THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the UK, or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled "Risk Factors" in Part IV of this document that describes certain risks associated with an investment in the Company.

The Directors of Hummingbird Resources plc (the **"Company"**), whose names, business addresses and functions appear on page 6 of this document, and the Company accept responsibility, individually and collectively, in accordance with the AIM Rules for Companies (**"AIM Rules"**), for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the issued and to be issued Ordinary Shares to trading on AIM, a market operated by the London Stock Exchange plc (**"AIM"**). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to the Financial Services Authority (the **"FSA"**) in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the offices of Cobbetts LLP, for a period of one month from the date of Admission.

Application will be made for the issued and to be issued Ordinary Shares to be admitted to trading on AIM (**"Admission"**). It is expected that Admission will take place and that dealings in the issued and to be issued Ordinary Shares will commence on 10 December 2010. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (the "Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.** In particular, it should be remembered that the price of securities and the income from them can go down as well as up.

The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.** It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange. **Further, neither the London Stock Exchange nor the FSA has examined or approved the contents of this document.**

The whole of this document should be read. You should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the Risk Factors set out in Part IV of this document.

HUMMINGBIRD RESOURCES PLC

(Incorporated and Registered in England and Wales under the Companies Act 1985 with registered number 5467327)

Placing of 15,256,000 New Ordinary Shares of £0.01 each at 167p per Ordinary Share

Admission to trading on AIM

Nominated Adviser and Joint Broker	Joint Broker
Liberum Capital Limited	Mirabaud Securities LLP

Issued share capital immediately following the Placing

Number	*Amount*
53,355,565	£533,556

The Placing is conditional, *inter alia*, on Admission taking place on or before 31 December 2010 (or such later date as the Company, Liberum Capital Limited and Mirabaud Securities LLP may agree). The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares (which includes the Sale Shares) including the right to receive all dividends or other distributions declared, paid or made after Admission.

Liberum Capital Limited and Mirabaud Securities LLP, which are both authorised and regulated in the United Kingdom by the FSA and which are advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), are acting exclusively for the Company as nominated adviser and joint broker and joint broker respectively for the purpose of the AIM Rules. Neither Liberum Capital Limited nor Mirabaud Securities LLP will be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Liberum Capital Limited or Mirabaud Securities LLP as to the contents of this document. No

liability whatsoever is accepted by Liberum Capital Limited or Mirabaud Securities LLP for the accuracy of any information or opinions contained in this document, for which the Directors are solely responsible, or for the omission of any information from this document for which it is not responsible.

This document does not constitute an offer to sell, or a solicitation of an offer to buy Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa or Japan except that the document may be provided in certain limited circumstances to persons in the United States in connection with a placing of Ordinary Shares in private placements exempt from the registration requirements of the US Securities Act of 1933, as amended (**"Securities Act"**). The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended, any state securities laws in the United States or any securities laws of Canada, Australia, the Republic of South Africa or Japan or in any country, territory or possession where to offer them without doing do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, Australia, the Republic of South Africa or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States, Canada, the Republic of South Africa or Japan. The distribution of this document outside the United Kingdom may be restricted by law and therefore persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this document.

No broker, dealer or other person has been authorised by the Company, the Directors, Liberum Capital Limited or Mirabaud Securities LLP to issue any advertisement or to give any information or make any representation in connection with the offering or sale of the Placing Shares other than those contained in this document and if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, the Directors, Mirabaud Securities LLP or Liberum Capital Limited.

Prospective investors should not assume that the information in this document is accurate as of any other date than the date of its publication (the "**Publication Date**"). The delivery of this document at any time after the Publication Date will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the Publication Date or that the information set forth in this document is correct as of any time since the Publication Date.

The Company is not providing prospective investors with any legal, financial, business, tax or other advice. Prospective investors should consult with their own advisers as needed to assist them in making their investment decision and to advise them whether they are legally permitted to purchase the Ordinary Shares.

The contents of the Company's website, including any websites accessible from hyperlinks on the Company's website, do not form part of this document.

Forward-looking Statements

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part IV of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

United States Securities Laws

The Ordinary Shares are generally only being offered and sold outside the United States to persons who are not "U.S. persons" (within the meaning of Regulation S) in transactions complying with Regulation S, which provides an exemption from the requirement to register the offer and sale under the Securities Act. In certain limited cases, the Ordinary Shares may be offered and sold in the United States, but only in private placements to persons who are "accredited investors" (within the meaning of Regulation D) in transactions complying with Rule 506 of Regulation D, which provides on exemption from the requirement to register to offer and sale under the Securities Act.

THE ORDINARY SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY ANY US STATE SECURITIES COMMISSION OR AUTHORITY, NOR HAS ANY SUCH US AUTHORITY PASSED ON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ORDINARY SHARES HAVE NOT BEEN (AND WILL NOT BE) REGISTERED UNDER THE SECURITIES ACT OR SECURITIES LAWS OF ANY US STATE AND WILL NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

Ordinary Shares placed with any US persons or persons located in the United States will be deemed to be "restricted securities" for US securities law purposes and, for so long as they remain so, may not be offered or sold by the holder other than pursuant to a registration statement under the Securities Act or an exemption from the requirement to register. Any share certificate evidencing restricted securities will bear a legend reflecting such transfer restrictions. US purchasers will be required to confirm they will comply with these restrictions and make certain other customary US securities law representations.

Notice to Prospective Investors in the European Economic Area

No Ordinary Shares have been offered or sold, or will be offered or sold, to the public in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) except (with effect from and including the Relevant Implementation Date): (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than

€50,000,000, as shown in its last annual or consolidated accounts; (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of Liberum Capital Limited and Mirabaud Securities LLP; or (d) in any other circumstances which do not require the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

Notice to Residents of Canada (Ontario and British Columbia only)

This document provides information on an offering of the Ordinary Shares described herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the Ordinary Shares referred to herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Ordinary Shares described herein and any representation to the contrary is an offence.

The distribution of the Ordinary Shares in Canada will be made only on a private placement basis and will be exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the Ordinary Shares must be made in accordance with applicable securities laws, which will require resales to be made in accordance with exemptions from registration and prospectus requirements. Purchasers are advised to seek legal advice prior to any resale of the Ordinary Shares.

Each Purchaser who receives a purchase confirmation regarding the Ordinary Shares will be deemed to have represented to the Company or an initial purchaser, as applicable, and any dealer from whom such confirmation is received that (i) such Purchaser has reviewed the resale restrictions in the definitive offering memorandum, (ii) the Purchaser is qualified as both (a) a **"Permitted Client"** as such term is defined in National Instrument 31-103 of the Canadian Securities Administrators (**"NI 31-103"**) and (b) an **"Accredited Investor"** as such term is defined in National Instrument 45-106 of the Canadian Securities Administrators; and (iii) the sale of Ordinary Shares to the Purchaser is being effected by a person that has complied in all respects with the requirements to rely on the exemption from the dealer registration requirement set forth in Section 8.16 of NI 31-103 in respect of the trade in the Ordinary Shares.

Right of Action for Rescission or Damages (Purchasers in Ontario only)

The Ordinary Shares which will be offered are those of a foreign issuer. The Company and the other persons named herein may be located outside of Canada and, as a result, it may not be possible for Purchasers to effect service of process within Canada upon the Company or such other persons. All or a substantial portion of the assets of the Company and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such other persons in Canada or to enforce a judgment obtained in Canadian Courts against the Company or other persons outside of Canada.

Purchasers resident in Ontario (**"Ontario Purchasers"**) have a statutory right of action against the offeror for damages or rescission in the event that this document together with any amendments hereto contains a misrepresentation. An Ontario Purchaser may exercise a right of action for damages, or alternatively, while still the owner of the Ordinary Shares, a right of rescission, provided that if the Purchaser exercises its right of rescission, it shall no longer have a right of action for damages.

The Company will not be liable, subject to other limitations or defences available in Ontario (i) if it proves that the Ontario Purchaser purchased the Ordinary Shares with knowledge of the misrepresentation, or (ii) for all or any portion of damages that it proves do not represent the depreciation in value of the Ordinary Shares as a result of the misrepresentation. In no case shall the amount recoverable exceed the price at which the Ordinary Shares were offered.

In addition, these rights are subject to the Ontario Purchaser commencing an action to enforce these rights within the time limits specified below:

(a) no action shall be commenced to enforce an action for rescission more than one hundred and eighty (180) days from the date of the transaction that gave rise to the cause of action, and

(b) in the case of an action for damages, the Ontario Purchaser must commence its action within the earlier of (i) one hundred and eighty (180) days from the day the Ontario Purchaser first had knowledge of the facts giving rise to the cause of action; or (ii) three years from the day of the transaction that gave rise to the cause of action.

These rights do not apply to Ontario Purchasers that are within a prescribed class of financial institutions or their subsidiaries.

Notice to prospective Investors in France

The Placing Shares may only be offered or sold in France to qualified investors (investisseurs qualifiés), as defined and in accordance with articles L.411-1, L.411-2, D.411-1 and D.411-2 of the French "Code Monétaire et Financier". Prospective investors are informed that:

(a) the documentation describing the transaction has not been submitted for clearance to the Autorité dés Marchés Financiers;

(b) qualified investors and other persons falling within the restricted circle of investors as defined in article L.411-2 II 2 of the French "Code Monétaire et Financier" may only take part in the transaction solely for their own account, as provided in articles D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French "Code Monétaire et Financier"; and

(c) the Placing Shares thus acquired cannot be distributed directly or indirectly to the public in France otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8.3 of the French "Code Monétaire et Financier."

Notice to prospective Investors in Switzerland

The document is being communicated in Switzerland to a small number of selected Investors only. Each copy of this document is addressed to a specifically named recipient and must not be passed on to third parties.The Placing Shares are not to be offered to the public in Switzerland, and neither this document nor any other offering materials relating to the Placing Shares may be distributed in connection with any such public offering.

CONTENTS

EXPECTED TIMETABLE FOR THE PLACING AND ADMISSION

Publication of this document	8 December 2010
Admission becomes effective and dealings in the Enlarged Share Capital expected to commence on AIM	8.00 a.m. 10 December 2010
Expected date for CREST accounts to be credited (where applicable)	10 December 2010
Despatch of definitive share certificates (where applicable)	By 31 December 2010

PLACING STATISTICS

Number of Existing Ordinary Shares in issue prior to the Placing	38,099,565
Placing Price	£1.67
Number of New Ordinary Shares	15,256,000
Number of Sale Shares	2,728,520
Number of Placing Shares	17,984,520
Number of Ordinary Shares in issue following the Placing	53,355,565
Percentage of the Enlarged Share Capital represented by the New Ordinary Shares	28.6 per cent.
Gross proceeds raised by the Placing receivable by the Company	£25.5 million
Estimated net proceeds of the Placing receivable by the Company	£23.3 million
Gross proceeds of the Placing receivable by the Selling Shareholders	£4.6 million
Approximate market capitalisation of the Company at the Placing Price on Admission	£89.1 million
TIDM Code/AIM Symbol	HUM
ISIN	GB00B60BWY28

EXCHANGE RATES

For the purposes of reference only, the following exchange rate was prevailing on 3 December 2010:

US$1.57 per £1

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	Ian David Cockerill *(Non Executive Chairman)* Daniel Edward Betts *(Chief Executive)* William Benjamin Thurston Cook *(Operations Director)* David Almgren Pelham *(Technical Director)* Stephen Alexander Betts *(Non Executive Director)* Matthew Charles Idiens *(Non Executive Director)* Roderick James Hollas Smith *(Non Executive Director)*
Registered Office of the Company	49-63 Spencer Street Hockley Birmingham B18 6DE United Kingdom
Head Office of the Company	94 Jermyn Street London SW1Y 6JE United Kingdom
Other Address from which the Company primarily trades	Liberia Office: Hummingbird House Sophie Area Congo Town Monrovia Liberia
Company Secretary	Thomas Rowland Hill
Nominated Adviser and Joint Broker	Liberum Capital Limited Ropemaker Place, Level 12 25 Ropemaker Street London EC2Y 9LY United Kingdom
Joint Broker	Mirabaud Securities LLP 33 Grosvenor Place London SW1X 7HY United Kingdom
Reporting Accountants	Baker Tilly Corporate Finance LLP 2 Whitehall Quay Leeds LS1 4HG United Kingdom
Auditors	Baker Tilly UK Audit LLP 2 Whitehall Quay Leeds LS1 4HG United Kingdom
Legal Counsel to the Company	Cobbetts LLP One Colmore Square Birmingham B4 6AJ United Kingdom

Liberian Counsel to the Company	Pierre, Tweh & Associates Counsellors & Attorneys-At-Law Palm Hotel Building, Suite 201 Broad & Randall Streets P. O. Box 10-2536 1000 Monrovia 10 Liberia
Legal Counsel to the Placing	Lawrence Graham LLP 4 More London Riverside London SE1 2AU United Kingdom
Competent Person	ACA Howe International Limited 254 High Street Berkhamsted Hertfordshire HP4 1AQ United Kingdom
Registrars	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
Financial/Public Relations	Threadneedle Communications Limited Aldermary House Third Floor, 10 – 15 Queen Street London EC4N 1TX United Kingdom
Company's telephone number	+44 (0) 20 7766 7560
Company's website	http://www.hummingbirdresources.co.uk

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meanings:

"**2006 Act**"	Companies Act 2006
"**Admission**"	the admission of the Ordinary Shares issued, and to be issued pursuant to the Placing, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"**Afro**"	Afro Minerals Inc, the Company's subsidiary incorporated in Liberia
"**AIM**"	the market of that name operated by London Stock Exchange plc
"**AIM Mining, Oil & Gas Companies Note**"	the 'Note for Mining, Oil & Gas Companies' published by the London Stock Exchange setting out specific requirements, rule interpretation and guidance relating to resource companies, as may be amended from time to time
"**the AIM Rules**"	the AIM Rules for Companies setting out the rules and responsibilities in relation to AIM companies published by the London Stock Exchange as amended from time to time
"**AIM Rules for Nominated Advisers**"	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
"**Articles**"	the articles of association of the Company adopted on 23 November 2010
"**certificated**" or "**certificated form**"	in the description of a share or other security which is not in uncertificated form (that is not in CREST)
"**City Code**"	the City Code on Takeovers and Mergers
"**Corporate Governance Code**"	the UK Corporate Governance Code issued by the Financial Reporting Council
"**Company**" or "**Hummingbird**"	Hummingbird Resources plc, a company incorporated in England and Wales with company number 5467327
"**Competent Person**" or "**ACA Howe**"	ACA Howe International Limited of 254 High Street, Berkhamsted, Hertfordshire, HP4 1AQ United Kingdom
"**CREST**"	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
"**Crest Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time)
"**Deveton**"	Deveton Mining Company, the Company's subsidiary incorporated in Liberia
"**Directors**" or "**Board**"	the directors of the Company whose names appear on page 6 of this document

"**Disclosure Rules**"	the Disclosure and Transparency Rules made by UKLA in accordance with section 73(A)(3) of FSMA relating to the disclosure of information in respect of financial instruments which have been admitted to a regulated market
"**Enlarged Share Capital**"	the issued Ordinary Share capital of the Company immediately following Admission, comprising the Existing Ordinary Shares and the Placing Shares
"**Existing Ordinary Shares**"	38,099,565 Ordinary Shares in issue immediately prior to the Placing
"**Financial Services and Markets Act**" or "**FSMA**"	the Financial Services and Markets Act 2000 (as amended)
"**FSA**"	the UK Financial Services Authority
"**Geotess**"	Geotess International Corporation, a 20 per cent. shareholder of Afro
"**Golden Grebe**"	Golden Grebe Mining Limited, the Company's wholly owned subsidiary incorporated in England and Wales
"**Group**"	the Company and the Subsidiary Undertakings
"**Hummingbird Liberia**"	Hummingbird Resources (Liberia) Inc, the Company's wholly owned subsidiary incorporated in Liberia
"**Iron Bird**"	Iron Bird Resources Inc, the Company's subsidiary incorporated in Liberia
"**Joint Broker**"	Mirabaud Securities LLP of 33 Grosvenor Place, London, SW1X 7HY United Kingdom
"**licence**" or "**MEA**"	a Mineral Exploration Agreement granted under Liberian law
"**London Stock Exchange**"	London Stock Exchange plc
"**MDA**"	a Mineral Development Agreement granted under Liberian law
"**Memorandum**"	the memorandum of association of the Company
"**New Ordinary Shares**"	the 15,256,000 new Ordinary Shares to be issued by the Company and placed with the Placees
"**Nominated Adviser and Joint Broker**" or "**Nomad**"	Liberum Capital Limited of Ropemaker Place, Level 12, 25 Ropemaker Street, London, EC2Y 9LY United Kingdom
"**Official List**"	the official list of the UK Listing Authority
"**Ordinary Shares**"	ordinary shares of £0.01 each in the capital of the Company
"**Placees**"	subscribers for the Placing Shares procured by the Nomad and Joint Broker on behalf of the Company and the Selling Shareholders pursuant to the Placing
"**Placing Agreement**"	the agreement dated 8 December 2010 between the Company, the Directors, two of the Selling Shareholders (Daniel Betts and Matthew Idiens) the Nomad and the Joint Broker, details of which are set out in paragraph 14.2.3 of Part VII of this document

"**Placing Letter**"	the letter from the Nominated Adviser and Broker on behalf of the Company to be signed by each investor wishing to subscribe through the Nominated Adviser and Broker for Placing Shares pursuant to the Placing and setting out the terms on which they will agree to subscribe
"**Placing Price**"	£1.67 per Placing Share
"**Placing Shares**"	the New Ordinary Shares and the Sale Shares
"**Placing**"	the placing by the Nominated Adviser and Broker and Joint Broker on behalf of the Company and the Selling Shareholders of the Placing Shares pursuant to the Placing Agreement and the Selling Shareholder Agreement
"**Prospectus Rules**"	the Prospectus Rules of the FSA brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 and the Prospectus Regulations 2005 (SI 2005/1433)
"**QCA Guidelines**"	the Corporate Governance Guidelines for AIM Companies published by the Quoted Companies Alliance (as amended from time to time)
"**Regulation D Placing**"	the Placing in the US or to US Persons of the Placing Shares
"**Sale Shares**"	the 2,728,520 Ordinary Shares being sold to Placees by the Selling Shareholders pursuant to the Placing
"**Securities Act**"	US Securities Act of 1933, as amended
"Selling Shareholder Agreement"	the agreement between (1) the Nomad (2) the Joint Broker and (3) one of the Selling Shareholders (The Bank of New York (Nominees) Limited) in relation to certain Sale Shares
"**Selling Shareholders**"	Daniel Betts and Matthew Idiens, Directors and co-founders of the Company, and The Bank of New York (Nominees) Limited
"**Shareholders**"	holders of Ordinary Shares
"**Share Option Scheme**"	the Hummingbird Resources Enterprise Management Incentive Share Option Plan 2010, details of which are set out at paragraph 8.6 of Part VII of this document
"**Sinoe Exploration**"	Sinoe Exploration Limited, the Company's subsidiary incorporated in Liberia
"**Subsidiary Undertakings**"	each of Golden Grebe Mining Limited, Sinoe Exploration Limited, Hummingbird Resources (Liberia) Inc, Deveton Mining Company, Afro Minerals Inc, Hummingbird Security Limited and Iron Bird Resources Inc details of which are set out at paragraph 2.5 of Part VII of this document
"**UK Listing Authority**"	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of FSMA
"**UK**"	the United Kingdom of Great Britain and Northern Ireland
"**uncertificated**"	securities recorded on a register of securities maintained by Euroclear UK & Ireland Limited in accordance with the CREST Regulations as being in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"**$**" or "**US$**"	US dollars, the legal currency of the United States
"**£**" or "**Sterling**"	pounds sterling, the legal currency of the United Kingdom

GLOSSARY OF TECHNICAL TERMS

"**Alteration**"	changes in the chemical composition of a rock affected by external causes such as hydrothermal fluids or weathering
"**Anomaly**"	an area distinguished by geological, geochemical or geophysical features/values which are different from the surrounding areas
"**Amphibolite**"	a crystalloblastic metamorphic rock consisting mainly of amphibole and plagioclase with little or no quartz
"**Archaean**"	the earlier part of Precambrian time, older than 2.5 billion years (Ga)
"**Artisanal**"	mining and processing carried out without significant mechanical equipment
"**Au**"	the chemical symbol on the periodic table for the precious metal, gold
"**BIF**"	Banded Iron Formation
"**Birimian**"	a group of rocks occurring in West Africa, forming volcano-sedimentary belts, which are between 2.2 billion and 2.0 billion years old (Ga)
"**Craton**"	a part of the Earth's crust that has attained stability, and has been little deformed for a prolonged period; generally restricted to the extensive central areas of continents
"**Diamond drill hole**"	hole drilled with an annular bit set with diamonds, from which a cylindrical core of rock is recovered
"**Ga**"	abbreviation for billion years
"**Gneiss**"	a foliated rock formed by regional metamorphism, in which bands or lenticular sections of granular minerals alternate with bands or lenticles in which minerals having flaky or elongate prismatic habits predominate, e.g. mica
"**Granite**"	igneous rock consisting largely of quartz, feldspar and mica
"**Granodiorite**"	igneous rock consisting of quartz and plagioclase with biotite, hornblende or pyroxene as mafic components. Differs from granite in lower silica and higher mafic minerals content
"**Greywacke**"	an old rock name that is generally applied to a dark grey, firmly indurated, coarse-grained sandstone that consists of poorly sorted, angular to subangular grains of quartz and feldspar, with a variety of dark rock and mineral fragments embedded in a compact clayey matrix having the general composition of slate and containing an abundance of very fine-grained illite, sericite, and chloritic minerals
"**Greenstone belt**"	greenstone belts are zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons generally between granite and gneiss bodies
"**Hydrothermal**"	descriptive of hot aqueous solutions of magmatic origin which may transport metals and minerals in solution
"**Itabirite**"	Banded Iron Formation (BIF), typically developed in Archaean rocks. A laminated, metamorphosed, oxide-facies iron formation in which the original chert or jasper bands have been recrystallised into megascopically distinguished grains of quartz and in which the iron is present as thin layers of hematite, magnetite, or martite

"**Laterite**"	a red residual soil formed by the leaching of silica and by enrichment with aluminium and iron oxides, especially in humid climates
"**MASL**"	metres above sea level
"**Mafic**"	containing or relating to a group of dark-coloured minerals, composed chiefly of magnesium and iron
"**Magnetite**"	magnetic mineral formed of black iron oxide, Fe_3O_4, an important ore of iron
"**Metamorphism**"	the process of large-scale changes to rock composition caused by regional scale pressure or on a smaller scale by thermal affects at igneous contacts due to heat, pressure or the introduction of new chemicals
"**Mineralisation**"	rock containing an undetermined amount of minerals or metals, with unknown economics
"**ounce**" or "**oz**"	troy ounce; equal to 31.1035 grammes
"**Pegmatite**"	a very coarse grained crystalline igneous rock
"**ppb**"	parts per billion
"**Phyllite**"	a metamorphic rock, intermediate in grade between slate and mica schist. Minute crystals of sericite and chlorite impart a silky sheen to the surfaces of cleavage (or schistosity)
"**Precambrian**"	a major interval of geologic time between about 540 million years (Ma) and 3.8 billion years (Ga) ago, comprising the Achaean and Proterozoic eons and encompassing most of Earth history
"**Proterozoic**"	a major division of geologic time spanning from 2,500 to 543 million years before present (Ma)
"**Reconnaissance**"	descriptive of the earliest stage of exploration in which brief field inspections and sampling programmes are undertaken
"**Soil sampling**"	exploration method in which samples are taken of soil to determine the distribution of elements and any anomalous areas
"**Schist**"	a strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50 per cent. of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g. mica and hornblende
"**Stream sediment geochemistry**"	exploration method in which sediment and rock samples are collected from creeks and rivers
"**Ultramafic**"	igneous rock composed chiefly of mafic minerals, e.g. monomineralic rocks composed of hypersthene, augite, or olivine

PART I

KEY INFORMATION

The following is a summary of certain information appearing elsewhere in this document and should be read as an introduction to this document only. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial information appearing elsewhere in the document. Any decision to invest in Ordinary Shares should be based on consideration of this document as a whole. Prospective investors should consider the factors and risks attaching to an investment in the Ordinary Shares and in particular the risk factors set out in Part IV of this document.

Introduction

Hummingbird Resources plc is a mineral exploration company incorporated in England and Wales and headquartered in London. Since its establishment in November 2005, the Group has been active in Liberia, West Africa, and is currently the holder of the largest area of mineral exploration ground in the highly prospective geological region of eastern Liberia. The Group's licences are prospective for gold, iron ore and other minerals.

The Group currently holds 14 exploration licences for all minerals except iron ore, covering over 7,000 square kilometres in total, which constitutes a significant proportion of eastern Liberia containing the Birimian sequence. In addition, the Group holds one iron ore exploration licence covering 155 square kilometres which is located in northern Liberia close to BHP Billiton's Mount Kitoma iron ore exploration project, as well as Arcelor-Mittal's Yekepa project containing the Mount Nimba iron ore mine.

Background and Reasons for the Placing

Since 2005 the Company has expanded its interests both by the acquisition of existing licences and the grant of additional new licences by the Liberian government. The Group is seeking to raise funds to further develop its licence areas through continued systematic exploration, with the objective of discovering further significant gold resources at its project locations and to improve its understanding of its targets in the region as a whole.

Summary of the terms of the Placing

The New Ordinary Shares represent approximately 28.6 per cent. of the Enlarged Share Capital. At the Placing Price, the Company will be valued at £89.1 million. Net proceeds of the Placing receivable by the Company will (after the expenses of the Placing and Admission, which are expected to be £2.2 million (US$3.5 million)) amount to £23.3 million (US$36.5 million). Gross proceeds of the Placing receivable by the Selling Shareholders will amount to £4.6 million.

Key Strengths

The Group's key strengths are:

- it is a prime mover in exploration activities in eastern Liberia having been active in the region for five years; and
- it is currently the holder of the largest area of mineral exploration ground in the highly prospective geological region of eastern Liberia.

Strategy

The Company's long-term intention is to create a significant gold exploration and production group. To progress this strategy, the Group intends from Admission and in the short to medium term to:

- Progress the Dugbe F project (including the contiguous licence areas) with the intention of:
  - developing the extent and categorisation of the resource at the project where it is currently open to the north, south and down dip to such a degree as to warrant a pre-feasibility study; and

- conducting various ancillary studies that may be required to take the project forward towards a pre-feasibility study, such as initial metallurgical studies, environmental studies, social impact studies and preliminary engineering studies.

- Continue exploration in the greater Dugbe Shear Zone area and to assess fully the potential of this region;
- Conduct trenching and scout drilling operations where appropriate;
- Advance the remaining early stage projects in a systematic manner; and
- Progress with the exploration programme on the Mount Ginka iron ore licence.

In addition to focusing on development of its existing licences the Group may utilise its presence in and knowledge of Liberia as a platform to seek further growth opportunities via joint venture arrangements and/or acquisitions of other gold, iron ore or other mineral projects which could add value to the Group.

Use of Proceeds and Reasons for Placing and Admission

The Company requires additional funding to undertake the next phase of exploration activity in accordance with the Group's strategy.

The gross proceeds raised by the Company pursuant to the Placing are expected to be £25.5 million (US$40 million). The Company intends to use the net proceeds of the Placing, expected to be £23.3 million (US$36.5 million) (after deducting fees and expenses) for:

- Exploration (including mapping, stream sampling, soil sampling, trenching, drilling, geologists, logistical support and licence fees) at an estimated cost of US$28.7 million;
- Capital expenditure in Liberia to support the exploration activities (including plant, equipment, vehicles, camps and access roads) at an estimated cost of US$4 million; and
- Corporate and administration costs (including payroll, compliance, legal, investor relations, rent, travel and insurance) at an estimated cost of US$3.8 million.

