientogo and Makandiana ~200 women, with the overall garden markets supporting over 800 mainly women from the local communities
Local economic development	Training of women from Soloba, Komana, Leba, Bougoudalé and Tiemba villages in shea butter processing techniques	Economic empowerment: To 18 women across four villages
	Construction of an additional 2 poultry farms in the Donsosso and Tiemba villages to improve in particular youths in the income generating activity	20 young people from Tiemba and Donsosso

For 2022, with a renewed ability to better engage with the local communities the Company is looking to enhance the below community livelihood programmes:

- Market gardens: Adding four, bringing the total to fourteen, employing +950-1,100 locals (mainly women)
- 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: We have achieved the objective of developing a nursery run by women beneficiaries of gardens and non-garden projects in the community, with skills in plant propagation that has contributed to meeting the conditions of our permit to plant a minimum of 20 hectares in 2021, or +10,000 trees as part of a progressive reforestation programme. Consequently, this has created another good source of income for the local women who are involved from the community. This programme will continue in 2022. Notable achievements that were accomplished in livelihood restoration in 2021 are as detailed below.
- For Kouroussa, detailed planning is underway, along with community engagement for our future community livelihood programmes, which we will detail more in next year's annual report once more finalised.

The livelihood restoration programme at our Kouroussa operation commenced in 2020 with the drafting of the Livelihood Restoration Plan ("LRP"). The LRP detailed market studies and inventories of individual and community lands and goods of the Project Affected Persons ("PAPs") and was completed in 2021. The LRP was submitted together with the updated ESIA report to the authorising Guinean government. To minimise economic displacements of PAPs, Kouroussa, Guinea has delineated a priority zone focussing on mineralised areas within the mining permit areas. The total budget allocated for compensation for 145 individual lands is $1,700,000 and $805,000 for community lands collectively utilised by the riparian community.

Community investment

COVID-19 impacted the company's ability to successfully implement all planned and budgeted community development projects in 2021, as it did in 2020. Despite the challenges, we were able to implement a number of community projects in 2020 which rolled over to 2021.

- Development of a new borehole in the Kona Bozodaga village
- Upgrading of water boreholes from foot pumps to hand pumps at the villages of Sanioumale, Tientogo and Makandiana
- Schools: Funded eleven teacher salaries and continued with scheduled school maintenance improvements
- Infrastructure improvements: At the local healthcare centre, including a new incineration facility and local school building improvements

2021 saw community expenditures of $363,000, an increase from the 2020 levels. This comprised of six key focus areas being Water, Sanitation and Health ("WASH"), education, food security, local economic development, community road improvements and community health. Like 2020, these projects were identified as being priorities from our local communities and related stakeholders.

Beyond the above, several notable achievements were accomplished in community investments in 2021 as detailed below:

FOCUS AREA	PROJECT	BENEFICIARIES
WASH Programme	Rehabilitation of 3 hand pump in Makandiana (2) and Tientogo (1).	Water supply: to ~1,200 households of Makandiana and Tientogo village.
	Construction of a new hand pump in Kona Bozodaga.	Water supply: Kona Bozodaga ~500 people.
	Construction of a new water supply system in the Yanfolila prefecture.	Water supply: To local authorities and their staff.
Food Security	Development of 3 market gardening areas covering 4 hectares and training of women in market gardening techniques.	Women from the villages of Bougoudalé, Tientogo and Makandiana ~200 people.
Community Health	Construction of the Kabaya maternity.	Improve health coverage in the area in the commune of Djallon Foula. Kayaa, Konissana and Siradiouba population.
	Subsidy for the salary of health workers and payment of Dr Niagale TOURE CSCOM Bougoudalé 6 months.	Support the efforts of the municipality in the field of community health in 10 villages.
	Purchase of equipment for the Bandjougoufara dispensary and the Soloba CSCOM.	Strengthen the material capacity of these centres which service villages of Soloba and Banjougoufara with a total of 5,219 people.
Local economic development	Training of women from Soloba, Komana, Leba, Bougoudalé and Tiemba villages in shea butter processing techniques.	Economic empowerment: to 18 women across four villages.
	Construction of two chicken coops in Donsosso and Tiemba and involving youths in the income generating activity.	20 young people from Tiemba and Donsosso.
Education	Rehabilitation of the Teguelendougou school.	Access to education: To ~200 children.
	Sponsorship of teacher salary.	Improving the education system in the municipalities: covering 10 villages.
Rehabilitation of community roads	Komana road maintenance. Tiemba, Bougoudalé, Soloba, Banatomon. Traversée Faranico Soloba.	The project will result in infrastructure development and increased connectivity paths for rural communities of the commune of Yallankoro, Soloba and others.

Artisanal and small-scale mining ("ASM")

Hummingbird remains committed to a non-confrontational relationship with ASM and is aware of its legal obligations to work closely with host governments to prevent illegal mining in licensed areas. Hummingbird is cognisant that ASM plays an important role in community livelihood provision. However, it is also concerned about the health and safety risks, environmental impacts (for example the use of mercury by artisanal groups), as well as the disruptive impacts they can have on local communities.

During 2021, the number of ASM miners increased in Yanfolila as compared to 2020, something also experienced by other mines in Mali. The increase in ASM was exacerbated by the rise in the price of gold, as well as an increase in unemployment, poverty caused by the pandemic and sanctions on Mali.

In 2020, as recommended by the Government of Mali, we fenced off certain priority areas to facilitate security checks. We recognise the complexities associated with the control and management of ASM activities and the need for a multi-disciplinary response. We are working with national and local governments to progress a potential regulated ASM corridor in the region, as well as ways to improve livelihood and education programmes.

Security and human rights

The Voluntary Principles on Security and Human Rights reflect the responsibility of businesses to avoid harming people and to address adverse impacts of activities with which they are involved. Recognition and protection of human rights are critical components of Hummingbird's security strategy. The Company has security employees, retains private security contractors both on site and in consultative roles, and benefits from the support of Gendarmes and National Guard elements in each of Mali and Guinea.

Security personnel at Hummingbird are mandated to treat all persons humanely, with respect for applicable legal principles and their dignity, privacy, safety, and human rights, and to report and investigate any violation of human rights to competent authorities. The resulting implementation of policies, standards and practices ensures this is carried out responsibly, with any response being proportionate to the threat. The Company is developing training packages to ensure all providers meet Hummingbird's high standards in this regard.

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 apply our 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, continuous and regular environmental monitoring has been undertaken, included air quality sampling, water quality sampling, monthly noise monitoring and continuous particulate monitoring. We have also improved 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 consequently manage them more proactively.

WATER USE, MANAGEMENT OF WASTEWATER AND TAILINGS

Hummingbird utilises fresh water from the river and extracts mineral groundwater from the dewatering of open pits as well as returning water from the Tailings Storage Facility ("TSF") for use in the processing plant. Abstraction of fresh water from the river decreased, while quantities of groundwater pumped from the dewatering network remained similar to the 2020 volumes. In 2021, the focus has been to increase the amount of the water from the TSF return pump in order to further 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 four additional evaporators in 2021.

Overall, 80% of water used in the plant is recycled, with water pumped from the river and from boreholes having decreased, and water return from the TSF having increased, being a positive outcome.

We also manage run-off from our facilities including the waste rock dumps in order to ensure compliance with our mining license permit. The TSF operates as a zero-discharge facility. Our aim is to continue to increase the percentage of water recycled in mineral processing (largely from TSF reclaim).

In 2021, no significant water quality impacts were recorded to the discharging environment. We did note a moderate spill from the tailings pipeline from the plant to the site was recorded in Q4 2021 as a result of vandalisation. However, 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 two minor environmental incidents were recorded through the year; all were of negligible impact and were remediated swiftly.

> "overall, 80% of water in the plant is recycled

TSF MONITORING

The TSF is independently audited quarterly by a chartered engineer. Inspections are conducted to assess the tailings storage operations in alignment with 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.

Quarterly audits to ensure the structural integrity of the TSF were undertaken in 2021 by three different Government entities namely the Nation of Direction of Geology and Mining ("DNGM") for classified facilities and chemicals; the National Water Laboratory ("LNE") and the Service of Sanitation, Pollution and Nuisance Control ("SACPN") from Yanfolila and forestry department.

In 2021 Hummingbird invested in management of the TSF water balance through increased pumping, improved water recovery rates as well as completion of the Stage 4 downstream raises. A Stage 5 raise will be completed in Q1 2022. Four evaporators were commissioned in Q4 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

MALI OPERATION – GHG EMISSIONS	SCOPE 1*
GHG Emissions 2021 in tCO^2e	82,069.31 tCO^2e

* Scope 1: emissions are direct green-house gas ("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).

On-site power generation as well as fuel consumption from the Yanfolila mining fleet continues to represent the vast majority of our GHG emissions. In 2021, 44,594.58 MW of power was generated from diesel generators, operated by our partner Aggreko. A total of 31,069,306.48 litres of fuel was consumed at Yanfolila in 2021, primarily by the generators, process plant, the contract mining fleet, and other vehicles. This calculates to 82,069,306.48 tCO^2e (tons of CO^2 equivalent), which equates to 0.82 tCO^2/Au oz. There is no material GHG impact on the UK corporate office.

The rise from 2020 levels in 2021 of c.9%, 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.

New initiatives are being analysed at a Group level to minimise climate risks impacts at all our assets and ways to lower our overall carbon footprint. This is demonstrated in our commitment by planning and designing for climate risks and impacts on all new projects. This includes the integration of solar energy at Kouroussa, coupled with heat recovery units. It is estimated that embedding these technologies will lead to a reduction of tCO^2/Au oz emission versus normal power generation technologies and reduced fuel usage as detailed below based on our preliminary Kouroussa power contractor negotiations:

- The annual total m³ reduction in CO^2 gases from the Solar PV system operation estimated to be 10,768,703 kg / 5,865,306 m³ and an estimated saving of c.$4.1 million per year in fuel usage
- The annual total m³ reduction in CO^2 gases from the heat recover generator system operation estimated to be 1,206,946 kg / 657,377 m³ and an estimated saving of c.$465,000 per year in fuel usage

At Dugbe in Liberia, the DFS is expected to include energy solutions to reduce GHG emissions, including investigating the use of LNG power with solar. GHG emissions are expected to be reduced by c.38% relative to the PEA.

We engage to report transparently on our progress in reducing GHG emissions and meeting our climate change objectives in 2022 with regular discussion on the topic in our ESG Committee meetings. Assessment of our climate change related risks primarily focuses on our core operations will remain our focus, 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.

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 four 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 southwestern 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, and food security.

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 2021, 73.1 hectares of land were disturbed at Yanfolila, Mali. The Company continued with a progressive rehabilitation programme as set out in our environmental permit requirements for afforestation, with ~10,000 trees planted over ~25 hectares in 2021, which was above the required level and that of 2020.

A further 25 hectares will be planted in 2022, and Hummingbird is looking at ways to accelerate the Yanfolila tree planting programme in 2023 to achieving the 170-hectare outcome earlier. The Company will continue working with a team of women from the local community who are growing and nurturing the seedlings in their market gardens. The team has been trained by the Yanfolila forestry department. We believe this initiative should not only 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.

For Kouroussa, we are exploring a similar plan to that as being successfully achieved at Yanfolila and will report more on this in our 2022 annual report.

BIODIVERSITY AND PROJECTED AREAS

For Yanfolila, 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 are managing our impacts accordingly. The Yanfolila ESIA studies were reviewed in order to develop a standalone Biodiversity Management Plan. The Plan notes that no significant adverse impacts would be expected to occur from mine development, and standard mitigation measures are appropriate.

For Kouroussa an updated biodiversity study was completed in the updated ESIA report, that was submitted to the inter-ministerial technical committee in December 2021 for approval. See further details below.

At Dugbe, biodiversity surveys are underway as part of the ESIA in progress and with a feasibility study scheduled for completion in Q2 2022. 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 Performance Standard 6. The current comprehensive biodiversity fieldwork has identified areas of lower sensitivity, enabling the location of key project infrastructure with reduced environmental impacts.

ESIA AND PERMITTING, YANFOLILA, MALI

At Yanfolila, the environment team is integrated into the development of the ongoing mining and exploration plans, assisting with impact screening 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. In 2021, further ESIA studies were 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. ESIA studies in 2021 are as follows:

- Sanioumale East pit Resettlement Action Plan permit: A permit application has been lodged with the relevant authorities and we are waiting for the resettlement permit to be issued
- Komana East Underground: the environment permit was issued on 10 March 2022; we are presently waiting for the mining permit to be issued
- Water concession authorisation: A permit application has been lodged with the relevant authorising government department

ENVIRONMENTAL INCIDENTS

No Reportable (High, Major or Extreme) Incidents recorded in 2021.

We recorded six environment incidents, of which five where minor cases of Loss of Containment and one moderate case of soil erosion in crop field crops.

CATEGORY	NUMBER
Extreme	0
Major	0
High	0
Moderate	1
Minor	5

KOUROUSSA, GUINEA ESIA

The Kouroussa project was subject to an ESIA as a prerequisite to obtaining an environmental authorisation for the mine development. An updated ESIA report was initiated by senior management and the board to ensure it incorporated leading ESG standards and adhered to the WGC RGMPs in 2021 using new data on social and biodiversity baseline studies. Details of the Kouroussa ESIA were provide in last years annual report.

The updated ESIA report was successfully presented and submitted to the inter-ministerial technical committee in December 2021 for approval. It is anticipated that this updated version will support the renewal of the Kouroussa certificate of environmental and social conformity.

DUGBE, LIBERA ESIA

The Dugbe ESIA scope work as completed by Pasofino in 2021 was approved by the Liberian government EPA and the draft project description was reviewed. A large team of specialists completed an intensive biodiversity campaign covering the project site and key surrounding ecosystems. Two specialist reports were completed (traffic and soils) and three more are nearing finalisation (noise, air quality, community). ESIA Chapters 1 and 2 (intro and legal), 5 (project description) and elements of the ESIA (framework management system) have been drafted and reviewed, with the ESIA scheduled to be completed in 2022 by Pasofino.

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 2021 is shown below.

	2021 $'000	2020 $'000
Continuing operations		
Revenue	**162,777**	**185,072**
Production costs	(113,606)	(93,975)
Amortisation and depreciation - owned assets	(26,250)	(29,055)
Amortisation and depreciation - right of use assets	(12,067)	(12,312)
Royalties and taxes	(6,297)	(6,747)
Cost of sales	**(158,220)**	**(142,089)**
Gross profit	**4,557**	**42,983**
Share based payments	(1,459)	(2,081)
Other administrative expenses	(10,263)	(8,928)
Operating (loss)/profit	**(7,165)**	**31,974**
Finance income	4,071	2,014
Finance expense	(6,003)	(9,288)
Share of joint venture loss	(46)	(17)
Reversals in impairment of financial assets and liabilities	108	397
(Loss)/gain on financial assets and liabilities measured at fair value	(3,134)	1,203
(Loss)/profit before tax	**(12,169)**	**26,283**
Tax	1,617	(1,135)
(Loss)/profit for the year	**(10,552)**	**25,148**

Principal items of income and expense are explained as follows:

REVENUE

Total Group sales was $162.8 million (2020: $185.1 million).

The Group's Malian subsidiary sold 87,554 ounces of gold dore generating revenue of $156.6 million (2020: 104,174 ounces for $181.7million), a 14% decrease in revenue. The average realised price for gold dore was $1,788 per ounce (2020: $1,745 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 $6.2 million (2020: $3.4 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 $158.2 million (2020: $142.1 million) primarily relate to the following cost elements:

- Mining costs of $51.7 million (2020: $48.2 million), represents both owner and contract mining costs. During 2021, Junction Contract Mining ("JCM") were the mining contractor who performed the full mining scope from mining, production drilling and blasting, to ore haulage for processing. JCM replaced African Mining Services ("AMS") on 1 April 2021 on similar terms. The mining contract is 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 $13.9 million (2020: $13.7 million) which are treated as lease payments under IFRS 16.
- Processing costs of $28.0 million (2020: $24.8 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, plus increased maintenance costs due to the plant being a year older.
- Inventory adjustments were a charge to income statement of $8.9 million (2020: $0.8 million charge 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 2021 due to timing of the shipments at year end as well as lower ore stockpiles primarily due to the mining contractor's excavator fleet not meeting the contracted mining rates resulting in depletion of the current stockpiles and higher charge to the income statement. Included in inventory adjustments is $nil (2020: $nil) to carry inventory at lower of cost and net realisable value.
- Support costs of $19.5 million (2020: $18.0 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 $nil million relating to gold put options costs (2020: $0.9 million).
- Amortisation and depreciation on owned assets of $26.2 million (2020: $29.1 million). Amortisation and depreciation costs are for most part, based on a unit of production method, in line with ounces produced. The decrease year on year reflects a larger depreciable base offset by lower ounces produced.
- Amortisation and depreciation on right of use assets of $12.1 million (2020: $12.3 million). This represents depreciation and amortisation of leased assets under IFRS 16, "Leases". 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 $6.3 million (2020: $6.7 million), primarily representing amounts payable to the Government of Mali.
- Gold grain and investment gold coins cost of sales of $5.5 million (2020: $2.3 million) representing the cost of purchasing, transporting gold grain and minting investment gold coins.

