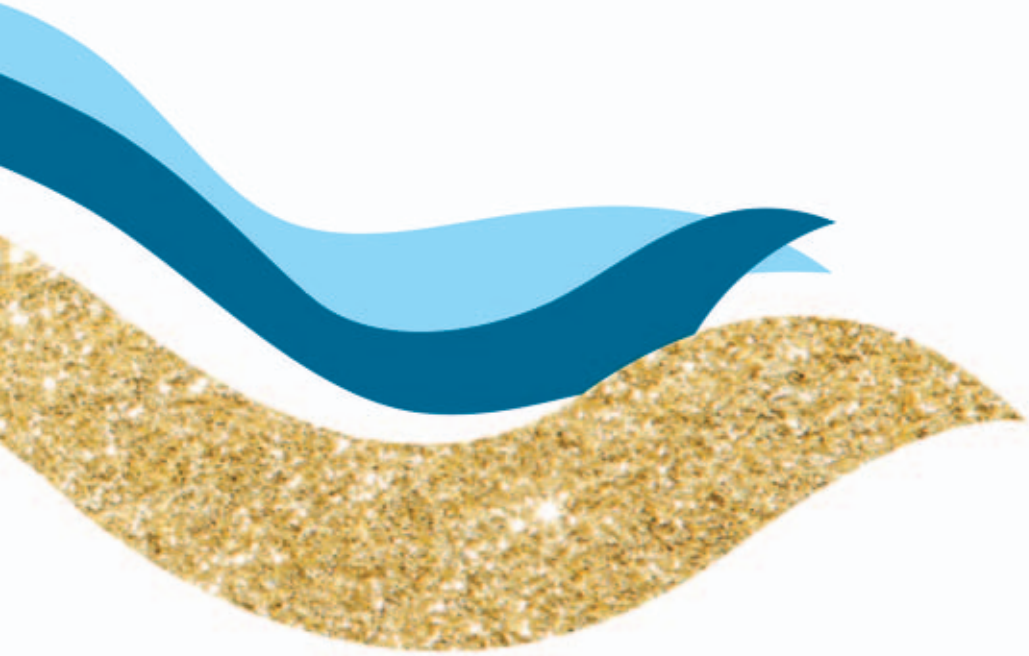
HUMMINGBIRD RESOURCES

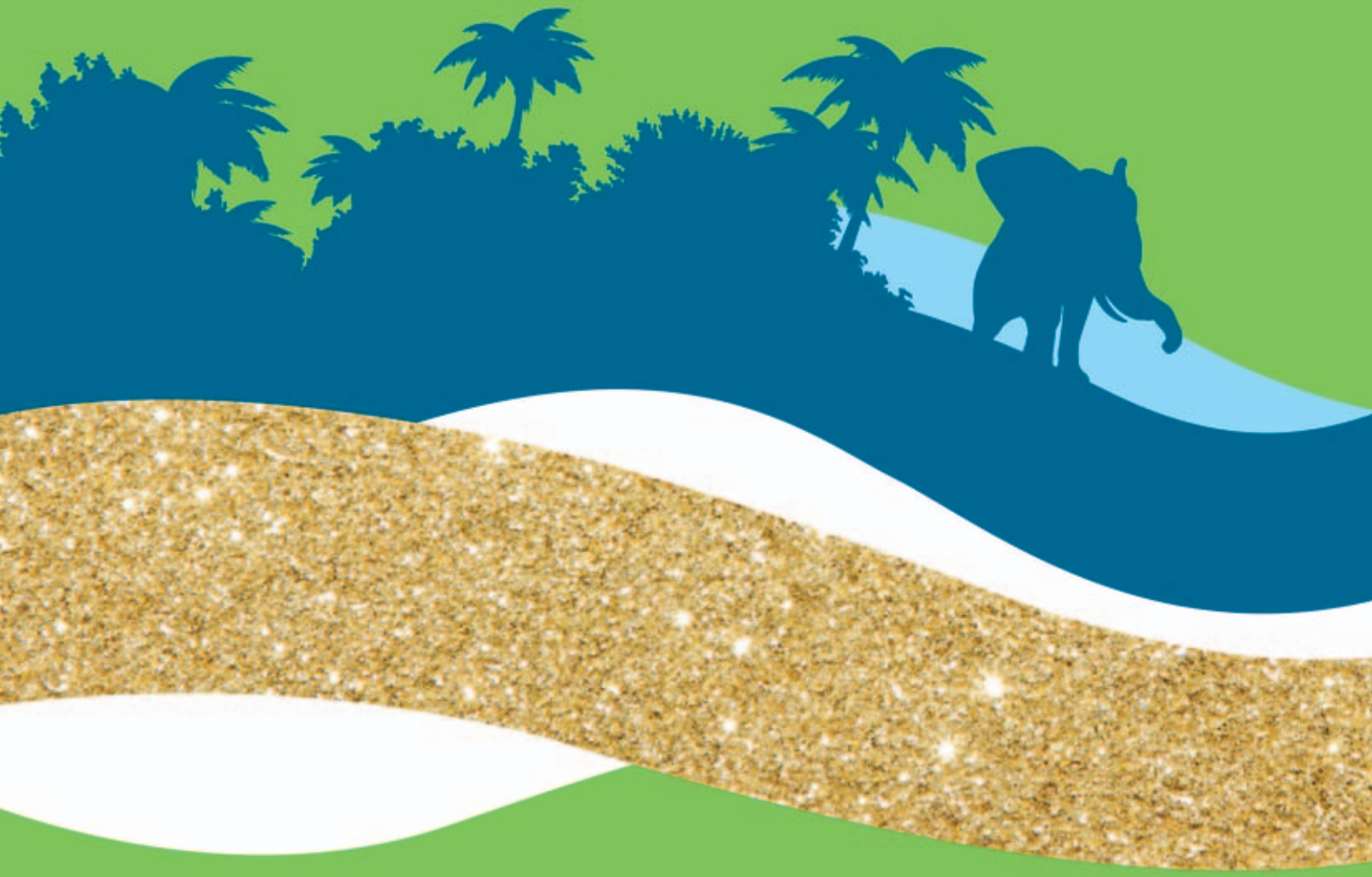
Annual Report 2011



"Conviction; persistence; opportunity; diligence; compassion and a healthy seasoning of luck; these are the ingredients of success, whatever your goal may be. Follow these principles and you shall strike gold."

Basil de Tent

Contents



Hummingbird Overview

Opening Highlights

Highlights of the year

MAY 2010

0 OZ

DECEMBER 2010

812,000 OZ

Listed on AIM (HUM) 10 December 2010

Listing price £1.67/share

53,355,565 shares in issue

Joint venture with Petmin Ltd on Mt Ginka iron ore licence

Coarse visible gold in core sample

Tuzon target now being drilled

	2005	2006	2007
Corporate	Hummingbird Resources Ltd founded	Raised $0.5m	Raised $2.5m
Exploration	 Core samples	825 stream samples collected	4,139 stream samples collected
Landholdings	Acquired licences in Dugbe, Cestos and Nimba	 Driving to Zia	Acquired licences in Zia, Jababli, Ba and Kana Hills

Opening Highlights

TIME OF PRESS

1,765,000 oz

$40m
Cash raised at IPO

Approx. 1m ounces added in first five months of drilling since IPO

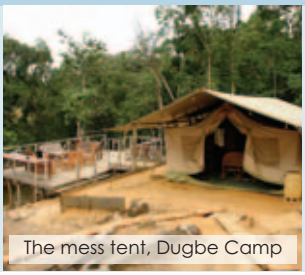
Positive aeromagnetic survey over Mt Ginka completed

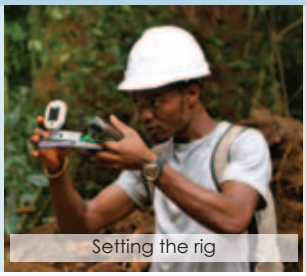
Current cash burn approx. $1.5m/ month

Indicated Resource grade increased by approx. 30%

Regional targets along Dugbe Shear Zone developing rapidly

2008	2009	2010	2011 to date
Raised $2.5m	Raised $11.5m Total raised pre-IPO = $17m Total spent pre-IPO = $14.5m	IPO raised $40m for 2 years' exploration budget	Mt Ginka with Petmin - Invested $2m for 50% of the licence
5,008 soil samples collected 418m trenching	4,547 soil samples collected 1,417m trenching 520m scout drilling	1,211 stream samples collected 3,589 soil samples collected 1,786m trenching 15,317m drilling for 812,000 oz Resource	2,864 stream samples collected 6,409 soil samples collected 2,526m trenching 23,290m drilling
Acquired licences in Mt Ginka (iron ore), Zwedru, Plibo, Blebo, Gekhen, Ke Town and Tawake		Acquired licences in Nemo Creek, Tiehnpo and Joe Village	


The mess tent, Dugbe Camp


Setting the rig

Opening Highlights

Highlights since year end

	31 May 2010	31 May 2011	30 September 2011
Cash	$8m	$32m	$25m
Gold resources	0oz	812,000oz	1,765,000oz
Gold price per oz	$900	$1,537	$1,620
Market cap	N/A	$133m	$121m
Metres drilled	3,700	27,358	39,127
Monthly cash burn	$0.4m	$1.8m	Approx. $1.5m

	2011 targets	2012
Corporate	Internal options study	Pre-feasibility study
Exploration	Capacity build to support 3 rigs 25,000m resource drilling Resource soil and trench programmes Mt Ginka metallurgical work	20-25,000m resource drilling Infill drilling at Dugbe to move resource to Indicated & Measured category Scout & resource drill secondary project
Landholdings	MDA negotiations over Dugbe and Juazohn Shear Zones	

Largest gold deposit in Liberia

Total resources grow to 1.8m ounces (1.4m ounces Indicated and 0.4m ounces Inferred)

Market value of added resource in 2011 = approx. $1.6bn for a cost of approx. $12m

Indicated Resource growth by 150% to 1.4m ounces

Approx. 3,000m trenches dug in 2011 to date

Over 23,000m drilled in 2011


Atlas Copco CS 1000

2013

Feasibility study

Pre-feasibility on secondary projects

2014

Dugbe gold mine construction


Tracking the rig


Hummingbird has built more than 15 bridges

Chairman's Statement

On behalf of the board of directors I am pleased to present Hummingbird Resources plc's Annual Report for the year ending 31 May 2011.

It has been a very significant year in the development of the Company. Hummingbird Resources underwent a successful transition from a private to a public company when its shares became tradable on London's AIM market on 10 December 2010. The Company raised gross proceeds of $40m in the IPO process and it gives me great pleasure to welcome all those new shareholders into the business. At the time of the IPO, Hummingbird also announced a maiden NI43-101 compliant resource of 812,000 ounces on its Dugbe F Project which was the culmination of five years of pioneering and back-breaking grass roots exploration in the remote eastern provinces of Liberia. Now, nine months later, we are thrilled to have more than doubled that initial resource to a total of 1,765,000 ounces.

Proof of Concept

To think that the first footprints were only planted in Dugbe in 2007, the speed of development to reach a resource is extremely satisfying, and all involved can rightfully be very proud. As we said at our IPO though, this serves only as the 'proof of concept'. We believe that Hummingbird is on the verge of placing itself and Liberia firmly as a major player in West Africa's world class Birimian gold belt. The events of the current year are, we hope, merely a prelude to the gathering pace of development from now on.

The proceeds raised at IPO (which was oversubscribed) should be sufficient to meet our exploration plan, which has the main priority of adding ounces, proving that our initial resource was merely the beginning. To this end a vast amount of work has been ongoing all year, and as I write this we have drilled a further 20,000 metres at our Dugbe F Project in 2011 alone, not to mention all the regional programmes ongoing, and we have significantly increased the size of the Resource, together with some pleasing improvement in grade at the southern and western margins of the initial deposit at the Dugbe F Project.

Exceptional Team

I visited Liberia and the Dugbe F Project earlier in 2011 and was extremely pleased with progress on the ground, the in-country team, quality of the project and the ability of the Company to get to mine development in the near future, all of which has filled me with confidence.

Hummingbird's objectives remain to explore for, discover, evaluate and develop gold deposits. We have built a team that has the skills to do this and in Liberia we have given ourselves an almost unique opportunity to not only find world class gold deposits, but to build a gold mining industry that is second to none in this young developing country.

Iron Ore

As well as gold licences, Hummingbird Resources owns 50% of Iron Bird Resources in a joint venture with Petmin Ltd, which owns the highly prospective Mt Ginka iron ore licence. An aeromagnetic survey was flown at the beginning of the year over this licence. The results of this showed a significant magnetic anomaly extending 20km in length by up to 250m wide and depths of 1,000m. Since these results a programme of trenching and metallurgical test work is underway. With iron ore in such demand, this project represents a significant potential value-adding opportunity for Hummingbird shareholders, at minimal cost to the Company, as Petmin has financed the initial exploration programme.

Chairman's Statement

Liberia

And that brings me to Liberia, a country little-known for anything beyond the Charles Taylor years in the West. For me, Liberia is not so much a risk but one of our biggest advantages. Our positioning in the country is second to none due to the years of hard work put in by the team. The country has a rapidly growing economy as it has been at peace for almost a decade. Before the war Liberia enjoyed the longest ever period of stability known by any African nation (113 years) and this tiny nation was the world's third largest exporter of iron ore. This is a country with a proud history in the extractive industries and their support in our development is a huge help.

Improving Investment Environment

Liberia continues to attract world-class investment. This includes Chevron Corporation, Sime Darby Berhad, BHP Billiton Ltd and numerous other listed resource companies. Of great significance is the fact that ArcelorMittal's re-development of the Mt Nimba project has now gone into production with the first iron ore having been shipped from Nimba out through Buchanan port. Infrastructure in the form of roads, railways and ports has improved greatly over the years and is helping to continually reduce operational costs. Liberia has a population of only 3.9m people and geographically is very small. It is only 40km as the crow flies from Dugbe F to the operational deep water port of Greenville. In 2008 Liberia was rated the most improved country in Africa by the Ibrahim Index of African Governance.

Against this positive country backdrop, in the last year we have seen gold rally to a high point of over $1,900/ounce. This is due to many factors including uncertainties around the world economy, not helped by huge US debt and crisis in the Eurozone. None of these problems appear to have an immediate solution and the mid-term price of gold looks likely to grow beyond prices we previously thought possible. However, it is likely that the secular upward trend in gold price will be subject to extreme volatility. Once again history repeats itself and people seek safety in gold as economies and short-term government policies fail to stabilise the situation.

Looking Ahead

Our strategy remains to discover more gold quickly and efficiently, while concurrently moving the Dugbe F Project towards production. Indeed, it is our intention this forthcoming year to fully evaluate our development options for the Dugbe F Project, which is the most advanced project in our stable of opportunities, in consultation with the relevant experts.

Finally, it would be remiss of me not to thank Dan and his team who have worked tirelessly to get Hummingbird to where we are today, undertaking an enormous amount of work, often under very demanding conditions. This is a difficult business and I take great pride in the skills and spirit of this rapidly maturing team. With them, your investment is in safe hands.

On that final note, it is your company. Without your trust and support we would not exist and we do not take that responsibility lightly. Furthermore, Liberia would not have this opportunity for sustainable development. Whilst markets may fluctuate I urge you to retain perspective and see this journey through as I believe we are set for great things.

Ian Cockerill
Non-Executive Chairman

CEO's Statement

It has been a dramatic 16 months in the life of Hummingbird Resources, and it gives me great pleasure to write this summary to you in our first Annual Report as a public company.

In order to look forward, it is important first to look back. In May 2010 Hummingbird was a private company with no resource and a little over $3m in the bank, desperately hoping that its drill programme, with a completed total of 6,000m at its Dugbe licence, would be successful.

