

Hummingbird Resources plc

("Hummingbird" or the "Company") (AIM: HUM)

Final results for the year ended 31 May 2014

Year of strong progress with transformational post-period acquisition

Hummingbird Resources plc, the gold exploration and development company with assets in Mali and Liberia, announces its final audited results for the year ended 31 May 2014.

Period Highlights - Dugbe 1

Development

- Total mineral resources grown to 4.2Moz from 3.8Moz with 16% increase in average gold grade and more than 2Moz Au converted to Indicated Resources
- Estimated metallurgical recoveries up by 2% to 90%
- Detailed study of power options completed
 - Estimated power costs down from US\$0.28/kw to less than US\$0.20/kw using HFO
- Compilation of the Detailed Feasibility Study ("DFS") reports is ongoing along with a review of the scope of work and re-modelling of the Dugbe F deposit and Sackor discovery, providing potential to significantly enhance mine plan economics
- Detailed 1:10,000 airborne magnetic and radiometric survey data completed over the Dugbe 1 area identifying 47 targets with follow up exploration work including soil sampling underway

Financial

- MDM Engineering ("MDM"), lead consultant for Hummingbird's DFS and Front End Engineering and Design ("FEED"), received approval from the South African Department of Trade and Industry ("DTI") for a grant to support MDM's consultancy work in relation to the DFS
- Final US\$5 million tranche of royalty funding agreement with Anglo Pacific Group received
- Cash of US\$7m as at 31 May 2014

Post Period End - Yanfolila Project

- Yanfolila Project, with a current mineral inventory of 1.8Moz of gold at 2.8g/t, acquired from Gold Fields for US\$20m in Hummingbird ordinary shares issued at 56 pence per share
- Acquisition included all of Gold Fields' mining and exploration interests in Mali
- Two phase debt facility signed with Taurus Mining Finance Fund ("Taurus") to fund the construction of the Yanfolila project
 - US\$10m Bridge Facility agreed covers Front End Engineering and Design ("FEED"), detailed engineering, drilling, associated optimisation studies and long-lead capital equipment
 - Conditional US\$75m refinancing package agreed post Bridge Facility

- Optimisation of Gold Fields' DFS due for completion Q4 2014 with focus on mining oxide material only in Phase 1 to allow for construction to commence in Q1 2015
- Following positive preliminary results initial drill programme extended for a further 4,000 metres
- Company's total resources currently stands at 6Moz gold

Dan Betts, CEO of Hummingbird, said:

"Hummingbird remains fully focused on executing its two-pronged strategy of bringing Yanfolila, into production while advancing the Dugbe 1 Project.

"The year has not been kind to junior gold miners operating in West Africa, but rather than sit and lick our wounds we have instead grasped the opportunities and in the process fast-tracked the Company towards first production by 2016. We see further opportunities being presented by uncertain markets and intend to augment the Company's existing assets through the careful acquisition of high-quality assets.

"The Ebola virus is having a devastating impact on Liberia at this current time. With our focus at Yanfolila in Mali at present this is not impacting the Company's progress at this time. We are working with other companies in the region and our local communities to provide assistance and resources where possible to tackle the challenge that faces the West African region.

"Our mission is still clear: to build the pre-eminent next generation gold company by developing our own projects and continuing to evaluate any other quality projects which become available."

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Notes to Editors

About Hummingbird Resources Plc

Founded in late 2005, Hummingbird Resources is a West African gold explorer and developer (AIM: HUM), which listed on AIM in December 2010 with a maiden National Instrument 43-101 compliant Resource of 0.8Moz gold in Liberia. Since IPO the Company has significantly grown its initial resource

to 4.2Moz at its Dugbe 1 Project in Liberia, West Africa. In July 2014 Hummingbird Resources acquired Gold Fields' gold assets in Mali. Hummingbird is now a multi-project, near-term producer with 6Moz of gold and 5,000 km² of exploration ground.

For more information, please visit:

www.hummingbirdresources.co.uk

CHAIRMAN'S STATEMENT

2014 has been a year of significant progress for Hummingbird.

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

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

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

This acquisition, combined with our existing resources in Liberia, means we now have an inventory of over 6Moz of gold and a 5,000km² exploration package across both Mali and Liberia. This impressive portfolio, coupled with a clear, funded path to initial production, is paving the way for Hummingbird to evolve into a substantial West African gold player.