OTHER ADMINISTRATIVE EXPENSES

Other administrative costs of $10.2 million (2020: $8.9 million), represents mainly support costs including staff costs and professional fees, as well as business development costs, a $1.3 million increase from prior year.

FINANCE INCOME AND EXPENSES

Finance income of $4.1 million (2020: $2.0 million), represents interest on deposits and receivables and foreign exchange gains.

Finance expenses of $6.0 million (2020: $9.3 million), represents interest and amortised costs on borrowings, foreign exchange losses, and unwinding of present value discounts on provisions.

GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES CARRIED AT FAIR VALUE THROUGH PROFIT

The Group recognised a loss of $3.1 million (2020: gain of $1.2 million) during the year from assets at fair value through profit or loss. This loss was made up of losses of $1.6 million from the Group's investment in Bunker Hill due to decrease in share price over the year with the balance relating to a decrease in the Cora Gold holding before it was sold in June 2021. The 2021 movement also included a net loss of $1.5 million related to the changes in the Group's discount rate and the impact this had on both the deferred consideration and the smelter royalty liabilities resulting from the Cassidy acquisition.

TAXATION

The taxation of the Group's operations in Mali are aligned to the mining convention (under the Mining Code of Mali 1999) in accordance with which tax is charged at an amount not less than 1% of turnover and not more than 30% of taxable profits. A deferred tax assets of $11.4 million and deferred tax liabilities of $7.6 million have been recognised on 31 December 2021, resulting in a net deferred tax income of $3.2 million (2020: net deferred tax income of $0.7 million) being recognised within tax expense.

STATEMENT OF FINANCIAL POSITION

An abridged analysis of the statement of financial position as at 31 December 2021 is shown below:

	2021 $'000	2020 $'000
Non-current assets	279,626	248,402
Current assets	38,300	33,076
Cash and cash equivalents	36,739	11,068
Total assets	**354,665**	**292,546**
Non-current liabilities	56,325	30,743
Non-current borrowings	61,812	-
Current liabilities	62,815	65,334
Current borrowings	-	13,208
Total liabilities	**180,952**	**109,285**
Net assets	**173,713**	**183,261**
Equity attributable to equity holders of the parent	163,581	173,485
Non-controlling interest	10,132	9,776
Total equity	**173,713**	**183,261**

Principal movements in assets and liabilities are explained as follows:

TOTAL ASSETS

As at 31 December 2021, the Group's assets totalled $354.7 million, an increase of $62.1 million on the prior year. 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 $31.2 million during the year, as a result of both additions and offset by depreciation and amortisation charges. 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. The leased asset balance increased $22.2 million (net of depreciation), because of change of mining contractor during the year. Property, plant, and equipment additions included $2.9 million sustaining capex in Mali, mainly to increase the capacity of the tailings storage facility, $6.0 million expansion capex (mainly Saniomale East and West, Gonka and Komana East Underground Studies). A further $15.0 million was spent at Kouroussa as the construction ramped up following the approval of the project by the board. Also included in non-current assets is the $3.5 million (2020: $5.0 million) Bunker Hill investment. Other additions during the year included exploration and evaluation expenditure of $9.1 million primarily in Mali. Depreciation and amortisation charges on property, plant and equipment was $26.2 million and depreciation on right of use asset of $12.1 million.

- **Current assets**
  Increased by $5.2 million during the year, comprised of $12.0 million increase in VAT recoverable offset by a $7.0 million decrease to inventories. In line with our mining convention in Mali, the value added tax ("VAT") exemption period of 3 years came to end on 5th April 2021. VAT is now paid at 18% on qualifying purchases and reclaimed from the Government of Mali. The time to receive VAT from the Government of Mali is unpredictable. Approximately $13 million of VAT has been paid in Mali during 2021, and although all VAT submissions have been submitted to the Government, due to sanctions we have only been able to offset approximately $1.9 million of VAT against other taxes at the end 31 December 2021, and $11.2 million in VAT recoverable is outstanding as at 31 December 2021, which is expected to be received via offset of future taxes or cash. Indications are once sanctions are lifted; recovery is expected to resume. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA"). Decrease to inventory was mainly impacted by decrease in ore stockpiles of $8.9 million because of our mining contractor's excavator fleet not meeting the contracted mining rates resulting in a depletion of the ore stockpiles. There was also an increase in the grain and coins inventory of $0.7 million compared to previous year.

- **Cash and cash equivalents**
  As at 31 December 2021 the Group held cash and cash equivalents of $36.7 million, of which $4.2 million is restricted in accordance with the Group's borrowing obligations (2020: $11.1 million, of which $4.5 million was restricted). See analysis of consolidated statement of cashflow.

TOTAL LIABILITIES

As at 31 December 2021, the Group's liabilities totalled $181.0 million, an increase of $71.7 million on the prior year. Total liabilities were mainly impacted by the $66.4 million (CFA 38.5 billion) draw down on the Coris loan by the Malian subsidiary. Total liabilities movements were also impacted by:

- **Current liabilities (excluding borrowings)**
  Decreased by $3.1 million during the year, mainly related to the accelerated payments to certain suppliers during the year offset by a $2.6 million increase in IFRS 16 lease liabilities following the change of mining contractor during the year. This balance represents the short-term position of the lease liabilities for the right of use assets.
- **Non-current liabilities (excluding borrowings)**
  Increased by $25.6 million during the year, as a result of $2.3 million increase in the 2% smelter royalty liability retained by Cassidy as part of the Kouroussa acquisition. There was also a $6.1 million increase in the rehabilitation provision representing the present value of estimated future rehabilitation costs relating to mine sites (note 18). There was also a net increase of $18.5 million in IFRS 16 lease liabilities following the change of mining contractor during the year to reflect a new longer mining contract.
- **Borrowings**
  Borrowings (including capitalised issue costs) increased by $48.6 million during the year. The increase is the net result of a $66.4 million drawdown on the new Coris Loan (note 17), $13.3 million paydown of the Senior Loan Facility and Ball Mill Facility, foreign exchange movements plus issue costs capitalised.

CONSOLIDATED STATEMENT OF CASH FLOWS

An unabridged analysis of the consolidated statement of cash flows for the year ended 31 December 2021 is shown below.

	2021 $'000	2020 $'000
Net cash inflow from operating activities	**22,703**	**66,256**
Investing activities		
Purchases of intangible exploration and evaluation assets	(9,992)	(2,601)
Purchases of property, plant and equipment	(22,295)	(18,136)
Pasofino funding	10,141	5,559
Pasofino funding utilisation	(10,946)	(4,673)
Asset purchase, net of cash acquired	-	(35)
Purchase by non-controlling interest	-	1,883
Sale/(purchase) of shares in other companies	2,538	(393)
Interest received	-	11
Net cash generated from/(used in) investing activities	**(30,554)**	**(18,385)**
Financing activities		
Exercise of options	-	532
Lease principal payments	(13,201)	(12,663)
Lease interest payments	(819)	(1,201)
Loan interest paid	(2,413)	(2,547)
Loan drawdown	66,365	-
Loans repaid	(13,278)	(29,252)
Commission and other fees paid	(3,721)	(571)
Net cash used in financing activities	**32,933**	**(45,702)**
Net increase in cash and cash equivalents	**25,082**	**2,169**
Effect of foreign exchange rate changes	589	370
Cash and cash equivalents at beginning of year	**11,068**	**8,529**
Cash and cash equivalents at end of year	**36,739**	**11,068**

NET CASH GENERATED BY OPERATING ACTIVITIES

During the year ended 31 December 2021, the Group generated $22.7 million cash inflow from operating activities, a $43.6 million decrease from 2020. Net cash flow from operations was lower largely as a result of lower quantity of gold sold during the year slightly offset by a slightly higher realised price. 2021 cash flows from operating activities exclude 'lease' cost for the mining equipment and generators of approximately $14.1 million treated as lease payments under IFRS 16 and which is reflected under financing activities.

NET CASH USED IN INVESTING ACTIVITIES

During the year ended 31 December 2021, the Group reported a $30.6 million cash outflow from investing activities (2020: $18.4 million cash outflow), $22.2 million on property plant and equipment. $8.9 million exploration and evaluation assets, largely in Mali. The Group also received $10.1 million from Pasofino as part of the earn-in agreement on Dugbe, of this advance $10.9 million was utilised by year end (including the cash that was left over from 2020). $2.6 million was realised from the sale of the remaining shares in Cora Gold.

NET CASH USED IN FINANCING ACTIVITIES

During the year ended 31 December 2021, the Group reported a $32.9 million cash inflow from financing activities (2020: $45.7 million cash outflow), of which $66.4 million was draw down on the new Coris Loan to aid the funding of Kouroussa and $15.7 million was scheduled debt, fees and interest repayments on borrowings. Further, loan fees of $3.7 million was paid in relation to the new Coris Loan.

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

AT 31 DECEMBER 2021	LESS THAN ONE YEAR $'000	BETWEEN ONE AND FIVE YEARS $'000	OVER FIVE YEARS $'000	TOTAL $'000
Trade and other payables (note 21)	33,708	-	-	33,708
Other financial liabilities (note 22)	15,000	9,092	-	24,092
Deferred consideration (note 23)	-	4,627	-	4,627
Lease liabilities (note 19)	13,496	20,962	-	34,458
Borrowings (note 17)	-	61,812	-	61,812
	62,204	96,493	-	158,697
Other commitments (note 30)	10,366	-	-	10,366
	72,570	96,493	-	169,063

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

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 and fair value adjustments, 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

	2021 $'000	2020 $'000
Net (loss)/profit before tax	**(12,169)**	26,283
Less: Finance income	**(4,071)**	(2,014)
Add: Finance costs	**6,003**	9,288
Add: Depreciation and amortisation	**38,395**	41,685
EBITDA	**28,158**	75,242
IFRS 16 lease interest and principal payments	**(14,020)**	(13,864)
Share based payments	**1,372**	2,551
Share of joint venture loss	**46**	17
Reversals in impairment of financial assets	**(108)**	(397)
Losses/(gains) on financial assets and liabilities measured at fair value	**3,134**	(1,203)
Adjusted EBITDA	**18,582**	62,346

NET CASH RECONCILIATION

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

Reconciliation of net cash

	2021 $'000	2020 $'000
Group cash balances (including restricted cash)	**36,739**	11,068
Add: Gold on hand (including SMO gold)	**4,089**	3,655
Less: Bank debt	**(61,812)**	(13,208)
Net (Debt)/Cash	**(20,984)**	**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

	2021 $'000	2020 $'000
Group cost of sales	**158,220**	142,089
SMO cost of sales	**(5,531)**	(2,327)
Depreciation and amortisation within costs of sales	**(38,316)**	(41,367)
Lease charges under IFRS 16 relating to mining operations	**14,020**	13,673
Corporate recharges and administration costs applicable to mining operations	**3,148**	2,925
Cash cost	**131,541**	114,993
Mine sustaining capital expenditures	**2,903**	4,529
All-in sustaining cash cost	**134,444**	119,522
Ounces sold	**87,553**	104,174
Cash cost per ounce	**1,502**	1,104
All-in sustaining cash cost per ounce	**1,536**	1,147

Cash costs were adversely impacted mainly due to the lower production primarily due to our mining contractor's excavator fleet not meeting the contracted mining rates.

Exploration costs and expansion capital expenditures, for example development and expansion costs incurred on Gonka, SE, SW and KE Underground, which were all under development in the year, 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 (Our Strategy, Our Values and Principles, Our Priorities, the Chairman's Statement, CEO's Statement, COO Operational Review, Financial Review and Sustainability Report) form part of this Strategic Review in order to achieve compliance with provision of the Companies Act 2006.

RISK MANAGEMENT FRAMEWORK

The Board analyses the Company's risks and mitigation measures that have been put in place on a regular basis. Reports are provided monthly to the Board via its various subcommittees including operational reports, sustainability reports, community reports, cost analysis and compliance reports to facilitate ongoing comprehensive assessment of the Company's primary and emerging risks.

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. 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 continually reviews and implements targeted projects seeking to enhance the reliability, effectiveness and long-term profitability of the Yanfolila Gold Mine. 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 start of the construction of the Kouroussa Project in Guinea provides the Group with optionality and moves the Company towards being a multi-asset producer. ▪ The earn-in agreement with Pasofino also ensures the Dugbe Project in Liberia is progressed. ▪ Further, ongoing exploration and development 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 has historically from time to time purchased 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. The mining contractor's performance in 2021 and early 2022 has been below expectations largely due to availability, and productivity stemming from cumulative maintenance deficiencies. 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. The Company has brought in additional fleet and personnel to support the contract miners' fleet and continues to work with the contractors to seek to mitigate this risk.
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/or external reviews before being classified as resources and reserves or being used to support long term 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, relevant and up-to-date information on activities impacting shareholders and other key stakeholders.

RISK	MITIGATION / MANAGEMENT RESPONSE
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.
Health and 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 advisor Critical Care International for guidance.
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.

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
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.
Geopolitical risks	
The recent changes to governments in Mali and Guinea together with the ongoing economic sanctions in Mali have had an impact and disruption to logistical movement, of people, goods, supplies, spares, reagents, and the export of gold which has had some impact on our ability and cost to operate. Further, the current conflict between Russia and Ukraine has had a significant impact on both the availability and cost of fuel supplied to West Africa. Should this conflict continue then there is an ongoing risk to fuel supply and costs. Should further sanctions be placed or existing sanctions continue for an extended period, there is an increased risk to the ability to operate.	In respect of the recent changes in government and sanctions the Company continue to engage the necessary authorities in the relevant countries where necessary to limit any disruption to the business. The Company monitors its supply chain and works closely with key suppliers and business partners to seek to mitigate material risks in this area.

RISK	MITIGATION / MANAGEMENT RESPONSE
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. In November 2021, the Company announced an updated Company Reserve statement which showed over 1.12 million ounces, 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.
Capital project delivery	
The Group is embarking on a large-scale capital project in respect to construction of the Kouroussa Project in Guinea. 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

OPERATIONAL REVIEW

RISK	MITIGATION / MANAGEMENT RESPONSE
Pandemic Risk	
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. Should new variants of COVID-19 emerge, or a new pandemic occur, 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.	The easing of the various COVID-19 related restrictions across the globe has helped, however, there remains a risk Throughout 2021 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 have included: ■ 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. ■ COVID-19 vaccination programme 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 draws upon the expertise of its medical partner Critical Care International to developing its approach to risks of pandemics.

DIRECTORS' SECTION 172 (1) STATEMENT

The Board of Directors (the ''Board'') understands its duties and responsibilities under section 172 (1) of the Companies Act 2006 (the ''Act'') to promote the success of the Company, having regard to:

a the likely consequences of any decision in the long term

b the interests of the Company's employees

c the need to foster the Company's business relationships with suppliers, customers and others

d the impact of the Company's operations on the community and the environment

e the desirability of the Company maintaining a reputation for high standards of business conduct

f the need to act fairly as between members of the Company.

Below are a number of examples highlighting key stakeholder groups identified by the Board, and key processes that demonstrate the Board acts 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, as well as have regard to wider stakeholder groups.

Key stakeholder groups identified are:

1 OUR SHAREHOLDERS

Shareholder value is vital in the Board decision making process. We hold regular sessions with investors, we also maintain a comprehensive programme of engagement with shareholders 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 2022, including shareholder Q&A sessions through various platforms. The Board receives regular updates from executive and senior management team on share analysis, shareholder interactions and feedback.

In addition to the regular interactions with our shareholders, the AGM continues to provide direct communication platform with our shareholders. Although we were not able to hold in person AGM in 2021 due to COVID-19 restrictions, we encouraged our shareholders to send their questions in advance of the meeting, they responded timely.

2 LOCAL COMMUNITIES

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.

- 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 2021, 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 2021 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.

3 OUR BUSINESS PARTNERS

The Board understands the Company's success is directly impacted by our long-term relationship with our customers and suppliers, which is based on trust and mutual benefits. Our business partners worked with us closely throughout the year, their support was crucial to our success in managing various challenges that were impacted by the COVID-19 pandemic and sanctions.

We regularly hold meetings with our business partners to review their performance, and the Board as a whole, maintains oversights through communications and feedbacks from the executive and senior management teams.

4. EMPLOYEES

Employees are critical to the success of the Company and are central to our ambitious corporate goals. In 2021, the Company engaged a Group People and Performance Officer with the remit to address clear accountabilities, performance management, communications and to promote organisational culture.

OPERATIONAL REVIEW

Examples of key board decisions:

1 KOUROUSSA MINING LICENCE

Context

Following the acquisition of the Kouroussa Project in 2020, the board has been committed to advance the project. We announced on 20 May 2021 that the Company had been granted the mining licenses for the Kouroussa Gold Project in Guinea by the Government of Guinea, which marked an important step for the Company.

Section 172 factors considered

- **Long-term consequences of the decision**
  The granting of the mining licenses provided significant long-term strategic step for the Company to move from being a single asset producing gold company, towards being a multi-asset producing gold company in multiple jurisdictions, to maximise value to all stakeholders whilst delivering long term shareholder value, as well as having a significant impact on the host country's economy.
- **Interests of the Company's employees**
  The Kouroussa project has created 76 job opportunities, as well as provided career development opportunities for a number of our existing employees which helped them to broaden their career horizons.
- **Impact of the Company's operations on the community and the environment**

The Kouroussa project has already had impact on the community and environment, as well as job opportunities for the Guinean national. We try to reduce carbon footprint by considering and evaluating alternative energy sources and tailings storage facilities where practical.