The Company listed on AIM in London on 10 December 2010 and raised $40m at a pre money valuation of $100m. With 53,355,565 shares in issue this gave the Company a market capitalisation of $140m (£89m) at launch, which equated to £1.67 per share. At this time the Company had an NI 43-101 compliant resource of 552,000 Indicated ounces and 260,000 Inferred ounces totalling 812,000 ounces of gold at an average grade of 1.208g/t. This resource was open in all directions and was delivered for a discovery cost of $15/ounce which includes all of the work completed over all of our licences over the last five years. It was delivered with 93 diamond drill holes, totalling 14,082 metres and every hole intersected a single consistent ore body.

Strategy/Mission Statement

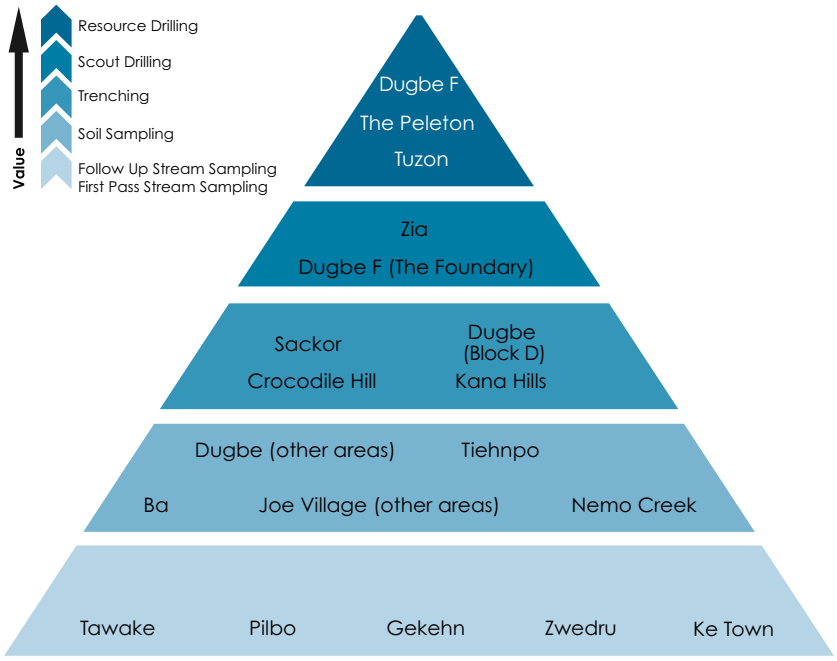
At IPO we made various statements of intent. We were not "selling" an 812,000 ounce gold mine. We simply see this as the first step of proving up a virgin, world-class gold province in which we have an unassailable land position and first-mover advantage. This resource, delivered in one drill season at one anomaly, was simply the proof of concept: proof that we can operate effectively and efficiently in a new and logistically challenging territory, and, to our own mind, proof that we have "an elephant by the tail".

Our promises at IPO can be distilled into the following 18-month mission:

1. To prove that in the Dugbe F Project we have a stand-alone gold mine of regional significance. This will be achieved by adding mineable ounces of gold and by drilling out the extent of the ore body.
2. To explore for, discover and prove additional mineable gold resources within a mineable radius of the initial deposit at the Dugbe F Project. It is the Company's belief that, as a classic Birimian deposit, the ultimate mining camp will consist of many additional deposits.
3. To develop the regional capacity of our licence package over the Dugbe Shear Zone to show that it has the fantastic potential to host multiple gold mines.
4. To fly an aeromagnetic survey over our Mt Ginka iron ore licence, and accelerate field work in order to gauge scale and metallurgy on this prospect.
5. To add value to all of our other licences by continuing to explore and to take them up the value curve.

Our strategy remains to explore for and develop multi-million ounce gold deposits in Liberia. This will be done through systematic exploration work built around a world class Birimian land package. With the Dugbe F Project now at 1.8m ounces we are beginning to show that we have real momentum and the team in place to deliver this. With many satellite projects progressing well, such as the success at Tuzon, we believe that we are in the process of achieving this goal.

Hummingbird Resources Project Pyramid



Current Position

Today, the Company has cash reserves of $25m, against a budget of $22m. Since IPO, our work has focused (but not exclusively) on our resource accretion work at the Dugbe F Project in accordance with our mission priorities above. We have drilled a further 23,000 metres across all licences in 2011 for 189 holes and are delighted with our recent announcement of a resource upgrade which more than doubles our maiden resource, to a total of 1,765,000 ounces, outperforming all market expectations. We intend to make a further resource upgrade in early 2012 and we currently have two drills running 24 hrs a day. The metre rates have improved despite drilling shorter holes (due to our improved understanding of the mineralisation body) and generally the team is becoming more effective at discovering gold.

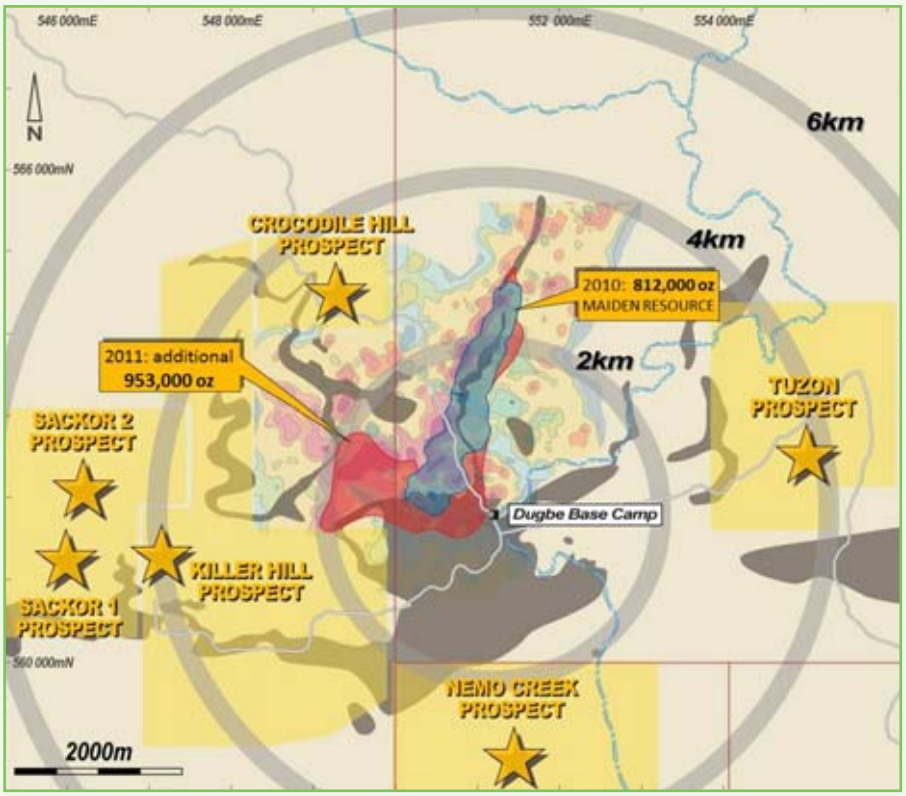
Scoping Out The Future

We have commissioned GBM Minerals Engineering Consultants Ltd to work with us to evaluate our future development options. The studies will centre around our existing Resource. However, the speed at which the deposit and the regional picture is developing means it is likely that the eventual mine will alter substantially from an initial assessment of the Dugbe F Project alone, as the deposit is anticipated to be far greater in scope and will draw in a number of regional deposits and pits that do not currently have a resource attached to them. This is an absolutely classic Birimian style deposit that is rapidly revealing itself to us.

A Gold Mining Industry

In addition to the drilling programme, we have also taken over 8,000 soil samples and 2,000 stream sediment samples across the Dugbe Shear Zone to prove up mission statement number 2. This has worked extremely well, and a number of our regional targets are looking exceptionally encouraging. Our Tuzon anomaly 2.5km east of the Dugbe F Project (easily within a mineable distance) has shown our best trench results to

Dugbe F Project: 1,765,000 oz. deposit and surrounding prospective targets



date with consistent zones of up to 80m at an average grade of around 2 g/t. Whilst this may not be a true thickness of the mineralisation zone itself, the reason for the mineralisation zone potentially being thinner than this is due to the incredibly shallow dipping nature of the mineralisation zone which is all extremely positive for eventual mining. We have commenced drilling Tuzon and whilst these results were not ready in time for the recent resource update, they will be for Q1 2012.

Many regional programmes have gone ahead across all of our licences. Many anomalies have been highlighted with stream sediment sampling in Tawake, Gekhen, Zwedru and Ke Town. Extensive soil grids have been cut in Ba, Joe Village, Nemo Creek and Dugbe. We have also flown an aeromagnetic survey at Mt Ginka which has shown extremely positive results in the outlining of a continuous magnetic unit of 20km length with a width of up to 250m and a down dip extent of 1,000m. This is a significant target, and work is currently underway to test the metallurgy and true extent via trenching, sampling and scout drilling of this project. Mt Ginka is held in a joint venture with Petmin Ltd through "Iron Bird Resources Inc", in which Hummingbird has a 50% equity interest. Iron Bird also has $1.7m of cash in it and so this asset, which represents zero in the valuation of Hummingbird and will cost Hummingbird no money in the short term, has the potential to create significant short-term value.

Hummingbird is not a single project company. We believe that we have the opportunity to build a whole gold mining industry in southeast Liberia encompassing several mines across multiple shear zones. The speed of work that is being carried out to progress this vision is prolific, and it is being achieved in an extremely cost effective manner. Hummingbird only acquired the Joe Village licence in October 2010 and we have already drilled 7,487 metres on it which has made up the bulk of our resource update.

A 'Home Grown' Success

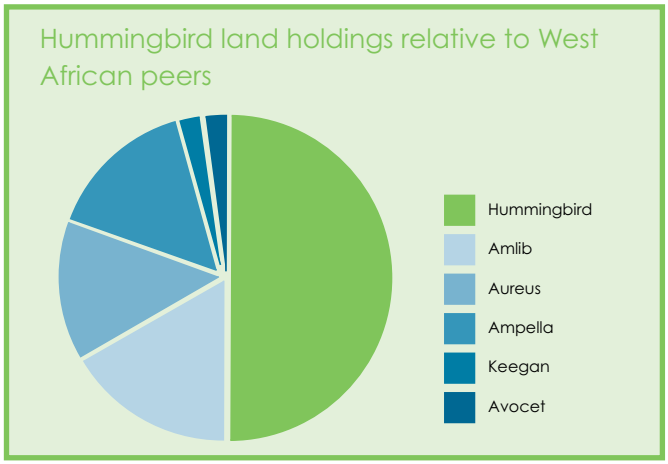
Away from geology and the finance, Hummingbird strives to be far more than just a profitable business. We very much see our development as a mirror to the re-development of Liberia itself and we aim to be an integral part of Liberia's promising future. Hummingbird employs approximately 280 people, and is proudly Liberian, seen in country as a 'home grown' success. Amongst the innumerable social development and infrastructure rehabilitation projects that we have done, we have also sponsored students through university in Liberia some of whom we are now employing and built a whole library for the government's geological survey. We have also founded The Pygmy Hippo Foundation with the intent of preserving the unique natural environment in the southeast of Liberia around the Sapo National Park.

We are currently in the process of negotiating the transition of some of our Mineral Exploration Licences (MELs) into Mineral Development Agreements (MDAs) with the Government of Liberia and hope for this process to be concluded by the end of the year. The Ministry of Lands, Mines and Energy has approved the MDA on technical grounds at the time of press, which is the most significant step in the process.

Commitment

As much as anything, the ability to deliver on our ambitious promises is down to conviction and commitment, and at Hummingbird I feel we are building a team that is not only hugely ambitious, but is totally committed to the cause and capable of delivery. The operational and geological teams have, for the second year running, drilled straight through the rainy season in southeast Liberia, which had never been done before last year, and in our board we have a blend of skills that can take us through all the way to running gold mines. I would like to take this opportunity on behalf of the shareholders to thank everybody involved in Hummingbird: our staff, our contractors, the host communities in which we work and the Government of Liberia for their support and belief in this business. I would also like to thank the board for their wise counsel through this transitional year. The business is now entering one of its most exciting phases of development. With five years of work under our belt to build our infrastructure, hone our strategy, and understand our opportunity, we are now all geared into the drill bit, the world's most powerful weapon of financial wealth creation!

Daniel Betts
Chief Executive Officer



Board of Directors

Ian David Cockerill

Non-Executive Chairman

Ian is the ex-CEO of Gold Fields Ltd and Anglo Coal Ltd. He is the former executive officer of Business Development and African Operations at AngloGold Ltd. In 2002 Ian was appointed chief executive officer of Gold Fields Ltd. Ian joined Anglo Coal Ltd in 2008 as chief executive officer. Ian is now the executive chairman of Petmin Ltd, a JSE and AIM quoted natural resource company, non-executive director of Orica Ltd in Australia and advisor to several other companies in the mining industry. He has over thirty years' mining experience in exploration and mining. Ian is chairman of the LCA (Leadership for Conservation in Africa). Their vision is to save 20 million hectares of rainforest in Africa by 2020.

Daniel Edward Betts

Chief Executive Officer

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

William Benjamin Thurston Cook

Operations Director

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

David Almgren Pelham

Technical Director

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

Board of Directors

Stephen Alexander Betts

Non-Executive Director

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

Matthew Charles Idiens

Non-Executive Director

Matthew co-founded Hummingbird in November 2005 and he has 17 years' experience in natural resource companies. He is a founder and Director of AIM quoted VANE Minerals plc and also founder and director of Seamwell International Ltd, a private company developing underground coal gasification (UCG) projects in China. From 1995 to 2001 he worked as an associate director at Laing and Cruickshank Investment Management, part of the Credit Lyonnais Group.

Roderick James Hollas Smith

Non-Executive Director

Roderick, a chartered accountant with a Commerce Degree from the University of Western Australia, has 30 years' experience leading Australian resource projects from the early-stage exploration through to production, including three gold mines: Great Victoria, Palm Springs and Youanmi. He has been resident in the UK for three years and has consulted miners and investors on resource projects throughout Russia and Africa. He is currently a director of Congo Brazzaville explorer, Cominco SA.

Technical & Operational Review

Technical Summary

Highlights

The discovery and announcement during the year of a maiden Resource of 812,000 ounces of gold would be a significant milestone in the development of any company. To be able to announce in the same annual report that the Resource has more than doubled, to 1.8m ounces, is extremely exciting.

The Dugbe F Project currently has a NI43-101 compliant resource of 1.765m ounces gold at 1.276g/t, of which 1.4m ounces are in the Indicated category at 1.3 g/t and 0.4m ounces are in the Inferred category at 1.2g/t. This Resource is contained within 43 million tonnes of ore.

The main highlights from this recent resource upgrade include:

- 117% increase in total Resource since IPO in December 2010
- Total Indicated ounces of Resource has increased by 149%
- Grade of Indicated Resource has increased by 20%
- Additional drill targets have been generated within close proximity to this existing Resource with drilling having started 2.5km east at the Tuzon anomaly, based on our strongest trenching results to date

The mineralisation body is near surface and unusually shallow dipping at less than 20 degrees and the additional Resource discovered this year are the shallowest portions of all. Due to both the extremely regular mineralisation grade distribution, as well as to improving geological understanding of it, some 78% of the total Resource has fallen within the Indicated Resource category. The split of Indicated and Inferred Resources at the Dugbe F Project, shown opposite, shows that the Indicated Resource makes up the great majority of the central parts of the deposit.