In addition to the initial fundraising from the Placing, the reasons for Admission are as follows:

- to enable the Company to access institutional capital to broaden its investor base;
- to maintain a high level of transparency and corporate governance; and
- to assist in recruiting, retaining and incentivising staff and employees.

Risk Factors

The Directors consider the following risks and other factors to be most significant for potential investors. Potential investors should carefully consider the risks before making a decision to invest in the Ordinary Shares. More details on the risk factors are set out in Part IV of this document.

- Economic Risk;
- Political Risk;
- Licensing and Title Risk;
- Legal System;
- Weather in Liberia;
- Early Stages of Operations;
- Exploration and Mining Risks
- Operational Targets and Delays;
- Volatility of Price of Gold;
- Volatility of Metal Prices and Exchange Rates;

- Insurance Coverage;
- Development Projects;
- Resource Estimates;
- Environmental Factors;
- Limited Operating History;
- Financing;
- Access to Capital Markets;
- Acquisition and Joint Venture Risk;
- Competition;
- Infrastructure;
- Actions of Third Parties including Contractors and Partners;
- Dependency on Key Personnel;
- Ability to Recruit and Retain Staff;
- AIM and Liquidity of the Ordinary Shares;
- Possible Volatility of the Price of Ordinary Shares;
- City Code;
- Passive Foreign Investment Company;
- United States Securities Law
- Terrorism and the Uncertainty of War;
- Currency Exchange Risks;
- Market Perception;
- Taxation Framework; and
- Forward Looking Statements.

Lock-in Arrangements

In accordance with Rule 7 of the AIM Rules, each of the Directors, their connected persons and certain employees of the Company, have undertaken to the Company, the Nomad and Joint Broker that they will not dispose of Ordinary Shares for a period of twelve months following Admission.

In addition, one of the Company's significant shareholders holding 3,987,630 Ordinary Shares, which is in excess of 10 per cent. of the Existing Ordinary Shares and 7.5 per cent. of the Enlarged Share Capital, has voluntarily undertaken to the Company, the Nomad and Joint Broker not to dispose of Ordinary Shares for a period of six months following Admission.

PART II

INFORMATION ON THE GROUP

1 Introduction

Hummingbird Resources plc is a mineral exploration company incorporated in England and Wales and headquartered in London. Since its establishment in November 2005, the Group has been active in Liberia, West Africa, and is currently the holder of the largest area of mineral exploration ground in the highly prospective geological region of eastern Liberia. The Group's licences are prospective for gold, iron ore and other minerals. At present the Group's focus is on exploration for gold, with one iron ore licence.

The Group has focused its exploration activities in what the Directors consider to be largely unexplored parts of Liberia and which are primarily situated in the Birimian sequence, a geological formation which is known to host multi-million ounce gold deposits in nearby countries such as Ghana, Cote d'Ivoire and Mali. The exploration licences cover over 7,000 square kilometres in total and constitute a significant proportion of eastern Liberia containing the Birimian sequence. The Group's iron ore exploration licence covers 155 square kilometres and is located in northern Liberia, close to BHP Billiton's Mount Kitoma iron ore exploration project as well as Arcelor-Mittal's Yekepa project containing the Mount Nimba iron ore mine.

Since 2006 the Group has commenced and completed significant exploration work over two relinquished areas, 11 of its current 15 licence areas and presently there are geological teams in the field conducting stream sediment sampling over the remaining licence areas. This equates to exploration over 10,600 square kilometres of ground, approximately 3,400 square kilometres of which has been relinquished. During this time the Directors believe there has been minimal systematic exploration by other entities in eastern Liberia, which has meant that the Group has been able to develop its land position without excessive competition.

To date, the Group has collected more than 5,000 stream sediment samples and more than 12,000 soil samples across these licence areas, and 3.5 kilometres of trenches have been excavated, mapped and sampled. As a result, a significant number of geochemical anomalies have been delineated, which are the focus of ongoing exploration activities. The most advanced gold exploration has taken place in the Dugbe, Zia and Jababli licence areas, with Dugbe Block F currently in the stage of resource drilling, with a recently confirmed gold resource of 20.90 million tonnes at 1.208 g/t to give 812,000 oz using a cut-off grade of 0.5 g/t. The exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices. This has led to success in the discovery of the Dugbe deposit and independent recognition of what promises to be a new gold province.

Liberia is currently seeing an increase in foreign investment activity, with majors such as BHP Billiton and Arcelor-Mittal redeveloping the iron ore district of Nimba, and also other operators such as Putu Iron Ore (a joint venture between Africa Aura Mining and Severstal) which was granted a MDA in September 2010 for its iron ore deposit at Putu near Zwedru in Grand Gedeh County. In addition, Chevron Corporation agreed a deal in August 2010 with the Liberian Government for the grant of three licence areas for offshore oil.

The Group is now seeking to raise funds to further develop its licence areas through continued systematic exploration, with the objective of discovering further significant gold resources both at Dugbe F and its other project locations and to improve its understanding of its targets in the region as a whole.

2 Background to the Group

The Betts family, who are shareholders in the Company, have been directly involved in the smelting and refining of precious metals for 250 years. Through this business the family has built up an extensive network of contacts in gold producing regions of the world and it was through such contacts that the Company's founders' attention was drawn to potential opportunities in Liberia.

Following the cessation of hostilities in Liberia in 2003, in 2005 the National Transitional Government of Liberia granted an option to the Betts family business over three exploration licences, in an attempt to encourage foreign investment in the country. In November 2005 Daniel Betts, Stephen Betts and Matthew Idiens co-founded the Company and the three licences were granted to the Group at that time.

In 2006, the Company commenced the first grass roots exploration over these three licence areas by initially contracting out a stream sediment sampling programme to a local geological consultancy firm. As a result of this early stage exploration work, the Company identified what it believed to be highly prospective areas with regards to geological formations, and in particular along major crustal breaks within Birimian greenstone terrains.

Since 2005 the Group has expanded its interests both by the acquisition of existing licences and the grant of additional new licences by the Liberian government. The Group's licence portfolio now stands at 15 exploration licences of over 7,000 square kilometres of ground, including a significant proportion of eastern Liberia containing the Birimian sequence.

The success of the Group's systematic work can be seen by the progress of its Dugbe F project, which is part of the Dugbe Shear Zone complex and is currently the Group's most advanced project. An initial stream sampling programme during 2006 and 2007 resulted in over 800 samples being taken. This allowed for a series of soil geochemical programmes to commence in 2008 during which time over 3,000 soil samples were taken over the areas deemed by the Company to be most prospective. A systematic trenching programme followed later in 2008 and 2009 during which time over 1,500 metres of trenches were excavated and then sampled. In 2009 a scout drilling programme was conducted on the Dugbe F project and 520 metres were drilled which gave highly encouraging mineralised intersections. During 2010 the Company conducted its first comprehensive resource drilling programme. The programme ran continuously over eight months between February and October 2010. By mid-October 2010 over 14,000 metres of diamond core drilling had been completed overall and a total of 93 holes were drilled, of which 88 were completed. All holes completed contained gold mineralisation.

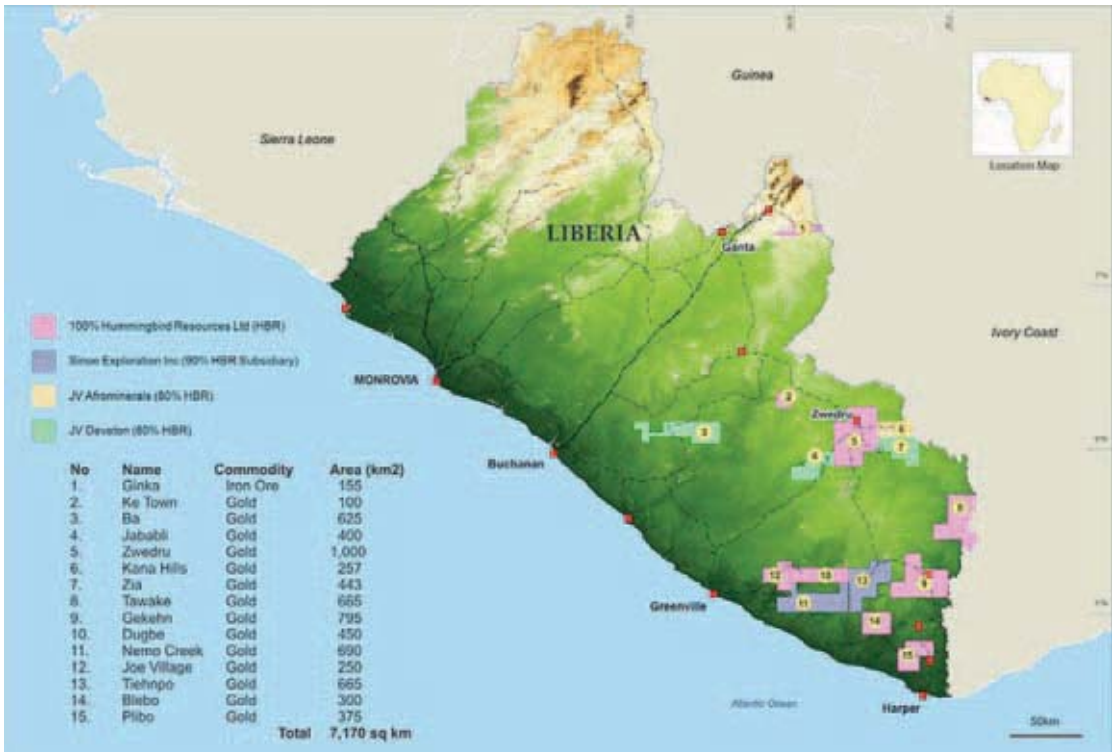
The Group has developed strong working relationships with the relevant Liberian government ministerial departments and will continue to seek to work in partnership with the Liberian government in the future.

3 Project Locations and the Geology of Liberia

Locations

The Group's licences are prospective for gold, iron ore and other minerals. At present the Group's focus is on exploration for gold, with one iron ore licence. The current licence areas are illustrated in Figure 1.

Figure 1: Current Licence Areas



Source: Company

The majority of the Group's licence areas can be reached by road or footpath. In addition, the Group benefits from having several licence areas within the vicinity of existing and planned infrastructure. For instance, Arcelor-Mittal intends to commit approximately $1 billion of investment in Liberia over the next five years, which is expected to include restoration of the railroad between Yekepa (near Ganta) and Buchanan, restoring the deep sea port at Buchanan (which is in disrepair following the civil war) and connected mining infrastructure. In addition, Putu Iron Ore has committed to construct a new railway connecting the Putu project to Greenville and also a tarred road from Zwedru to Greenville.

The Group has successfully developed a robust operational and logistical platform in Liberia. It provides all of the required logistical support to enable the Group's geological teams to explore efficiently and effectively, and this is proven by the success of the recent drill programme being continued through the course of the recent rainy season with minimal disruption. This is normally a period when many of the other exploration companies operating in Liberia cease exploration activity in the field.

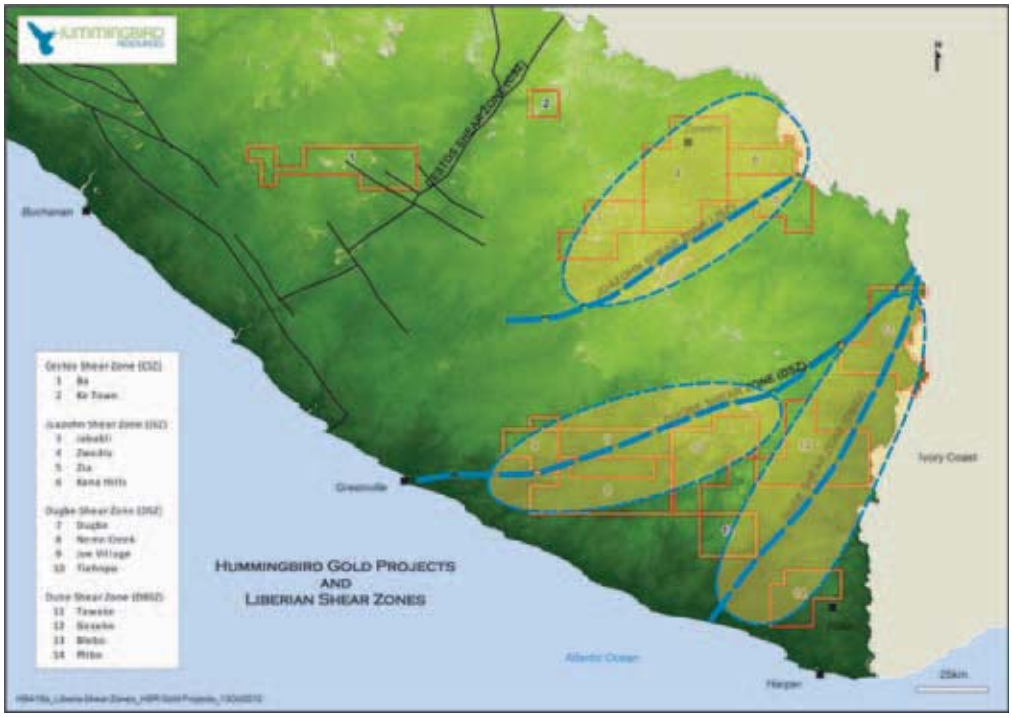
The Group has established office and accommodation compounds in the Liberian capital, Monrovia, with forward bases in Zwedru and Greenville, and semi-permanent field camps at Zia, Kana Hills and Dugbe. Approximately 40 kilometres of roads have been cut and over 18 bridges built by the Group in order to gain access to areas identified as having mineral potential. The Group has made a significant investment in establishing its logistical facilities, and is well positioned to take advantage of the platform and infrastructure it has developed to gain access to exploration areas and to run concurrent exploration programmes on different licences.