2 RESPONSIBLE GOLD MINING PRINCIPLES

Context

We announced in November 2021 that the Company had successfully received an independently audited assurance report, highlighting the achievement of two consecutive years' conformance with the World Gold Council's Responsible Gold Mining Principles ("RGMPs").

Section 172 factors considered

- **The desirability of the Company maintaining a reputation for high standards of business conduct**

Launched by the WGC in September 2019, the RGMPs provide a sustainable reporting framework that supports international best practice in addressing key environmental, social and governance ("ESG") requirements as to what constitutes responsible gold mining via ten umbrella principles and 51 detailed principles.

By receiving an independent audit report, it demonstrated the Company is committed to operate responsibly for the benefit of all stakeholders and to maintain a reputation for high standards of business conduct.

- **The likely consequences of any decision in the long term**

Adopting the World Gold Council's RGMPs is a key part of the Company's strategy for building a long term, sustainable mining company for the benefit of our shareholders and stakeholder groups. Meeting RGMPs' requirements demonstrated a high standard of ESG performance, which is essential for the Company's social licence to operate in the countries and communities we engage with and work in.

Further examples of how the board discharged its duties and key processes that demonstrate the Board acts in the way that they consider in good faith, to be most likely to promote the success of the Company for the benefits al stakeholder can be found throughout the Sustainability Report from page 23.

DE Betts
Director

26 May 2022

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 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 51 to 58 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 2021 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 2021 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 2020, 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.

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

The Company 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 identified and outlined in both the Strategic Review and note 28 to the Consolidated Financial Statements. The Audit Committee assists the Board in fulfilling its responsibilities regarding financial reporting, external and internal audit, risk management and controls and to oversee policies on whistleblowing, compliance, fraud, and anti-bribery.

The Company faces mining and technical challenges, the Technical Advisory Committee assists the Board in carrying out functions and duties including reviewing ongoing technical performance of the Company, evaluating the effectiveness of the Company's policies and systems for identifying and managing operational 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.

All board members contribute a significant amount of their time to discharge their duties and responsibilities. The two Executive Directors are full time employees of the Company, the five Non-Executive Directors are remunerated on a fixed fee part time basis. 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.

Biographies of all Directors are included on page 74.

The Board had four scheduled meetings in 2021 and where necessary additional meetings were held to discuss matters outside of the Board's regular agenda items. During 2021, 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 2021:

DIRECTOR	BOARD OF DIRECTORS	AUDIT COMMITTEE	REMUNERATION COMMITTEE	TECHNICAL ADVISORY COMMITTEE
Russell King	4/4	-	-	-
Dan Betts *	4/4	-	-	-
Thomas Hill *	4/4	-	-	-
Stephen Betts	4/4	-	-	-
David Straker-Smith	4/4	4/4	4/4	-
Attie Roux	4/4	-	-	13/13
Ernie Nutter	4/4	4/4	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 Remuneration Committee is responsible for regularly assessing the balance of skills and experience and commissioned a survey on the Board Diversity and Skills in July 2021. The survey looked into each of the board members' skills, experiences and attributes in a wide range of areas, including Finance, Mining Operations, Investors Relations, Legal and Governance, Risk Management and ESG and Sustainability. The resulted confirmed 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 and discusses the effectiveness of the board on a quarterly basis, seeking to identify opportunities for improvement with the overriding objective of maximising long-term shareholder value.

The Company implemented a formal assessment process, which employees' performance, including the Executive Directors are assessed annually against the agreement personal objectives and targets.

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 which are set out below:

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

The Company, wherever it operates in the world, is committed to adhering to the highest standards of ethical behaviour in the conduct of its business.

The Company has no tolerance for bribery and corruption, and this applies without any exception for cultural differences. The Company has an Anti-Bribery and Corruption Policy, which is reviewed by the Audit Committee annually and updated if appropriate. This Policy is available in French and is accessible to all employees. All employees are required to attend anti-bribery trainings, either face to face or e-learning. A dedicated whistleblowing telephone numbers and email address have been set up for the Yanfolila operations, for employees to report suspected wrongdoings in confidence.

Additionally, the Company is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or any part of the business and has planned to perform risk based due diligence on key suppliers.

The Company has adopted Code of Conduct, which is based on the core values, provides guidance as to how the Company and its associated companies, employees and business partners should operate. Along with the Code of Conduct, there are several group level policies supporting ethical business approach, including Whistleblowing Policy, Human Rights Policy, Environmental Policy and Supply Chain Policy.

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 59 and 62.

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 and Wayne Galea. John Meneghini served as a committee member until June 2021.

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 comprises a minimum of an independent ESG specialist Chairman from outside the Company and the Company's head of ESG, with other senior members of the organisation invited and attending the ESG Committee meetings when scheduled at a minimum each quarter.

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.

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 2022

audit committee report

Dear Shareholder,

I am pleased to present you the Audit Committee Report for the financial year ended 31 December 2021.

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 4 meetings in 2021 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

During 2021, the Committee spent time considering the significant issues of judgment relating to the financial statements, including but not limited to those listed below. In each case, the Committee's work was to ensure that issues are identified early and that accounting judgments adopted were sound.

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 2023 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 and the recent higher gold prices being sustained. 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 and potential disruptions associated with the recent change in governments in Mali and Guinea and subsequent sanctions on Mali, the sanctions on Russia as well as COVID-19.

The biggest material uncertainty and risk remains ounces produced and whether the current mine plan can be achieved, mining contractor equipment performance, the impact of COVID-19, and impact of the latest change in government and resulting sanctions in Mali and sanctions on Russia which are also having a logistical impact on the Group. Where additional funding may be required, the Group believes it has several options available to it, including but not limited to, use of the overdraft facility, cost reduction strategies, selling of non-core assets, raising additional funds from current investors and debt partners.

The Committee also considered sensitivities to those cash flow scenarios (including where production is lower than forecast and gold prices lower than current levels) which would require additional funding. Should this situation arise, the Committee believe that they have several options available to them, such as use of the current overdraft facility, obtaining additional funding, delaying expenditures, sale of non-core assets, which would allow the Group to meet its cash flow requirements through this period, however, there remains a risk that the Group may not be able to achieve these in the necessary timeframe.

Based on its review, the Committee has a 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. However, the risk of lower-than-expected production levels, timing of VAT offsets and receipts, increased fuel costs and potential disruptions to supply chain and the ability to secure any potential required funding at date of signing of these financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

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.

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 2021, 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 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.

During 2021, Pasofino continued to progress the project in Liberia. This continued activity provided clear indication of no indicators of impairment under IFRS 6 and hence no impairment assessment was required. However due to the market capitalisation of Pasofino, management did an assessment of 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 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 2021 Preliminary Economic Assessment ('PEA'). During 2021, Pasofino's share price was down which may not reflect its true value as they finalise their earn in programme in Liberia. The net present value method further proved that no impairment loss was to be recognised for the year ended 31 December 2021.

Further exploration work was completed in the Malian licence areas in 2021, further providing evidence that there were no indicators of impairment. Management also 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 2021.

As at 31 December 2021, the Guinean E&E assets were immaterial and therefore considered to not present a material risk of material misstatement and for this reason no impairment assessment was carried out.

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 (capitalisation) against book value (net assets) at 31 December 2021, 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 value of use.

The principal CGUs, to which mine property, plant and equipment relates is the Group's Yanfolila Gold Mine in Mali (operating segment) and the Kouroussa Gold Project in Guinea which is currently under construction. In determining the recoverable amount of the Malian CGU at 31 December 2021, 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 of the Malian CGU:

Gold price ($ per ounce):	2021: $1,750 2020: $1,700	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):	2021: 12.58% 2020: 21.47%	In determining the value in use of the 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 Mailian CGU, no impairment loss was recognised for the year ended 31 December 2021. At around 8% lower production, the headroom is eroded and value in use is equal to the carrying value of the CGU. There is a possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets.

No impairment assessment was considered necessary with respect to the Kouroussa Gold Project in Guinea as it is still under construction.

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 $8,585,000 (2020: $9,302,000), 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 Société Des Mines De Komana SA (which would take its total interest in Société Des Mines De Komana SA to 20%). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of this 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 $108,000 as at 31 December 2021. This takes the net lifetime expected credit loss for the full balance to $1,288,000 as at 31 December 2021. 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.

Recoverability of VAT in Mali

VAT recoverable at end of 31 December 2021, includes VAT receivables of $11.2 million in Mali, $1 million in Guinea and $600,000 in Isle of Man.

In line with our mining convention in Mali, the value added tax ("VAT") exemption period of 3 years came to end on 5th April 2021.

Approximately $13.0 million of VAT has been paid in Mali during 2021, and although all VAT submissions have been made to the Government, due to sanctions we have only been able to offset approximately $1.9 million of VAT against other taxes at the end 31 December 2021, and $11.2 million in VAT recoverable is outstanding as at 31 December 2021, which is expected to be received within 12 months via offset of future taxes or cash. Indications are once sanctions are lifted, recovery is expected to resume. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

The Committee regularly engages management and consider actions taken by management to recover these amounts and it is satisfied that all necessary efforts are being done to ensure the amounts can be recovered as they fall due.

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. 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 are set aside for the Kouroussa Gold Project. Management assessed this to be reasonable as we commence construction, and further assessment of the amount will be done as development progresses in Guinea.

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

Liberia Earn-In Agreement

Pasofino Gold Limited ("Pasofino"), continue to develop Dugbe Gold Project in Liberia ("Dugbe") as part of the earn-in agreement with a further $10 million advanced to Dugbe in 2021. Pasofino released an independent Preliminary Economic Assessment ("PEA") study in June 2021, reflecting over 2.5 million ounces over a 14-year mine life, with average gold production of 188,000 per annum. This reflected a pre-tax NPV of approximately $825 million, at 5% discount rate, showing significant value. They expect to complete a Definitive Feasibility Study ("DFS") in 2022. As summary the earn-in entitles Pasofino to earn up to a 49% economic interest in the Dugbe.

All the money that Pasofino 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 spent 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 $11.4 million and deferred tax liabilities of $7.6 million were recognised at 31 December 2021 in respect of the Malian subsidiary resulting in a net credit to the income statement of $3.2 million. 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 $16.3 million, 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 incorporated and a new mining permit being issued in May 2021, and although it should be expected that it will be possible, but not certain, to transfer historic costs to the new company, management have prudently assumed that any losses within Cassidy Gold SA will not be available for future profits at this stage. This position will be assessed 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.

Fair value of the Cassidy Smelter Royalty

The Cassidy Smelter Royalty was reassessed to $9.1 million as at 31 December 2021 (2020: $6.8 million), using the latest discount rates and mine plans. 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 judgement 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 7 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 pre-tax discount rate of 15.03%. The model is also subject to gold price changes.

Judgement was also applied in respect of the treatment of the movement in the liability. The movement on the balance has been recorded with the income statement in line with the applicable International Accounting Standards.

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

Deferred Consideration

The deferred consideration was reassessed to $4.6 million as at 31 December 2021 (2020: $5.4 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income.

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.

Judgements and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, exchange rates, estimating the expected future reserve growth both quantum and timing, estimating the discounts rates used in determining the net present values of amounts used. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors in particular timing of reserves growth.

The final reserve growth was estimated to be in 2027, and a pre-tax discount rate of 15.03% was used in the calculations. The movement on the balance has been recorded with the income statement in line with the applicable International Accounting Standards.

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

Litigations and disputes

The Committee also considered all the current litigations and disputes as well as management's assessment of any provisions required to settle those.

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 2022

directors' renumeration report

This report is for the year ended 31 December 2021. 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 2021 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 prior 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 considering the Company's potential development paths. Following this review from 2021 the Company adopted a more standard approach to senior team incentives comprising an annual cash bonus plan and long-term share awards. This 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 2021 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.

2021 INCENTIVE SCHEME

For 2021, the Company operated the 2021 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 2021, Executive Directors could receive awards up to 250% of their base salaries' payable half as cash and half as equity based on long term incentive plan (structured as restricted stock units, RSUs vesting in 3 years subject to performance criteria), with any cash bonus being paid 50% in the first quarter of 2022, 25% in December 2022 and 25% in December 2023.

Targets covered key performance areas of production, AISC, net cash, funding, and commencement of construction of Kouroussa, reserves growth, safety, and individual performance.

The Group encountered many challenges during the year including lower than expected mining volumes from the mining contractor in Mali plus sanctions against Mali which affected logistics. These challenges meant that the Group did not meet both its production and AISC targets for 2021.

The Company considered that it was appropriate to recognise the key achievements in 2021 (such as funding, commencement of construction at Kouroussa and the reserves growth), however these were overshadowed by the fact that the Company did not meet its demanding AISC or production targets. Therefore, the Committee considered it was also appropriate that most of the cash bonuses awarded should be deferred and contingent on the improvement of operational performance and delivery of cashflows from Yanfolila throughout 2022.

In recognition of the achievements in the year, 38% of the potential maximum for the CEO and the CFO was awarded. Amounts awarded will be dependent on continued employment with the Company, malus provisions and meeting operational targets in 2022.

2022 INCENTIVES SCHEME

The structure of the incentive arrangements for 2022 will remain consistent with 2021, with the objective of providing an industry standard incentive structure with an appropriate balance of short term and long-term incentive and retention structures considering the Group's potential development paths. For 2022, we have extended the scheme to levels further down the organisation, at the corporate level and operational sites, to support our performance and talent management strategies.

The Company scheme remains 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 an equity based Long Term Incentive Plan ("2022 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 the previous year's scheme.

Details of how and annual discretionary short-term cash-based scheme and the Long-Term Incentive Plan will operate in 2022 are set out later in this report.

NON-EXECUTIVE DIRECTOR REMUNERATION

In recognition of the experience and the ongoing level of commitment of the Non-executive Directors, each Non-executive Director (including the Chairman) receives an annual deferred share award with a value of £25,000, vesting one year from the award date, subject to remaining in office. These awards must be retained and cannot normally be sold until the individual ceases to hold office.

David Straker-Smith
Chair of the Remuneration Committee
26 May 2022

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.

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 2021.

2021 SUMMARY OF DIRECTORS' TOTAL REMUNERATION

	31 DECEMBER 2021				31 DECEMBER 2020			
	BASE SALARY $'000	OTHER BENEFITS/ COMMITTEE FEES[2] $'000	DEFERRED BONUS PAID[1] $'000	TOTAL $'000	BASE SALARY $'000	OTHER BENEFITS/ COMMITTEE FEES[2] $'000	DEFERRED CONSTRUCTION BONUS PAID[1] $'000	TOTAL $'000
DE Betts	525	24	272	821	486	21	143	650
TR Hill	335	24	175	534	310	21	92	423
RJ King	98	13	-	111	91	13	-	104
SA Betts	69	12	-	81	64	12	-	76
RD Striker-Smith	88	12	-	100	64	12	-	76
GE Nutter	81	45	-	126	64	43	-	107
AA Roux	69	49	-	118	64	47	-	111
	1,265	179	447	1,891	1,143	169	235	1,547

In addition to the amounts above, the Directors are accruing potential benefits under incentive schemes as set out in note 26.

1 Represents the vested cash portion of the HIPPO 2016, HIPPO 2018, and HIPPO 2020 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 approximately £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 £71,000, the annual base fee of the non-executive directors' is £50,000 with additional £5,000 for audit and remuneration committee membership and £2,500 for chairing committees. Members of the Technical Advisory Committee receive an additional committee fee of approximately $30,000 per annum.

INCENTIVE PLANS ("IP") – 2021 IP

The Company implemented 2021 Incentive Plan (''2021 IP''), which comprised of a Short-term Incentive (''STI'') and a Long-Term Incentive ("LTI"). The STI is a completely discretionary cash bonus paid out over 2 years based on achieving both Corporate and Personal Performance targets, as well as demonstrating behaviours aligned with the Company's principles. The LTI is a share scheme based on total shareholder return, is intended to better align shareholders with participants to create shareholder value over the medium to long term.

According to the 2021 Incentive Plan, 50% of the STI would have been paid out in Q1 2022, 25% in December and 25% in December 2023, and that option shares granted under the LTI 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 with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

Due to operational challenges the Company did not meet demanding AISC or production targets in 2021, although other corporate and personal targets were met. The Remuneration Committee taking account of the importance of recognising the achievements of the company and individual performance, motivating employees, as well as the impact of the 2021 operational performance on the business, approved STI cash awards of approximately £830,000, with the payment terms amended such that approximately 75% of the awards were contingent on operational performance in 2022.

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 2021	NUMBER OF SHARES AT 31 DECEMBER 2020
DE Betts [1 & 2]	30 October 2005		5,049,149	5,049,149
TR Hill	17 July 2012		208,235	208,235
SA Betts [1 & 3]	28 April 2006		1,498,601	1,498,601
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 703,500 shares held by SA Betts, 300,000 shares held by Caroline 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.