Table showing total current Resource at the Dugbe F Project

	Tonnes (millions)	Grade (g/t) Au	**Current Ounces Au**	Dec 2010 Ounces Au	Increase
Indicated*	33.13	1.289	**1,373,000**	552,000	149%
Inferred*	9.88	1.233	**392,000**	260,000	51%
All*	43.01	1.276	**1,765,000**	812,000	117%

* At a lower cut off of 0.5g/t Au, no upper cut off

Table showing attributable Resource at the Dugbe F Project

	Tonnes (millions)	Grade (g/t) Au	**Current Ounces Au**	Dec 2010 Ounces Au	Increase
Indicated*	31.31	1.291	**1,300,000**	552,000	136%
Inferred*	9.42	1.244	**377,000**	260,000	45%
All*	40.73	1.280	**1,677,000**	812,000	107%

* At a lower cut off of 0.5g/t Au, no upper cut off

In order to be consistent with last year's Resource calculation, a 0.5 g/t lower cut off has been employed within the orebody (see opposite). As can be seen from the grade / tonnage curve, increasing the cut-off grade from zero to 0.5 g/t makes little difference to either grade or loss of tonnage - this again demonstrates the internally robust and continuous nature of the orebody.

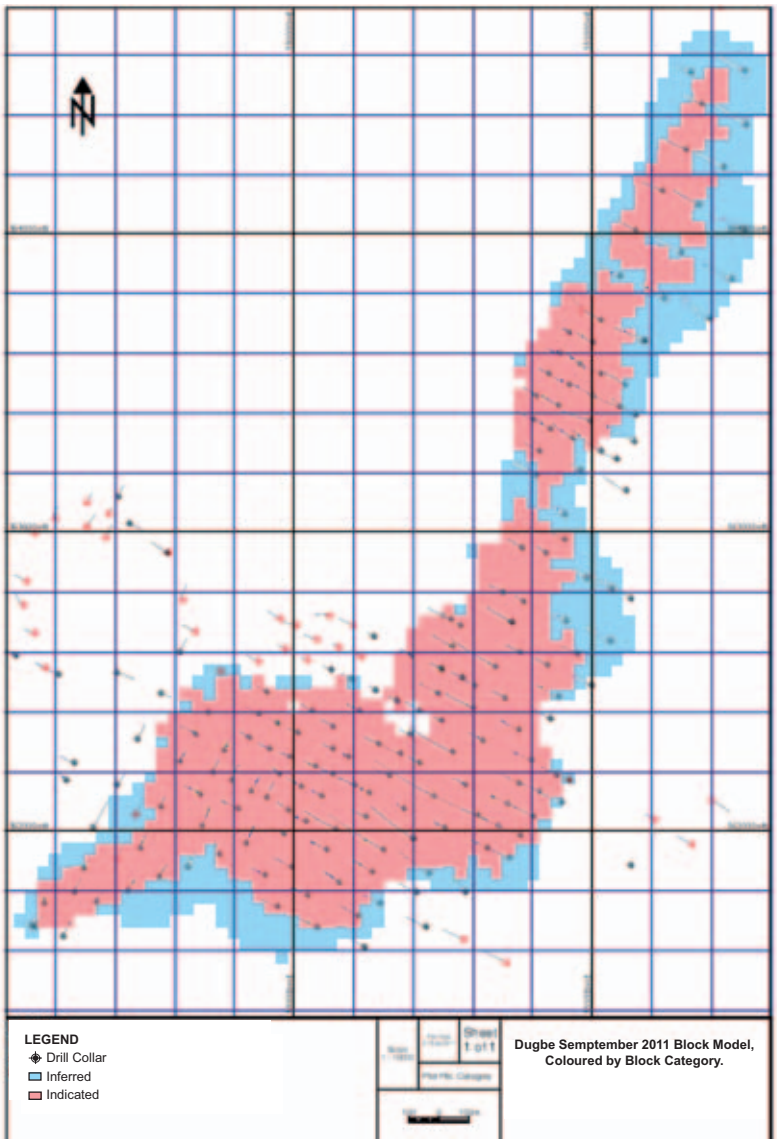
The metallurgical test work that we have conducted to date is all extremely positive, with over 50% gravity recoverable and up to 95% from gravity plus cyanide leach, meaning that the economic recovery of gold from this deposit looks to be highly favourable at this juncture.

The regional picture, both within a mineable radius of this initial deposit and within the rest of our licences continues to excite, and a number of new targets have been discovered meaning that the target pipeline remains full.

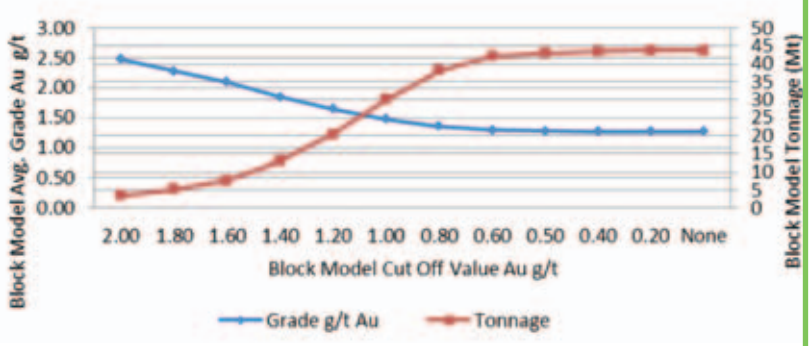
During early 2011 significant progress was made on the geological model at the Dugbe F Project. Geological mapping by a specialist consultant team established the presence of numerous bodies of intrusive granodiorite in the Dugbe area. These intrusives, which are essentially unfoliated, appear to occur as a late stage intrusive event, intruded into a pre-folded quartz-biotite-schist country rock. Immediately around the intrusive bodies is a garnet alteration halo, and the gold mineralisation at Dugbe F Project occurs as a further zonation, beyond the garnet alteration halo.

The importance of the granodiorite intrusives appears to be two-fold: firstly they are the likely source rock for the gold in the region, and secondly they almost certainly provided the heat engine which drove the gold mineralisation into different structural traps and settings around the intrusive bodies. For example, the main mineralised body at the Dugbe F Project appears to be sitting within a southeast plunging anticline.

Split of Indicated & Inferred Resources at the Dugbe F Project



Grade/Tonnage Curve for Dugbe F Preliminary Block Model



Mapping of the granodiorite bodies and their garnet alteration zones has become crucial to understanding where the mineralised zones are going at surface, and positioning trenches and drill holes with maximum precision. The development of this predictive geological model has been extremely important in the improving understanding of both the initial deposit at the Dugbe F Project, and of other gold prospects in the area.

Other significant highlights include:

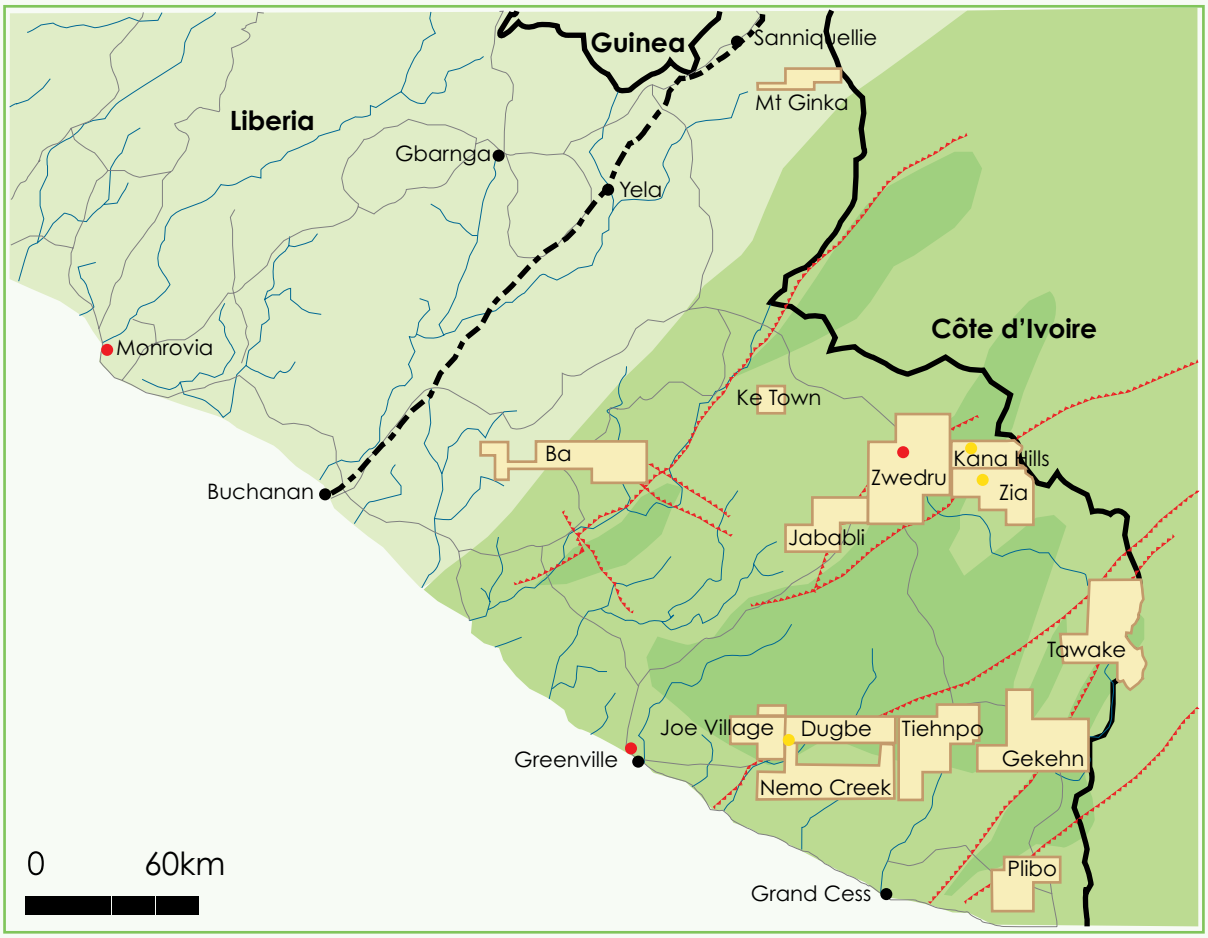
- The exciting gold in soil anomaly on nearby Tuzon prospect currently being drilled
- Further exciting gold targets within the Dugbe Shear Zone – these targets include Sackor, Crocodile Hill, Nemo Creek, and Tiehnpo
- Some 1,950m of scout drilling at the Zia prospect discovered interesting gold-pyrite-silver-bismuth mineralised zones
- Significant airborne geophysics survey completed at the Mt Ginka licence. Results show that the magnetic bodies occur on the boundary between two distinct geological entities and form a continuous ridge. The unit is estimated to extend for 20km with a surface width of 150-250m, extending approximately 1,000m down dip

Exploration Concessions in Liberia

Hummingbird Resources plc currently has approximately 7,000km^2 of exploration concessions in Liberia. This includes the Mt Ginka iron ore licence, of which Hummingbird has a 50% interest through Iron Bird Resources Inc. All the remaining licences are being explored for gold.

Technical Summary

Hummingbird licences overlapping major crustal shear zones within what we believe to be a Birimian Province



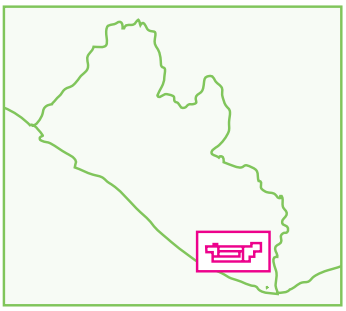
Hummingbird Liberia offices

- HB exploration camp
- HB exploration office
- Roads
- Railway line
- Regional rivers
- Major structural shear zones

Birimian Craton

- Hummingbird licence areas
- Birimian greenstone
- Regional scale granites

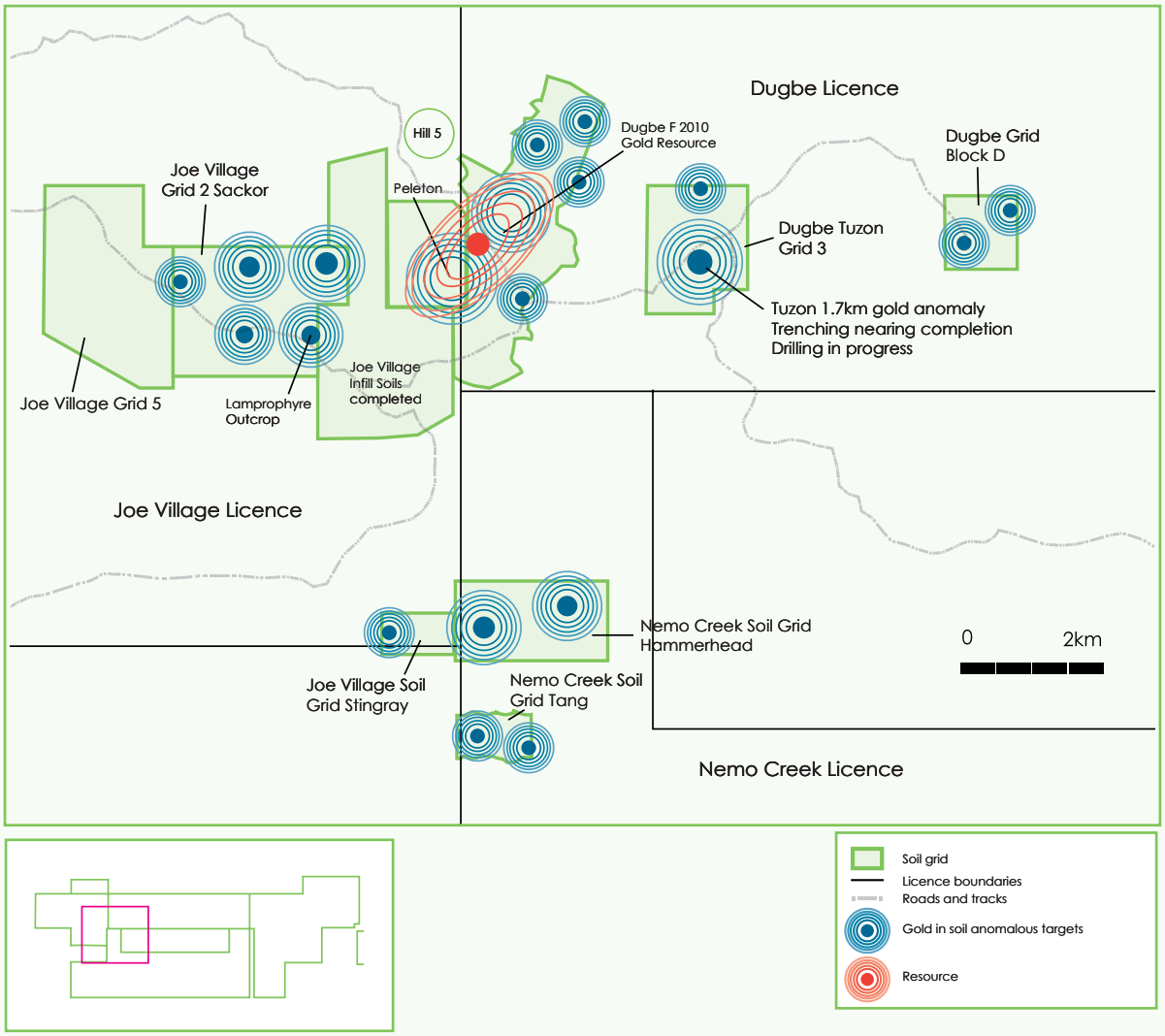
DUGBE SHEAR ZONE



Key Facts

- 70km strike length
- 2,051km^2 of licence area
- Contains the 1,765,000 ounce deposit at the Dugbe F Project
- 40km as the crow flies to Greenville port – operational deep water logging port

Target areas: gold in soil anomalies in and around the Dugbe F Project



Technical Summary – Dugbe Shear Zone

Work has progressed on the Dugbe, Joe Village, Nemo Creek and Tiehnpo licences over the past year. These properties add up to over 2,000km^2 in total, straddle the prominent regional-scale Dugbe Shear Zone, and make up a significant part of the so-called 'Graphite Belt' gold field.