Geology

The Directors believe Liberia to have extensive mineral resources, as it is host to large parts of the highly prospective Proterozoic Birimian greenstone belt rocks and the Archaean Man Craton. The Man Craton is known to host iron ore, alluvial diamonds and gold deposits and is in sheared, faulted and folded contact with the Birimian greenstone belt of West Africa that extends throughout much of Ghana, Cote d'Ivoire, Burkina Faso, Mali, Guinea and Niger into eastern Liberia. The Birimian greenstone rocks are known to host world class gold deposits including Anglo Gold's Obuasi, Newmont's Ahafo, Golden Star Resources' Prestea/Bogoso and Noble Mineral Resources' Bibiani. The deep crustal faulted contacts between the Man Craton and the Birimian are exploration targets for orogenic gold deposits.

The Dugbe Shear Zone, Juazohn Shear Zone, Cestos Shear Zone and Dube Shear Zone, all of which trend northeast across the eastern half of the country (see Figure 2 below), are considered highly prospective for orogenic (mesothermal) gold deposits. The Group's licences cover over 2,000 square kilometres of the Dugbe Shear Zone, with four licences across and adjacent to the Juazohn Shear, one licence near the Cestos Shear Zone and two licences covering large parts of the Dube Shear Zone.

Figure 2: Gold Projects and Liberian Shear Zones



Source: Company

4 Summary of the Group's resources and licences

Summary table of the Group's resources

Summary of Resources by CIM Category for AIM Disclosure*

	Gross Attributable Resource				
Category	*Tonnes (millions)*	*Grade (g/t Au)*	*Contained Gold (Ozs)*	*Net Attributable*	*Operator*
Indicated	15.93	1.078	552,000	100%	Hummingbird Resources (Liberia) Inc
Inferred	4.97	1.624	260,000	100%	Hummingbird Resources (Liberia) Inc
Total[1]	20.90	1.208	812,000	100%	Hummingbird Resources (Liberia) Inc

1 Indicated and inferred resources may be combined for the purposes of AIM.
* Resources are reported at a 0.5 g/t Au block cut off.
Source: Leon McGarry B.Sc of ACA Howe extracted from the Competent Person's Report

Exploration licences held by the Group

The Group holds interests in 15 licences totalling an area of over 7,000 square kilometres. Nine of the licences are held 100 per cent. by the Group, and two are held by the Company's 90 per cent. subsidiary, Sinoe Exploration. A further four licences are held through its Subsidiary Undertakings in which the Group retains an 80 per cent. interest and various third parties hold a 20 per cent. interest. A 20 per cent. economic interest in one of the licences held by Hummingbird Liberia has been transferred to a third party. Details of these licences are listed in Figure 3.

Figure 3: The Licences

Licence Name	*Original Area Km²*	*Present Area Km²*	*Interest*	*Licence Holder*	*Effective Date*	*Expiry Date*
Dugbe	900	450	100%	Hummingbird Resources (Liberia) Inc	24-Oct-09	24-Oct-11
Mt. Ginka		155	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Ke Town		100	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Zwedru		1000	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Tawake		665	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Gekehn		795	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Blebo		300	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Plibo		375	100%	Hummingbird Resources (Liberia) Inc	01-Apr-10	01-Apr-13
Nemo Creek		690	90%	Sinoe Exploration Ltd	01-Apr-10	01-Apr-13
Tiehnpo		665	90%	Sinoe Exploration Ltd	21-Jul-10	21-Jul-13
Joe Village		250	80%	Hummingbird Resources (Liberia) Inc	07-Oct-10	07-Oct-13
Kana Hills	257	257	80%	Afro Minerals Inc	24-Oct-09	24-Oct-11
Jababli	800	400	80%	Deveton Mining Company	24-Oct-09	24-Oct-11
Zia	875	443	80%	Deveton Mining Company	24-Oct-09	24-Oct-11
Ba	1275	625	80%	Deveton Mining Company	24-Oct-09	24-Oct-11
	Total	7,170				

Source: Competent Person's Report.

Licences held with third parties

Under a share purchase agreement dated 29 January 2007 Hummingbird Liberia acquired 70 per cent. of the shares of Deveton, which holds the Zia, Jababli and Ba licences. Deveton is a Liberian registered company that was previously owned by three Liberian businessmen who acquired these three licences in 2005 with the aim of looking for a partner with whom to develop them. On 2 October 2007 an additional 10 per cent. of the shares in Deveton were assigned to Hummingbird Liberia. Please refer to paragraph 14.2.6 in Part VII for further details.

Under an agreement dated 18 May 2007, Geotess and the Company incorporated Afro in which the Company holds an 80 per cent. equity interest and Geotess holds a 20 per cent. equity interest. Geotess is a Liberian registered company owned by a Mauritanian businessman who acquired the Kana Hills licence with the aim of finding a partner with whom to develop the licence. Geotess agreed to transfer its Kana Hills licence to Afro and the transfer was approved by the Ministry of Lands, Mines and Energy on 13 June 2007. A two year extension to the initial licence term was granted by the Government of Liberia on 24 October 2009.

Under an agreement dated 10 November 2010 the Group transferred a 20 per cent. interest in the Joe Village licence to a local Liberian partner, Liberian Scientific Equipment and Supply Company Inc, pending the incorporation of a new Liberian entity through which the partners will hold their respective interests. Liberian Scientific Equipment and Supply Company Inc are active and experienced in the licence area and assisted the Company in making the application for the licence.

The Nemo Creek and Tiehnpo licences are held by the Company's subsidiary Sinoe Exploration Limited, in which the Company holds a 90 per cent. interest. The remaining 10 per cent. is owned by Kwa Exploration, a Liberian registered company.

The Company entered into a memorandum of understanding dated 28 June 2010 with Petmin Limited whereby the Company has agreed to transfer the Mount Ginka licence to a new wholly owned subsidiary of the Company, Iron Bird, and Petmin Limited will fund Iron Bird $500,000 for the first phase of its exploration programme over the Mount Ginka licence area in return for the issue of 15 per cent. of the share capital of Iron Bird. Upon successful completion of the first phase of exploration, Petmin Limited will fund Iron Bird a further $1.5 million in return for a further 35 per cent. of the share capital thereby creating a 50:50 joint venture.

Further details of these agreements are set out in paragraph 14.2.5 of Part VII of this document.

Expiry of Licences

A number of the Group's licences are due to expire in late 2011. The Group is currently negotiating the grant of MDAs for these licence areas with the Government of Liberia, and the Directors anticipate that these will be awarded in advance of the relevant licence expiry dates. In the absence of being awarded MDAs on these licences prior to the expiry dates, the Directors expect, in line with historical precedent set by other exploration companies operating in Liberia, that the Group will be able to extend the terms of the licences with the Government of Liberia.

Exploration Conducted by the Group

Dugbe

Description

The Dugbe licence area is situated in south-east Liberia, within the Sinoe and Grand Kru counties, and is 100 per cent. owned by the Group. The licence was granted in November 2005 and extended with effect from 24 October 2009. The licence area currently covers an area of 450 square kilometres. The licence area Dugbe F, named after its location in Block 'F', contains the Group's most advanced project, with an NI 43-101 compliant resource presently standing at Indicated resources of 552,000 oz Au at 1.078 g/t and Inferred resources of 260,000 oz Au at 1.624 g/t, as well as other prospects in the licence area including Dugbe Blocks A, B and D.

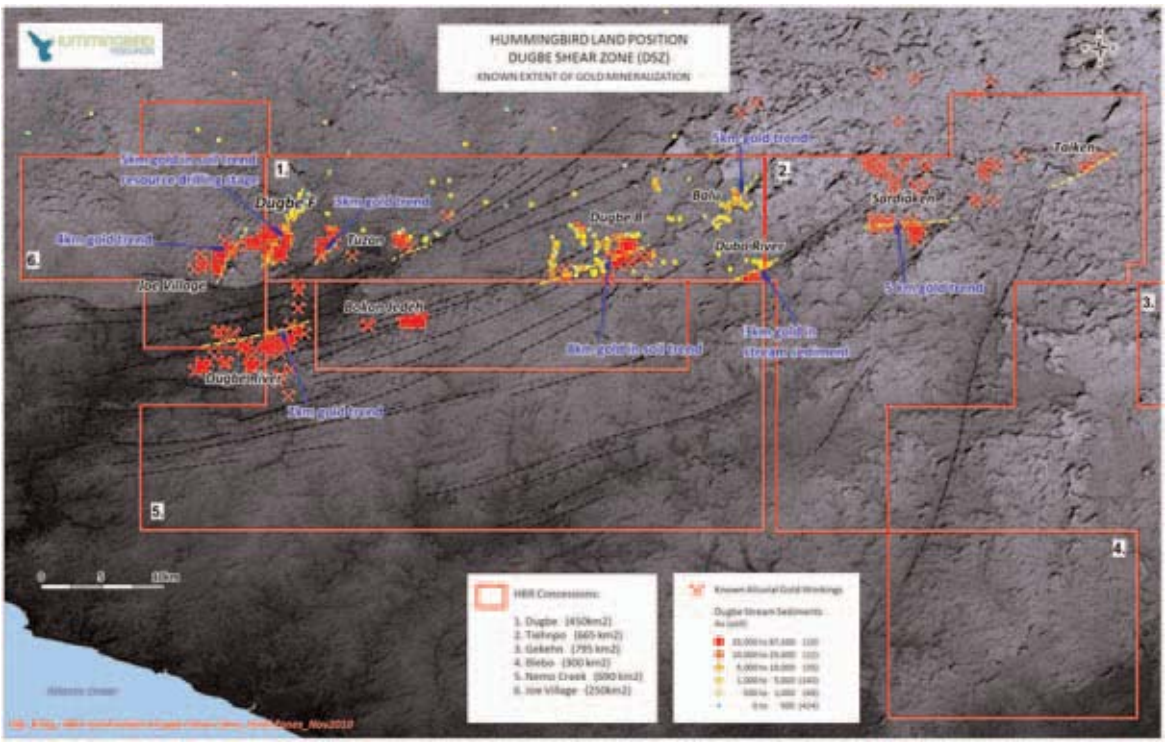
The licence area is generally sparsely populated and densely covered in secondary growth and some primary forest. Dugbe F supports a mining community known as 'Money Camp' which is located approximately 1.5 kilometres north of the Group's field camp. Money Camp is inhabited by an estimated 300 people who are engaged in small scale alluvial mining in small creeks and floodplains. Many of the inhabitants of Money Camp are contracted by the Group on a temporary basis. To the south of the Dugbe licence area lies a mining town known as 'Government Camp', which has been the subject of intensive artisanal mining activities for over 70 years.

Geology

The Dugbe licence area is traversed by the Dugbe Shear Zone, a prominent NE-SW trending regional structure. The structural framework of the Dugbe Shear Zone consists of the main northeast shear direction and other structural trends that are interpreted to be directly linked to brittle deformation caused by the Dugbe Shear event. One such related structural trend is north-northeast.

Based on geochemical results from both stream sediment sampling and soil sampling, gold mineralisation in the Group's Dugbe licence area appears to be associated with these structural features (see Figure 5 below).

Figure 5: The Group's land position in the Dugbe Shear Zone



Source: Company

Access and infrastructure

The Dugbe licence area can be reached from Monrovia via a paved road to Buchanan (125 kilometres) and from there a dirt road to the port of Greenville (270 kilometres). It is then 80 kilometres from Greenville to the Dugbe F camp on dirt roads. The Group has established a forward base in Greenville that provides overnight accommodation for personnel and storage for materials, supplies and fuel en route from Monrovia to the exploration camp at Dugbe Block F.

Whilst Dugbe F is accessible by road, most parts of the Dugbe licence area are accessible only by footpath or river. The eastern blocks (Dugbe A and Dugbe B for instance) are accessible via a road from Zwedru to Kanwiken and then via a 30 kilometre walk into the licence area. However, the Group plans to put in a 20 kilometre access road from Dugbe F block to Dugbe B block in the first half of 2011.

The journey from Greenville to the Dugbe camp takes approximately three hours by road and is accessible throughout the year. The town of Greenville has a modern deepwater port facility which was formerly capable of accommodating vessels of up to 500 feet in length. Cargo pier depth was formerly 4.9-6.1 metres, but the port fell into disrepair during and after the civil war and became inoperable in 2008. If, as planned, the port is rehabilitated it would be suitable for the import of mine equipment.

Exploration activities – Dugbe F

In the Dugbe Shear Zone, resource drilling at Dugbe F focused on the southern 2.8 kilometres of a 4.8 kilometre long by 2 kilometre wide, northeast trending soil anomaly that extends along a second order structure extending from the main Dugbe Shear Zone. The soil anomaly is defined by gold in soil values greater than 30 ppb Au, with robust anomalies in excess of 250 ppb Au.

Targets were delineated in areas with elevated gold in soil values and trenched. A total of 14 trenches have been excavated for 2,300 metres and 1,227 trench samples collected and submitted for gold assay. Scout drilling was initiated based on promising trench results, and assay results from the initial drill

holes were encouraging enough to move to the next stage of drilling. Resource drilling at Dugbe F has focused on delineating the strike length of the gold zone and testing the down dip extent at 160 metre by 160 metre grid. One anomaly has been drilled at tighter spacing of 80 metres by 80 metres.

The current geological model is a 2.8 kilometre long continuous gold zone dipping gently to the southeast and ranging in thickness from 2 metres to 40 metres, with the thickest zone outcropping at surface. The mineralised zone follows large open folds, pinching and swelling along strike as well as downdip.