DIRECTORS' INTERESTS IN SHARE OPTIONS

The Directors' interests in the share options and RSUs of the Company at 31 December 2021 were as follows:

	PLAN TYPE/YEAR	RSUS AT 1 JAN 2021	GRANTED	EXERCISED	LAPSED	RSUS AT 31 DEC 2021	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	
DE Betts	HIPPO 2016	426,136	-	-	-	426,136	£0.01	30/09/2016	30/06/2019	
DE Betts	HIPPO 2016	426,136	-	-	-	426,136	£0.01	30/09/2016	19/12/2019	
DE Betts	HIPPO 2016	426,137	-	-	-	426,137	£0.01	30/09/2016	19/12/2020	
DE Betts	HIPPO 2018	227,865	-	-	-	227,865	£0.01	30/04/2019	27/02/2020	27/02/2025
DE Betts	HIPPO 2018	113,932	-	-	-	113,932	£0.01	30/04/2019	31/12/2020	31/12/2025
DE Betts	HIPPO 2018	113,932	-	-	-	113,932	£0.01	30/04/2019	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	1,093,750	-	-	(546,875)	546,875	£0.01	27/02/2020	31/03/2021	27/02/2026
DE Betts	HIPPO 2020	546,875	-	-	(273,438)	273,437	£0.01	27/02/2020	31/12/2021	31/12/2026
DE Betts	HIPPO 2020	546,875	-	-	(273,438)	273,437	£0.01	27/02/2020	31/12/2022	31/12/2027
DE Betts	LTIP 2021	-	1,597,494	-	-	1,597,494	£0.01	27/01/2021	28/02/2024	
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	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	19/12/2019	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	19/12/2018	
TR Hill	HIPPO 2016	340,909	-	-	-	340,909	£0.01	30/09/2016	27/02/2020	
TR Hill	HIPPO 2018	146,615	-	-	-	146,615	£0.01	30/04/2019	27/02/2020	27/02/2025
TR Hill	HIPPO 2018	73,307	-	-	-	73,307	£0.01	30/04/2019	31/12/2020	31/12/2025
TR Hill	HIPPO 2018	73,307	-	-	-	73,307	£0.01	30/04/2019	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	703,750	-	-	(351,875)	351,875	£0.01	27/02/2020	31/03/2021	27/02/2026
TR Hill	HIPPO 2020	351,875	-	-	(175,938)	175,937	£0.01	27/02/2020	31/12/2021	31/12/2026
TR Hill	HIPPO 2020	351,875	-	-	(175,938)	175,937	£0.01	27/02/2020	31/12/2022	31/12/2027
TR Hill	LTIP 2021	-	1,026,960	-	-	1,026,960	£0.01	27/01/2021	28/02/2024	
R King	DD Plan 2021	-	116,063	-	-	116,063	£0.01	27/01/2021	28/02/2022	
SA Betts	DD Plan 2021	-	116,063	-	-	116,063	£0.01	27/01/2021	28/02/2022	
D Straker-Smith	DD Plan 2021	-	116,063	-	-	116,063	£0.01	27/01/2021	28/02/2022	
E Nutter	DD Plan 2021	-	116,063	-	-	116,063	£0.01	27/01/2021	28/02/2022	
A Roux	DD Plan 2021	-	116,063	-	-	116,063	£0.01	27/01/2021	28/02/2022	
Total		**9,489,639**	**3,204,769**	**-**	**(2,990,002)**	**9,704,406**				

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

2022 LOOKING AHEAD

SALARIES

There was no change in the salaries of the CEO or CFO for 2022.

ANNUAL BONUS

Under the policy, Executive Directors participate in the annual discretionary bonus plan with a maximum potential opportunity of 125% of salary payable in cash 50% in Q1 2023, 25% in December 2023 and 25% in December 2024 (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 dismissal or 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 Long-Term Incentive Plan ("LTIP") approved by the board.

The 2022 annual awards have been made in line with the LTIP rules, with the Remuneration Committee removing the Absolute Total Shareholder Return ("TSR") criteria for the 2022 LTIP in favour of a relative TSR performance criterion over the S&P Commodity Producer Gold Index (as detailed below) in order to reduce the impact of the gold price in favour of relative outperformance.

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 4 February 2025 in two tranches as follows:

a Retention Tranche: 1/3 of the RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Company targets.

b Relative Total Shareholder Return ("TSR"): 2/3 of the RSUs will be based on Relative TSR against the S&P Commodity Producers Gold Index, with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

The RSUs under the 2022 LTIP consist of options granted over ordinary shares in the Company of £0.01 each ("Shares"), which have an exercise price of £0.01 per Share. Once vested, any RSUs may be exercised by the holder 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 RSU holders will normally retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the RSUs shall

Total awards granted to the CEO and CFO, are 3,079,455 and 1,979,649 respectively.

NON-EXECUTIVE DIRECTOR REMUNERATION

In the same way as 2021, in recognition of the experience and the ongoing level of 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 the award date, subject to remaining in office. We believe offering a small number of deferred shares to Non-executive Directors is an effective way to align their interests with long-term interests of the Company's other shareholders, promote better governance while not hindering Non-executive Director independence. These awards must be retained and cannot normally be sold until the individual ceases to hold office.

For 2022 each non-executive director received an award of 214,495 deferred share awards.

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 2021, 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

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.

directors' report

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 2021.

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 59 to 62 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.

The Directors who served during the year and to the date of the report are as follows:

Non-Executive

- Russell King (Non-Executive Chairman)
- Ernie Nutter
- Attie Roux
- David Straker-Smith
- Stephen Betts

Executive

- Daniel Betts
- Thomas Hill

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 2021 (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.

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 51 to 58.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the Consolidated Statement of Comprehensive Income. The Directors do not recommend payment of a dividend for the year (2020: $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 2021 were equivalent to 46 (2020: 55) days' purchases, based on the average daily amount invoiced by suppliers during the year. Trade payables of the Company at 31 December 2021 were equivalent to 24 (2020: 70) days' purchases, based on the average daily amount invoiced by suppliers during the year.

EMPLOYMENT OF DISABLED PERSONS

The Company is committed to promote equal opportunities, throughout the recruitment and selection process, training and promotion and condition of services. All job applicants and employees receive equal treatment regardless of their diverse ability or disability.

People are encouraged to inform the Company if they are disabled or become disabled, so that the Company could discuss reasonable adjustment which could help overcome or minimise the difficulty and offer appropriate support to accommodate their needs.

EMPLOYEE ENGAGEMENTS

Employees are critical to the success of the Company, and therefore it is important to listen to employees and understanding their concerns and experience.

At the Group level, the Executive Committee holds weekly meetings where senior management can raise their concerns and highlight challenges. At the site level, SHEC and HR teams have regular meetings with trade unions representatives, through which employees can raise their concerns or provide their feedback on employment conditions or possible improvement that the Company could consider.

The Company operates incentive schemes that are aligned with shareholders value and Company's culture. Detailed incentive schemes can be found in the Remuneration Report.

CHARITABLE AND POLITICAL DONATIONS

During the year the Company made no charitable donations (2020: $Nil).

The Company did not make any payments to political parties during the year (2020: $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.

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

DE Betts
Director
26 May 2022

Registered Office:
49-63 Spencer Street
Hockley
Birmingham B18 6DE

Company registered in England and Wales 05467327

statement of directors' responsibility

The directors are responsible for preparing the Strategic Report, 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 have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group and the Company. 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 and the Company for that period.

In preparing each of the Group and Company financial statements, the directors are required to:

a select suitable accounting policies and then apply them consistently;

b make judgements and accounting estimates that are reasonable and prudent;

c state whether they have been prepared in accordance with UK-adopted International Accounting Standards;

d 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 requirements of 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.

independant 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 2021 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cashflows, the consolidated statement of changes in equity, the company statement of financial position, the company statement of cashflows, the 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 UK-adopted International Accounting Standards 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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards 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 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.

SUMMARY OF OUR AUDIT APPROACH

Key audit matters	**Group** ■ Potential impairment of Mali mine development asset ■ Valuation of smelter royalty liability and presentation of change in value **Parent Company** ■ None
Materiality	**Group** ■ Overall materiality: \$608,000 (2020: \$1,200,000) ■ Performance materiality: \$456,000 (2020: \$903,000) **Parent Company** ■ Overall materiality: \$374,000 (2020: \$853,000) ■ Performance materiality: \$280,000 (2020: \$639,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

POTENTIAL IMPAIRMENT OF MALI MINE DEVELOPMENT ASSET

Key audit matter description	As disclosed in notes 4 and 14, the Yanfolila (Mali) mine cash generating unit ("CGU") includes substantial property, plant and equipment with a carrying value of $92.3m as at 31 December 2021. Production volumes in 2021 as a whole, and in 2022 to date, have been below those forecast and IAS 36 states that where "economic performance of an asset is, or will be, worse than expected" this is an indicator of impairment. Impairment testing requires management to compare the carrying amount of the CGUs attributable assets and liabilities with the higher of fair value less costs to sell and value in use. Where the carrying amount is higher than fair value or value in use then an impairment charge arises. Impairment testing involves a significant degree of judgement because management's determination of value in use is based on a number of assumptions, including an assessment of future performance and the selection of an appropriate discount rate. As the calculation of value in use is subject to a high degree of estimation uncertainty, we determined this to be a key audit matter.
How the matter was addressed in the audit	Management provided us with an impairment model for the Mali CGU, as detailed in note 4, that showed no impairment provision was necessary. We performed audit work on this model by: ■ Assessing the appropriateness and application of the model used including consideration and challenge of the assumptions made about the discount rate and the expected future trading performance; and ■ Performing sensitivity analysis to stress test the headroom (which included a range of gold selling prices, reducing production volumes, increasing costs and increasing the WACC). We discussed the forecasts, discount rate and sensitivity analysis with management and challenged key assumptions, requesting evidence where available to support management's conclusions.

.

VALUATION OF SMELTER ROYALTY LIABILITY AND PRESENTATION OF CHANGE IN VALUE

Key audit matter description	As disclosed in notes 4 and 22, the group is liable for a smelter royalty, associated with the Kouroussa gold project in Guinea, with a carrying value of $9.1m as at 31 December 2021. The royalty is due on future gold sales from the mine, which is currently under construction. In measuring the fair value of the liability, management have made certain estimates with regards to future gold prices, production volume and timing, and discount rates. The fair value of the liability had increased from $6.8 m to $9.1m, with the movement initially recorded as a debit to property, plant and equipment. As the measurement of fair value is subject to a high degree of estimation uncertainty, we determined this to be a key audit matter.
How the matter was addressed in the audit	Valuation of smelter royalty liability: Management provided us with a fair value calculation for the liability, calculated using an NPV of the forecast cashflows. We performed audit work on this model by: ■ Assessing the appropriateness and application of the model used, including consideration and challenge of the assumptions made about the discount rate and the expected future cash outflows; and ■ Performing sensitivity analysis to assess the impact on the valuation of changing certain inputs. We discussed the forecasts, discount rate and sensitivity analysis with management and challenged key assumptions, requesting evidence where available to support management's conclusions. Presentation of change in value: Following discussions, this has been designated by management as a financial instrument measured at fair value through profit or loss and, therefore, is required to be remeasured to fair value at each period end, with the movement recorded in the statement of comprehensive income.

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	$608,000 (2020: $1,200,000)	$374,000 (2020: $853,000)
Basis for determining overall materiality	5% of result before tax	0.3% of net assets
Rationale for benchmark applied	As a listed entity, result before tax is considered the most appropriate benchmark for users of the financial statements.	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	$456,000 (2020: $903,000)	$280,000 (2020: $639,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of $30,400 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of $18,700 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 27 components. The majority of the group's operations reside in 4 components, located in the following countries:

- Mali – contains the Group's mining operations and some Exploration and Evaluation assets;
- Liberia – contains the majority of the Group's Exploration and Evaluation assets;
- Guinea – contains the assets and liabilities of the Kouroussa Gold Project acquired in the prior year, which are now in the construction phase; and
- United Kingdom – contains the head office operations.

The coverage achieved by our audit procedures was:

	NUMBER OF COMPONENTS	REVENUE	TOTAL ASSETS	LOSS BEFORE TAX
Full scope audit	4	100%	100%	100%
Specific audit procedures	-	-	-	-
Total	**4**	**100%**	**100%**	**100%**

Analytical procedures at group level were performed for the remaining 23 components. None of the full scope audits were undertaken by component auditors.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 3 in the financial statements, which indicates that should the production of the mining operations be below forecast levels, the group would require additional funding and this is currently not in place. As stated in note 3, these events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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:

- Reviewing the group's cashflow forecasts, including challenge of the forward-looking assumptions used by management in their assessment;
- Performing sensitivity analysis on the forecasts, using reasonably possible changes to the assumptions;
- Discussion with, and challenge of, management on the funding options available to the group; and
- Consideration of the timing of recoverability of receivables due from the Government of Mali.

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

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 79, 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 operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, 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.
UK-adopted IAS 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 and external 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:
Revenue recognition	Testing a sample of revenue transactions, either side of the balance sheet date, to determine whether they had been recognised in the correct financial period.
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.

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
26 May 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Continuing operations			
Revenue		**162,777**	**185,072**
Production costs		(113,606)	(93,975)
Amortisation and depreciation		(38,317)	(41,367)
Royalties and taxes		(6,297)	(6,747)
Cost of sales		**(158,220)**	**(142,089)**
Gross profit		**4,557**	**42,983**
Share based payments	26	(1,459)	(2,081)
Other administrative expenses	6	(10,263)	(8,928)
Operating (loss)/profit		**(7,165)**	**31,974**
Finance income	9	4,071	2,014
Finance expense	9	(6,003)	(9,288)
Share of joint venture loss	12	(46)	(17)
Reversals in impairment of financial assets	16	108	397
(Losses)/gains on financial assets and liabilities measured at fair value	12 & 22	(3,134)	1,203
(Loss)/profit before tax		**(12,169)**	**26,283**
Tax	10	1,617	(1,135)
(Loss)/profit for the year		**(10,552)**	**25,148**

Attributable to:			
Equity holders of the parent		(10,908)	19,022
Non-controlling interests		356	6,126
(Loss)/profit for the year		(10,552)	25,148

(Loss)/earnings per share (attributable to equity holders of the parent)			
Basic ($ cents)	11	(2.78)	5.35
Diluted ($ cents)	11	(2.78)	5.02

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	13	91,287	75,574
Intangible assets software	13	235	204
Property, plant and equipment	14	144,591	150,247
Right of use assets	19	35,986	13,797
Investments in associates and joint ventures	12	129	175
Financial assets at fair value through profit or loss	12	3,530	7,721
Deferred tax assets	20	3,868	684
		279,626	248,402
Current assets			
Inventory	16	13,148	20,352
Trade and other receivables	16	25,152	12,724
Unrestricted cash and cash equivalents	16	32,571	6,552
Restricted cash and cash equivalents	16	4,168	4,516
		75,039	44,144
Total assets		**354,665**	**292,546**
Liabilities			
Non-current liabilities			
Borrowings	17	61,812	-
Lease liabilities	19	20,962	2,380
Deferred consideration	23	4,627	5,402
Other financial liabilities	22	9,092	6,836
Provisions	18	21,644	16,125
		118,137	30,743
Current liabilities			
Trade and other payables	21	33,708	39,440
Lease liabilities	19	13,496	10,894
Other financial liabilities	22	15,000	15,000
Provisions	18	611	-
Borrowings	17	-	13,208
		62,815	78,542
Total liabilities		**180,952**	**109,285**
Net assets		**173,713**	**183,261**
Equity			
Share capital	25	5,814	5,344
Share premium	25	17,425	488
Shares to be issued	25	-	17,407
Retained earnings		140,342	150,246
Equity attributable to equity holders of the parent		**163,581**	**173,485**
Non-controlling interest		10,132	9,776
Total equity		**173,713**	**183,261**

The financial statements of Hummingbird Resources PLC were approved by the Board of Directors and authorised for issue on 26 May 2022. 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 2021

	NOTES	2021 $'000	2020 $'000
Net cash inflow from operating activities	**27**	**22,703**	**66,256**
Investing activities			
Asset purchase, net of cash acquired		-	(35)
Purchases of intangible exploration and evaluation assets		(9,992)	(2,601)
Purchases of property, plant and equipment		(22,295)	(18,136)
Pasofino funding	24	10,141	5,559
Pasofino funding utilisation	24	(10,946)	(4,673)
Purchase by non-controlling interest		-	1,883
Sale/(purchase) of shares in other companies		2,538	(393)
Interest received		-	11
Net cash used in investing activities		**(30,554)**	**(18,385)**
Financing activities			
Exercise of share options		-	532
Lease principal payments		(13,201)	(12,663)
Lease interest payments		(819)	(1,201)
Loan interest paid		(721)	(2,547)
Loans repaid		(13,278)	(29,252)
Loan drawdown		66,365	-
Commissions and other fees paid		(5,413)	(571)
Net cash generated from/ (used in) financing activities		**32,933**	**(45,702)**
Net increase in cash and cash equivalents		**25,082**	**2,169**
Effect of foreign exchange rate changes		589	370
Cash and cash equivalents at beginning of year		**11,068**	**8,529**
Cash and cash equivalents at end of year		**36,739**	**11,068**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	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 2020	**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	-	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**
Comprehensive income for the year:							
(Loss)/profit for the year	-	-	-	(10,908)	(10,908)	356	(10,552)
Total comprehensive income for the year	-	-	-	(10,908)	(10,908)	356	(10,552)
Transactions with owners in their capacity as owners:							
Shares issued as consideration in asset purchase	470	(17,407)	16,937	-	-	-	-
Total transactions with owners in their capacity as owners	**470**	**(17,407)**	**16,937**	**-**	**-**	**-**	**-**
Share based payments	-	-	-	1,004	1,004	-	1,004
As at 31 December 2021	**5,814**	**-**	**17,425**	**140,342**	**163,581**	**10,132**	**173,713**

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

Cumulative net gains and losses recognised in the consolidated statement of comprehensive income

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

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 2020. The following standards have been adopted in the year with no material impact on the financial statements of the Company or the Group.