The Dugbe Shear Zone contains our Dugbe F Project with an NI 43-101 compliant Resource.

Dugbe F Project

Following the Company's listing on the AIM exchange and fundraising in late 2010, resource drilling continued at the Dugbe F Project in February 2011, and has continued through to September 2011. From February up to 31 May 2011, some 5,640m were drilled at the Dugbe F Project, and by 26 September a further 11,700m of drilling had been added. This means that over 17,300m of drilling has been completed at the Dugbe F Project since drilling restarted in February 2011. During this time some 8,100 drill samples have been sent for analysis to the Stewart Group laboratory in Ireland.

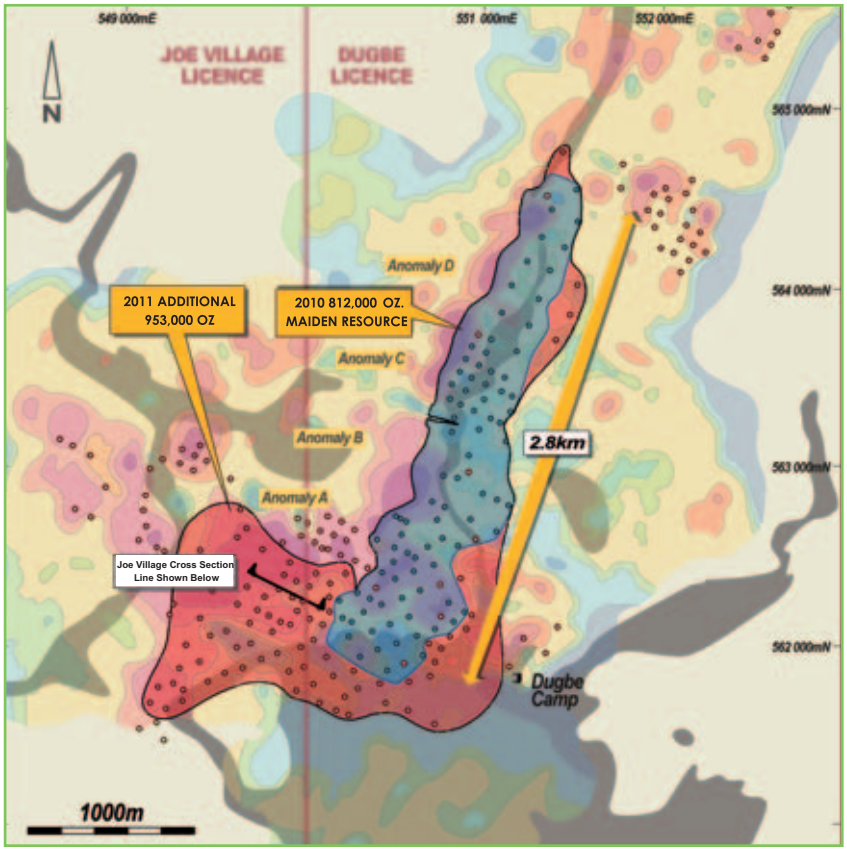
This resource drilling has been focused on extending the known Resource both on the north and south ends, where positive ground magnetic anomalies have been targeted by drilling. The drilling confirmed that the deposit was continuing to the south and south-west, curving around in an anticlinal structure onto the Joe Village licence.

At the time of its AIM listing in the UK in December 2010, Hummingbird's 2010 drilling programme had amassed a maiden resource of 812,000 ounces at a grade of 1.208 g/t. This NI 43-101 compliant resource was split 552,000 ounces in the Indicated category and 260,000 ounces in the Inferred category.

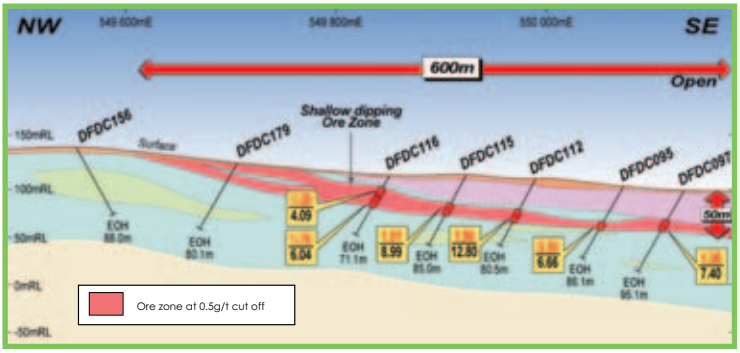
The Resource has recently been updated and has increased to 1,765,000 ounces at a similar grade of 1.276 g/t. This represents a 117% increase in resource ounces since listing, making the Dugbe F Project the fastest growing and largest gold resource in Liberia, with significant potential to grow further.

An important development at the Dugbe F Project was an improved understanding of the geology and mineralisation controls. High level geological mapping established that the gold appears to have derived from a series of intrusive granodiorites – these are intruded with a distinctive garnet alteration zone, and the mineralisation appears to lie just outside the garnet alteration zone. With this new understanding in place, it is easier to make sense of the geology in and around the Dugbe F Project, and to thereby guide the work going forward.

Dugbe F Project: 1,765,000 ounce deposit



Cross section near the Dugbe/Joe Village licence border showing the shallow dipping ore zone



Soil grids and stream samples across the Dugbe Shear Zone

Dugbe Licence (Blocks A, B, D, F)

The Dugbe licence covers 450km^2 and was awarded to Hummingbird in November 2005. It is 100% Hummingbird owned. This licence falls within the Dugbe Shear Zone which is a prominent northeast – southwest trending structure.

Approximately 1,400 soil samples have been taken on grid targets defined by satellite imagery. One of these is at Tuzon, lying some 2.5km to the east of this resource. At Tuzon, a large and well developed gold in soil anomaly was established, extending to a total of some 2.2km in strike length, with soil values exceeding 1 ppm Au in parts. Trenching at this prospect has shown major thicknesses of anomalous arsenic, together with several zones of gold mineralisation.

This excellent and strong gold anomaly contains a coincident arsenic anomaly, and provides an exciting target for outline drilling near to the initial deposit in the Dugbe F Project. This target is currently being drilled, with two drills active.

In addition to the drilling, over 2,000m of trenching has been completed on the Dugbe licence (mostly at Tuzon), with over 2,390 trench samples sent for assay, as well as approximately 200 other rock grab samples assayed.

Gold assay results from soils at Dugbe Block D have been highly encouraging and show an east-west trending gold in soil anomaly, with coincident arsenic in soils, measuring 1.4km across, with two distinct anomaly highs which are open to the west and east. A programme of 840m of trenching is underway across four north-south lines running perpendicular across the gold in soil anomaly.

At Dugbe Block B over 400 spur samples have been taken on low ridges which appear to be associated with silicified zones and abundant nearby artisanal workings. These zones broadly tie up with previous coincident gold/arsenic soil anomalies, and line up well with the regional east-north-east trend which is prevalent in this area. The gold in soil anomalies are currently being trenched as the next stage of work.

Technical Summary – Dugbe Shear Zone

Joe Village Licence

The licence covers 250 km^2 and was awarded in October 2010. Hummingbird has an 80% interest in the licence. This licence also falls within the Dugbe Shear Zone adjoining the Dugbe licence to the east and has been resource drilled since February of this year. The results from drilling in this licence have been included in the resource upgrade.

Soil sampling to the west of the existing Resource has established very strong coincident gold/arsenic anomalies, with a number of samples over 1 ppm Au. This basically proves the westwards continuation of the Dugbe F mineralisation zone, and this has been confirmed by some 7,700m of drilling on Joe Village this year, of which 4,050m was complete by 31 May 2011. Over 3,000 drill samples have been taken and submitted for analysis from the Joe Village drilling during 2011.

The drilling has shown the mineralisation zone to extend westwards, as part of a folded anticlinal structure, with generally higher grades established than in last year's drilling on the maiden Resource at Dugbe F.

Further gold/arsenic anomalies occur further west at Sackor. A total of 480 soil samples have been taken on two grids on Joe Village, with very positive results. In total over 3,200 soil samples have been taken on the Joe Village licence since it was acquired by Hummingbird in late 2010. The outlying parts of the Joe Village licence have been covered with some 270 stream sediment samples.

Nemo Creek Licence

The licence covers 690km^2 and was awarded in April 2010. Hummingbird has a 90% interest in the licence. This licence also falls in the Dugbe Shear Zone and adjoins the Dugbe licence.

This licence lies directly south of the Dugbe F Project, and is immediately south of the Dugbe Shear Zone. In early 2011 approximately 2,200 soil samples had been taken over three soil grids (named Hammerhead, Stingray and Tang), as well as regional soil sample lines, and showed coincident gold/arsenic soil anomalies with a strong east-north-east trend. These targets are planned to be trenched and scout-drilled in due course.

In addition to this, some 700 stream sediment samples have been taken regionally around the Nemo Creek licence, in order to provide a first pass coverage of additional new areas. Results of these samples are awaited.

Tiehnpo Licence

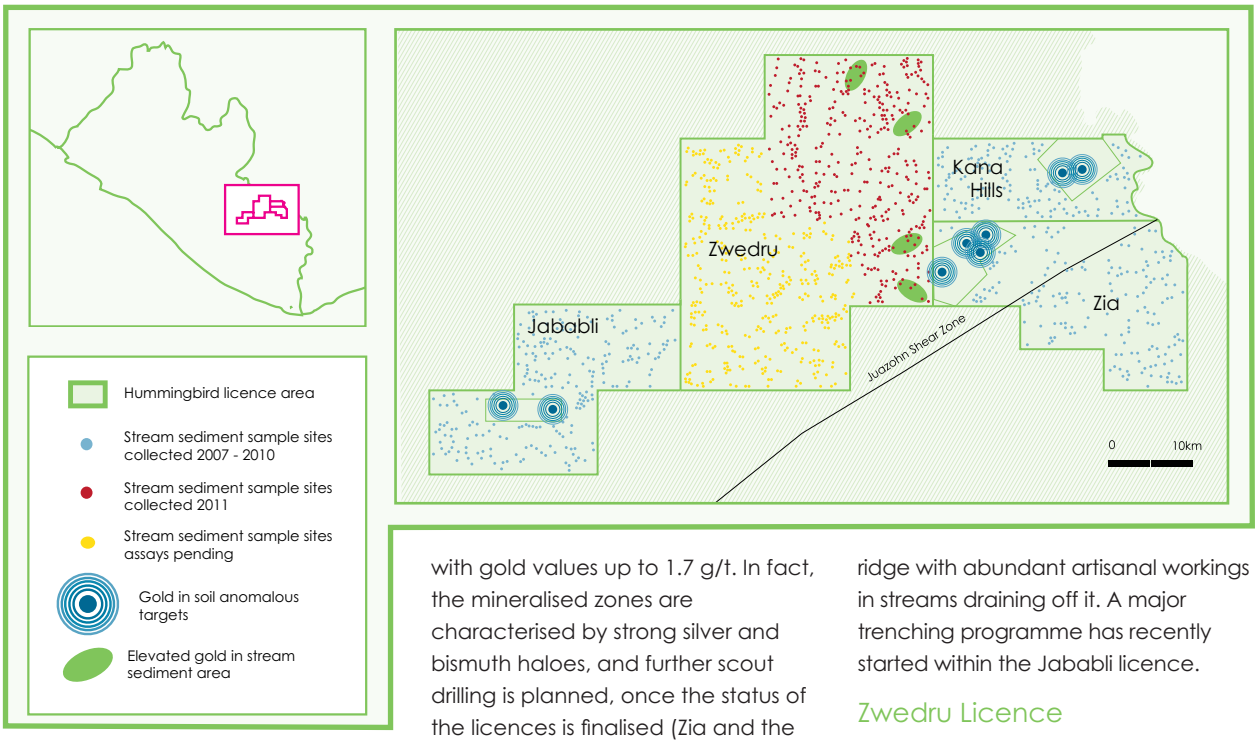
This licence covers 665km^2 and was awarded in July 2010. Hummingbird has a 90% interest in the licence. The licence also falls in the Dugbe Shear Zone.

This licence lies immediately east of the Dugbe licence, and forms an exciting eastwards extension along the Dugbe Shear Zone. Satellite imagery picked up at least three east-west ridge features, totalling over 10km in length, with abundant artisanal workings in streams draining off them. Hummingbird has taken some 120 stream sediment samples and mapped an extensive area, in order to help delineate specific targets within this area. Results of these samples have shown a number of anomalous zones which will be subjected to soil sampling in the weeks ahead.

Some 300 stream sediment samples have been taken in favourable areas around the Tiehnpo licence, for which results are awaited.

Dugbe Camp, Sinoe County

JUAZOHN SHEAR ZONE



Zia Licence

The licence covers 443km² and was awarded to Deveton Mining Company ("Deveton") in November 2005. Hummingbird owns 80% of Deveton. The Juazohn Shear Zone separates younger Proterozoic metasediments and metavolcanics on the west from Archaean gneisses on the east.

Hummingbird is targeting BIF hosted gold deposits across the Zia licence. A large amount of exploration, including stream sediment sampling, soil sampling, trenching and auger drilling, has occurred across this licence during the four years that Hummingbird has owned it, culminating in a scout drill programme in late 2010.

1,950m of scout core drilling was complete at the end of 2010. While the results to date did not show intersections of obvious economic grades, a large number of pyritic mineralised zones were intersected, with gold values up to 1.7 g/t. In fact, the mineralised zones are characterised by strong silver and bismuth haloes, and further scout drilling is planned, once the status of the licences is finalised (Zia and the adjacent licences are the subject of an MDA application).

Kana Hills Licence

The licence covers 257km² and was awarded to Geotess International Corporation in 2004, which was then transferred to Afro Minerals Inc ("Afro") in 2007. Hummingbird owns 80% of Afro. The licence adjoins the Zia licence in the Juazohn Shear Zone and covers the continuation of the northeast trending BIF ridge, along which numerous artisanal gold workings are located.

Jababli Licence

The licence covers 400km² and was awarded to Deveton in October 2009. Hummingbird owns 80% of Deveton.

Earlier stream sediment sampling work established exciting gold targets associated with amphibolite ridges of likely Archaean age. Follow-up soil sampling defined coincident gold/arsenic anomalies along a 9km ridge with abundant artisanal workings in streams draining off it. A major trenching programme has recently started within the Jababli licence.

Zwedru Licence

The licence covers 1,000km² and was awarded to Hummingbird in April 2010. Hummingbird owns 100% of this licence.

A total of over 1,000 stream sediment samples have been taken over the past three months over this licence. Results are awaited.

Village in Sinoe County

Technical Summary – Dube Shear Zone

DUBE SHEAR ZONE

Tawake Licence

The licence covers 665km^2 and was awarded to Hummingbird in April 2010. The licence is 100% Hummingbird owned.

Earthcons Geological Consulting has gathered some 460 stream sediment samples, based on a targeted sample density of one sample per sq. km. Results have shown an exciting looking anomalous zone of a few kilometres strike length, with anomalous gold values adjacent to the junction of the major Dugbe Shear Zone and Dube Shear Zone. Also of note in this zone are numerous airborne radiometric anomalies which appear to represent intrusive granitic rocks. Follow up stream sediment work is planned for the upcoming quarter.