In Liberia, many aspects of the Detailed Feasibility Study are showing improvement from increased grade and recovery, to reduced power costs, as we continue to progress this core asset. However, the acquisition of a near-term production asset in Yanfolila has afforded us an opportunity to step back and optimise the Dugbe 1 DFS, a process which is currently underway.

Having Chaired Hummingbird for the past five years we have decided that it is the right time for me to stand down as Chairman. I am very proud of the progress that has been made over that time from grassroots exploration, through a listing on the stock exchange and on through remarkable discovery success to near production. Whilst the market has remained volatile, I am pleased to say Hummingbird has continued to find a way to deliver and has continued to add value and grow.

It has been a pleasure to serve as your Chairman and I am leaving the Company in a strong state, with an excellent management team, assets and prospects. I will remain involved in Hummingbird in

an advisory capacity and I look forward to watching the team develop through this cycle of the market.

CEO's Statement

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

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

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

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

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

The DFS on the Dugbe 1 project has been a comprehensive piece of work with extremely encouraging results in many areas, but it has been conducted against a backdrop of an ever falling gold price. The economics of the PEA upon which we based our decision to conduct the DFS were that of an IRR of 43% and free cash of US\$60m per year. The gold price has retreated some US\$300/oz since the PEA was completed, which on 125,000 oz of annual production equates to a reduction of US\$37.5m in projected revenue on an annual basis. Despite the improvements in grade, resource, power costs and recovery across the scope of the project it is impossible to fight a waning tide of this magnitude.

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

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

During the period we evaluated a number of projects and at the start of 2014 entered into a tender process to buy the Yanfolila Project and all associated in-country licences and operations from Gold Fields. I am delighted to be able to confirm that after the year end we were successful in this tender

against a highly competitive field and we managed to acquire all of Gold Fields' assets in Mali for US\$20m payable in Hummingbird shares.

Furthermore, we are able to fund Yanfolila's development and potential future construction having secured a conditional US\$75m debt facility from Taurus Funds Management, on extremely competitive rates. The initial US\$10m bridge, which has already been drawn in order to complete the optimisation plans, was borrowed at 9% and this rolls up into the US\$75m facility.

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

Hummingbird's plan is to change the scope of the Project and to initially process only the oxide and transitional material which is much softer rock and will require significantly less power and a smaller plant to process. This will reduce the Project's capital requirement to a level where a junior like Hummingbird can afford to build it and significantly reduce the payback period. Our target is to start construction in Q1 2015 and to be in production by 2016. It is estimated that the mine will produce over 80,000ozs in the first year at an initial all in cost of US\$700/oz meaning that it is a far more achievable project to get off the ground in this gold price environment than the large Dugbe 1.

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

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

Gold mines take years if not decades to discover, prove and build. Hummingbird's strategy is contrarian to most of the existing juniors on the market in that we believe that now is the time to work, build and prepare for the next phase of the cycle. It is our aim to provide the investment world with a technically robust, viable, deliverable plan that offers shareholders a business with maximum

exposure to the next rising gold market – an alternative to the common strategy of doing nothing and waiting.

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

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

**Consolidated Income Statement
For the year ended 31 May 2014**

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

Consolidated Statement of Comprehensive Income
For the year ended 31 May 2014

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

Consolidated Balance Sheet
As at 31 May 2014

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

Consolidated Statement of Cashflows
For the year ended 31 May 2014

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

Consolidated Statement of Changes in Equity
For the year ended 31 May 2014

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

**Notes to the Consolidated Financial Information
For the year ended 31 May 2014**

1. GENERAL INFORMATION

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

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

2. BASIS OF PREPARATION

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

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 May 2014 or 31 May 2013 but is derived from those accounts. The auditor's report on those financial statements was unqualified and did not contain a reference, to which the auditors drew attention by way of emphasis and did not contain a statement under s498 (2) - (3) of Companies Act 2006.

3. LOSS PER ORDINARY SHARE

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

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

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

At the balance sheet date there were 7,249,658 (2013: 6,474,658) potentially dilutive ordinary shares. In 2014 and 2013 the potential ordinary shares are anti-dilutive and therefore diluted loss per share has not been calculated.

4. AVAILABILITY OF ACCOUNTS

The audited Annual Report and Financial Statements for the 12 months ended 31 May 2014 and notice of AGM will shortly be sent to shareholders and published at:

www.hummingbirdresources.co.uk