IFRS 9, IAS 39, IFRS 7 (Amendments)	effective 1 January 2021	Interest Rate Benchmark Reform
IFRS 16 (Amendments)	effective 1 April 2021	COVID-19 Rent Concessions

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 UK adopted International Accounting Standards.

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 $1.3512 (2020: $1.3650).

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 44 to 50. At 31 December 2021, the Group had cash and cash equivalents of $36.7 million and total borrowings of $61.8 million. 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 2023 that supports the conclusion of the Directors that they expect sufficient funding should be available to meet the Group's anticipated cash flow requirements to this date.

These cashflow forecasts are subject to several risks and uncertainties, in particular the ability of the Group to achieve the planned levels of production and the recent higher gold prices being sustained. 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 the recent change of governments in Mali and Guinea and subsequent sanctions on Mali, the sanctions on Russia as well as COVID-19.

The biggest material uncertainty and risk remains ounces produced and whether the current mine plan can be achieved, mining contractor equipment performance, the impact of COVID-19, and impact of the latest change in government and resulting sanctions in Mali and sanctions on Russia, which are also having a logistical impact on the Group. Where additional funding may be required, the Group believes it has several options available to it, including but not limited to, use of the overdraft facility, cost reduction strategies, selling of non-core assets, raising additional funds from current investors and debt partners.

The Board also considered sensitivities to those cash flow scenarios (including where production is lower than forecast and gold prices lower than current levels) which would require additional funding. Should this situation arise, the Directors believe that they have several options available to them, such as use of the current overdraft facility, obtaining additional funding, delaying expenditures, sale of non-core assets, which would allow the Group to meet its cash flow requirements through this period, however, there remains a risk that the Group may not be able to achieve these in the necessary timeframe.

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. However, the risk of lower-than-expected production levels, timing of VAT offsets and receipts, increased fuel costs and potential disruptions to supply chain and the ability to secure any potential required funding at date of signing of these financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

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 2021. 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.

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.

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 2021, the Group carried no put options. The cost of options throughout 2021 was $nil.

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 three cost pools, being the whole of Liberia, the whole of Mali and the whole of Guinea, 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. The cost of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use.

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.

The Group's financial liabilities measured at fair value through profit or loss comprise Cassidy Smelter royalty and deferred consideration, which are all summarised below.

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.

Retirement obligations

a Short-term employee benefits

The cost of all short-term employee benefits is recognised in the statement of comprehensive income during the period in which the employees render the related service.

b Long-term employee benefits

The Group does not operate any retirement benefit plan for its employees. For employees of the Malian subsidiary, the Group provides for end-of-service benefits based on the provisions contained in the local statutes based on years of service with the company; these benefits are paid to employees falling under this category when they leave the Group as one-off lump sum on redundancy or retirement. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation in relation to this agreement.

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 - Liberia Royalty

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.

Other financial liabilities – Cassidy Smelter Royalty

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.

This liability is contingent on future sales as at commencement of commercial production, the Group is obliged to pay a percentage of its revenue. Management considers this to be an instrument which contains an embedded derivative (being the gold price) and have therefore elected to hold the entire instrument at fair value through profit or loss, as the embedded derivative would significantly modify the cashflows that would otherwise be required.

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 agreements. 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.

A review of the three cost pools above revealed that there were no indicators of impairment and hence no impairment was recognised as at 31 December 2021.

Liberia

During 2021, Pasofino continued to progress the project in Liberia. This continued activity provided clear indication of no indicators of impairment under IFRS 6 and hence no impairment assessment was required. However due to the market capitalisation of Pasofino management did an assessment of 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 2021 Preliminary Economic Assessment ("PEA"). The net present value method further proved that no impairment loss was to be recognised for the year ended 31 December 2021.

Guinea

As at 31 December 2021, the Guinean E&E assets were immaterial and therefore considered to not present a material risk of material misstatement and for this reason no impairment assessment was carried out.

Mali

Further exploration work was completed in the Malian licence areas in 2021, further providing evidence that there were no indicators of impairment. Management also 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 2021.

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 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 value in use, 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, value in use is estimated based on discounted cash flows using latest budgets, based on CGU life of mine ("LOM") plans. The value in use 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) and the Kouroussa Gold Project in Guinea which is currently under construction. In determining the recoverable amount of the Malian CGU at 31 December 2021, 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 of the Malian CGU:

Gold price ($ per ounce):	2021: $1,750 2020: $1,700	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):	2021: 12.58% 2020: 21.5%	In determining the value in use of the 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 Malian CGU, no impairment loss was recognised for the year ended 31 December 2021. At around 8% lower production, the headroom is eroded and value in use is equal to the carrying value of the CGU. As always, there is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets.

No impairment assessment was considered necessary with respect to the Kouroussa Gold Project in Guinea as it is still under construction.

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 $8,584,700 (2020: $9,302,000), 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 Société Des Mines De Komana SA (which would take its total interest in Société Des Mines De Komana SA to 20%). The Group remains in discussions with the Government of Mali as to the timing and mechanism of payment of the 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 $108,000 as at 31 December 2021 (2020: gain of $397,000). The net cumulating lifetime expected credit loss for the balance is $1,288,000 at 31 December 2021. 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 $11,444,000 and deferred tax liabilities of $7,576,000 were recognised at 31 December 2021 in respect of the Malian subsidiary. 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. 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 are recognised for the Kouroussa Gold Project. Management assessed this to be reasonable at the current stage and further assessment of the amount will be done as development progresses in Guinea.

Fair value of the Cassidy Smelter Royalty

The Cassidy Smelter Royalty was reassessed to $9.1 million as at 31 December 2021 (2020: $6.8 million), using the latest discount rates and mine plans. 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 judgement 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 7 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 pre-tax discount rate of 15.03%. The model is also subject to gold price changes, with a price of $1,750 per ounce having been used for the 2021 valuation.

Judgement was also applied in respect of the treatment of the movement in the liability. The movement on the balance has been recorded within the income statement in line with the applicable International Accounting Standards.

Deferred consideration

The deferred consideration was reassessed to $4.6 million as at 31 December 2021 (2020: $5.4 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income. 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.

Judgements and estimations were used to determine the fair value of this liability including judgement on likelihood of payment of this liability, exchange rates, estimating the expected future reserve growth both quantum and timing, estimating the discounts rates used in determining the net present values of amounts used. There is significant estimation uncertainty in the calculation of the liability and cost estimates can vary in response to many factors in particular timing of reserves growth.

The final reserve growth was estimated to be in 2027, and a pre-tax discount rate of 15.03% was used in the calculations. The movement on the balance has been recorded with the income statement in line with the applicable International Accounting Standards.

Liberia earn-in agreement

Following the signing of the earn-in agreement on Dugbe, and without a formal accounting standard guiding these transactions, judgement has been 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.

Recoverability of VAT

In line with our mining convention in Mali, the value added tax ("VAT") exemption period of 3 years came to end on 5th April 2021. VAT is now paid at 18% on qualifying purchases and reclaimed from the Government of Mali. The time to receive VAT from the Government of Mali is unpredictable. Although all VAT submissions related to 2021, have been submitted to the Government, due to sanctions we have only been able to offset approximately $1.9 million of VAT against other taxes at the end 31 December 2021 in Mali. At 31 December 2021, we had $11.2 million in VAT recoverable in Mali which is expected to be received via offset of future taxes or cash. Indications are once sanctions are lifted; recovery is expected to resume. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

5 SEGMENTAL ANALYSIS

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 DECEMBER 2021	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Revenue	156,561	-	-	6,216	162,777
Production costs	(108,075)	-	-	(5,531)	(113,606)
Amortisation and depreciation	(38,317)	-	-	-	(38,317)
Royalties and taxes	(6,297)	-	-	-	(6,297)
Cost of sales	**(152,689)**	**-**	**-**	**(5,531)**	**(158,220)**
Gross profit	**3,872**	**-**	**-**	**685**	**4,557**
Share based payments	-	-	-	(1,459)	(1,459)
Other administrative expenses	1,013	-	(20)	(11,256)	(10,263)
Operating profit/(loss)	**4,885**	**-**	**(20)**	**(12,030)**	**(7,165)**
Finance income	4,033	-	3	35	4,071
Finance expense	(5,742)	-	(6)	(255)	(6,003)
Share of joint venture loss	-	-	-	(46)	(46)
Reversal of impairment of financial assets	108	-	-	-	108
(Losses)/gains on financial assets and liabilities measured at fair value	-	2,256	-	(878)	(3,134)
Profit/(loss) before tax	**3,284**	**2,256**	**(23)**	**(13,174)**	**(12,169)**
Tax	1,617	-	-	-	1,617
Profit/(loss) after tax	**4,901**	**2,256**	**(23)**	**(13,174)**	**(10,552)**

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 DECEMBER 2021	$'000	$'000	$'000	$'000	$'000
Segment assets	217,651	56,168	69,870	10,976	354,665
Segment liabilities	(140,936)	(12,376)	(17,959)	(9,681)	(180,952)
Segment net assets	**76,715**	**43,792**	**51,911**	**1,295**	**173,713**

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 associate loss	-	-	-	-	-
Share of joint venture loss	-	-	-	(17)	(17)
Reversals in 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	$'000	$'000	$'000	$'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**

NON-CURRENT ASSETS FOR THE YEAR ENDING 31 DECEMBER 2021	MALI $'000	GUINEA $'000	LIBERIA $'000	CORPORATE $'000	TOTAL $'000
Intangible exploration and evaluation assets	23,816	238	67,233	-	91,287
Intangible assets software	235	-	-	-	235
Property, plant and equipment	95,080	49,442	-	69	144,591
Right of use assets	35,986	-	-	-	35,986
Investment in joint ventures	-	-	-	129	129
Financial assets at fair value through profit and loss	-	-	-	3,530	3,530
Deferred tax assets	3,868	-	-	-	3,868
Segment non-current assets	**158,985**	**49,680**	**67,233**	**3,728**	**279,626**

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	7,721
Deferred tax assets	684	-	-	-	684
Segment non-current assets	**139,722**	**35,494**	**65,118**	**8,068**	**248,402**

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 $156.6 million (2020: $181.7 million) 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 $6.2 million (2020: $3.4 million), 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	2021 $'000	2020 $'000
Dore	Puerto Rico	156,561	181,711
SMO gold and gold investment coins	UK	6,216	3,361
Total revenue from customers		162,777	185,072

6 ADMINISTRATIVE EXPENSES BY NATURE

	2021 $'000	2020 $'000
Other income	-	(172)
Audit fees, including fees paid to subsidiary auditors (note 7)	216	156
Non-audit fees, including fees paid to subsidiary advisors	53	5
Bank charges	99	68
Communications and IT	269	202
Depreciation of property, plant and equipment	166	318
Insurance	909	321
Marketing	317	211
Office expenses	155	16
Other taxes	506	234
Professional and consultancy	1,408	1,465
Rent under operating leases	261	236
Staff costs excluding share-based payments and employers NI accrual on share options	5,186	4,904
Travel and accommodation	463	242
Share based payments	1,459	2,081
(Release)/charge of employers NI accrual on share options	(87)	470
Net foreign exchange losses	342	252
	11,722	**11,009**

7 AUDITOR'S REMUNERATION

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

	2021 $'000	2020 $'000
Audit fees		
Fees payable to the Company's auditor for the audit of the annual accounts	203	146
Fees payable to the Company's auditors for the audit of certain subsidiaries	13	10
Total audit fees	**216**	**156**
Non-audit fees payable to associates of the Company's auditor		
World Gold Council's Responsible Gold Mining Principles compliance audit	32	-
Taxation advice	-	-
Total non-audit fees	**32**	**-**

8 STAFF COSTS

The average monthly number of employees and directors was:

	2021 NUMBER	2020 NUMBER
Directors	7	7
Other employees	357	340*
	364	**347**

* Includes Kouroussa employees from 1 September 2020

	2021 $'000	2020 $'000
Their aggregate remuneration comprised:		
Wages and salaries	12,002	11,092
Social security costs	2,154	2,212
Pensions	62	86
Charge for share based payments	1,459	2,081
Charge for potential social security costs related to share based payments	(87)	470
	15,590	**15,941**

Within wages and salaries, $1,433,000 (2020: $1,298,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $260,000 (2020: $1,221,000) under cash-settled share-based payment scheme payable to directors, and within pensions is $11,000 (2020: $14,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $821,000 (2020: $650,000) comprising $815,000 (2020: $643,000) in relation to wages and salaries (including vested performance bonuses paid) and pension contributions of $6,000 (2020: $7,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2020: 2).

Included within staff costs is $2,028,000 (2020: $1,168,000) capitalised to intangible exploration and evaluation assets and $390,000 (2020: $1,200,000) capitalised into mine development assets.

9 FINANCE INCOME AND EXPENSE

FINANCE INCOME	2021 $'000	2020 $'000
Interest on bank deposits	2	127
Foreign exchange gain	4,069	1,549
Gain on revaluation of warrants	-	338
	4,071	2,014

FINANCE EXPENSE	2021 $'000	2020 $'000
Interest on borrowings	3,232	5,020
Amortisation of borrowing costs (note 17)	261	1,128
Unwinding of discount on rehabilitation provision	64	257
Foreign exchange loss	2,446	2,883
	6,003	**9,288**

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

10 TAX

The tax (income)/charge for the year is summarised as follows:

	2021 $'000	2020 $'000
Minimum tax pursuant to Malian law	1,567	1,819
Deferred tax income	(3,184)	(684)
Tax (income)/expense for the year	**(1,617)**	**1,135**

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

	2021 $'000	2020 $'000
(Loss)/profit before tax	(12,169)	26,283
Tax expense at the rate of tax 30.00% (2020: 30.00%)	(3,651)	7,885
Tax effect of non-deductible items	-	(5)
Origination and reversal of temporary differences	9,433	(4,152)
Deferred tax asset (recognised)/not recognised	(5,782)	(3,728)
Recognised deferred tax assets - initial recognition	(3,184)	(684)
Minimum tax pursuant to Malian law	1,567	1,819
Tax (income)/expense for the year	**(1,617)**	**1,135**

The Group's primary tax rate is aligned with its operations in Mali of 30% (2020: 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% (2020:1%) of turnover and not more than 30% of taxable profits.

11 (LOSS)/PROFIT PER ORDINARY SHARE

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

	2021 $'000	2020 $'000
(Loss)/profit (Loss)/profit for the purposes of basic (loss)/profit per share being net (loss)/profit attributable to equity holders of the parent	(10,908)	19,022

NUMBER OF SHARES	2021 NUMBER	2020 NUMBER
Weighted average number of ordinary shares for the purposes of basic (loss)/profit per share	392,676,809	355,380,149
Weighted number of shares to be issued as part of asset purchase	-	11,685,100
Adjustments for share options and warrants	17,166,492	11,835,883
Weighted average number of ordinary shares for the purposes of diluted (loss)/profit per share	409,843,301	378,901,132

(LOSS)/PROFIT PER ORDINARY SHARE	2021 $ CENTS	2020 $ CENTS
Basic	(2.78)	5.35
Diluted	(2.78)	5.02

At the reporting date there were 19,984,137 (2020: 50,761,957) potentially dilutive ordinary shares. For the year ended 31 December 2021, because there is a reduction in diluted loss per share due to the loss-making position, therefore there is no difference between basic and diluted loss per share.

12 INVESTMENTS

NAME OF ENTITY	PLACE OF BUSINESS/COUNTRY OF INCORPORATION	% OF OWNERSHIP INTEREST		NATURE OF RELATIONSHIP	MEASUREMENT METHOD
		2021 %	2020 $		
Cora Gold Limited	British Virgin Islands	-	11.36%	Investment [1]	Fair value through profit or loss
Betts Investments Limited *	United Kingdom	49%	49%	Joint venture [2]	Equity method
Bunker Hill Mining Corporation	United States America	6.00%	8.58%	Investment [3]	Fair value through profit or loss

1 The investment in Cora Gold Limited ("Cora") was sold in June 2021.

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 2021 totalled $3,659,000 (2020: $7,896,000).