Gekehn Licence

The licence covers 795km^2 and was awarded to Hummingbird in April 2010. The licence is 100% Hummingbird owned.

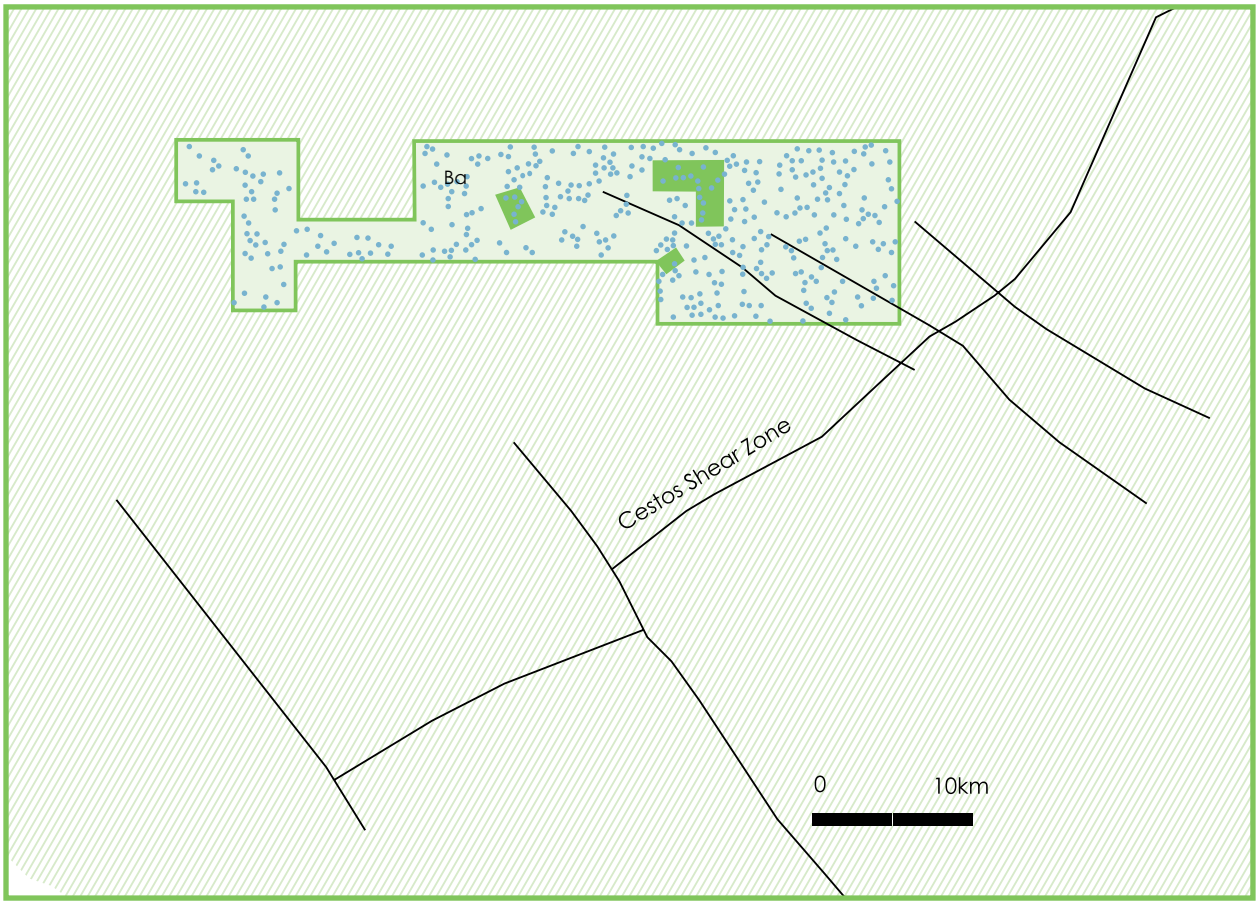
Stream sediment samples have totalled some 570 samples. A number of gold anomalies were outlined, including a broad zone, several kilometres in length, showing strongly anomalous lithium values. Further stage work is already underway.

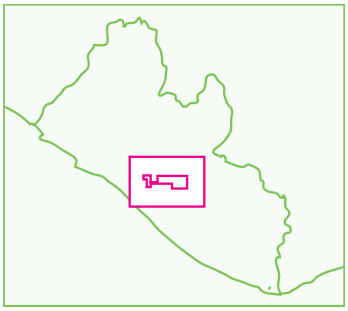
Plibo Licence

The licence covers 375km^2 and was awarded to Hummingbird in April 2010. The licence is 100% Hummingbird owned.

Some 370 stream sediment samples have been taken on this licence, and have shown anomalous gold target areas worthy of follow-up soil programmes.

CESTOS SHEAR ZONE





Hummingbird licence area

Soil grid site

Stream sediment sampling site

Ba Licence

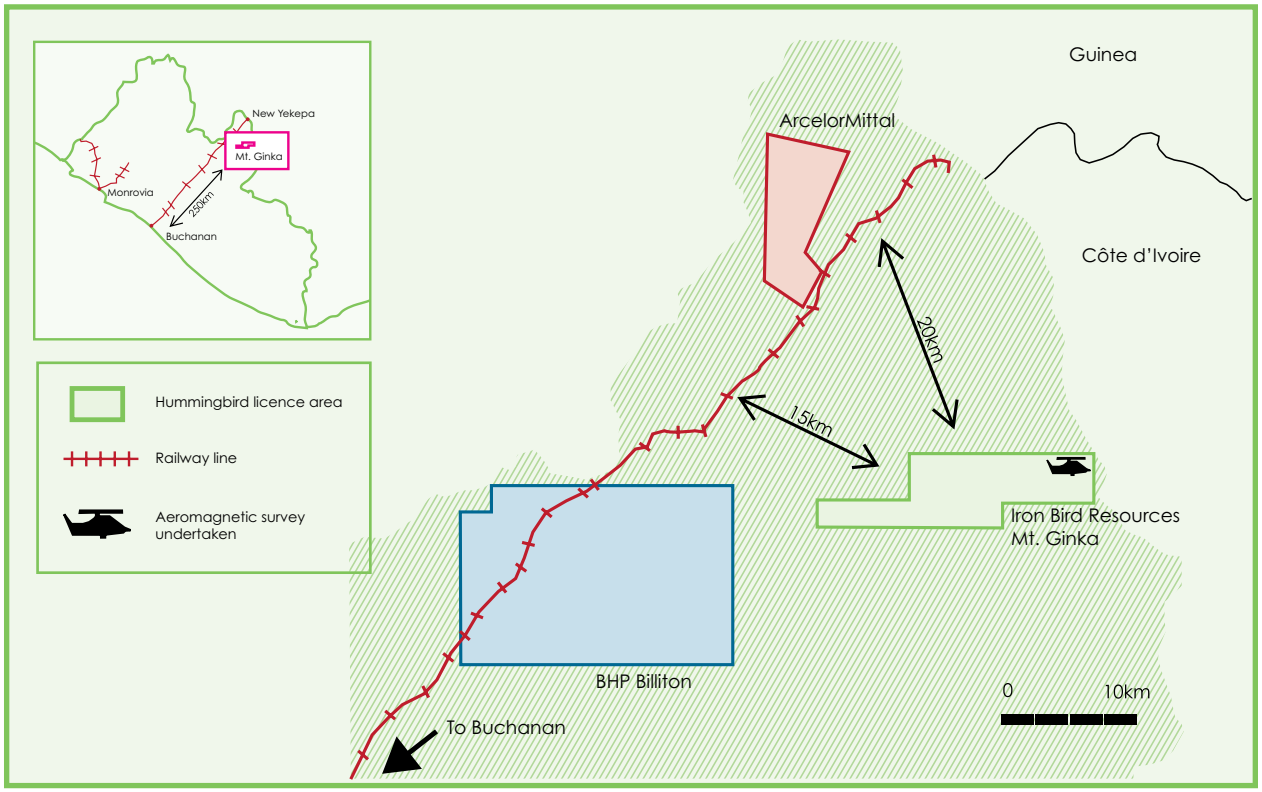
The licence covers 625km^2 and was awarded to Deveton in October 2009. Hummingbird owns 80% of Deveton.

The Ba licence lies in Archaean rocks immediately west of the Cestos Shear Zone, and is also immediately north of Amlib United Minerals Inc's Cestos project, with its multiple gold targets. During early 2011, Hummingbird's field teams collected over 1,300 soil samples over two grids. These grids were sited over exciting looking gold targets, as defined by previous stream sediment sampling. The gold targets are broadly associated with a suite of Archaean rocks including banded iron formations (BIFs) and metavolcanics.

A preliminary examination of gold results from the soil grids has shown a number of elongated linear gold in soil anomalies, which are strike-parallel and up to 1.5km in length. These soil anomalies will be further investigated by trenching.

Technical Summary – Iron Ore

IRON ORE



Mt Ginka Licence

The licence covers 155km^2 and was awarded to Hummingbird in April 2010. During the year Hummingbird entered into a joint venture with Petmin Ltd whereby Hummingbird transferred the licence to a new subsidiary, Iron Bird Resources Inc. ("Iron Bird"), in which Petmin has now invested a total of $2m for a 50% interest. Petmin's investment is being utilised to cover early stage exploration work.

The licence is situated in Nimba County only 20km from the producing Mt Nimba mine owned by ArcelorMittal and is also only 20km from the newly renovated government owned railway line originally built to carry iron ore to Buchanan Port.

Iron Bird recently completed a helicopter-borne aeromagnetic survey of the majority of the Mt Ginka ridge. It was undertaken by New Resolution Geophysics of South Africa. Flights lines were 50m apart and flight height 30 to 40m. Total line kilometres were 1,650m. A detailed interpretation was undertaken by consulting geophysicists EXIGE-SA of South Africa. Early indications are that the survey shows significant, strike-continuous zones showing strong magnetic response.

The magnetic bodies (assumed to be itabirite) occur on the boundary between two distinct geological entities and form a continuous ridge. The interpretation suggests the ridge is the result of a thrust environment with a layer of thorium rich material thrust over the top of a more potassic material. The silica-chert content of an itabirite lends itself to less weathering than the surrounding schist thus producing the ridge feature. The unit is estimated to extend for 20km with a surface width of 150-250m extending approximately 1,000m down dip.

Currently, a programme of trenching, sampling and scout drilling is in progress to test the metallurgy and extent of this project.

The Group's most advanced gold exploration has taken place in the Dugbe and Joe Village licences, with a recently upgraded gold resource at the Dugbe F Project of 43.01 million tonnes at 1.276 g/t Au to give 1,765,000 ounces of gold using a lower cut-off grade of 0.5 g/t Au and no upper cut-off grade (Indicated Resource of 1,373,000 ounces of gold at 1.289 g/t Au and an Inferred Resource of 392,000 ounces of gold at 1.233 g/t Au). The exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices.

ACA Howe International Limited have calculated this NI 43-101 compliant resource for the purposes of the AIM market and have approved the content of this document.

David Pelham has reviewed and approved the technical information contained within this document in his capacity as a qualified person, as required under the AIM rules. David Pelham is Technical Director of the Company and is a member of the Institute of Materials, Minerals and Mining.

VISION

To build a world class gold company.

MISSION

Our initial mission is to develop a world-class gold province in eastern Liberia. We aim to achieve this starting from systematic grass roots exploration, right through to building and running gold mines there, whilst maintaining the highest levels of social and environmental responsibility.

CORE VALUES

Safety is paramount: the health and safety of our staff is vital and every measure is taken to ensure that our progress is delivered without compromise to the well-being of our employees.

Respect for the team: everyone is treated with respect, trust and dignity. In return, honesty and integrity are expected of all employees.

Dynamic in our approach: we will deliver on our commitments through initiative, energy and persistence, working hard to achieve the best results in the minimum of time.

Embrace innovation: everyone is expected to think for themselves, to promote good ideas and to use technology to aid our work. Every gold exploration and development project is unique; we will constantly encourage people to 'think outside of the box'.

Act with responsibility: we are committed to working in the most responsible manner possible, by respecting the local customs and traditions, by adhering to the laws of the countries in which we work and by following international best practice.

Highest regard for the people and environment: we aim to be pillars of the communities in which we work, to incorporate the individual stakeholders throughout the exploration development process and never to neglect the precious environment.

Operational Summary


Chief geologist: Danae Voormeij


Core logging


Supplies in transit


Dugbe Camp

Human Resources

Hummingbird prides itself on the quality of staff that it employs at all levels. The highest standards of work, dedication and productivity are expected and achieved wherever possible. This applies equally to all staff. Currently in Liberia, we have over 170 staff on full-time contracts (including 13 expatriate staff) and over 110 people who work on a short-term contract status while we are undertaking drilling operations. All contracts are endorsed and recognised by the Ministry of Labour and all of our permanent staff are provided free medical cover and support.

As a company, we have always taken a slightly different approach to the structure of our company in Liberia, most especially with the decision to separate geology from operations (i.e. logistical support). Managing the operation in Liberia is Tim Illingworth who was appointed as country manager in April 2011 after serving in the British Army for ten years.

Our geological team is headed up by Danae Voormeij (P. Geo), our chief geologist, who designs and manages all the exploration work and organises the expatriate and Liberian geological staff accordingly. We currently have a number of expatriate geologists from a number of different countries, including Canada, United Kingdom, Uganda, Madagascar and Zimbabwe. We also pride ourselves on our Liberian geological staff including five Liberian geologists and 12 field assistants, all of whom have added significantly to our exploration capacity over the last year. The geologists will very soon be graduating from the University of Liberia (UL) and are some of the 15 students that Hummingbird has sponsored from 2007 in their geological course at UL.

Working to support the exploration programmes is a dedicated operations team. The operations team which includes camp managers, drivers, power saw operators and mechanics is headed up by an operations manager, two deputy operations managers, a fleet manager and a logistics manager.

Operational Capacity & Logistics

Since our IPO in December 2010 significant investment has been made in the Company's operational capacity, both in terms of sourcing additional experienced personnel, and procuring new equipment and vehicles for the exploration programmes. This investment has enabled us to increase the tempo of our work and to manage a multitude of exploration programmes over the year, including throughout the wet season, without hindrance or delay.

Our operational footprint in Liberia still very much remains in the east of the country, with the majority of exploration licences over 450km from Monrovia. In order to enable a more seamless supporting structure to exploration activities which are being conducted more than a day's drive away from the company's headquarters, we have established two forward operating bases, in Zwedru and Greenville. The latter location is a crucial hub for supporting our drilling in the Dugbe area. It is equipped with VSAT internet, a 5,000 US gallon fuel depot and large stores and vehicle workshop facilities. This base allows for fuel and supplies to be delivered to Greenville in bulk, and from there to be moved to our main camp or any other location with separate vehicles.

En route to Dugbe Camp

Logistics compound

David Pelham, Daniel Betts & Robert Monro

Our fleet of vehicles has expanded with an additional Unimog U1300L truck, D7G bulldozer and 15 light vehicles, including 10 Toyotas and six Land Rovers. To support and maintain our vehicle fleet we have invested in a professional and experienced fleet manager, and in 2010 a decision was taken to move our vehicle servicing and maintenance in-house, in order to avoid the high costs and low availabillity of service from the few major vehicle garages in Monrovia. We have therefore established a new logistics compound in Monrovia, adjacent to our office and accommodation compounds. We have built a four-bay servicing workshop complete with a 4-post hydraulic lift, tyre changing and wheel balancing machines and all the tools with which a modern vehicle workshop should be equipped.

Government

Our relationship with the government remains solid and we have enjoyed much progress this year, not least in relation to our application for two Mineral Development Agreements (MDAs) that are expected to be signed with the Government of Liberia before the end of 2011. These are 25 year concession agreements which are expected to commence with a five year exploration period, and a mining licence application is applied for once the definitive feasibility study has been completed. In the meantime, we have letters of good standing from the Ministry of Lands, Mines and Energy confirming that our current exploration licences are valid until the MDA negotiations have been completed.