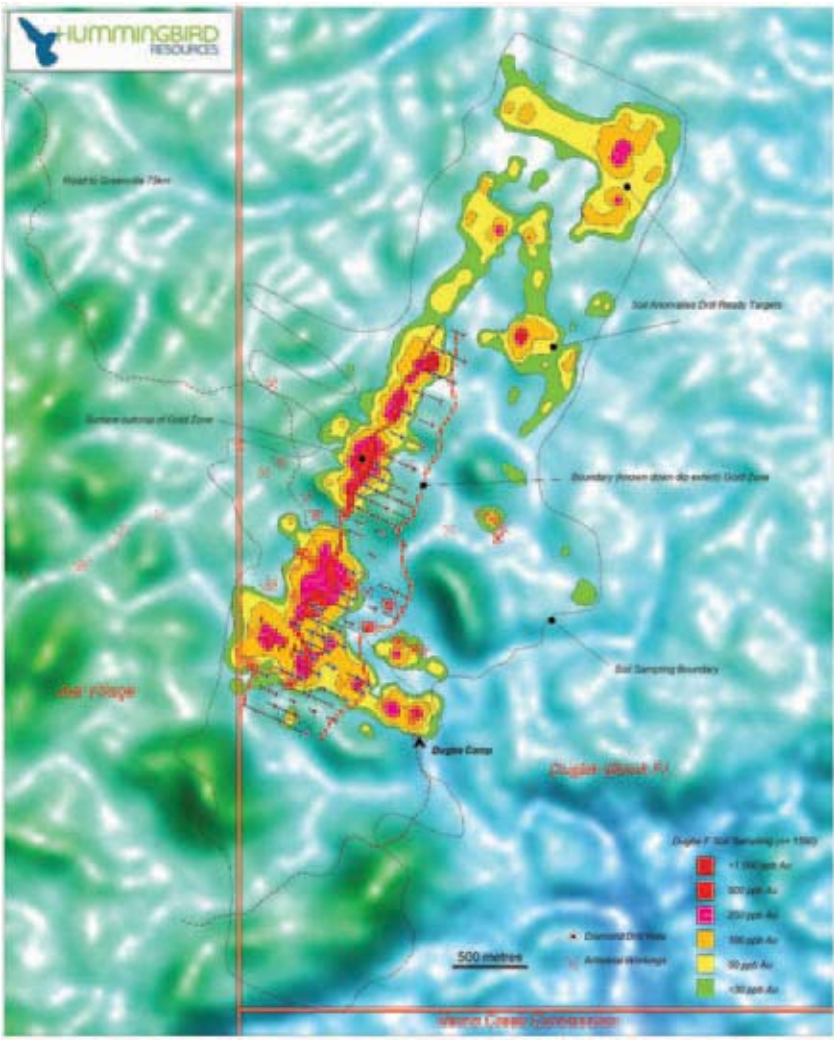
Gold mineralisation is hosted by strongly sheared quartz biotite schist and alteration includes arsenopyrite. The hanging wall consists of quartz biotite garnet schist. Pyrrhotite is common in both rock types. Pegmatite and granodiorite sills intrude the rocks at Dugbe F but do not appear to contribute to significant, if any, dilution to the gold system.

Gold mineralisation is of the disseminated sulphide type; it is extremely fine grained with only a few instances of visible gold seen in drill core.

To date, 93 diamond drill holes have been drilled at Dugbe F for a total of 14,082 metres drilled. All drill collars have been surveyed and holes have been surveyed downhole every 30 metres to check for hole deviation.

The northern 2 kilometres of the soil anomaly remains untested; an infill soil programme is currently being conducted to explore the north end of the Dugbe F trend further as well as extending the soil grid westwards from Dugbe F into the adjacent Joe Village licence area, with the intention of adding ounces to the Dugbe F licence area in due course.

Figure 6: Map showing 4.8 kilometre long north-northeast trending gold in soil anomaly at Dugbe F and 93 diamond core drill holes.



Source: Company

Exploration activities – Dugbe B

Over 50 per cent. of stream sediments at Block B returned assays of greater than 1,000 ppb Au, with a high of 87,480 ppb Au.

Soil sampling resulted in outlining an 8 kilometre by 2 kilometre gold in soil anomaly (greater than 30 ppb Au), with coincident elevated arsenic (>20 ppb As). The soil anomaly trends northeast, following the main Dugbe Shear Zone (see Figure 6).

A trench programme was designed and implemented, targeting areas anomalous for gold and arsenic, resulting in fourteen trenches excavated, mapped and sampled. Geological mapping of outcrops was conducted simultaneously and artisanal workings were visited and their extent recorded. A total of 1,316 metres were trenched and 771 samples were collected. A second phase of trenching is currently in progress and depending on analysis of assay results from both trench programmes scout drill targets will be identified.

Joe Village

Description

The Joe Village licence area adjoins the western border of the Dugbe licence area and covers approximately 250 square kilometres. It was granted in October 2010 pursuant to an application from the Group following encouraging exploration results in the Dugbe licence area which indicated prospective ground to the west. Further details of the Joe Village licence are set out in paragraph 14.2.9 of Part VII.

Geology

The southern part of the Joe Village licence area covers parts of the Dugbe Shear Zone and shares similar geology to Dugbe F.

Access and infrastructure

With its close proximity to Dugbe F camp, the licence area benefits from the access and infrastructure of the Dugbe licence area described above.

Exploration activities

High resolution satellite imagery covering large parts of the Dugbe Shear Zone was recently acquired by the Group and has been viewed with numerous artisanal workings identified occurring across more than 5 kilometres strike length and trending directly west from Dugbe F. The Directors believe these workings to indicate a potential extension of the Dugbe F zone into Joe Village licence area. The Group has commenced exploration with soil geochemical programmes with the intention to start trenching as soon as possible.

Zia

Description

The licence was granted in 2005 and was extended with effect from 24 October 2009. The licence area is located within Grand Gedeh County in north-east Liberia. It covers approximately 443 square kilometres and is approximately 275 kilometres from Monrovia, adjoining the border with Cote d'Ivoire. The Group holds an 80 per cent. interest in Deveton which is the holder of the licence. Further details of the Group's interest in Deveton and the licence are set out in paragraph 14.2.6 of Part VII.

Geology

The Zia licence area is located on the Juazohn Shear Zone, which separates younger Proterozoic metasediments (Banded Iron Formation or BIF, phyllites and schists) and metavolcanics (greenstone amphibolites) on the east from Archaean gneisses on the west.

The Group is targeting BIF-hosted gold deposits at Zia. A ridge trends northeast at 030 to 050 degrees (true north) through the Zia licence area following 11 kilometres of strike length and is composed of metavolcanic and metasedimentary rocks dipping moderately to steeply to the southeast, of which a large component consists of BIF rocks.

Access and infrastructure

The Zia licence area can be reached from Monrovia via a tarred road access to Ganta (200 kilometres), and from there a good dirt road to Zwedru (250 kilometres), with internal parts of the licence area reached via old logging roads and bush trails. The Group has established a tented exploration camp which is located close to the main area of stream sediment gold anomalies and artisanal gold workings.

Exploration activities

Very little outcrop exists at Zia, with float rock found under roots of fallen trees and along some steep slopes within colluviums and, on occasion, along the very top of the ridges. Artisanal gold workings have been identified within the Zia licence area and are located within areas that have been identified as being prospective based on geochemistry and structural information obtained to date by the Group. Gold nuggets and fine gold are being panned in creeks draining the main BIF ridge.

Assay data from first and second stream sediment sampling programmes was examined and the main ridge trending northeast through the licence area was deemed prospective for gold mineralisation. A soil grid measuring approximately 10 kilometres by 4 kilometres was designed striking northwest across the main ridge. Soil line spacing was 400 metres and sample spacing was 40 metres. A total of 3,050 soil samples were collected between late 2007 and 2009.

Two fences of scout drill holes have been proposed into the sides of the BIF ridge at Zia. The Group has stationed staff at their Zia field camp to arrange for the drill programme, including manual preparation of access roads and drill pads. Fourteen drill pads have been prepared for a total of 1,400 metres of drilling using a man portable Hydracore diamond core drill rig. Drilling commenced in the third week of November 2010.

Kana Hills

Description

The Kana Hills licence area was granted to Geotess in 2004 (and subsequently transferred to Afro). The licence was extended with effect from 24 October 2009. The licence area adjoins the north side of the Zia licence area and covers approximately 257 square kilometres. The Group holds an 80 per cent. interest in Afro which is the holder of the Kana Hills licence. Further details of the licence are set out in paragraph 14.2.8 of Part VII.

Geology

The 15 kilometre BIF ridge at Zia extends northeast into the neighbouring Kana Hills licence area for another 10 kilometres. Stream sediments with elevated gold values drain from this ridge and gold values decrease away from the ridge, suggesting the BIF ridge is the source of gold mineralisation. Similarly to Zia, soil sampling at Kana Hills is showing low level, but consistently anomalous gold values in several discreet northeast trending zones within and surrounding the BIF ridge.

Access and infrastructure

The licence area itself is accessible by road from Monrovia, and access to internal parts of the licence area is via bush trails. The Group has established a tented exploration camp which is located close to the main area of stream sediment gold anomalies and artisanal gold workings.

Exploration activities

Assay data from first and second stream sediment sampling programmes was examined and the north-eastern extent of the main BIF ridge was deemed prospective for gold mineralisation. A soil grid measuring approximately 6 kilometres by 6 kilometres was designed, striking northwest across the main ridge. Soil line spacing was 800 metres and sample spacing was 40 metres. A total of 1,132 soil samples were collected during 2008 and 2009.

The Group has conducted a thorough examination of all of the geochemistry obtained to date on the licence area. Viewing low level gold in soils, which is to be expected in view of the deep and complex soils, and extrapolating geological and geochemical information gathered from the neighbouring licence area to the south, Zia, a series of target zones have emerged. These target areas trend northeast and measure approximately one kilometre to several kilometres in length.

A programme of infill soils has been proposed for Kana Hills. Infill soils will be collected at 200 metre line spacing 40 metre sample spacing and Quality Assurance Quality Control samples inserted every 20 samples for a total of 18.2 line kilometres and approximately 500 soil samples. Pending positive results from soil sampling, a series of 500 metre fences for scout drilling will be proposed for an estimated 1,500 metres of drilling which is due to take place in 2011.

Jababli

Description

The Jababli licence area, located in Grand Gedeh County and Sinoe County in south-eastern Liberia, was granted in 2005 and was extended with effect from 24 October 2009. The licence area currently covers approximately 400 square kilometres. The Group holds an 80 per cent. interest in Deveton which is the holder of the Jababli licence. Further details of the licence are set out in paragraph 14.2.8 of Part VII. Within the licence area are located two artisanal mining camps, known as Sloh-Meh and Peace Camp, with several hundred inhabitants.

Geology

The licence area is host to folded metasediments and metavolcanics of probably Proterozoic age in sheared contacts with basement gneiss of granodioritic composition. The Juazohn Shear Zone transects the licence.

Access and infrastructure

The licence itself is accessible by road from Monrovia, via Zwedru or Greenville, and access to internal parts of the licence area is via bush trails and some old logging roads. The Group plans to establish a tented camp on the licence area near the amphibolite ridge at Peace Camp from which to facilitate exploration operations going forward.

Exploration activities

Three areas highly prospective for gold mineralisation were identified through an intensive first and second pass stream sediment sampling programme. These are known as Slo-Meh, Peace Camp and Peace Camp East.

Based on soil geochemistry across the amphibolite ridge located directly south of Peace Camp, the Group has outlined at least five gold and coincident arsenic anomalies, varying from 500 metres to 900 metres in length and 100 metres to 300 metres in width. They are stratabound and follow the east west trend of the ridge. Results from initial field investigations of several of these zones suggest they are hosted in amphibolite facies metavolcanics and display cal-silicate alteration halos characteristic of skarn gold deposits.

A trench programme of 500 metres will be designed for Jababli to test the extent of gold mineralisation at the amphibolite ridge near Peace Camp. The Group intends to target gold and coincident arsenic soil anomalies. The Jababli licence area holds significant potential for greenstone hosted gold (orogenic) mineralisation. A trenching programme has commenced at Peace Camp in the third week of November 2010.

Ba

Description

The Group holds an 80 per cent. interest in Deveton which is the holder of the Ba licence. Further details of the Group's interest in Deveton and the licence are set out in paragraph 14.2.6 of Part VII. It was granted in 2005 and was extended with effect from 24 October 2009. The licence area covers approximately 625 square kilometres. The licence area is located within Nimba County and River Cess County in south central Liberia, and is approximately 170 kilometres by road from Monrovia.

Geology

The licence area is host to folded greenschist to amphibolite facies, metavolcanic and ultramafic rocks. The Cestos Shear Zone, a deep crustal fault striking northeast across central Liberia for more than 100 kilometres, is located within 10 kilometres to the southeast of the Ba licence area.

The Group is targeting orogenic (mesothermal type) greenstone-hosted quartz-carbonate vein deposits at Ba. Preliminary work suggests there may also be potential for massive sulphide mineralisation.

There are four gold occurrences recorded by the Liberian Geological Survey for the Ba licence area, which are located within the southeast corner (Blocks F, M and N) of the licence area.

Access and infrastructure

The licence area can be reached by road from Monrovia via Buchanan, and many parts of the licence area itself are accessible by vehicle on old logging roads.

Exploration activities

Six targets have been delineated through stream sediment sampling and warrant follow-up. These targets are located along second to third order faults coming off the Cestos Shear Zone. Targets are anomalous for gold and gold indicator elements including arsenic, copper and zinc. Targets also show elevated values for calcium, potentially indicating carbonate alteration (listwanite) of ultramafic rocks, which suggests a type of hydrothermal alteration seen in greenstone-hosted gold deposits elsewhere in the world. Targets are located along the contact of metavolcanics and basement gneiss and two of the defined targets zones are known to have associated artisanal gold workings.

Five soil grids have been planned to cover the six targets defined through review of stream sediment data and desktop work. Soil grids are designed perpendicular across the regional strike of geological units that are potentially bedrock sources of gold mineralisation. Soil lines will be spaced 400 metres apart and soil sampling stations are to be spaced 40 metres apart.