	2021 $'000	2020 $'000
Investment in associates and joint ventures (a)	129	175
Financial assets at fair value through profit and loss (b)	3,530	7,721
	3,659	**7,896**

a Investment in associates and joint ventures:

INVESTMENTS:	BETTS INVESTMENTS LIMITED	
	2021 $'000	2020 $'000
Opening carrying value	175	99
Acquisition at cost	-	93
Share of loss	(46)	(17)
Closing carrying value	**129**	**175**

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:

	BETTS INVESTMENTS LIMITED	
SUMMARISED STATEMENT OF COMPREHENSIVE INCOME:	2021 $'000	2020 $'000
Loss before income tax	(94)	(34)
Income tax expense	-	-
Loss for the year	**(94)**	**(34)**
Group's % ownership	49%	49%
Group's share of loss	**(46)**	**(17)**

SUMMARISED STATEMENT OF FINANCIAL POSITION:	$'000	$'000
Non-current assets	18	18
Current assets	39	113
Current liabilities	(36)	(17)
Net assets	**21**	**114**
Group's % ownership	49%	49%
Group's share of net assets	**10**	**56**

RECONCILIATION TO CARRYING AMOUNTS:	$'000	$'000
Group's share of net assets (as shown above)	10	56
Goodwill	119	119
Closing carrying value	**129**	**175**

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 is responsible for the fulfilment of all orders of gold and other precious metals investment products. BIL receives a commission on all sales of gold and other precious metals investment products and Single Mine Origin ("SMO") gold products by SBS.

b Financial assets at fair value through profit and loss:

	CORA GOLD SHARES		BUNKER HILL SHARES AND WARRANTS[1]		BUNKER HILL CONVERTIBLE LOAN		TOTAL	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Opening position	2,708	1,731	5,013	2,297	-	2,075	**7,721**	6,103
(Disposals)/additions	(2,538)	-	-	300	-	-	**(2,538)**	300
Conversion of loans	-	-	-	2,400	-	(2,400)	**-**	-
Accrued interest	-	-	-	-	-	115	**-**	115
(Loss)/gains through profit or loss	(170)	977	(1,483)	16	-	210	**(1,653)**	1,203
Closing carrying value	**-**	**2,708**	**3,530**	**5,013**	**-**	**-**	**3,530**	**7,721**

1 Warrants are valued using the Black Scholes model.

Cora Gold Limited ("Cora")

On 22 June 2021, the Group sold its remaining holding in Cora for $2.5 million dollars.

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 2021 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 CAD$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 2021 are split as follows, level 1 shares $2,767,000 and level 2 warrants $763,000.

The value of these shares and warrants on 31 March 2022 was $2.8 million.

13 INTANGIBLE ASSETS

a Intangible exploration and evaluation assets

	LIBERIA $'000	GUINEA $'000	MALI $'000	TOTAL $'000
Cost				
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**
Transfers[1]	-	-	4,916	4,916
Additions for the year	2,115	238	8,444	10,797
At 31 December 2021	**67,233**	**238**	**23,816**	**91,287**

1 Transfers represents exploration and evaluation expenditures that were initially recognised with PPE but now moved for proper classification.

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, 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 2,000 km^2, which includes the Group's 4.2 Moz 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 Pasofino Gold ("Pasofino") in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn-in agreement requires Pasofino 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 Pasofino to earn up to a 49% interest in the Dugbe. Pasofino have advanced over $10,141,000 to Liberia in 2021 alone, taking their cumulative advance to over $15,000,000 since the start of the earn in agreement. 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 Pasofino. Upon satisfaction of all the earn-in conditions Pasofino will be granted the 49% economic interest in Dugbe.

On 3 of 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.

On 24 June 2021, Pasofino released an independent Preliminary Economic Assessment (" PEA") for Dugbe which showed significant production potential with approximately 2.5 million ounces produced over a 14-year mine line at an average AISC of $893/ounce. The full Definitive Feasibility Study ("DFS") is expected to be completed at the end of April 2022.

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.

Some limited drilling work was done in Guinea during the year resulting in a small amount of intangible exploration and evaluation assets. It is expected this balance will increase over the years.

b Intangible software assets

	TOTAL $'000
Cost	
At 31 December 2019	**402**
Reclassification from PPE	11
At 31 December 2020	**413**
Transfers	107
Additions	15
At 31 December 2021	**535**
Accumulated amortisation	
At 31 December 2019	**118**
Charge for the year	91
At 31 December 2020	**209**
Charge for the year	91
At 31 December 2021	**300**
Carrying amount	
At 31 December 2020	**204**
At 31 December 2021	**235**

Intangible software assets include software purchased for the operations of the mine. Amortisation charge of $3,000 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:

	2021 $'000	2020 $'000
Right-of-use assets (note 19)	35,986	13,797
Property, plant and equipment – owned	144,591	150,247
	180,577	164,044

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 2019	**92,785**	**14,247**	**46,528**	**24,168**	**2,581**	**1,847**	**933**	**183,089**
Asset purchase	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**
Additions	-	-	1,732	2,025	-	22,382	32	26,171
Transfers[1]	1,217	675	2,122	974	204	(10,217)	-	(5,025)
Disposals	-	-	-	-	-	-	-	-
At 31 December 2021	**127,772**	**15,272**	**50,468**	**30,057**	**4,092**	**28,559**	**985**	**257,205**
Accumulated depreciation								
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**
Charge for the year	15,201	1,780	5,857	3,530	399	-	35	26,802
Disposals	-	-	-	-	-	-	-	-
At 31 December 2021	**60,498**	**7,857**	**23,985**	**13,019**	**3,143**	**-**	**946**	**109,448**
Carrying amount								
At 31 December 2020	**81,258**	**8,520**	**28,486**	**17,569**	**1,144**	**13,228**	**42**	**150,247**
At 31 December 2021	**67,274**	**7,415**	**26,483**	**17,038**	**949**	**25,393**	**39**	**144,591**

1 Transfers includes $4.9 million of exploration and evaluation expenditures that were initially recognised within PPE but now moved for proper classification, as well as $107,000 of intangible software asset transfers.

Amortisation charge of $606,000 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 2021, all of which have been included in these consolidated financial statements:

NAME	COUNTRY OF INCORPORATION AND OPERATION	PROPORTION OF VOTING INTEREST % 2021	PROPORTION OF VOTING INTEREST % 2020	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, D02 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 LB	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	100	Intermediate holding company
Kouroussa Mining Limited Falcon Cliff,Palace Road, Douglas, Isle of Man, IM2 4LB	Isle of Man	100	100	Intermediate holding company
Cassidy Gold Guinea SA Landreah Cite Ministerielle, Conakry Republique de Guniee,	Guinea	100	100	Exploration
Kouroussa Gold Mining SA[2] Landreah Cite Ministerielle, Conakry Republique de Guniee,	Guinea	100	100	Mining
Kouroussa Exploration SARLU Landreah Cite Ministerielle, Conakry Republique de Guniee,	Guinea	100	-	Exploration

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 Government of Guinea is expected to hold up to a 35% interest under the relevant mining code (15% free carry and 20% right to purchase).

Additionally, as of 31 December 2021 the Group had a 49% (2020: 49%) investment in Betts Investments Limited and a 6% (2020: 8.58%) 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).

The revenues applicable to the NCI is reflected as follows:

	2021 $'000	2020 $'000
Total revenue relating to Société des Mines de Komana SA	156,560	181,712
Revenue applicable to NCI (20% of above)	**31,312**	**36,342**

Movement in NCI during the year are as follows:

	$'000
At 31 December 2019	**3,650**
Profit attributable to NCI	6,126
At 31 December 2020	**9,776**
Profit attributable to NCI	356
31 December 2021	**10,132**

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

	2021 $'000	2020 $'000
Non-current assets	203,519	176,815
Current assets	61,193	35,921
Current liabilities	(22,700)	(42,197)
Non-current liabilities	(118,175)	(28,944)
Net assets	123,837	141,595

	2021 $'000	2020 $'000
Profit after tax	1,772	31,184
	1,772	31,184

16 CURRENT ASSETS

Inventory

	2021 $'000	2020 $'000
Dore, refined gold, SMO gold, gold grain and coins	4,085	3,340
Gold in process	1,401	1,869
Stockpiled ore	2,376	10,891
Consumables	5,286	4,252
	13,148	**20,352**

At 31 December 2021, inventory included a provision of $nil (2020: $nil) to adjust finished gold and gold in process inventory to net realisable value, being a provision of $nil (2020: $nil) and $nil (2020: $nil) respectively.

Cost of inventories of $129,776,000 (2020: $123,181,000) were recognised within cost of sales during the year.

Trade and other receivables

	2021 $'000	2020 $'000
Other receivables	10,204	11,266
Less: Allowance for expected credit losses	(1,288)	(1,395)
Net other receivables	8,916	9,871
Prepayments and accrued income	3,200	1,785
VAT recoverable	13,036	1,068
	25,152	12,724

Government of Mali

Included in other receivables is an amount of CFA 4,968,387,000, approximately $8,585,000 (2020: $9,302,000), 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 Société Des Mines De Komana SA (will would take its total interest in Société Des Mines De Komana SA to 20%). In 2020, 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 $108,000 (2020: gain of $397,000). The net cumulating lifetime expected credit loss for the balance is $1,288,000 at 31 December 2021. 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.

VAT Recoverable

VAT recoverable above primarily includes VAT receivables of $11.2 million in Mali, $1.0 million in Guinea and $600,000 in Isle of Man.

In line with our mining convention in Mali, the value added tax ("VAT") exemption period of 3 years came to end on 5th April 2021. VAT is now paid at 18% on qualifying purchases and reclaimed from the Government of Mali. The time to receive VAT in cash or through the offset of taxes from the Government of Mali is unpredictable.

Approximately $13 million of VAT has been paid in Mali during 2021, and although all VAT submissions have been submitted to the Government, we have only been able to offset approximately $1.9 million of VAT against other taxes at the end 31 December 2021, and $11.2 million in VAT recoverable is outstanding as at 31 December 2021, which is expected to be received via offset of future taxes or cash. Currently the Government of Mali has placed restrictions on VAT claims via offsets of cash reimbursements, due to the sanctions and have indicated that this restriction will be lifted once sanctions are lifted. The sanctions are currently expected to be lifted once a timetable for elections is agreed. The timing of recoverability of these amounts is unpredictable and are subject to foreign currency risk as the amounts are recoverable in West Africa Francs ("CFA").

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2021 of $32,571,000 (2020: $6,552,000) comprising cash held by the Group.

Restricted cash and cash equivalents

Restricted cash and cash equivalents of $4,168,000 (2020: $4,516,000), is cash held in an escrow account as part of the security held by Coris Bank (note 17).

Net debt reconciliation

	AT 1 JANUARY 2021 $'000	CASH FLOW $'000	FOREIGN EXCHANGE MOVEMENT $'000	AMORTISATION OF ISSUE COSTS/ OTHER [1] $'000	AT 31 DECEMBER 2021 $'000
Unrestricted cash	6,552	25,082	937	-	32,571
Restricted cash	4,516	-	(348)	-	4,168
Total cash & cash equivalents	**11,068**	**25,082**	**589**	**-**	**36,739**
Borrowings (note 17)	(13,208)	(49,366)	24	738	(61,812)
Lease liabilities (note 19)	(13,275)	13,201	-	(34,384)	(34,458)
Net debt	**(15,415)**	**(11,083)**	**613**	**(33,646)**	**(59,531)**

1 Included within the other category on lease liabilities is $39,711,000 additions to liabilities as well as $5,271,000 forfeiture of liabilities as a result of changing mining contractors in Mali. Refer to note 19. Included within the other category for borrowings is $1 million of unpaid legal fees at year end offset by $261,000 issue costs amortisation.

	AT 1 JANUARY 2020 $'000	ACQUIRED AS PART OF ASSET PURCHASE $'000	CASH FLOW $'000	FOREIGN EXCHANGE MOVEMENT $'000	AMORTISATION OF ISSUE COSTS/ OTHER $'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**	**45,268**	**(962)**	**(15,673)**	**(15,415)**

17 BORROWINGS

	NEW CORIS SENIOR LOAN FACILITY $'000	CORIS SENIOR LOAN FACILITY $'000	CORIS SECOND BALL MILL FACILITY $'000	TOTAL BORROWINGS $'000
At 1 January 2021	-	12,308	900	13,208
Loan drawdown	66,365	-	-	66,365
Issue costs arising during the year	(4,711)	-	-	(4,711)
Issue costs amortised in the year	-	261	-	261
Interest charged during the year	-	271	-	271
Principal & interest repayments during the year	-	(12,657)	(900)	(13,557)
Foreign exchange loss during the year	158	(183)	-	(25)
Total borrowings at 31 December 2021	**61,812**	**-**	**-**	**61,812**
Analysed as:				
Current	**-**	**-**	**-**	**-**
Non-current	**61,812**	**-**	**-**	**61,812**

New Coris Senior Loan Facility

On 4 November 2021, 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 38,500,000,000 (approximately $70,000,000 before any fees). In December 2021, the full amount was drawn down. The debt facility has the following key terms:

- A 4 year term.
- Interest at 8.5% per annum (payable quarterly).
- Principal deferral period of 18 months from first draw down, payable quarterly thereon.

Further the Group's subsidiary, Kouroussa Gold Mine SA ("KGM") entered into a senior secured term debt facility with Coris Bank International ("Coris") for $30,000,000. This amount was undrawn as at 31December 2021. The debt facility has the same terms as reflected above.

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.

This loan was fully repaid by June 2021.

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 2020 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.

This loan was fully repaid by January 2021.

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. This amount was later increased to CFA 11,200,000,000 (approximately $20,000,000 at 31 December 2021 exchange rate), to provide additional working capital flexibility. This facility was renewed on 18 December 2020 and then lately on 27 December 2021. 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 and KGM, as well as the share capital of SMK and KGM, 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

Provisions as at 31 December 2021 totalled $22,255,000 (2020: $16,125,000).

	2021 $'000	2020 $'000
Rehabilitation provision (a)	21,436	16,125
End of service provision (b)	819	-
	22,255	**16,125**

a 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. The remeasurement is capitalised into the mine closure asset.

	REHABILITATION PROVISION - MALI $'000	REHABILITATION PROVISION - GUINEA $'000	TOTAL $'000
At 1 January 2020	**14,879**	**-**	**14,879**
Asset purchase	-	350	350
Utilised during the year	(36)	-	(36)
Remeasurement	675	-	675
Unwinding of discount	257	-	257
At 31 December 2020	**15,775**	**350**	**16,125**
Utilised during the year	(35)	-	(35)
Remeasurement	5,282	-	5,282
Unwinding of discount	64	-	64
At 31 December 2021	**21,086**	**350**	**21,436**
Analysed as:			
Current	611	-	611
Non-current	20,475	350	20,825
At 31 December 2021	**21,086**	**350**	**21,436**

b End of service provision

The Company's subsidiaries in Mali, are required to operate a post service benefit plans for qualifying employees. The plan is unfunded, and a lump sum amount falls due to employees on cessation of service in qualifying circumstances which is dependent on final salary and length of service. Once the lump sum has been paid on redundancy or retirement, no further payments are due to the individuals as there are no ongoing benefits.

The structure of the benefits scheme is listed below:

YEARS OF SERVICE	BENEFIT
First year up to 5 years	30% of salary
6th to 10th year inclusive	35% of salary
Over 10 years	40% of salary

Further, the plan provides that in addition to the notice period and any severance pay, a special allowance, non-taxable, balance will be paid by the employer and equal to one month of gross salary.

The retirement benefit obligation recognised in the balance sheet as at 31 December 2021 of $819,000 represents the present value of the end of service obligation in relation to this agreement. The charge for this provision is split between cost of sales and some capitalised to the mine development asset in accordance with the payroll costs of the individuals to which the liability relates.

There are no physical assets held to fund the liabilities. Payments will be met by the Company on a pay-as-you-go basis. The amounts have been based on the above calculations performed by management with no actuarial valuations.

Given the level of employees in Guinea as well as length of service, an assessment of any liability will be conducted in 2022. It is expected any liability (if any), will be immaterial at 31 December 2021, and hence no provision has been made.

19 LEASES

The Group leases mining equipment, power plant generators and office space with terms of two to five years at inception. 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			
At 1 January 2020	**23,477**	**475**	**23,952**
Arising during the year	12,963	-	12,963
Remeasurements	379	-	379
At 31 December 2020	**36,819**	**475**	**37,294**
Forfeiture/lapses [1]	(29,013)	-	(29,013)
Arising during the year [1]	39,711	-	39,711
Remeasurement	-	-	-
At 31 December 2021	**47,517**	**475**	**47,992**
Depreciation			
At 1 January 2020	**10,839**	**173**	**11,012**
Charge for the year	12,312	173	12,485
At 31 December 2020	**23,151**	**346**	**23,497**
Forfeiture/lapses [1]	(23,687)	-	(23,687)
Charge for the year	12,067	129	12,196
At 31 December 2021	**11,531**	**475**	**12,006**
Carrying amount at 31 December 2020	**13,668**	**129**	**13,797**
Carrying amount at 31 December 2021	**35,986**	**-**	**35,986**

1 Following the changeover of mining contractor in April 2021, a recalculation of the IFRS 16 liabilities and assets had to be done based on a new 4-year contract with Junction Contract Mining. This resulted in the previous assets and liabilities being extinguished and new ones being recognised.

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:

	2021 $'000	2020 $'000
Within one year	13,496	11,011
In the second to fifth years inclusive	29,582	4,795
Greater than five years	-	-
Total undiscounted lease liabilities at 31 December	**43,078**	**15,806**

Lease liabilities included in the statement of financial position at 31 December 2021 were:

	2021 $'000	2020 $'000
At 1 January	**13,274**	**12,594**
Forfeiture/lapses[1]	(5,271)	-
Arising during the year[1]	39,711	12,963
Remeasurement	(55)	380
Lease liability and lease interest paid during the year	(14,020)	(13,864)
Interest expense on lease liabilities	819	1,201
At 31 December	**34,458**	**13,274**
Analysed as:		
Current	13,496	10,894
Non-current	20,962	2,380
At 31 December	**34,458**	**13,274**

1 Following the changeover of mining contractor in April 2021, a recalculation of the IFRS 16 liabilities and assets had to be done based on a new 4 year contract with Junction Contract Mining. This resulted in the previous assets and liabilities being extinguished and new ones being recognised.