Hummingbird was also a proud sponsor this year of two conferences on investment in Liberia. The first was held in Monrovia in April and was called the Liberian Mining Energy Petroleum Conference. It was attended by a number of key exploration and mining companies looking at moving into Liberia. Hummingbird also hosted a dinner during the event. The second conference was called the UK-Liberia Investment Forum and was held in June 2011 in London.

Corporate Social Responsibility

A Hummingbird bridge, Sinoe County

Big Picture View

Hummingbird Resources actively pursues initiatives that can help address the serious economic and social-environmental challenges that are still prevalent throughout the country and especially in the rural regions. We feel that often the best solution is employment, bringing with it training and lasting transferable skills. As our resource grows, and with the proceeds of the money raised at listing, we are better able to advance projects quickly – both in conjunction with local NGOs and directly with the communities in which we live and work.

However, with the prospect of more widespread development across Liberia in the sectors of mining, agriculture and forestry, it is crucial that the unique environment of Liberia is not overlooked. Much of the forested areas and wildlife within are now severely

Baking bread at Dugbe Camp

A Hummingbird well project

Hummingbird United football team

under threat after years of poorly managed concession agreements and desperation created by war, which forced people into poaching and exploitation of the forest and its ecosystems. Therefore, it is Hummingbird's belief that, in return for the privilege of working in Liberia, it is our obligation to do our part and work in the most socially and environmentally responsible way possible, in a manner that is both sustainable and relevant.

Grass Roots Implementation

Hummingbird is proud to be one of Liberia's largest employers with over 90% of our workforce in Liberia made up of Liberian nationals. Additionally, Hummingbird sponsors a number of geology students at the Liberian University, and has recently recruited its first graduates from the university as junior geologists to work within Hummingbird's international geological team. Hummingbird invests in all of its employees as individuals, providing regular training (from first aid courses to computer workshops) to develop the skills of each individual, promoting personal growth and development, so as to increase the opportunities for their careers to progress. Hummingbird takes the welfare of its employees very seriously and its provision of medical cover for all employees is just one example of this.

Hummingbird has a strategy aimed at identifying specific ways in which our Company can have a direct and positive impact wherever we work. We aim to assist the various poverty reduction strategies that the government has introduced, and focus our CSR initiatives in order that they complement the various County Development Agendas.

The Company is also involved in various philanthropic works, including:

- the building and rehabilitation of wells and town halls in village communities near the exploration projects
- building more than 15 bridges on main access routes into the bush
- repairing over 120km of public roads around our project areas
- a sanitation programme and building of community latrines in Monrovia
- sponsoring 15 geological students through the University in Monrovia
- sponsoring the full renovation of the library at the Liberian Geological Survey
- sponsoring the Sinoe County Football Team

All of these projects are considered important to Hummingbird in creating a positive working environment between ourselves and the local people. This has allowed Hummingbird to achieve a more responsive workplace than that of our competitors.

Pygmy Hippo Foundation

Pygmy Hippo Foundation

In July 2011 we founded the Pygmy Hippo Foundation, predominantly aimed at assisting the development of the country's Sapo National Park in southeast Liberia, and producing measures to save the pygmy hippo, an endangered species. The Zoological Society of London estimates that there are less than 2,000 pygmy hippos remaining in the wild, of which the majority are believed to be located in Liberia's Sapo National Park.

Mission

The Foundation aims to promote the conservation, preservation and protection of the endangered pygmy hippo in its natural environment, through the re-development of the Sapo National Park and incorporating local communities into conservation initiatives and education programmes.

The aims of the Pygmy Hippo Foundation include informing the Liberian government about the need to protect the pygmy hippo. Through further training, local park rangers will be able to track and locate these shy and reclusive animals, contributing to a greater understanding of their habitat and behaviours, about which little is currently known. Sponsorship of research by leading conservationists is part of Hummingbird's contribution towards the protection of one of Liberia's endangered species.

Pygmy Hippo Foundation Initiatives

1. Enforcing the laws of the Sapo National Park
2. Informing the government of the need to protect the environment
3. Removal of illegal miners
4. Sponsoring and training of park rangers
5. Provision of equipment and facilities to the park
6. Anti-poaching patrols
7. Future development of low impact eco-tourism centred on Sapo National Park
8. Sponsoring research into the park by world leaders in hippo conservation
9. Education of local communities
10. Creating a buffer zone around Sapo National Park that supports conservation initiatives and incorporates the local communities, with the potential to extend gradually and sustainably across wider areas

Liberia

Background

Liberia was founded in 1847 as a safe haven for emancipated slaves. It enjoyed over 100 years of peace before 14 years of intermittent civil war which ended nearly a decade ago. The incumbent President, Ellen Johnson Sirleaf, is Africa's only female President. She is highly regarded in the international community for having wiped off over $2bn of national debt during her Presidency to date. Liberia is a coastal country with an estimated population of 3.9m people. It shares borders with Sierra Leone, Ivory Coast and Guinea.

At Hummingbird we pride ourselves not only on our strong relationships with the communities living in the areas in which we operate, but also with the Government of Liberia. We recognise that we have a huge opportunity with our first mover advantage to be working in a country which after 14 years of civil conflict has spent the last nine years of peace steadily improving its social, economic and fiscal stability.

Economic Growth

With three operational deep water ports, a newly rebuilt railway line and hundreds of kilometres of newly laid tarmac road, the ability to operate as a company and move towards developing a mine is only becoming easier. Liberia is a country that still remains one of the poorest in the world, and with unemployment standing at around 80%, factors such as community improvements and local employment are vital contributions to the country's Poverty Reduction Strategy and therefore improving the country's economic climate as a whole in the long-term. Despite being ranked last in the United Nations' human development index in 2008, in that same year it was also named as 'most improved country' in Sub-Saharan Africa by the Mo Ibrahim Index of African Governance. The nation has since experienced an estimated 7.3% economic growth in 2011, up from 4.6% in 2010, and 6.1% in 2009, along with other countless successes.

A Bright And Stable Future

In the 1960's and 1970's, Liberia was Africa's largest iron ore exporter and the third largest in the world. This provided a launch pad for the extractive industry in the aftermath of civil war. Along with the impressive number of competitors operational in Liberia, this is a strong indication of the Liberian Government's commitment to the continued growth and development of its economy and its peoples' welfare.

Liberia's Extractive Industries Transparency Initiative (LEITI) ensures financial transparency and accountability at a global standard, to the Liberian people. Liberia and Cameroon are the only two African countries to conform with this internationally recognised initiative. The prompt lifting of the embargo on exports of diamonds, gold, iron ore and timber after the 2006 elections was driven by the desperate need for national income for the people.

Liberia At A Glance

- Africa's only female President: Ellen Johnson Sirleaf
- Population: 3.9 million
- Capital city: Monrovia
- Three operating deep water ports
- Robust mining law based on long-established Australian system
- First country to become compliant with the Extractive Industries Transparency Index (EITI)
- Principal towns: Ganta, Buchanan, Greenville, Gbarnga, Kakata, Voinjama, Harper
- USA currently constructing their largest embassy in an African country in Liberia
- International commodity firms investing include Arcelormittal, BHP Billiton Ltd, Chevron Corporation, Sime Darby Berhad, Anadarko Petroleum Corporation & Total S.A.
- Mo Ibrahim index of African governance named Liberia as 'Most improved country' in Sub-Saharan Africa in 2008

Financial Statements

Directors, Advisors and Officers

DIRECTORS

ID Cockerill	Non-Executive Chairman
SA Betts	Non-Executive Director
MC Idiens	Non-Executive Director
RJH Smith	Non-Executive Director
DE Betts	Executive Director
WBT Cook	Executive Director
DA Pelham	Executive Director

COMPANY SECRETARY
TR Hill

REGISTERED OFFICE
49-63 Spencer Street
Hockley
Birmingham
West Midlands
B18 6DE

AUDITORS
Baker Tilly UK Audit LLP
2 Whitehall Quay
Leeds
LS1 4HG

SOLICITORS
Cobbetts LLP
One Colmore Square
Birmingham
B4 6AJ

BANKERS
Barclays Bank plc
PO Box 777
Wolverhampton
WV1 1DS

NOMINATED ADVISER & BROKER
Liberum Capital Ltd
Ropemaker Place, Level 12
25 Ropemaker Street
London
EC2Y 9LY

JOINT BROKER
Mirabaud Securities LLP
33 Grosvenor Place
London
SW1X 7HY

The Directors present their report on the affairs of the Group, together with the financial statements and auditors' report for the year ended 31 May 2011.

PRINCIPAL ACTIVITIES

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

The subsidiary and associated undertakings principally affecting the losses or net assets of the Group in the year are listed in note 16 to the financial statements.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The purpose of this review is to show how the Group assesses and manages risk and uncertainty and adopts appropriate policies and targets. Further details of the Group's business and expected future developments are also set out in the Chairman's Statement on pages 8 to 9, the CEO's statement on pages 10 to 13 and in the Technical & Operational Review on pages 18 to 37.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Exploration risk

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

Political risk

All of the Group's operational activities are located in Liberia and the Group is therefore dependent on the political and economic situation in Liberia and the wider African region. After 14 years of civil war, hostilities ceased in 2003, and Liberia has since experienced a wave a new investment, improved infrastructure, and has become one of the fastest growing economies in West Africa. However there can be no assurance that political stability will continue.

Licencing and title risk

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

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

Financing

The development of the Group's properties will depend on the Group's ability to obtain financing primarily through the raising of equity capital, but also by means of joint venture of projects, debt financing, farm outs or other means. There is no assurance that the Group will be successful in obtaining the required

financing. If the Group is unable to obtain additional financing as needed, some interests may be relinquished and/or the scope of the operations reduced.

Details about the use of financial instruments by the Company and its subsidiaries as well as exposure to financial risks are given in note 23 to the financial statements.

KEY PERFORMANCE INDICATORS

Given the stage of development of the Group's operations, the key performance indicators used by management for monitoring our progress and strategic objectives for the business are as follows:

	31 May 2011	31 May 2010
Resources – Indicated (ounces Au)	552,000	-
Resources – Inferred (ounces Au)	260,000	-
Resources – total (ounces Au)	812,000	-
Metres drilled (cumulative)	27,358m	3,700m
Samples collected (cumulative)	41,032	21,755
Exploration expenditure (cumulative)	$17.6m	$6.8m
Cash balance	$32.1m	$7.6m
Share price	£1.515	$0.778

CORPORATE GOVERNANCE

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

Board

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

Audit Committee

The audit committee comprises Matthew Idiens and Roderick Smith (Chairman). 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 auditors and agreeing the scope of their audit.

Remuneration Committee

The remuneration committee comprises Ian Cockerill (Chairman), Matthew Idiens and Stephen Betts. The remuneration committee is responsible for reviewing the performance of the executive directors, setting their remuneration levels, determining the design and setting the targets for any incentive schemes operated by the Company for the Directors. It is also responsible for determining at what point the

Company should adopt any form of share option plan, and considering the grant of options under any such plan. The board itself determines the remuneration of the non-executive directors.

Safety, Health and Environmental Committee (SHEC)

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

POST BALANCE SHEET EVENTS

Events after the reporting date have been disclosed in note 25 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 May 2011 are set out on page 49. The Directors do not recommend payment of a dividend for the year (2010: nil). The loss will be transferred to reserves.

DIRECTORS AND DIRECTORS' INTERESTS

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

	Number of shares at 31 May 2011	Number of shares at 31 May 2010*
ID Cockerill[1]	491,083	-
SA Betts[2]	4,491,648	4,872,600
MC Idiens	3,219,607	3,710,655
RJH Smith (appointed 1 August 2010)	41,130	
DE Betts[2]	4,491,648	4,872,600
WBT Cook	287,150	281,250
DA Pelham	-	-

** The number of shares has been adjusted for the 44 for 1 bonus issue that took place on 23 November 2010.*
1 – Mr Cockerill's interests are held by family trusts in which he has a beneficial interest.
2 – DE Betts's and SA Betts's interests consist of 4,119,048 shares held by DE Betts, 67,500 shares held by SA Betts, 67,500 shares held by Caroline Betts, 57,600 shares held by Stephen Betts & Sons Limited, and 180,000 shares held by The Stephen Betts & Sons Limited (Self Administered) Pension Scheme.

The Directors' interests in the share options of the Company at 31 May 2011 were as follows:

	Options at 1 June 2010	Options granted during the year*	Options at 31 May 2011	Exercise Price	Date of grant	First date of exercise	Final date of exercise
ID Cockerill	-	-	-	-	-	-	-
SA Betts	-	337,500	337,500	£0.486	26/10/2010	24/12/2011	25/10/2020
MC Idiens	-	450,000	450,000	£0.486	26/10/2010	24/12/2011	25/10/2020
RJH Smith	-	270,000	270,000	£0.486	26/10/2010	24/12/2011	25/10/2020
DE Betts	-	1,250,000	1,250,000	£0.486	26/10/2010	24/12/2011	25/10/2020
WBT Cook	-	675,000	675,000	£0.486	26/10/2010	24/12/2011	25/10/2020
DA Pelham	-	225,000	225,000	£0.486	26/10/2010	24/12/2011	25/10/2020
Total	-	3,207,500	3,207,500				

** The number of options has been adjusted for the 44 for 1 bonus issue that that took place on 23 November 2010.*

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

DIRECTORS' REMUNERATION

	Short term employee benefits for the year ended 31 May 2011 $'000
ID Cockerill	52
SA Betts	47
MC Idiens	49
RJH Smith	40
DE Betts	129
WBT Cook	118
DA Pelham	165
Total Directors' remuneration	600

DIRECTORS' INDEMNITIES

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

SUPPLIER PAYMENT POLICY

It is the Group's policy to make payments, where possible, to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions. Trade payables of the Group at 31 May 2011 were equivalent to 27 (2010: 47) days' purchases, based on the average daily amount invoiced by suppliers during the year.

CHARITABLE AND POLITICAL DONATIONS

The Company has not made any charitable donations or payments to political parties during the year (2010: $nil).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

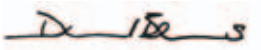
Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

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

This Directors' Report comprising pages 41 to 45 has been approved by the Board and signed on its behalf by:



DE Betts
Director

6 October 2011

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

Statement of Directors' Responsibilities

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

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs adopted by the EU;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Hummingbird Resources plc website.