New licences

Between 2008 and 2010 the Group was granted ten new licences (including the Mount Ginka and Joe Village licences) totalling 4,995 square kilometres as set out in the table at Figure 3 of this Part II. The new licence areas have been acquired in order to cover prospective areas underlain by greenstone belts and shear zones, which are considered to be the prime elements defining gold prospectivity in the Birimian.

The Tawake, Gekehn, Blebo and Plibo licence areas totalling 2,135 square kilometres straddle approximately 65 kilometres strike length of the Dube Shear Zone, a prominent northeast-southwest trending regional structure that can be traced through Cote d'Ivoire to the Liberian coast. The Tawake licence area also straddles a section of the Dugbe Shear Zone which may be a control of the gold mineralisation at Dugbe and Bukon Jedeh, 120 kilometres to the west-south-west.

The rocks to the southeast of the Dube Shear Zone comprise mica schists that are generally of lower metamorphic grade than those to the west and are undisputed Birimian. They form part of a greenstone belt that can be traced for at least 1,000 kilometres to the northeast through Cote d'Ivoire.

Since the main episodes of gold mineralisation in the Birimian appear to have been controlled by regional-scale shear zones, the Dube Shear Zone and adjacent rocks must be regarded as prime exploration ground. The potential of the belt is supported by numerous records of artisanal gold operations scattered throughout the belt. Although these are predominantly of alluvial type, high grade gold-quartz vein mineralisation has been identified by Liberty Mining at its Jolodah prospect a few kilometres west of the Plibo licence area in the vicinity of a splay fault of the Dube Shear Zone.

The Group is presently carrying out reconnaissance stream sediment sampling over the eastern group of licence areas at a density of approximately one sample per square kilometre. The Group considers, on the basis of advice received, that this is the most appropriate method of evaluating the new licence areas.

Analytical results for stream sediment geochemistry of the Plibo area have been received and three areas with multiple point anomalies exceeding 1,000 ppb Au have been identified and warrant further investigation. Prioritisation of the anomalies will be carried out based on levels of gold, arsenic and other pathfinder elements.

Stream sediment sampling has also been completed on the Blebo and Gekehn licence areas and is currently underway at Tawake.

The Zwedru licence area is considered prospective as it is underlain by an extensive area of the same micaschists that underlie the Kana Hills and Zia licence areas located immediately to the east. The United States Geological Survey map shows the Juazohn Shear Zone as lying immediately south of the licence, but it is possible that splays of this prospective zone extend onto the Zwedru licence area.

The Ke Town licence area overlies part of a greenstone belt that extends into Cote d'Ivoire where it hosts the Ity gold deposit some 60 kilometres to the north.

The Directors consider that the new licence areas possess very good exploration potential that warrant reconnaissance exploration.

The Tiehnpo and Nemo Creek licence areas, totalling 1,355 square kilometres, lie to the east and south of the Dugbe area. The Tiehnpo area, extending to 665 square kilometres, covers prospective ground lying between the Dugbe and Dube Shear Zones. The USGS geological map depicts numerous alluvial gold occurrences in this area.

The Nemo Creek area, extending to 690 square kilometres, covers prospective ground immediately south of the Dugbe deposit and covers a section of the Dugbe Shear Zone which is believed to be an important structural control of the Dugbe mineralisation. The Nemo Creek and Dugbe licence areas together surround the Bukon Jedeh licence that is centred on the Bukon Jedeh gold deposit which bears many similarities to the Dugbe deposit, 12 kilometres to the northwest.

The Group has already commenced soil sampling on lines 800 metres apart covering the northwest part of the Nemo Creek licence area covering two ENE-SSW target zones. The remaining portion of the licence area will be covered by reconnaissance stream sediment sampling.

Mount Ginka – Iron Ore

Description

The Mount Ginka licence area covers approximately 155 square kilometres and is situated in Nimba County in north central Liberia, adjoining the border with Cote d'Ivoire. The licence is 100 per cent. owned by the Group and the licence area was granted in 2008. The Company signed a memorandum of understanding with Petmin Limited on 28 June 2010 in relation to the further financing of the exploration programme for the licence area, further details of which are set out at paragraph 14.2.5 of Part VII.

The Mount Ginka licence area is located approximately 15 kilometres south of Yekepa, a major iron ore deposit located at Mount Nimba which is currently being developed by Arcelor-Mittal. In addition, BHP Billiton are undertaking iron ore exploration approximately 30 kilometres northwest from Mount Ginka at the Mount Kitoma licence area. Both of these companies have MDAs signed with the Government of Liberia to exploit these deposits.

Geology

The itabirite ridge in the Company's Mount Ginka licence area is east west trending with a 30 kilometre long strike length and reaches elevations of up to 500 MASL, with an average elevation of approximately 400 MASL. The ridge is dissected halfway through by a structural break. The itabirite ridge has a near vertical dip and measures up to 400 metres in thickness.

Access and infrastructure

The Mount Ginka licence area, which was granted in 2008, is approximately 200 kilometres from Monrovia and can be easily reached via road access. The licence area is located in Nimba County, which has an extensive history of iron ore production. The project area is favourably situated 15 kilometres from a railway line, which connects Mount Nimba to the deep water port at Buchanan on the coast. The railroad is currently undergoing reconstruction to service BHP Billiton's and Arcelor-Mittal's iron projects located nearby and once completed the Group will be entitled to use this railroad in accordance with the terms of Arcelor-Mittal's licence. Furthermore, the surrounding area to Mount Ginka has numerous small roads and tracks making local access relatively simple.

Exploration activities

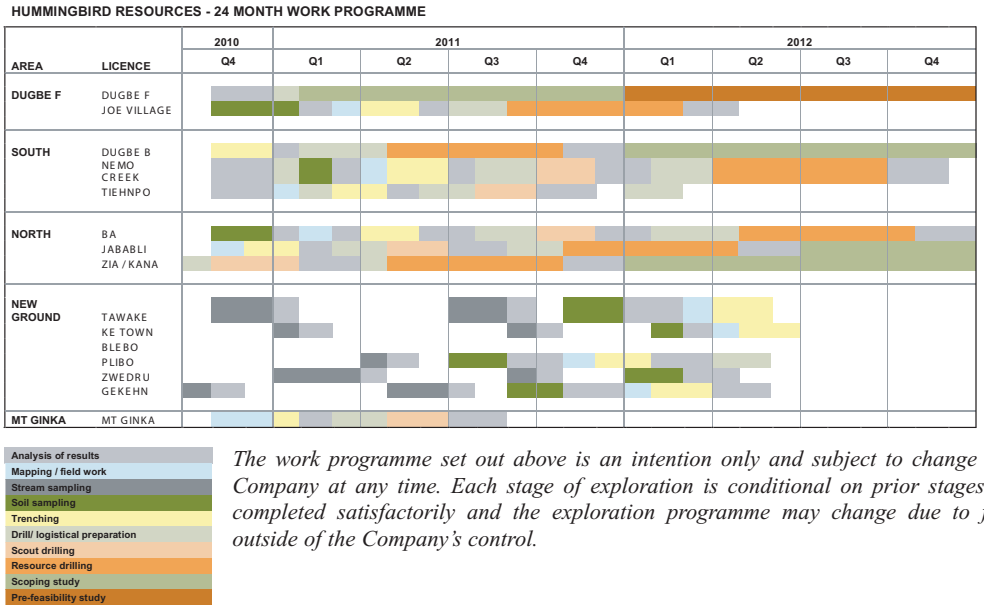
Geological mapping was conducted during a reconnaissance field visit and 13 grab samples were collected from the itabirite ridge. Samples were submitted to the laboratory for whole rock analysis and returned an average iron content of 40 per cent. Fe and low contaminants.

The Group has contracted an aeromagnetic survey to cover Mount Ginka's itabirite ridge and aims to have the survey flown and processed in early 2011. Details on the specifications of the survey are not yet fully defined, but may include complete coverage of the exposed itabirite ridge at 50 metre lines spacing by magnetic and radiometric surveys.

Results from the aeromagnetic survey will lead to delineation of areas favourable for high grade magnetic iron ore across significant widths. These target zones will be investigated with geological mapping, grab sampling and trenches will be proposed.

Exploration Programme

The Group has devised a proposed exploration programme to take it forward. The progression to the next stage of the programme in relation to any licence area will be subject to the successful completion of the previous stage.



The work programme set out above is an intention only and subject to change by the Company at any time. Each stage of exploration is conditional on prior stages being completed satisfactorily and the exploration programme may change due to factors outside of the Company's control.

5 Strategy

The Company's long-term intention is to create a significant gold exploration and production group. To progress this strategy, the Group intends from Admission and in the short to medium term to:

- Progress the Dugbe F project (including the contiguous licence areas) with the intention of:
  - developing the extent and categorisation of the resource at the project where it is currently open to the north, south and down dip to such a degree as to warrant a pre-feasibility study; and
  - conducting various ancillary studies that may be required to take the project forward towards a pre-feasibility study, such as initial metallurgical studies, environmental studies, social impact studies and preliminary engineering studies.
- Continue exploration in the greater Dugbe Shear Zone area and to assess fully the potential of this region;
- Conduct trenching and scout drilling operations where appropriate;
- Advance the remaining early stage projects in a systematic manner; and
- Progress with the exploration programme on the Mount Ginka iron ore licence.

In addition to focusing on development of its existing licences the Group may utilise its presence in and knowledge of Liberia as a platform to seek further growth opportunities via joint venture arrangements and/or acquisitions of other gold, iron ore or other mineral projects which could add value to the Group.

6 Use of Proceeds and reasons for the Placing and Admission

The Company requires additional funding to undertake the next phase of exploration activity in accordance with the Group's strategy.

The gross proceeds raised by the Company pursuant to the Placing are expected to be £25.5 million (US$40 million). The Company intends to use the net proceeds of the Placing, expected to be £23.3 million (US$36.5 million) (after deducting fees and expenses) for:

- Exploration (including mapping, stream sampling, soil sampling, trenching, drilling, geologists, logistical support and licence fees) at an estimated cost of US$28.7 million;
- Capital expenditure in Liberia to support the exploration activities (including plant, equipment, vehicles, camps and access roads) at an estimated cost of US$4 million; and
- Corporate and administration costs (including payroll, compliance, legal, investor relations rent, travel and insurance) at an estimated cost of US$3.8 million.

In addition to the initial fundraising from the Placing, the reasons for Admission are as follows:

- to enable the Company to access institutional capital to broaden its investor base;
- to maintain a high level of transparency and corporate governance; and
- to assist in recruiting, retaining and incentivising staff and employees.

7 Summary Financial Information

The following financial information has been derived from the financial information of the Group contained in Part VI of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information. The Group is in the exploration stage and as such has no current or historical revenues.

The key investment of the Group to date has been exploration costs.

In the year ended 31 May 2010, the Group incurred exploration costs of US$2,857,481 in connection with its exploration programme including 3,246 metres of drilling, 381 metres of trenching, 4,215 soil samples and 227 stream samples.

In the year ended 31 May 2009, the Group incurred exploration costs of US$1,662,679 in connection with its exploration programme including 520 metres of drilling, 1,360 metres of trenching, 4,287 soil samples and no stream samples.

In the year ended 31 May 2008, the Group incurred exploration costs of US$1,303,501 in connection with its exploration programme including 267 metres of trenching, 2,703 soil samples and 1,698 stream samples.

Further details of the financial position of the Group are set out in Part VI of this document.

8 Competition

A number of companies have been engaged in exploration in Liberia in recent years, including Diamond Fields International, African Aura Mining (formerly Mano River Resources and African Aura Resources), Amlib United Minerals, Liberty International Mineral Corp, Africa West Minerals Corp and the Company. The Company has seen increased investment activity, particularly in iron ore projects in the country and there is accordingly increased competition for mining services, plant and machinery.

9 Directors, Senior Management and Employees

Directors

The Board comprises seven Directors in respect of whom brief biographies are set out below. Details of the terms of their employment are set out in paragraph 7 of Part VII of this document.

Ian David Cockerill (56) (Non Executive Chairman)

Mr Cockerill is the ex-CEO of Anglo Coal Ltd and Gold Fields Ltd. He is the former Executive Officer of Business Development and African Operations at AngloGold Limited. Mr Cockerill was formerly the Managing Director, then becoming Chief Operations Officer responsible for all global operations at Gold Fields Limited and finally being appointed Chief Executive Officer in 2002. Mr Cockerill joined Anglo Coal Limited in 2008 as Chief Executive Officer. Mr Cockerill is now the executive chairman of Petmin Limited, a JSE and AIM quoted natural resources company, non-executive director of Orica Limited in Australia and advisor to several other companies in the mining field. He has over thirty years experience in exploration and mining.

Daniel Edward Betts (35) (Chief Executive)

Mr Betts co-founded the Company in November 2005. After graduating from Nottingham University he was employed by Accenture Management Consultants until joining the Betts family business in 2000. Mr Betts has worked at Betts Metals and has been instrumental in establishing a number of natural resource entities in Uganda, Namibia, Sierra Leone and Mauritania.

William Benjamin Thurston Cook (37) (Operations Director)

Mr Cook 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 security companies such as Control Risks, Rubicon and Salamanca Risk Management. He is experienced in the operational and logistical management of projects in challenging environments. In his capacity as operations director he has been involved in establishing its base in Monrovia, coordinating all geological and field work and managing the relationship with the Liberian government.

David Almgren Pelham (60) (Technical Director)

Mr Pelham is a minerals geologist with thirty years global exploration experience. He is an experienced multi-commodity and mineral consultant and has worked with a number of blue-chip clients including mining and exploration companies such as Placer Dome Inc, Outokumpu Mining Oy, Reunion Mining plc, Cluff Gold plc, AMAX Exploration, Stratex International plc, Platmin Congo Ltd (part of Copperbelt Minerals plc), Kasai Mining & Exploration, Conroy Diamonds and Gold plc, Namakwa Diamonds Ltd and Ennex International. Mr Pelham has broad experience in the exploration and assessment of gold deposits, including all major gold deposit types, as well as experience 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 discovery of a 800Mt Coal deposit in Venezuela and the Chriano 5-6Moz gold mine in Ghana. The Chirano gold mine in Ghana is now mined by Kinross and Casa Blanca coal deposit in Venezuela is currently held by Compania Carbonífera Caño Seco C.A.