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $12.2 million (2020: $12.5 million) and $819,000 (2020: $1,201,000) interest expense on lease liabilities. Low value and short-term lease charges of $47,000 (2020: $46,000) were also charged into the income statement during the year. A further $49,000 capitalised into mine development in respect of Guinean based short-term leases.

Total of $14,020,000 (2020: $13,864,000) 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.

As at 31 December 2021, deferred tax assets of $11.4 million and deferred tax liabilities of $7.5 million were recognised in the Malian subsidiary, resulting in a net deferred tax asset of $3.9 million (2020: asset of $0.7 million). This resulted in a net deferred tax income of $3.2 million recognised within comprehensive income. 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 potential deferred tax assets of $16,242,000, 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 incorporated and a new mining permit being issued in May 2021, and although it should be expected that we can, but not certain, to transfer historic costs to the new company, management have prudently assumed that any losses within Cassidy Gold SA will not be available for future profits at this stage. This position will be assessed 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 $'000	DEFERRED TAX ASSETS $'000	DEFERRED TAX LIABILITY $'000	NET DEFERRED TAX ASSETS $'000
At 31 December 2019	**31,847**	**(12,461)**	**-**	**-**	**19,386**
Adjustment	279	3,640	-	-	3,919
Reclassification	(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	-	(6,629)	-	(3,285)	(3,285)
At 31 December 2020	**15,145**	**-**	**12,790**	**(12,106)**	**15,829**
Tax losses arising during the year	1,117	-	-	-	1,117
Tax losses utilised during the year	-	-	(1,346)	-	(1,346)
Accelerated tax depreciation	-	-	-	4,530	4,530
At 31 December 2021	**16,262**	**-**	**11,444**	**(7,576)**	**20,130**

21 TRADE AND OTHER PAYABLES

	2021 $'000	2020 $'000
Trade payables	13,209	18,687
Other taxes and social security	6,052	5,709
VAT payable	576	440
Accruals	12,905	13,546
Other payables	966	1,058
	33,708	**39,440**

The average credit period taken for trade purchases is 46 days (2020: 55 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

	2021 $'000	2020 $'000
Royalty liability – Kouroussa	9,092	6,836
Royalty liability – Anglo Pacific Group PLC	15,000	15,000
	24,092	**21,836**

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 $15 million in three equal tranches subject to the satisfaction of certain criteria. The first tranche of $5 million was received on 14 March 2013 and the second tranche of $5 million was received on 10 April 2013, the third tranche of $5 million was received on 13 March 2014 giving a total of $15 million.

During that same year the advances were converted into a 2% net smelter return royalty from any sales of product mined within a 20 km 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 $15 million (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 $15 million 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

The Cassidy Smelter Royalty was reassessed to $9.1 million as at 31 December 2021 (2020: $6.8 million), using the latest discount rates and mine plans. 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 Cassidy Smelter royalty has been deemed to be a level 2 liability under the fair value hierarchy. This has been valued using management estimated gold prices, production profiles as well as estimated discount rates.

Royalty liability – Liberia MES Royalty

Following the purchase of the central licence area from MES Mining Corporation, on 11 May 2021 the Company granted a royalty to MES Mining Corporation ("MES") with respect to the central licence area. The Company shall pay MES a perpetual production royalty based on Net Smelter Returns from the sale or other disposition of all the gold produced from the central licence area. The royalty will apply to 100% of the central licence area, subject to:

- No royalty to be paid until commercial production is reached – producing at least 10,000 oz a month from the licence area over a sustained 3-month period
- Royalty will be paid only on the first 3,000,000 oz of gold produced from the licence area
- No royalty will be payable if the applicable spot gold price is less than $1,250 per ounce

In management's view there is no obligating event and therefore no liability was recognised in the statement of financial position as at 31 December 2021. This liability, when there is an obligating event, will be deemed to be a level 2 liability under the fair value hierarchy.

23 DEFERRED CONSIDERATION

	TOTAL $'000
At 1 January 2020	-
Asset purchase	5,402
At 31 December 2020	**5,402**
Fair value movements through profit and loss	(775)
At 31 December 2021	**4,627**
Analysed as:	
Current	-
Non-current	4,627
At 31 December 2021	**4,627**

The deferred consideration was reassessed to $5.0 million as at 31 December 2021 (2020: $5.4 million), using the latest discount rates and reserve growth estimations, with the resulting movement recorded within statements of comprehensive income.

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 deferred consideration liability has been deemed to be a level 2 liability under the fair value hierarchy. This has been valued using management estimated gold prices, reserve growth profiles as well as estimated discount rates.

24 LIBERIA EARN-IN AGREEMENT

On 4 June 2020 the Company announced an earn-in with Pasofino Gold Limited ("Pasofino") in respect of the Dugbe Gold Project in Liberia ("Dugbe"). The earn-in agreement requires Pasofino to complete a DFS and cover all project costs over the 2 year earn-in period (the "Earn-in"). The Earn-in entitles Pasofino 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 2021.

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

Pasofino has a right to extend this earn-in agreement for an additional 12 months for payments of $1.0 million a month.

If 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% controlling interest in Pasofino or any then listed parent company.

Pasofino have advanced approximately $10,100,000 to Liberia in 2021 (2020: $5,500,000), 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.

2021 cash advanced and amounts spend by Pasofino in Liberia is reflected as below:

	CASH ADVANCED $'000	OTHERS $'000	CASH ADVANCE ADJUSTMENT $'000	RECOGNISED IN FINANCIAL POSITION $'000
2021 Pasofino Dugbe Spend				
Exploration and evaluation assets	9,444	-	(9,525)	(81)
Property plant and equipment	616	-	(616)	-
Funded through increase in creditors	-	1,229	-	1,229
Utilisation of prior year cash	-	886	-	886
Cash on hand at end of year	81	-	-	81
Total	**10,141**	**2,115**	**(10,141)**	**2,115**

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

	2021		2020	
	NUMBER	$'000	NUMBER	$'000
Issued and fully paid				
Ordinary shares of £0.01 each	392,676,809	5,814	357,428,368	5,344
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**	392,676,809	5,814

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

1 The shares on the acquisition of Kouroussa were issued in May 2021.

	NUMBER OF ORDINARY SHARES OF £0.01
At 1 January 2020	**354,155,878**
Issue of shares - exercise of options [1]	3,272,490
At 31 December 2020	**357,428,368**
Issue of shares – Kouroussa acquisition [2]	35,248,441
At 31 December 2021	**392,676,809**

1 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.

2 The shares on the acquisition of Kouroussa were issued in May 2021.

The total number of outstanding share options are:

SHARE OPTIONS	2021	2020
Opening balance	15,410,260	15,446,050
Issued	10,946,233	9,080,000
Exercised	-	(3,272,490)
Lapsed	(6,475,613)	(5,843,300)
As at 31 December	**19,880,880**	**15,410,260**
Total	**19,880,880**	**15,410,260**

26 SHARE BASED PAYMENTS

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

SHARE OPTIONS	2020 NUMBER	GRANTED NUMBER	EXERCISED NUMBER	LAPSED NUMBER	2021 NUMBER
Granted 26/10/2010	1,565,000	-	-	(1,565,000)	**-**
Granted 5/12/2013	1,468,000	-	-	-	**1,468,000**
Granted 30/09/2016	3,872,567	-	-	(102,273)	**3,770,294**
Granted 26/09/2017	110,795	-	-	-	**110,795**
Granted 30/04/2018	453,906	-	-	-	**453,906**
Granted 24/01/2019	619,992	-	-	-	**619,992**
Granted 27/02/2020	6,885,000	-	-	(3,950,542)	**2,934,458**
Granted 16/04/2020	435,000	-	-	(341,666)	**93,334**
Granted 27/02/2021	-	10,946,233	-	(516,132)	**10,430,101**
Total number of share options	**15,410,260**	**10,946,233**	**-**	**(6,475,613)**	**19,880,880**
Weighted average exercise price	£0.05	**£0.01**	**-**	**£0.06**	**£0.03**

Of the total number of share options outstanding at 31 December 2021 8,119,283 (2020: 7,780,310) had vested and were exercisable.

The weighted average fair value of share options granted during the year was $0.404 (£0.304) (2020: $0.269, (£0.2125)).

The weighted average share price (at the date of exercise) of share options exercised during the year was $nil (£nil) (2020: $0.455 (£0.35)).

The exercise price of share options outstanding at 31 December 2021 ranged between £0.01 and £0.22 (2020: £0.01 and £0.22) and their weighted average contractual life was 6 years (2020: 6 years).

The following table outlines share based payment charges:

	2021 $'000	2020 $'000
Charge for equity settled share-based payments (HIPPO 2016)[1]	(137)	75
Charge for equity settled share-based payments (HIPPO 2019)	27	108
Charge for equity settled share-based payments (HIPPO 2020)	(210)	1,663
Charge for Directors Deferred Share Awards - 2021	150	-
Charge for Long-Term incentive Plan – 2021 LTIP	2,005	-
WACOM equity settled arrangements[2]	38	-
Charge for cash settled share-based payments (CEO Deferred bonus)	(461)	310
Total share-based payment charges	**1,412**	**2,156**
Total share-based payment charges recognised in profit and loss	**1,459**	**2,081**

1 Included within share-based payments for the year is a net credit of $99,000 (2020: charge of $75,000) capitalised to mine development assets.

2 Following the Board approval of the build for the Kouroussa Mine, and to incentives the contractor to deliver on time and on budget, the Company granted options to WACOM the main civils contractor, to deliver the process plant and camp on time and on budget. The options are both cash settled as well as equity settled and payable after the delivery of the Kouroussa project is confirmed. The charge was capitalised into the cost of mine development.

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 26 Sep 2017	 $0.312 (£0.24) $0.446 (£0.33)	 - -
Vesting: 25% - from the first gold pour at the Mine [1] 25% - from the passing of completion tests in respect of the Mine [2] 25% - 12 months from first gold pour at the Mine [3] 25% - 24 months from first gold pour at the Mine [4]	 2,170,415 2,170,415 2,170,414 2,170,414	 * * * *
Number of shares options exercised or lapsed in prior periods	(4,698,296)	-
Number of share options exercised or lapsed during the current period	(102,273)	-
Number of share options outstanding as at 31 December 2021	**3,881,089**	**-**

* 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 2021:

	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 2018 awards granted - as amended	**6,674,871**	**1,281**
Lapsed /paid out during the prior periods	(5,600,973)	(1,147)
Lapsed /paid out during the current period	-	(122)
Number of share options outstanding as at 31 December 2021	**1,073,898**	**12**
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 of options 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 $0.70 / litre fuel price and a $1,350 gold price, is equal to or lower than $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 2021:

	SHARE AWARD	CASH AWARD ($'000)*
Total award granted 27 February/16 April 2020 – original grant	9,080,000	2,350
Lapsed during prior periods	(1,760,000)	(1,500)
Lapsed/paid out during year	(4,292,208)	(762)
Number of share options outstanding as at 31 December 2021	**3,027,792**	**88**

* 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)

2021 Incentive Scheme

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 incentive plan ("STIP") 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 with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

The below reflects 2021 Incentive Schemes as at 31 December 2021:

	SHARE AWARD - LTIP	CASH AWARD – STIP ($'000)*
Total award granted 28 February 2021	7,495,548	3,752
Others granted to selected employees [1]	2,870,370	-
Lapsed/paid out during year	(516,132)	(2,552)
Number of share options outstanding as at 31 December 2021	**9,849,786**	**1,200**

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

1 Additionally one off awards were also 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.

The performance period runs from 1 January 2021 to 31 December 2021.

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 grant	$0.417 (£0.304)
Expected dividend yield	Nil
Expected volatility	47.77%
Expected life	4.0 years
Risk free interest rate	0.819%
Resultant fair value	$0.404 (£0.294)

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) received 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

The below reflect Non- executive Director Deferred Share Awards as at 31 December 2021:

	SHARE AWARD	CASH AWARD ($'000)*
Total award granted 28 February 2021	580,315	-
Lapsed/paid out during year	-	-
Number of share options outstanding as at 31 December 2021	**580,315**	**-**

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 grant	$0.295 (£0.215)
Expected dividend yield	Nil
Expected volatility	47.77%
Expected life	1.0 years
Risk free interest rate	0.819%
Resultant fair value	$0.282 (£0.206)

WACOM Incentive Plan

As we announced in December 2021, the Company has formally appointed WACOM to perform the civil and structural design of the process plant, along with the plant fabrication and construction. WACOM is a group of companies specialising in the construction of mining and industrial infrastructure in the West African region. WACOM have a large fabrication and machining workshop in Bamako, Mali where most of the structural steel, plate work and tanks will be fabricated and transported by road to Kouroussa. This will ensure both low cost and timely sequenced arrival of fabricated components for plant construction, WACOM has successfully built a number of mines, including Yanfolila (when formally known as IMAGRI), which was on time and on budget.

The WACOM contract is a lump sum fixed price, with penalties for late delivery. Additionally, to help ensure the project is delivered on time, the Company has agreed an incentive package consisting of a potential bonus of up to $2.6 million, consisting of a cash bonus of up to $0.75 million with the balance of up to $1.85 million (£1,395,000) payable through the issue of 6,342,857 new shares in Hummingbird Resources Plc at the agreed price of £0.22 per share, to be issued 12 months after expected delivery date (i.e., in first half of 2024).

The below reflect the WACOM Incentive as at 31 December 2021:

	SHARE AWARD	CASH AWARD ($'000)*
Total award granted 25 November 2021	6,342,857	750
Lapsed/paid out during year	-	-
Number of share options outstanding as at 31 December 2021	**6,342,857**	**750**

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

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 grant	$0.23 (£0.17)
Expected dividend yield	Nil
Expected volatility	48.37%
Expected life	2.0 years
Risk free interest rate	0.662%
Resultant fair value	$0.044 (£0.033)

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 2021 was $0.1960 (£0.1450) (2020: $0.45, £0.3325).

As a result of movement in the share price and changes in foreign exchange rates, the deferred bonus liability was decreased by $461,000 (2020: increased by $310,000).

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 2021 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	2021 $'000	2020 $'000
(Loss)/profit before tax		**(12,169)**	**26,283**
Adjustments for:			
Amortisation and depreciation	13 & 14	26,286	29,200
Amortisation and depreciation – right of use assets	19	12,197	12,485
Share based payments	26	1,372	2,551
Finance income	9	(4,071)	(2,014)
Finance expense	9	6,003	9,288
Share of joint venture loss	12	46	17
Reversals in impairment of financial assets	16	(108)	(397)
Loss/(gain) on financial assets and liabilities measured at fair value	12	3,134	(1,203)
Operating cash flows before movements in working capital		**32,690**	**76,210**
Decrease/(increase) in inventory		7,204	(2,095)
Increase in receivables		(10,978)	(1,796)
Decrease in payables		(3,795)	(4,297)
		25,121	**68,022**
Taxation paid		(2,418)	(1,766)
Net cash inflow from operating activities		**22,703**	**66,256**

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:

	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	
FINANCIAL ASSETS	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Cash and cash equivalents (note 16)	**36,739**	11,068	-	-	-	-	-	-
Investments (note 12)	**-**	-	**3,530**	7,721	-	-	-	-
Other receivables (note 16)	**8,916**	9,871	-	-	-	-	-	-
	45,655	20,939	**3,530**	7,721	-	-	-	-
Financial liabilities								
Borrowings (note 17)	-	-	-	-	**61,812**	13,208	-	-
Lease liabilities (note 19)	-	-	-	-	**34,458**	13,274	-	-
Trade payables (note 21)	-	-	-	-	**13,209**	18,687	-	-
Other payables (note 21)	-	-	-	-	**966**	1,058	-	-
Accruals (note 21)	-	-	-	-	**12,905**	13,546	-	-
Royalty liability (note 22)	-	-	-	-	**15,000**	15,000	**9,092**	6,836
Deferred consideration (note 23)	-	-	-	-	**-**	-	**4,627**	5,402
	-	-	-	-	**138,350**	74,773	**13,719**	12,238

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, 2021 is considered negligible.

The Group's credit risk on other receivables includes 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 2021 (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 becomes 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 2021 and 31 December 2021 in accordance with IFRS 9, is set out below.

	OTHER RECEIVABLES
	GOVERNMENT OF MALI $'000
As at 1 January 2020	**1,792**
Decrease during the year	(397)
As at 31 December 2020	**1,395**
Decrease during the year	(108)
As at 31 December 2021	**1,287**

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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Australian Dollars ("AUD")	22	203	165	104
Canadian Dollars ("CAD")	-	-	61	74
Euros ("EUR")	207	396	4,940	8,082
Sterling ("GBP")	8,900	9,810	1,260	1,954
South African Rand ("ZAR")	16	106	151	36
Guinea Franc ("GNF")	2,523	725	3,381	151
West African CFA Franc ("FCFA")	77,004	32,360	41,630	10,492

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:

	2021 $'000	2020 $'000
Increase in comprehensive income and net assets - EUR	474	769
Decrease in comprehensive income and net assets - GBP	(765)	(786)
Decrease in comprehensive income and net assets - ZAR	14	(7)
Decrease in comprehensive income and net assets - GNF	86	(58)
Decrease in comprehensive income and net assets – FCFA	(3,538)	(2,187)

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 $84,000 (2020: $79,000) under a contract for the provision of staff, office equipment and warehouse space. There were $23,000 accrued outstanding charges between the parties as at 31 December 2021 (2020: $20,000). Amounts outstanding are unsecured and have been settled in cash.