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

Independent Auditor's Report to Members of Hummingbird Resources plc

We have audited the Group and Parent Company financial statements ("the financial statements") on pages 49 to 82. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As more fully explained in the Directors' Responsibilities Statement set out on page 46, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion

- the financial statements give a true and fair view of the state of the Group's and the Parent's affairs as at 31 May 2011 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Richard King (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Whitehall Quay
Leeds
LS1 4HG

6 October 2011

Consolidated Income Statement
for the Year Ended 31 May 2011

	Notes	2011 $'000	2010 $'000
Continuing operations			
Revenue		-	-
Profit on deemed disposal	13	425	-
Share-based payments	21	(1,141)	(67)
Other administrative expenses		(2,588)	(1,219)
Administrative expenses	6	(3,304)	(1,286)
Finance income	9	723	7
Finance expense	10	-	(10)
Share of joint venture loss	13	(29)	-
Loss before tax		(2,610)	(1,289)
Tax	11	-	-
Loss for the year attributable to equity holders of the parent		(2,610)	(1,289)
Loss per ordinary share			
Basic and diluted ($ cents)	12	(5.79)	(4.6)

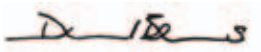
Consolidated Statement of Comprehensive Income
for the Year Ended 31 May 2011

	2011 $'000	2010 $'000
Loss for the year	(2,610)	(1,289)
Other comprehensive income		
Exchange translation differences on foreign operations	-	619
Total comprehensive loss for the year attributable to equity holders of the parent	(2,610)	(670)

Consolidated Balance Sheet
as at 31 May 2011

	Notes	2011 $'000	2010 $'000
Assets			
Non-current assets			
Intangible exploration and evaluation assets	14	17,582	6,801
Property, plant and equipment	15	1,647	645
Investment in joint venture	13	394	-
		19,623	7,446
Current assets			
Trade and other receivables	17	417	242
Cash and cash equivalents	17	32,112	7,569
		32,529	7,811
Total assets		52,152	15,257
Liabilities			
Current liabilities			
Trade and other payables	19	1,573	974
Amounts due to joint venture	13	354	-
Total liabilities		1,927	974
Net assets		50,225	14,283
Equity			
Share capital	20	854	13
Share premium		41,881	16,692
Retained earnings		7,490	(2,422)
Equity attributable to equity holders of the parent		50,225	14,283

The financial statements of Hummingbird Resources plc were approved by the Board of Directors and authorised for issue on 6 October 2011. They were signed on its behalf by:



DE Betts
Director

Company Number 05467327

The notes on pages 54 to 73 form part of these financial statements.

Consolidated Cash Flow Statement
for the Year Ended 31 May 2011

	Notes	2011 $'000	2010 $'000
Net cash outflow from operating activities	22	(1,651)	(1,091)
Investing activities			
Purchases of intangible exploration and evaluation assets		(10,398)	(1,910)
Purchases of property, plant and equipment		(1,532)	(580)
Interest received		31	7
Net cash used in investing activities		(11,899)	(2,483)
Financing activities			
Net proceeds from issue of shares		37,411	10,623
Loans issued		-	80
Loans repaid		-	(40)
Interest paid		-	(5)
Net cash from financing activities		37,411	10,658
Net increase in cash and cash equivalents		23,861	7,084
Effect of foreign exchange rate changes		682	(5)
Cash and cash equivalents at beginning of year		7,569	490
Cash and cash equivalents at end of year		32,112	7,569

Consolidated Statement of Changes in Equity
for the Year Ended 31 May 2011

	Share capital $'000	Share premium $'000	Retained earnings $'000	Cumulative translation reserve $'000	Total $'000
As at 1 June 2009	10	6,666	(1,220)	(619)	4,837
Exchange translation differences arising on change in functional currency	(2)	(704)	87	-	(619)
Issue of equity shares	5	11,060	-	-	11,065
Expenses of issue of equity shares	-	(330)	-	-	(330)
Total comprehensive loss for the year	-	-	(1,289)	619	(670)
As at 1 June 2010	13	16,692	(2,422)	-	14,283
Issue of shares	241	40,274	-	-	40,515
Expenses of issue of equity shares	-	(3,104)	-	-	(3,104)
Bonus issue (see note 20)	600	(600)	-	-	-
Capital reduction (see note 20)	-	(11,381)	11,381	-	-
Share based payments	-	-	1,141	-	1,141
Total comprehensive loss for the year	-	-	(2,610)	-	(2,610)
As at 31 May 2011	854	41,881	7,490	-	50,225

1 GENERAL INFORMATION

Hummingbird Resources plc (the 'Company'), is incorporated in Great Britain 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 is the exploration, evaluation and development of mineral exploration targets, principally gold, focused primarily in Liberia.

2 ADOPTION OF NEW AND REVISED STANDARDS

The financial statement have been drawn up on the basis of accounting policies consistent with those applied in the financial statements for the year to 31 May 2010.

In the current year, the following new and revised Standards have been adopted. The adoption of these standards, interpretations and amendments did not affect the Company results of operations or financial positions.

International Accounting Standards (IAS/IFRS)

IFRS 1 (amended)	*Additional exemptions for First time adoption of IFRS*
IFRS 2 (amended)	*Group cash-settled share-based payment transactions*
IAS 24 (revised 2009)	*Related Party Disclosures*
IAS 32 (amended)	*Classification of rights issue*

International Financial Reporting Interpretations (IFRIC)

IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*

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

IFRS 1 (amended)	*Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
IFRS 7 (amended)	*Disclosures – Transfers of Financial Assets*
IFRS 9	*Financial Instruments*
IFRS 10	*Consolidated Financial Statements*
IFRS 11	*Joint Arrangements*
IFRS 12	*Disclosure of Interests in Other Entities*
IFRS 13	*Fair Value Measurement*
IAS 12 (amended)	*Deferred Tax: Recovery of Underlying Assets*
IAS 1 (amended)	*Presentation of Items of Other Comprehensive Income*
IAS 27	*Separate Financial Statements*
IAS 28	*Investments in Associates and Joint Ventures*
IFRIC 14, IAS 19 (amended)	*Limit on a Defined Benefit Asset, Minimum Funding Requirement and their interaction*

3 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 1.6472.

Going concern

The group is an exploration business which has sufficient funds available to meet its commitments for the foreseeable future but will require further funding prior to production and revenue generation.

The financial statements have been prepared on a going concern basis based on projected future cash flows and projected work programmes.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 May each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired of or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

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

Joint ventures

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

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

Leasing

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

Foreign currencies

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

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

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Taxation

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

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

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

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

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

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

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

Property, plant and equipment

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

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

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

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

Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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 (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 (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible exploration and evaluation assets

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

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

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

Exploration and Evaluation costs

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

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

Treatment of E&E assets at conclusion of appraisal activities

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

Impairment of E&E assets

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

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

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

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

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

Financial instruments

Recognition of financial assets and financial liabilities

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

Derecognition of financial assets and financial liabilities

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

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

Trade and other receivables

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

Cash and cash equivalents

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

Trade and other payables

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

Provisions

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

Rehabilitation

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

3 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Share-based payments

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

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

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

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

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

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. On this basis the Group has one segment, the exploration and development of mineral resources, which is currently principally involved in the exploration of gold and other minerals in Liberia.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Recoverability of exploration and evaluation assets

Determining whether an exploration and evaluation 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 exploration and evaluation 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 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.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

Share-based payments

In order to calculate the charge for share-based compensation as required by IFRS 2, the Group makes estimates principally relating to the assumptions used in its option-pricing model as set out in note 21.

The critical judgments made in these estimates were: The share price on the date of grant which was estimated at £0.486 (adjusted for share consolidation) being the price of the most recent share issue at the date of grant; and the expected volatility of share price which was estimated based on other quoted exploration companies.

5 SEGMENTAL REPORTING

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

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

6 ADMINISTRATIVE EXPENSES BY NATURE

	2011 $'000	2010 $'000
Depreciation of property, plant and equipment (note 15)	37	23
Staff costs (note 8)	1,107	342
Net foreign exchange losses/(gains)	18	(17)
Audit fees (note 7)	58	37
Non audit fees payable to associates of the Company's auditors (note 7)	79	5
Communications and IT	42	48
Insurance	25	2
Marketing	97	4
Office expenses	149	207
Professional and consultancy	732	312
Travel and accommodation	209	239
Bank charges	35	17
Share based payments (note 21)	1,141	67
Profit on deemed disposal (note 13)	(425)	-
	3,304	1,286

7 AUDITOR'S REMUNERATION

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

	2011 $'000	2010 $'000
Audit fees		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	50	37
Under accrual for prior year audit	8	-
Total audit fees	58	37
Non-audit fees payable to associates of the Company's auditors		
Taxation services	12	5
Corporate finance fees in relation to IPO*	93	-
Total non-audit fees	105	5

**$26,000 of these fees have been charged to share premium.*

8 STAFF COSTS

The average monthly number of employees and Directors was:

	2011 Number	2010 Number
Directors	7	5
Other employees	106	50
	113	55

	2011 $'000	2010 $'000
Their aggregate remuneration comprised:		
Wages and salaries	1,658	711
Social security costs	409	34
Share based payments	1,100	-
	3,167	745

Within wages and salaries, $565,000 (2010: $238,000) relates to amounts paid to Directors. Included within staff costs, is $960,000 (2010: $403,000) capitalised to intangible exploration and evaluation assets.

Included within social security costs is a provision of $308,000 (2010: $nil) for the potential employers' social security contributions in respect of the share options issued to employees and Directors.

9 FINANCE INCOME

	2011 $'000	2010 $'000
Interest on bank deposits	41	7
Foreign exchange gain	682	-
	723	7

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

10 FINANCE EXPENSE

	2011 $'000	2010 $'000
Loan interest	-	10

11 TAX

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

	2011 $'000	2010 $'000
Loss before tax	(2,610)	(1,289)
Tax credit at the rate of tax (28%)	(731)	(361)
Tax effect of non-deductable expenses	2	-
Items not subject to tax	(119)	-
Deferred tax asset not recognised	849	361
Effect of overseas tax rates	(1)	-
Tax expense and effective tax rate for the year	-	-

12 LOSS PER ORDINARY SHARE

Basic loss per Ordinary share is calculated by dividing the net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year. The weighted average number of ordinary shares outstanding during the period and for the prior periods presented has been adjusted in accordance with IAS 33. The adjustment reflects the 44 for 1 bonus issue that took place on 23 November 2010 as described in note 20. The adjustment is made retrospectively as if the bonus issue took place at the start of the relevant comparative period.

12 LOSS PER ORDINARY SHARE CONTINUED

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

	2011 $'000	2010 $'000
Losses		
Loss for the purposes of basic loss per share being net loss attributable to equity holders of the parent	(2,610)	(1,289)

	2011 Number	2010 Number
Number of shares		
Weighted average number of Ordinary shares for the purposes of basic loss per share	45,073,464	27,762,309

	2011 $	2010 $
Loss per Ordinary share		
Basic and diluted	(5.79)	(4.6)

At the balance sheet date there were 3,150,000 (2010: nil) potentially dilutive Ordinary shares. Potentially dilutive ordinary shares include share options issued to employees and Directors. In 2011 the potential Ordinary shares are anti-dilutive and therefore diluted loss per share has not been calculated.

13 JOINT VENTURE

On 24 January 2011, the Company together with its wholly owned subsidiary Iron Bird Resources Inc. ("Iron Bird"), entered into an agreement with Petmin Limited ("Petmin") relating to the Group's Mount Ginka licence for exploration of iron ore in northern Liberia. Petmin Ltd is listed on the JSE Ltd since 1986 and the London Stock Exchange's Alternative Investment Market (AIM) since 2006. Ian Cockerill is executive chairman of Petmin Ltd. The key terms of this agreement were:

- The Mount Ginka licence would be transferred to Iron Bird
- Iron Bird would issue new shares equivalent to 15% of its issued share capital to Petmin for a consideration of $500,000
- Subject to meeting certain criteria, Petmin were obliged to invest a further $1,500,000 in Iron Bird, to increase its shareholding to 50%

Iron Bird was incorporated by the Company for the purposes of this transaction and the substance of this transaction was that the Group contributed the Mount Ginka licence in exchange for a share in the joint venture.

As a result of this transaction Iron Bird ceased to be a subsidiary and became a joint venture. Therefore disposal of subsidiary and recognition of joint venture using the equity method has been reflected in the financial statements.

During the period Petmin invested $500,000 in Iron Bird and as a result was issued new shares in Iron Bird equivalent of 15% of its issued share capital.

13 JOINT VENTURE CONTINUED

The profit on the deemed disposal of Iron Bird was determined as follows:

Group's 100% interest pre transaction:	At the date of disposal $'000
Non-current assets	110
Amounts due to Hummingbird Resources (Liberia) Inc	(112)
Net liabilities at the date of disposal	(2)
Group's 85% interest post transaction:	
Cost of investment	-
Share of joint venture assets and liabilities	423
Gain on deemed disposal	425

Investment in joint venture:

	2011 $'000
On the date of recognition of investment in joint venture	423
Share of joint venture results for the year	(29)
Investment in joint venture as at 31 May 2011	394

The Group's interest in the joint venture as at the 31 May 2011 is set out below:

	$'000
Share of:	
Non-current assets	120
Current assets	301
Current liabilities	(27)
Net assets	394

As at 31 May 2011 $354,000 (2010: $nil) was due from the Company and Group to the joint venture.

The joint venture had no income in the period.

As disclosed in note 25, Petmin invested $1,500,000 on 27 June 2011 to increase its shareholding to 50%. Both Petmin and the Company have the option to contribute equally to future fundraising.

14 INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	$'000
Cost	
At 1 June 2009	3,944
Additions	2,857
At 1 June 2010	6,801
Additions	10,891
Disposal of subsidiary (see note 13)	(110)
At 31 May 2011	17,582

Additions to intangible exploration and evaluation assets during the year include $493,000 (2010: $189,000) of capitalised depreciation of tangible assets used in exploration and evaluation activities.

15 PROPERTY, PLANT AND EQUIPMENT

	Development assets – vehicles $'000	Development assets – other $'000	Other $'000	Total $'000
Cost				
At 1 June 2009	196	183	50	429
Additions	292	244	44	580
At 1 June 2010	488	427	94	1,009
Additions	998	263	271	1,532
At 31 May 2011	1,486	690	365	2,541
Accumulated depreciation				
At 1 June 2009	88	36	28	152
Charge for the year	102	87	23	212
At 1 June 2010	190	123	51	364
Charge for the year	297	178	55	530
At 31 May 2011	487	301	106	894
Carrying amount				
At 31 May 2011	999	389	259	1,647
At 31 May 2010	298	304	43	645

Of the depreciation charged in the year $493,000 (2010: $189,000) was capitalised into intangible exploration and evaluation assets, with the balance being charged to the income statement.

16 SUBSIDIARIES

The Company had investments in the following subsidiary undertakings as at 31 May 2011, which principally affected the losses and net assets of the Group:

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

17 OTHER FINANCIAL ASSETS

Trade and other receivables

	2011 $'000	2010 $'000
Other receivables	26	5
VAT recoverable	150	29
Prepayments	241	208
	417	242

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

Cash and cash equivalents

Cash and cash equivalents as at 31 May 2011 of $32,112,000 (2010: $7,569,000) comprise cash held by the Group. The Directors consider that the carrying amount of these assets approximates their fair value.

18 DEFERRED TAX

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

At 31 May 2011, the Group has unrecognised deferred tax assets of $1,380,000 (2010: $531,000) in respect of UK and Liberian tax losses. No deferred tax asset has been recognised in respect of these amounts as the recovery is dependent on the future profitability, the timing and the certainty of which cannot reasonably be foreseen.

19 TRADE AND OTHER PAYABLES

	2011 $'000	2010 $'000
Trade payables	941	880
Other taxes and social security	79	10
Accruals	548	83
Other payables	5	1
	1,573	974

The average credit period taken for trade purchases is 27 days (2010: 47 days). Where possible the Group seeks to settle agreed payables within the contractual timeframe.

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

Operating lease commitments

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

	2011 $'000	2010 $'000
Within one year	121	61
In the second to fifth years inclusive	177	132
After five years	64	60
	362	253

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

20 SHARE CAPITAL

Authorised share capital

As permitted by the Companies Act 2006, the Company does not have an authorised share capital (2010: 5,000,000 shares of £0.01 each).

Issued equity share capital

	2011		2010	
	Number	$'000	Number	$'000
Issued and fully paid				
Ordinary shares of £0.01 each	53,355,565	854	828,362	13

20 SHARE CAPITAL CONTINUED

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

	Ordinary Shares of £0.01 Number
At 1 June 2009	512,221
Allotment of shares	316,141
At 1 June 2010	828,362
Allotment of shares pre IPO	18,295
Bonus issue (a)	37,252,908
Allotment of shares at IPO (b)	15,256,000
At 31 May 2011	53,355,565

(a) *Bonus issue and capital reduction*

On 23 November 2010 the Company, by means of a bonus issue out of share premium, issued 37,252,908 ordinary shares of £0.01 each credited as fully paid to and among all shareholders in the proportion of 44 new shares for every existing share held. This resulted in share capital increasing by $600,000, representing the nominal value of these shares.