Stephen Alexander Betts (60) (Non Executive Director)

Mr Betts co-founded the Company in 2005. He has twenty five years experience in trading with gold related businesses in developing countries. He is the Chairman of the Stephen Betts group of companies. The family business has a two hundred and fifty year history in smelting, refining and bullion dealing.

Matthew Charles Idiens (40) (Non Executive Director)

Mr Idiens co-founded the Company in November 2005 and he has seventeen 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 (53) (Non Executive Director)

Mr Smith, a Chartered Accountant with a Commerce Degree from the University of Western Australia, has thirty years experience leading Australian resource projects from early-stage exploration through to production, including three gold mines. He has been resident in the UK for the last 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.

Senior Management

In addition to the Directors, details of the senior management of the Group are set out below:

Management in UK:

Thomas Hill (34) (Chief Financial Officer and Company Secretary)

Mr Hill was previously a senior manager within BDO LLP's natural resources department, where he worked extensively with quoted mining and exploration companies, and was involved with numerous flotations and other corporate transactions. He has a metallurgy, economics and management degree from Trinity College, Oxford and qualified as a chartered accountant with BDO LLP in 2001.

Management in Liberia:

Danae Voormeij (39) (Consultant Chief Geologist)

Ms Voormeij is a registered professional geoscientist with ten years of international experience in exploration for precious and base metals in underexplored and highly prospective countries including Mongolia, Madagascar, Suriname, Papua New Guinea and Uganda. She has particular experience in greenstone belt-hosted gold, Proterozoic shear-zone hosted gold and epithermal-hosted gold systems.

Robert Monro (26) (Operations Manager)

Mr Monro travelled and worked in east Africa before studying Politics at Newcastle University. After University he worked for a financial head hunting firm in London for two years before joining the Company in early 2009. Mr Monro has been based in the field for the last 18 months managing drill and trench programmes at Dugbe F and other Group licence areas.

Lawrence Timpson (36) (Operations Consultant)

Mr Timpson is a British national with six years British military experience as an officer in the Scots Guards. Since 2001 he has worked in senior management of non-governmental organisations in Sudan, Ethiopia, Afghanistan, Mozambique and Cambodia. His last two posts have placed him as country director for the HALO Trust, one of the world's largest international humanitarian mine clearance organisations.

Employees

	2008	*2009*	*2010*
	Number	*Number*	*Number*
Executive Directors	4	6	5
Other employees	13	32	50
	17	38	55

The table above sets out the average employee numbers during the above financial years. In addition to the figures above the Group also employs in the region of eighty temporary manual labourers in the Dugbe F licence area. This figure varies on a daily basis depending on exploration programme requirements.

10 Details of the Placing

The New Ordinary Shares represent approximately 28.6 per cent. of the Enlarged Share Capital. At the Placing Price, the Company will be valued at £89.1 million. Net proceeds of the Placing receivable by the Company will (after the expenses of the Placing and Admission, which are expected to be £2.2 million (US$3.5 million)) amount to £23.3 million (US$36.5 million). Gross proceeds of the Placing receivable by the Selling Shareholders will amount to £4.6 million.

The Nomad and Joint Broker have entered into the Placing Agreement with the Company, two of the Selling Shareholders (Daniel Betts and Matthew Idiens) and the Directors. The Nomad and Joint Broker have also entered into the Selling Shareholders Agreement with the beneficial owner of the shares held in the name of one of the Selling Shareholders (The Bank of New York (Nominees) Limited). Pursuant to the Placing Agreement and the Selling Shareholders Agreement the Nomad and Joint Broker have agreed to use reasonable endeavours to procure subscribers for the Placing Shares. The Placing has not been underwritten. The Placing is conditional upon, *inter alia*, Admission occurring by 10 December 2010 and in any event by no later than 31 December 2010.

Further details of the Placing Agreement and the Selling Shareholders Agreement are set out in paragraph 14.2.3 of Part VII of this document.

The New Ordinary Shares will rank equally in all respects with the Existing Ordinary Shares (which include the Sale Shares) including in respect of any dividends and distributions paid or made in respect of the Ordinary Shares. The ISIN Number of the Ordinary Shares will be GB00B60BWY28.

Placing Shares issued to any Shareholder who does not request a definitive certificate will be registered within the CREST system. Where relevant, it is expected that definitive documents of title to the Placing Shares will be delivered by the Company's registrars to those Shareholders who so request by first class post, not later than 21 days after the date of Admission.

11 Lock-in Arrangements

In accordance with Rule 7 of the AIM Rules, each of the Directors, their connected persons and certain employees of the Company, have undertaken to the Company, the Nomad and Joint Broker that they will not dispose of Ordinary Shares for a period of twelve months following Admission. The undertakings outlined above do not apply in certain specified circumstances set out in the AIM Rules.

In addition one of the Company's significant shareholders holding 3,987,630 Ordinary Shares, which is in excess of 10 per cent. of the Existing Ordinary Shares and 7.5 per cent. of the Enlarged Share Capital, has voluntarily undertaken to the Company, the Nomad and Joint Broker not to dispose of Ordinary Shares for a period of six months following Admission. The undertaking does not apply in similar circumstances to those referred to above as well as in certain other circumstances which are normal for a voluntary lock-in arrangement.

12 Dealing Arrangements

Application has been made to the London Stock Exchange for the Existing Ordinary Shares (including the Sale Shares) and the New Ordinary Shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings, for normal settlement, will commence on 10 December 2010.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors have applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CREST has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place with the CREST system if the individual shareholders so wish. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Where Placees have requested to receive their Ordinary Shares in certificated form, share certificates will be despatched by first-class post within 21 days of the date of Admission.

13 Funding

The Group intends to finance its activities through equity, and if appropriate, debt financing, although this would only be on terms that are acceptable to the Company and would not be expected until the point where the Group's current funds and funding raised through the Placing have been largely depleted. The extent to which the Group is able to carry out its exploration programme will depend on its available cash resources.

14 Dividend Policy

In the short term, the Board does not intend to declare a dividend but will reconsider this as and when the growth and profitability of the Company allows. The declaration and payment of any future dividends by the Company and the quantum thereof will be dependent upon the Company's results, financial position, cash requirements, future prospects, profits available for distribution and other factors deemed by the Board to be relevant at the time.

15 Corporate Governance

The Company will be subject to the corporate governance regime of the United Kingdom, being its country of incorporation. In addition, 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 will meet regularly and be 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 will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of board meetings, and all Directors will have access to the advice and services of the Company Secretary, who is responsible for ensuring that board procedures are followed and that applicable rules and regulations are complied with. 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 will be constituted on Admission. The audit committee will comprise Matthew Idiens and Roderick Smith (Chairman). The audit committee will be responsible for ensuring the appropriate financial reporting procedures are properly maintained and reported on, and for meeting with the Company's auditors and reviewing their reports and accounts and the Company's internal controls and risk management systems, whistle-blowing and employee fraud, internal and external audits.

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 performance-related pay schemes operated by the Company for the Directors and approving the total annual payments made under such schemes. It is also responsible for determining the policy for and scope of pension arrangements for each executive director and other senior executives and determining at what point the Company should adopt any form of share option plan, and considering the grant of options under any such plan and, in particular, the price per share and the application of the performance standards which may apply to any grant, ensuring in determining such remuneration packages and arrangements, due regard is given to any relevant legal requirements, the provisions and recommendations in the AIM Rules, the Corporate Governance Code and the QCA Guidelines.

Health and Safety Committee

The health and safety committee will be constituted on Admission. The committee will comprise Ian Cockerill (Chairman), Daniel Betts and William Cook. The health and safety committee will be responsible for formulating the Group's health and safety policy and objectives, reviewing the Group's performance, carrying out routine health and safety reports, ensuring all Directors are kept informed of their health and safety obligations and considering and making recommendations to the Board regarding the appointment of health and safety co-ordinators, and concerning any questions of the resignation or dismissal of the health and safety co-ordinators.

Bribery Act 2010

The government of the United Kingdom will issue guidelines in January 2011 setting out appropriate procedures for all companies to follow to ensure that they are compliant with the new Bribery Act which is due to come into force in April 2011. The Company is currently reviewing its operational procedures to consider the impact of the Bribery Act and, if necessary, arranging any training to ensure that the Directors and employees comply with the terms of the legislation.

16 Social, Ethical and Environmental Responsibilities

As an early entrant into post-conflict Liberia, the Company takes its social responsibilities seriously and believes it is having, and will increasingly have, a major and positive impact on Liberia. The Company believes in supporting the local community and working closely with all communities that it engages with during the exploration process. The Group hires local labour wherever possible to support exploration and operations in the field and provides a fair wage for each day worked as well as providing medical care for all employees. The Company believes in including local communities during exploration, and providing locals with training to assist with all levels of exploration work (trenching, drilling etc), so that even if exploration is unsuccessful, there has still been a positive local impact. The Group is also involved in philanthropic works outside its direct line of work; these works include building and rehabilitation of wells and town halls in village communities near the exploration projects, a sanitation programme and building of community latrines in Monrovia and the sponsorship of geological students through university in Monrovia. More recently, the Group has sponsored the full renovation of the library at the Liberian Geological Survey.

The Group is committed to causing the minimum environmental impact during all stages of exploration and to leaving as little evidence of its exploration work as possible afterwards. All of the Group's camps and exploration activities are designed to be low impact, environmentally friendly and ecologically sound. The Group operates in full conformity with national environmental regulations and guidelines as provides by the Environmental Protection Agency of Liberia (EPA), which issues permits from exploration. The Group also follows international exploration guidelines.

17 City Code

The City Code applies to all takeover and merger transactions, however effected, where the offeree company is, *inter alia*, a quoted or unquoted public company which has its registered office in the United Kingdom and its central management is in the United Kingdom (and to certain categories of private limited companies). The Company is such a company and its shareholders are entitled to the protection afforded by the City Code. Further details concerning the City Code are set out in paragraph 13 of Part VII of this document.

18 Management Incentive Schemes

The Company has established the Share Option Scheme under which options can be granted to eligible employees to reward and incentivise them. 3,510,000 options representing 6.58 per cent. of the Enlarged Share Capital have been granted and remain outstanding under the scheme, further details of which are set out in paragraph 8 of Part VII. The Directors do not intend to grant further options under the Share Option Scheme following Admission. The Directors do, however, recognise the importance of incentivising employees and will consider establishing a new incentive scheme following Admission, although they do not intend to grant options which at any time may be exercisable into more than 10 per cent. of the Company's issued share capital in accordance with investor protection guidelines.

19 Taxation

Information regarding taxation is set out in paragraph 10 of Part VII of this document. These details are intended only as a general guide to the current tax position in the UK. **If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.**

The Company is currently in the process of negotiating with the Liberian Government in respect of its MDA on the Dugbe licence area. The full implications of any liability for taxation in Liberia will not be ascertained until this agreement has been finalised and as a result the Company cannot give any indication of the Company's potential Liberian taxation liability at this stage.

20 Further Information

Your attention is drawn to Part IV of this document which contains certain risk factors relating to any investment in the Company and to Parts VI and VII of this document which contain further additional information on the Group.

PART III

FURTHER INFORMATION ON THE REPUBLIC OF LIBERIA

History of Liberia

Referred to as Africa's oldest democracy, Liberia was founded by United States of America President James Monroe in 1822 as a safe haven for emancipated slaves. The capital city of Liberia is Monrovia and the principal towns include Ganta, Buchanan, Kakata, Greenville, Zwedru, Harper and Voinjama spanning the country's 15 counties.

William Tubman, president from 1944 to 1971, did much to promote foreign investment and to bridge the economic, social, and political gaps between the descendents of the original settlers and the inhabitants of the interior. In 1980, a military coup led by Samuel Doe ushered in a decade of authoritarian rule. In December 1989, Charles Taylor launched a rebellion against Doe's regime that led to a prolonged civil war in which Doe was killed. A period of relative peace in 1997 allowed for elections that brought Taylor to power, but major fighting resumed in 2000. A peace agreement entered into in August 2003 ended the war and prompted the resignation of former president Taylor, who faces war crimes charges in The Hague related to his involvement in Sierra Leone's civil war. After two years of rule by a transitional government, democratic elections in late 2005 brought the current president, Ellen Johnson-Sirleaf to power. The next Liberian general election is due in October 2011. The UN Mission in Liberia (UNMIL) maintains a strong presence throughout the country (12,000 persons: 2009).

Location

Liberia is located in Western Africa, bordering the North Atlantic Ocean, Guinea, Cote d'Ivoire and Sierra Leone. The capital Monrovia is on the same time zone as UK (GMT).

Population/Demographics

The population of 3.5 million (July 2009 est.) is young and reasonably literate. Life expectancy is only 41 years. Ninety five per cent. of the population are indigenous African, 2.5 per cent. Americo-Liberians (descendants of immigrants from the US who had been slaves) and 2.5 per cent. Congo people (descendants of immigrants from the Caribbean who had been slaves). The people are largely Christian, Muslim, and indigenous beliefs. The official language is English, which is spoken at least crudely by the majority of the population, the rest of whom speak 20 ethnic languages, many of which cannot be written.

Relationship with the United States

With its involvement in the formation of Liberia, the US maintains a strong interest in Liberian affairs. Since 2003, the United States has spent more than $2 billion stabilising Liberia, which, per capita is approximately as much foreign aid as the United States has given any country. In a visit to Monrovia in August 2009, US Secretary of State, Mrs. Hillary Clinton promised more, saying the United States would help improve Monrovia's airports and train police officers.