Additionally, during the year the Company sold Stephen Betts & Sons Limited $6,218,000 (2020: $3,361,000) in gold grain and investment gold coins at a premium to the spot gold price. There was $191,000 accrued outstanding sales between the parties as at 31 December 2021 (2020: $345,000). 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

As previously announced the Group entered into an earn-in agreement with Pasofino, for the development of Dugbe, Liberia.

Three directors of the Company (Daniel Betts, Ernie Nutter and Thomas Hill) invested into Pasofino 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 11% in Pasofino as of 31 March 2022 (17% in March 2021).

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.

	2021 $'000	2020 $'000
Short-term employee benefits	1,433	1,298
Social security cost	186	169
Pensions	11	14
Share based payment charge	260	1,221
(Decrease)/increase in provision for potential social security costs on share options	(191)	374
	1,699	**3,076**

30 COMMITMENTS

As of 31 December 2021 the Group had commitments of $10,366,000 (2020: $2,278,000) in respect of the Yanfolila Project and Kouroussa Project.

31 EVENTS AFTER THE REPORTING DATE

AMS Legal Claim

In January 2022 Hummingbird Resources PLC (the Company) was served with a Particulars of Claim (the claim) by a former mining contractor, African Mining Services, ("AMS"), claiming the full payment of a $2.5 million balance owed to them as at 31 December 2021. This balance is already recorded in the statement of financial position as at 31 December 2021, and hence is not expected to alter the reported numbers. This balance arose from the normal course of business and has not been paid. The Group is defending this claim and counterclaiming on several areas and has received strong legal advice that the claim will be successfully defended.

Partial loan draw-down - New Coris Senior Loan Facility

In April 2022, the Group's subsidiary, Kouroussa Gold Mine SA drew down an initial $5 million of the $30 million senior secured term debt facility with Coris.

Vested Options under Long Term Incentive Plan – 2021 LTIP

For 2021, any individual and company achievements, such as funding and commencement of construction at Kouroussa and the reserves growth, were overshadowed by the facts that the Company did not meet its demanding AISC or production targets. Taking into account Company and individual performances, the Board approved a 38% of the potential maximum for the CEO and the CFO.

2022 Long Term Incentive Scheme - 2022 LTIP

In line with the Long-Term Incentive Plan ("LTIP"), the Remuneration Committee has approved the grant of 13,828,161 restricted share units ("RSU") awards to employee participants.

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 4 February 2025 in two tranches as follows:

Retention Tranche: 1/3 of the RSUs will be based on continuous employment, malice provisions and the employee meeting personal and Company targets.

Relative Total Shareholder Return ("TSR"): 2/3 of the RSUs will be based on Relative TSR against the S&P Commodity Producers Gold Index, with 25% vesting for meeting the index rising on a straight-line basis to 100% for 5% outperformance.

Under the 2022 LTIP the following RSU awards have been approved.

NAME	POSITION	TOTAL NUMBER OF SHARES SUBJECT TO RSUS UNDER THE 2022 LTIP
Daniel Betts	Chief Executive Officer	3,079,455
Thomas Hill	Finance Director	1,979,649
Other Employees		8,769,057
Total Directors and Employees		**13,828,161**

The RSUs under the 2022 LTIP consist of options granted over ordinary shares in the Company of £0.01 each ("Shares"), which have an exercise price of £0.01 per Share. Once vested, any RSUs may be exercised by the holder 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 RSU holders will normally retain vested RSUs following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the RSUs shall lapse.

Non-executive Director Deferred Share Awards

Like 2021, in recognition of the experience and the ongoing level of 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 the award date, subject to remaining in office. These awards must be retained and cannot normally be sold until the individual ceases to hold office. For the year to 31 December 2022, the awards are as follows:

	POSITION	TOTAL NUMBER OF DEFERRED SHARE AWARDS
Russell King	Chairman	214,495
Attie Roux	Non-executive director	214,495
Ernie Nutter	Non-executive director	214,495
Stephen Betts	Non-executive director	214,495
David Straker-Smith	Non-executive director	214,495
Total		**1,072,475**

COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

	NOTES	2021 $'000	2020 $'000
Assets			
Non-current assets			
Investments	38	110,688	110,825
Financial assets at fair value through profit or loss	38	3,530	5,981
Property, plant and equipment	39	38	42
Right of use assets	44	-	129
Receivables from subsidiaries	40	37,679	37,430
		151,935	154,407
Current assets			
Inventory	41	3,926	3,183
Trade and other receivables	41	5,105	5,181
Cash and cash equivalents	41	817	500
		9,848	8,864
Total assets		**161,783**	**163,271**
Liabilities			
Non-current liabilities			
Deferred consideration	43	4,627	5,402
		4,627	5,402
Current liabilities			
Trade and other payables	42	20,833	15,282
Lease liabilities	44	-	105
		20,833	15,387
Total liabilities		**25,460**	**20,789**
Net assets		**136,323**	**142,482**
Equity			
Share capital	45	5,814	5,344
Share premium	45	17,425	488
Shares to be issued	45	-	17,407
Retained earnings		113,084	119,243
Total equity		**136,323**	**142,482**

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 2021 of $7,163,000. The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2022.

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 2021

	NOTES	2021 $'000	2020 $'000
Net cash outflow from operating activities	47	**(21)**	**(1,650)**
Investing activities			
Purchases of property, plant and equipment		(32)	(20)
Decrease/(increase) in investment in subsidiaries		137	(75)
(Increase)/decrease in amounts lent to subsidiaries		(543)	1,205
Sales/(purchase) of shares in other companies		907	(393)
Interest received		-	5
Net cash generated by investing activities		**469**	**722**
Financing activities			
Exercise of share options		-	532
Lease interest payments		(20)	(25)
Lease principal payments		(105)	(166)
Net cash (used in)/from financing activities		**(125)**	**341**
Net increase/(decrease) in cash and cash equivalents		**323**	**(587)**
Effect of foreign exchange rate changes		(6)	(21)
Cash and cash equivalents at beginning of year		**500**	**1,108**
Cash and cash equivalents at end of year		**817**	**500**

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	SHARE CAPITAL $'000	SHARES TO BE ISSUED $'000	SHARE PREMIUM $'000	RETAINED EARNINGS $'000	TOTAL $'000
Balance at 1 January 2020	**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**
Comprehensive loss for year:					
Loss for year	-	-	-	(7,163)	(7,163)
Total comprehensive loss for the year	**-**		**-**	**(7,163)**	**(7,163)**
Transactions with owners in their capacity as owners:					
Shares issued	470	(17,407)	16,937	-	-
Total transactions with owners in their capacity as owners	**470**	**(17,407)**	**17,425**	**-**	**-**
Share based payments	-	-	-	1,004	1,004
As at 31 December 2021	**5,814**	**-**	**17,425**	**113,084**	**136,323**

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

Cumulative net gains and losses recognised in the statement of comprehensive income.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

For the year ended 31 December 2021

32 BASIS OF PREPARATION

The financial statements have been properly prepared in accordance with UK adopted International Accounting Standards.

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 2020. The following standards have been adopted in the year with no material impact on the financial statements of the Company.

IFRS 9, IAS 39, IFRS 7 (Amendments)	effective 1 January 2021	Interest Rate Benchmark Reform
IFRS 16 (Amendments)	effective 1 April 2021	COVID-19 Rent Concessions

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

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 2021, 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 2021.

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 $148,000 (2020: credit reversal of $28,000). 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:

	2021 NUMBER	2020 NUMBER
Directors	7	7
Other employees	12	10
	19	17

	$'000	$'000
Their aggregate remuneration comprised:		
Wages and salaries	2,961	3,127
Social security costs	447	371
Pensions	62	86
Charge for share based payments	1,176	1,935
Charge for potential social security costs related to share based payments	(87)	470
	4,559	5,989

Within wages and salaries, $1,433,000 (2020: $1,370,000) relates to remuneration payable to directors, included within share-based payments is a net charge of $260,000 (2020: $1,221,000) under cash-settled share based payment scheme payable to directors, and within pensions is $11,000 (2020: $14,000) relating to pension contributions in respect of directors.

The total remuneration of the highest paid director is $821,000 (2020: $650,000) comprising $815,000 (2020: $643,000) in relation to wages and salaries including bonuses paid and pension contributions of $6,000 (2020: $7,000).

The number of directors to whom benefits are accruing under defined contribution pension schemes is 2 (2020: 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 2020	198
Additions	-
At 31 December 2021	**198**
Investment in subsidiaries	
At 31 December 2019	87,743
Additions due to asset purchase	22,809
Additions	75
At 31 December 2020	110,627
Additions/adjustments	(137)
At 31 December 2021	**110,490**
Total investments	
At 31 December 2020	**110,825**
At 31 December 2021	**110,688**

b Financial assets at fair value through profit or loss:

	CORA GOLD		BUNKER HILL SHARES AND WARRANTS [1]		BUNKER HILL CONVERTIBLE LOAN		TOTAL	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2021 $'000	2021 $'000	2020 $'000
Opening balance	968	619	5,013	2,297	-	2,075	**5,981**	**4,991**
Disposal	(907)	-	-	-	-	-	**(907)**	**-**
Additions	-	-	-	300	-	-	**-**	**300**
Conversion of loans	-	-	-	2,400	-	(2,400)	**-**	**-**
Accrued interest	-	-	-	-	-	115	**-**	**115**
(Loss)/gains through profit or loss	(61)	349	(1,483)	16	-	210	**(1,544)**	**575**
Closing carrying value	**-**	**968**	**3,530**	**5,013**	-	-	**3,530**	**5,981**

1 Warrants are valued using the Black Scholes model.

Investments - Cora Gold Limited ("Cora")

On 22 June 2021, the Company sold its remaining holding in Cora for approximately $907,000.

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 $2,100,000 due from Bunker Hill for 5,572,980 shares at a cost of CAD$0.5 per share at the date of conversion.

As part of this investment the Company 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 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 2019	**806**
Additions	20
At 31 December 2020	**826**
Additions	32
At 31 December 2021	**858**
Accumulated depreciation	
At 1 January 2020	638
Charge for the year	146
At 31 December 2020	**784**
Charge for the year	36
At 31 December 2021	**820**
Carrying amount	
At 31 December 2020	**42**
At 31 December 2021	**38**

40 RECEIVABLES FROM SUBSIDIARIES

	2021 $'000	2020 $'000
Receivables from subsidiaries	38,062	37,961
Less: Cumulative allowance for expected credit losses	(383)	(531)
	37,679	**37,430**

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 amounts are interest free, unsecured, and payable on demand. 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 gain of $148,000 (2020: loss of $28,000). The net cumulating lifetime expected credit loss for the balance is $383,000 at 31 December 2021 (2020: $531,000). 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

	2021 $'000	2020 $'000
Finished gold	3,926	3,183
	3,926	**3,183**

At 31 December 2021, inventory included a provision of $nil to adjust finished gold to net realisable value (2020: $nil).

Finished gold consist of Single Mine Origin ("SMO") gold including coins, originating from the Yanfolila Gold Mine in Mali. Further details are set out on the Group's website.

Trade and other receivables

	2021 $'000	2020 $'000
Other receivables	688	886
Prepayments and accrued income	348	619
Trade receivables - intercompany	4,069	3,676
	5,105	**5,181**

Cash and cash equivalents

Cash and cash equivalents as at 31 December 2021 of $817,000 (31 December 2020: $500,000) 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

	2021 $'000	2020 $'000
Trade payables	916	1,892
Other taxes and social security	352	187
VAT	534	423
Accruals	1,956	2,913
Other payables	510	501
Trade payables - Intercompany	16,565	9,366
	20,833	**15,282**

The average credit period taken for trade purchases is 24 days (2020: 69 days).

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

43 DEFERRED CONSIDERATION

The movements on this item are disclosed in note 23 to the consolidated financial statements.

44 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 recognise the 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	
At 1 January 2020	475
Remeasurements	-
At 31 December 2020	**475**
Remeasurements	-
At 31 December 2021	**475**
Depreciation	
At 1 January 2020	173
Charge for the year	173
At 31 December 2020	346
Charge for the year	129
At 31 December 2021	**475**
Carrying amount at 31 December 2020	**129**
Carrying amount at 31 December 2021	**-**

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:

	2021 $'000	2020 $'000
Within one year	-	99
In the second to fifth years inclusive	-	-
Greater than five years	-	-
Total undiscounted lease liabilities at 31 December	**-**	**99**

Lease liabilities included in the statement of financial position at 31 December 2021 were:

	2021 $'000	2020 $'000
At 1 January	105	289
Remeasurement	-	(18)
Lease liability and interest paid during the year	(125)	(191)
Interest expense on lease liabilities	20	25
At 31 December	-	105
Analysed as:		
Current	-	105
Non-current	-	-
At 31 December	-	105

Amounts recognised in statement of comprehensive income includes depreciation on right of use assets of $130,000 and $20,0000 interest expense on lease liabilities. A total of $125,000 of lease principal and lease interest were also paid during the year and disclosed within financing activities on the statement of cash flows.

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

	2021 $'000	2020 $'000
Loss before tax	**(7,163)**	**(6,882)**
Adjustments for:		
Amortisation and depreciation	165	319
Share based payments	1,089	2,405
Finance income	10	(509)
Finance expense	178	101
(Reversals in impairment)/impairment of financial assets	(148)	28
Gain/(loss) on financial assets measured at fair value	768	(575)
Operating cash flows before movements in working capital	**(5,101)**	**(5,113)**
Increase in inventories	(744)	(941)
Decrease/(increase) in receivables	75	(1,456)
Increase in payables	5,749	5,860
Net cash outflow from operating activities	**(21)**	**(1,650)**

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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Financial assets								
Cash and cash equivalents	**817**	500	-	-	-	-	-	-
Other receivables	**688**	885	-	-	-	-	-	-
Investments	**-**	-	**3,530**	5,981	-	-	-	-
Intercompany trade receivables	**4,069**	3,676	-	-	-	-	-	-
Loans due from subsidiaries	**37,679**	**37,430**	-	-	-	-	-	-
	43,253	**42,491**	**3,530**	5,981	-	-	-	-
Financial liabilities								
Trade payables	**-**	-	-	-	**916**	1,892	-	`
Other payables	**-**	-	-	-	**510**	501	-	-
Accruals	**-**	-	-	-	**1,956**	2,913	-	-
Intercompany trade payables	**-**	-	-	-	**16,565**	9,366	-	-
Deferred consideration	**-**	-	-	-	**-**	-	**4,627**	5,402
Lease liabilities	**-**	-	-	-	**-**	105	-	-
	-	-	-	-	**19,947**	14,777	**4,627**	**5,402**

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 2021 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 2020	**503**	**-**	**503**
Increase during the year	28	-	28
As at 31 December 2020	**531**	-	**531**
Decrease during the year	(148)	-	(148)
As at 31 December 2021	**383**	**-**	**383**

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	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Australian Dollars ("AUD")	91	211	-	9
Canadian Dollars ("CAD")	93	-	46	74
Euros ("EUR")	22	1	4	361
Sterling ("GBP")	7,210	9,773	1,450	1,172
South African Rand ("ZAR")	3	2	-	-

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:

	2021 $'000	2020 $'000
Decrease in comprehensive income and net assets - AUD	9	(21)
Increase in comprehensive income and net assets - CAD	14	8
Increase in comprehensive income and net assets - EUR	3	36
(Decrease)/increase in comprehensive income and net assets - GBP	831	(861)
Decrease in comprehensive income and net assets – ZAR	-	(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 2020	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIÉTÉ 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**

AS AT 31 DECEMBER 2021	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIÉTÉ DES MINES DE KOMANA SA $'000	KOUROUSSA GOLD MINE SA $'000	TOTAL $'000
Trade receivables - Intercompany	-	4,066	3	-	4,069
Loans due from related parties	37,537	67	41	34	37,679
Total related party receivables	**37,537**	**4,133**	**44**	**34**	**41,748**
Trade payables - Intercompany	-	16,565	-	-	16,565
Total related party payables	**-**	**16,565**	**-**	**-**	**16,565**

During the year, the Company entered into the following related party transactions with its subsidiary undertakings:

YEAR ENDED 31 DECEMBER 2020	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIÉTÉ DES MINES DE KOMANA SA $'000	KOUROUSSA GOLD MINE 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**	**-**	**-**	**4,041**

YEAR ENDED 31 DECEMBER 2021	HUMMINGBIRD RESOURCES (LIBERIA) INC $'000	TROCHILIDAE RESOURCES LIMITED $'000	SOCIÉTÉ DES MINES DE KOMANA SA $'000	KOUROUSSA GOLD MINE SA $'000	TOTAL $'000
Management fees	-	2,044	-	-	2,044
Recharge of technical fees	-	4,288	-	-	4,288
Total sales with related parties	**-**	**6,359**	**-**	**-**	**6,359**

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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“

a diamond is just a lump of coal which took

the hard road and reacted well to the pressure

BASIL DE TENTE