On 23 November 2010, the share capital of the Company was reduced through the reduction by $11,381,000 of share premium from $16,381,000 to a balance of $5,000,000.

Both the bonus issue and capital reduction were necessary to enable the Company to re-register as a public limited company.

(b) *Allotment of shares at IPO*

On 10 December 2010 the company was admitted to trading on AIM and issued 15,256,000 ordinary shares of £0.01 each at a price of £1.67 per share, raising gross proceeds of £25,478,000 ($40,223,000).

21 SHARE BASED PAYMENTS

2011 Equity settled share-based payments

On 26 October 2010 the Company granted 78,000 share options with an exercise price of £21.875. The grant of these share options and the issue of the 10,000 shares to Ian Cockerill gave rise to share based payment charges in the period of $791,000 and $350,000 respectively (total charge of $1,141,000 for the period). On 23 November 2010 as a result of the Bonus Issue the Company adjusted the options granted, to increase the number of ordinary shares over which options were held by an additional 44 options for every 1 option held and to decrease the exercise price by a factor of 45 such that the option holders were in the same economic position as before the bonus issue. As a result there were 3,510,000 options outstanding as of 31 May 2011 with an exercise price of £0.486 each. These share options are exercisable in the period between 24 December 2011 and 26 October 2020. Share options issued to employees and Directors normally lapse on cessation of employment or holding office.

There were no share options exercised, lapsed or cancelled in 2011.

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 companied as the Company was not quoted at the time.

21 SHARE BASED PAYMENTS CONTINUED

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

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

2010 Equity settled share-based payments

During the year ended 31 May 2010 the Group issued Ordinary shares to certain parties in return for services. The Group has measured the value of the services received based on the market price for those services.

The Group recognised an expense in 2010 related to equity-settled share based payment transactions of $67,000.

During the prior year the Group recognised $100,000 in relation to the cost of services, satisfied through the issue of Ordinary shares, as a deduction from share premium, as they were regarded as incremental costs directly attributable to the issue of Ordinary shares which would otherwise have been avoided.

22 NOTES TO THE CASH FLOW STATEMENT

	2011 $'000	2010 $'000
Loss before tax	(2,610)	(1,289)
Adjustments for:		
Depreciation of property, plant and equipment	37	23
Share based payments	1,141	67
Profit on deemed disposal	(425)	-
Finance income	(723)	(7)
Finance expense	-	10
Share of joint venture loss	29	-
Effect of foreign exchange rate changes	-	4
Operating cash flows before movements in working capital	(2,551)	(1,192)
Increase in receivables	(165)	(12)
Increase in payables	599	113
Decrease in amounts due from joint venture	112	-
Increase in amounts due to joint venture	354	-
Net cash outflows from operating activities	(1,651)	(1,091)

Cash and cash equivalents (which are presented as a single class of assets on the balance sheet) comprise 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.

23 FINANCIAL INSTRUMENTS

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

Capital

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

Externally imposed capital requirement

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, 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:

	2011 $'000	2010 $'000
Financial assets		
Cash and cash equivalents	32,112	7,569
Other receivables	176	34
	32,288	7,603
Financial liabilities		
Trade payables	941	880
Other payables	5	1
Amounts due to joint venture	354	-
	1,300	881

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 Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

23 FINANCIAL INSTRUMENTS CONTINUED

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

Credit risk

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

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

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

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

Liquidity risk

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

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

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

Foreign exchange risk and foreign currency risk management

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

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

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

	Liabilities		Assets	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Euros ('€')	40	-	23	-
Sterling ('GBP')	169	217	15,550	44
Canadian Dollars ('CAD')	13	-	1	-

Foreign currency sensitivity analysis

The Group is exposed primarily to movements in GBP against the $. Sensitivity analyses have been performed to indicate how the profit or loss would have been affected by changes in the exchange rate between the $ and GBP. The analysis is based on a weakening and strengthening of the $ by 10 per cent against the GBP in which the Group has assets and liabilities at the end of each respective period. A movement of 10 per cent reflects a reasonably possible sensitivity when compared to historical

23 FINANCIAL INSTRUMENTS CONTINUED

movements over a three to five year timeframe. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a ten per cent. change in foreign currency rates.

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

The following table details the Group's sensitivity to a ten per cent. strengthening in the $ against the GBP.

	2011 $'000	2010 $'000
(Decrease)/increase in income statement and net assets	(1,538)	17

24 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, Group companies entered into the following trading transactions with Stephen Betts & Sons Limited:

	Purchase of services		Amounts owing	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Stephen Betts & Sons Limited	54	48	29	7

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

On 1 January 2009 Stephen Betts & Son Limited entered into agreement with the Company to provide services of certain members of staff, office equipment and use of premises for a fee of £30,000 per annum under which the above amounts arose.

The amounts outstanding are unsecured and will be settled in cash.

Loans

During the previous year the Group received an interest bearing loan of $40,000 from Stephen Betts & Sons Limited. The loan and interest charge of $4,800 were settled within the previous year by the issue of equity shares.

Additionally during the previous year the Group received an interest bearing loan of $40,000 from MC Idiens, a Director of the Company. This loan together with interest of $4,774 was repaid in full during the previous year.

Joint Venture with Petmin Limited (Iron Bird Resources Inc)

During the year, the Group entered into a transaction with Petmin Limited as described in note 13. Petmin Limited is a related party of the Group because Ian Cockerill is the executive chairman of that company.

24 RELATED PARTY TRANSACTIONS CONTINUED

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*.

	2011 $'000	2010 $'000
Short-term employee benefits	600	340
Social security cost	66	25
Share based payment charge	695	-
Provision for potential social security costs on share options	306	-
	1,667	365

25 EVENTS AFTER THE REPORTING DATE

Issue of share options

On 27 June 2011 the Company granted 1,023,000 share options to certain Directors, employees and consultants. These share options are exercisable at £1.25 per share and vest in two tranches over a 24 month period assuming certain performance criteria are met. Following this grant, 83,000 of these share options lapsed.

Joint venture

On 27 June 2011, Petmin Limited, the Company's joint venture partner in Iron Bird Resources Inc. invested a further $1,500,000 in Iron Bird Resources Inc. and increased its shareholding to 50%. Both parties have the option to contribute to any further fundraising equally. Further details regarding the joint venture are disclosed in note 13.

Company Balance Sheet
as at 31 May 2011

	Notes	2011 $'000	2010 $'000 Restated	2009 $'000 Restated
Assets				
Non-current assets				
Investments	31	2,172	-	-
Property, plant and equipment	32	235	-	-
Receivables from subsidiaries	33	17,794	8,737	4,951
		20,201	8,737	4,951
Current assets				
Trade and other receivables	33	257	33	17
Cash and cash equivalents	33	31,471	7,483	444
		31,728	7,516	461
Total assets		51,929	16,253	5,412
Liabilities				
Current liabilities				
Trade and other payables	34	717	970	102
Amounts due to joint venture		354	-	-
Total liabilities		1,071	970	102
Net assets		50,858	15,283	5,310
Equity				
Share capital	35	854	13	10
Share premium		41,881	16,692	6,666
Retained earnings		8,123	(1,422)	(747)
Cumulative translation reserve		-	-	(619)
Total equity		50,858	15,283	5,310

The financial statements were approved by the board of Directors and authorised for issue on 6 October 2011.

They were signed on its behalf by:

DE Betts
Director

Company Number 05467327

The notes on pages 77 to 82 form part of these financial statements.

Company Cash Flow Statement
for the Year Ended 31 May 2011

	Notes	2011 $'000	2010 $'000 Restated
Net cash outflow from operating activities	37	(2,636)	(572)
Investing activities			
Purchases of property, plant and equipment		(271)	-
Investment in subsidiaries		(2,172)	-
Loans to subsidiary companies		(9,057)	(3,048)
Interest received		31	6
Net cash used in investing activities		(11,469)	(3,042)
Financing activities			
Proceeds from issue of shares		37,411	10,623
Loans issued		-	80
Loans repaid		-	(40)
Interest paid		-	(5)
Net cash from financing activities		37,411	10,658
Net increase in cash and cash equivalents		23,306	7,044
Effect of foreign exchange rate changes		682	(5)
Cash and cash equivalents at beginning of year		7,483	444
Cash and cash equivalents at end of year		31,471	7,483

Company Statement of Changes in Equity
for the Year Ended 31 May 2011

	Share capital $'000	Share premium $'000	Retained earnings $'000	Cumulative translation reserve $'000	Total $'000
As at 1 June 2009	10	6,666	(747)	(619)	5,310
Exchange translation differences arising on change in functional currency	(2)	(704)	87	619	-
Issue of equity shares	5	11,060	-	-	11,065
Expenses of issue of equity shares	-	(330)	-	-	(330)
Total comprehensive loss	-	-	(762)	-	(762)
As at 1 June 2010	13	16,692	(1,422)	-	15,283
Issue of equity shares	241	40,274	-	-	40,515
Expenses of issue of equity shares	-	(3,104)	-	-	(3,104)
Bonus issue	600	(600)	-	-	-
Capital reduction		(11,381)	11,381	-	-
Share based payments	-	-	1,141	-	1,141
Total comprehensive loss	-	-	(2,977)	-	(2,977)
As at 31 May 2011	854	41,881	8,123	-	50,858

26 SIGNIFICANT ACCOUNTING POLICIES

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

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

As permitted by section 408 of the Act, the Company has elected not to present its profit and loss account for the year. Hummingbird Resources plc reported a loss for the financial year ended 31 May 2011 of $2,977,000 (2010: $762,000).

Investments

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

27 RESTATEMENT

In prior periods the company incorrectly included expenditures made on behalf of its subsidiaries within intangible exploration and evaluation assets.

The Company financial statements of the year ended 31 May 2010 have been restated to correct this error.

The effect of the restatement on those financial statements is summarised below. There is no impact of the financial statements for the year ended 31 May 2011.

	Effect on	
	2010 $'000	2009 $'000
Decrease in intangible exploration and evaluation assets	(4,363)	(1,949)
Increase in receivables from subsidiaries	4,363	1,949
Change in non-current assets	-	-

There is no impact on total non-current assets, net assets, loss for the year or the consolidated financial statements for any period.

28 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Company's financial statements, and in particular its investments in and receivables from subsidiaries, are affected by the critical accounting judgments 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.

29 AUDITOR'S REMUNERATION

The auditors' remuneration for audit and other services is disclosed in note 7 to the Consolidated Financial Statements.

30 STAFF COSTS

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

	2011 Number	2010 Number
Directors	7	5
Other employees	6	5
	13	10

	$'000	$'000
Their aggregate remuneration comprised:		
Wages and salaries	1,087	538
Social security costs	400	26
	1,487	564

Within wages and salaries, $565,000 (2010: $238,000) relates to amounts paid to Directors for services rendered. Included within wages and salaries is $380,000 (2010: $403,000) recharged to subsidiaries as intangible exploration and evaluation assets.

Included within social security costs is a provision of $308,000 (2010: $nil) for the potential employers social security contributions in respect of the share options issued to employees and Directors.

Key management remuneration is disclosed in note 24 to the Consolidated Financial Statements.

31 INVESTMENTS

	Investment in subsidiaries $'000
Cost	
At 1 June 2010	-
Additions	2,172
At 31 May 2011	2,172

The Company's subsidiaries are disclosed in note 16 to the Consolidated Financial Statements. The additions in the year relate to certain costs incurred by the Company on behalf of its subsidiaries.

32 PROPERTY, PLANT AND EQUIPMENT

	Development assets – vehicles $'000	Development assets – other $'000	Other $'000	Total $'000
Cost				
At 1 June 2009	-	-	-	-
Additions	-	-		
At 1 June 2010	-	-	-	-
Additions		38	233	271
At 31 May 2011	-	38	233	271
Accumulated depreciation				
At 1 June 2009	-	-	-	-
Charge for the year	-	-	-	-
At 1 June 2010	-	-	-	-
Charge for the year	-	6	30	36
At 31 May 2011	-	6	30	36
Carrying amount				
At 31 May 2011	-	32	203	235
At 31 May 2010	-	-	-	-

33 FINANCIAL ASSETS

Receivables from subsidiaries

At the balance sheet date amounts receivable from the fellow group companies were $17,794,000 (2010: $8,737,000). These loans are repayable on demand and no interest in currently charged. The carrying amount of these assets approximates their fair value. There are no past due or impaired receivables.

Trade and other receivables

	2011 $'000	2010 $'000
Other receivables	26	-
VAT recoverable	150	30
Prepayments	81	3
	257	33

Cash and cash equivalents

These comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates their fair value.

33 FINANCIAL ASSETS CONTINUED

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

34 FINANCIAL LIABILITIES

Trade and other payables

	2011 $'000	2010 $'000
Trade payables	247	880
Other taxes and social security	52	10
Accruals	414	79
Other payables	4	1
	717	970

The average credit period taken for trade purchases is 23 days (2010: 47 days).

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. No interest is charged on balances outstanding.

Operating lease commitments

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

	2011 $'000	2010 $'000
Within one year	93	-
In the second to fifth years inclusive	93	-
After five years	-	-
	186	-

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

35 SHARE CAPITAL

The movements on this item are disclosed in note 20 to the Consolidated Financial Statements.

36 SHARE-BASED PAYMENTS

The Company's share-based payments information is disclosed in note 21 to the Consolidated Financial Statements.

37 NOTES TO THE CASH FLOW STATEMENT

	2011 $'000	2010 $'000
Loss before tax	(2,977)	(762)
Adjustments for:		
Depreciation of property, plant and equipment	37	-
Share based payments	1,141	67
Finance income	(723)	(6)
Finance expense	-	5
Effect of foreign exchange rate changes	-	5
Operating cash flows before movements in working capital	(2,522)	(691)
Increase in receivables	(215)	(15)
(Decrease)/increase in payables	(253)	134
Increase in amounts due to joint venture	354	-
Net cash outflow from operating activities	(2,636)	(572)

38 FINANCIAL INSTRUMENTS

The Group's strategy and financial risk management objectives are described in note 23.

Principal financial instruments:

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

	2011 $'000	2010 $'000
Financial assets		
Cash and cash equivalents	31,471	7,483
Other receivables	17,970	8,767
	49,441	16,250
Financial liabilities		
Trade payables	247	880
Other payables	4	1
	251	881

The risks that the Company is subject to in addition to the Group risks described in note 23 are set out below:

Credit risk

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

38 FINANCIAL INSTRUMENTS CONTINUED

In addition to the risks described in note 23 which affect the Group, the Company is also subject to credit risk on the balances receivable from its subsidiaries (see note 33).

Foreign currency exposure and sensitivity analysis

The Company's exposure to foreign currency exposure and sensitivity to exchange rates is the same as the Group's (see note 23).

39 RELATED PARTIES

Amounts due from subsidiaries

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

	2011 $'000	2010 $'000
Hummingbird Resources (Liberia) Inc.	17,794	8,737

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

The Company's transactions with other related parties and remuneration of key management personnel are disclosed in note 24 to the Consolidated Financial Statements.

40 EVENTS AFTER THE BALANCE SHEET DATE

Events after the balance sheet date are disclosed in note 25 to the Consolidated Financial Statements.

"If you want to succeed you should strike out on new paths, rather than travel the worn paths of accepted success. Don't be afraid to give up the good to go for the great."

John D Rockerfeller

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