Security Issues

In 2008, the United Nations Development Program (UNDP) stated: "The Johnson-Sirleaf government has repeatedly demonstrated its commitment to prudent reforms, transparency and accountability in the management of government and public resources. The UN system, the World Bank, IMF, USAID, EU and bilateral partners have all indicated their unwavering commitment to assisting the Government of Liberia in its endeavours to achieve sustainable peace, maintain good governance, the rule of law, inclusion, socio-economic recovery and reconstruction of the country."

Security has largely been established, and former combatants disarmed, by UNMIL, which as at 1 January 2010 had over 12,000 military personnel, over 1,000 police officers, and about 1,700 international and local civilian staff and UN volunteers. A new defence force is being trained.

Travellers can expect strict enforcement of border controls by Liberian, Ivorian, Sierra Leonean, and Guinean authorities. At times border crossings to neighbouring countries are closed. A passport and a visa are required for entry into Liberia, as is evidence of yellow fever vaccination.

Liberia's police force is being rebuilt. The UNMIL mandate is to ensure political stability in Liberia. The role of UN Police (UNPOL) officers is to serve as advisors to the Liberia National Police and the Liberia National Police has a limited presence in Monrovia, and even less outside of the capital.

Infrastructure

Mobile telephone services are available and are found in Monrovia and coverage extends to many towns and rural areas by four mobile-cellular network operators. The mobile-cellular subscription base is growing and charges are relatively modest. The Company has installed a satellite-based system at their base camp and successfully uses Skype for video conferencing with staff in Europe.

There are two major airports in Liberia. The main international airport is Roberts International Airport (ROB) has a runway of over 3,000 metres and is located 60 kilometres from Monrovia. ROB has direct flights to six major cities and Brussels Airlines operates four flights per week to and from Brussels. Spriggs Payne is smaller and located within the Congo Town area of Monrovia. It is used by the United Nations and private companies. There are also a number of regional airports.

Within Liberia there are more than 10,000 kilometres of roads though most of these have been neglected or damaged during the civil war. That said, many improvements have been made since 2005 with the repair of key roads, such as that between Monrovia and ROB and also going to Buchanan.

There are deep water ports at Monrovia and Buchanan and 490 kilometres of rail, which operated in order to serve the iron ore mines for many years but which were damaged in the civil war. The 267 kilometres rail line linking Yekepa iron ore deposit in Nimba County to Buchanan's deep sea port has been partially rehabilitated by Arcelor-Mittal, although it is not yet operational. Further infrastructure development is being implemented by mining majors based in the country.

Liberian Economy

Civil war and government mismanagement destroyed much of Liberia's economy, especially the infrastructure in and around Monrovia. Many businesses fled the country, taking capital and expertise with them, but with the conclusion of fighting and the installation of a democratically elected government in 2005, some have returned. Since the end of the civil war in 2003, Liberia has been recovering. Economic growth has accelerated to nine per cent. per annum, school enrolments have grown rapidly, and health facilities have re-opened across the country, although many are poorly equipped.

Richly endowed with water, mineral resources, forests, and a climate favourable to agriculture, Liberia had been a producer and exporter of basic products – primarily raw timber and rubber. Local manufacturing, mainly foreign owned, had been small in scope. President Johnson-Sirleaf has taken steps to reduce corruption, build support from international donors, and encourage private investment. Embargos on timber and diamond exports have been lifted, opening new sources of revenue for the government. The GDP in 2009 was estimated to be US$836 million, of which 76 per cent. was agricultural. The current unemployment rate is 85 per cent., with 80 per cent. of the population living below the poverty line.

As part of its recovery efforts, Liberia has worked with its multilateral, bilateral, and commercial creditors to rationalise its debts. In April 2009 Liberia bought back 25 outstanding commercial facilities totalling US$1.2bn for just $38m. In December 2007, Liberia cleared its overdue debt service payments to the World Bank, resulting in a reduction in its debt of $400 million, and a similar operation with the African Development Bank led to a reduction of an additional $250 million. Negotiations with its bilateral creditors have led to cancellations of approximately $800 million. Liberia's foreign debt as at July 2009 was down to $1.8 billion, a reduction of more than $3 billion in the last two years. In the course of 2010 Liberia reached its Heavily Indebted Poor Country Initiative Completion Point (HPIC) and as such qualified for irrevocable debt relief.

Legal System

Liberia has a dual legal justice system featuring both Anglo-American common law and customary law.

Liberia's Constitution guarantees the independence of the judiciary; judges and justices have security of tenure and may be removed from office for cause, and then only upon impeachment. The institution of the fast track court and the passage of the Commercial Code are attempts to enhance the work of the judiciary and to generate the necessary confidence in the legal and judicial systems.

Mining Law and Policy in Liberia

The current licence awarding process is governed by the Mineral and Mining Law of 2006 and the Public Procurement and Licence area Act. Mineral resources are vested in the Republic of Liberia as stated in the New Minerals and Mining Law (MMA) of 2000, Section 2.1. "Minerals on the surface of the ground or in the soil or subsoil, rivers, streams, watercourse, territorial waters and continental shelf are the property of the Republic of Liberia and anything pertaining to their Exploration, Development, Mining, and Export shall be governed by this Law." The Public Procurement and Concession Act (PPCA) of 2006, which sets out a transparent and competitive system for the licence area of known state mineral assets, strengthened this law.

As ownership of all minerals is vested in the State, the Government is able to grant and administer title to minerals regardless of ownership of the land. The Ministry of Lands, Mines & Energy was established to administer all activities related to land, mineral, water and energy resources exploration, coordination and development in the Republic of Liberia. The Ministry formulates and implements policies and regulations in collaboration with other sector related agencies. These include the Model MDA, Liberia Draft Minerals Policy, and Exploration Regulations.

A new set of Exploration Regulations governing the administration of exploration licences was announced from 31 October 2008 and is still passing through Parliament. These regulations are clear and concise and appear to be consistent with best practice in other countries such as Australia. The new regulations will require a number of specific actions by a licencee, such as maintaining records and filing data. Complying with the requirements gives relative certainty of title.

Mineral Licences

Reconnaissance Licence

- Permits rapid geologic assessment to determine potential
- Maximum area: 2,000 square kilometres
- Validity: initial period of six months

Mineral Exploration Agreement (MEA)

A MEA grants a party the right to conduct pilot mining during exploration. The key characteristics are as follows:

- Maximum size of area: 1,000 square kilometres
- May grant extension of area up to 20 per cent. if "geological relationship"
- Validity: initial three years; optional renewal two years with 50 per cent. area reduction
- Approved work plan is required
- Applicant must demonstrate technical and financial capacity to complete the work plan and budget
- An environmental mitigation plan and Environmental Impact Assessment Licence is required
- Must provide security for 110 per cent. of closure costs
- Surface Rights Payment of $0.50/hectare +CPI per year

- Annual Licence fee $5,000 per Licence
- Applications fee $5,000 per application
- Holder must diligently explore in accordance with the approved work plan
- Must meet eligible expenditure (max 10 per cent. overheads) of $3/acre +CPI
- Ministry may second two engineers or geologists per Licence at holders cost
- Must give preference to Liberian employees and provide training
- Application for Pilot Mining or transfer $10,000
- Right to conduct pilot mining during exploration
- Annual independent environmental audit
- Annual reports are to be lodged with both Geological Survey and Minister for Mines containing extensive specified detail of exploration conducted, results and interpretation and expenditure reports
- Drill core is to be preserved unless destroyed by testwork
- Must negotiate with and compensate landowners for access, and may petition Minister to intervene
- May take up to specified tonnage of samples and export for testing
- Cannot transfer controlling interest without consent of Minister.

Mineral Development Agreement (MDA)

At any time prior to the expiration of a MEA, a licencee may request that all or a portion of the area that has a reasonable expectation of constituting an exploitable resource, based on geological data produced by the work programme, be the subject of a MDA. The MDA may provide for an additional period of 5 years exploration and grant of a Class A Mining licence to exploit the minerals contained in such area. The MDA offered by the Ministry shall be based on the terms and conditions then commonly proposed by the Ministry in MDA's covering deposits of similar types, grades and sizes. If the Minister has at the time promulgated regulations generally applicable to the issuance and administration of Class A Mining licences, the MDA shall incorporate by reference such regulations.

Class A Mining Licence

- Validity: 25 year renewable until reserves exhausted
- Duty-free privileges on mining equipment
- Most terms are negotiable as it is a licence area. Can be applied for during or after exploration
- Free repatriation of profits and dividends offshore
- Income tax not to exceed 35 per cent.
- Maximum size of each area: 1,000 square kilometres
- Exploration Land rental of $0.25 per acre per annum
- Mining Land rental of S$3.00 per acre per annum

Transparency Initiative

The LEITI (Liberia Extractive Industries Transparency Initiative) Act, which was signed by the House of Representatives on 28 May 2009 and by the House of Senate on 11 June 2009, was signed into law on 10 July 2009. The Act established LEITI as an independent entity of the Government of Liberia with objectives that include assisting to ensure that all taxes due from the extraction of Liberia's minerals and other resources are paid and duly accounted for, and prudently utilised for the benefits of all Liberians.

LEITI is part of a global initiative known as the Extractive Industries Transparency Initiative (EITI) that aims at promoting transparency over mineral revenues through regular disclosure, verification and publication of all payments and revenues connected with the operations of the mining and oil sector. About thirty resource-rich countries in Africa, Asia, Europe and the Americas are members of the EITI.

The Subsidiary Undertakings are in compliance with the LEITI requirements of reporting of taxes which are publically available.

PART IV

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK.

An investment in the Ordinary Shares may not be suitable for all recipients of this document. Investors are therefore strongly recommended to consult an investment adviser under the FSMA, who specialises in advising on investments of this nature before making their decision to invest.

The Directors consider the following risks and other factors to be most significant for potential investors, but the risks listed do not necessarily comprise all those associated with an investment in the Ordinary Shares and the risks listed below are not set out in any particular order of priority. Potential investors should carefully consider the risks described below before making a decision to invest in the Ordinary Shares. If any of the following risks actually occurs, the Group's business, financial condition, results or future operations could be materially adversely affected. In such a case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

Liberia Specific Risks

Economic Risk

In common with other early stage emerging market economies, many African countries (where all of the Group's material non cash assets are located) are dependent on sale proceeds from primary commodity production which are subject to fluctuations in world commodity prices. In general, these economies have also experienced devaluations, high inflation and high interest rates. All these economic risks may from time to time adversely affect the Group's operations. Historically, commodity prices (including gold) have displayed wide ranges and are affected by the numerous factors over which the Company does not have any control. These include world production levels, international economic trends, expectations for inflation, speculative activity, consumption patterns and global or regional political events.

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 West African region. There can be no assurance that political stability will continue. Whilst the Company intends to make every effort to ensure the Group has and continues to have robust commercial agreements covering its activities, there is a risk that the Group's activities and financial performance are adversely impacted by economic and political factors such as exchange rates, interest rates, inflation rates, the imposition of additional taxes and charges, cancellation or suspension of licences or agreements, expropriation, war, terrorism, insurrection and changes to laws governing the Group's operations. There is also the possibility that the terms of any agreement, licence or permit in which the Group holds an interest may be changed. Two civil wars were fought in Liberia from 1989-1996 and 1996-2003. Whilst the country has undergone democratic elections, future civil unrest remains a possibility.

On 3 November 2010, the President of Liberia, Ellen Johnson-Sirleaf, dissolved her cabinet. New appointments have now been made and the Director's believe that the Group has good relationships with the new Minister for the Ministry of Lands, Mines and Energy as well as the Deputy and Assistant Ministers. However, the full implications of dissolution and the effect of the new appointments will not become apparent immediately. This may affect the ability of the Group to obtain further licences and continue its activities in Liberia in the future.

A general election is scheduled to take place in Liberia in November 2011 which may result in the election of a new government. This may lead to a delay in any negotiations being undertaken by the Group with the existing government in the lead up to the election and immediately following such election. In the event that a new government were to be elected it may result in changes to existing laws and regulations which may impact upon the Group's existing operations in Liberia.

Licensing and title risk

Governmental approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. 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 and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, 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.

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. The terms of the Group's licences include obligations to pay licence fees. Invoices for certain fees have not been, and may not in the future be, processed by the government in time to allow the Group to pay fees in accordance with the terms of its licences, and any such delay could have a material adverse impact on the ability of the Group to satisfy the terms of its licences. In addition, third parties from whom the Group has acquired licences in the past have not paid licence fees when due, and although the Group has rectified any such breaches, such failure to pay could have a material adverse impact on the relevant licence. Whilst the Group continually seeks to do everything within its control to ensure that the terms of each licence are met and adhered to, third parties may seek to exploit any technical breaches in licence terms for their own benefit.

There is a risk that negotiations with the government in relation to the renewal or extension of a licence, or the grant of a MDA, may not result in the renewal or grant taking effect prior to the expiry of the previous licence period and there can be no assurance of the terms of any extension, renewal or grant. This is a risk that mining and exploration operators are subject to when operating in Liberia. The Directors believe that they will be able to manage the potential risks without jeopardising their rights to any such licence areas.

Title to the Group's Dugbe licence was originally granted to the Company in November 2005 and assigned with the approval of the Liberian government to Hummingbird Liberia with effect from April 2006 as the Company did not have the requisite licence to do business in Liberia at the time of grant. Whilst the Group has diligently investigated title to all its licences and, to the best of its knowledge, title to all are in good standing, this should not be construed as a guarantee of title. The properties may be subject to undetected title defects. If a title defect does exist it is possible that the Group may lose all or part of its interest in properties to which the title defect relates.

Legal system

The legal system in Liberia is different to that of the UK. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. In particular, agreements in place may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Weather in Liberia

Liberia has a tropical climate with two wet seasons in the south east of the country and one wet season from May to October for the rest of the country. The high levels of rainfall may make access to some of the licence areas difficult or impossible at certain times during the year which may make exploration either difficult or impossible at those times.

Operational Risks

Early Stage of Operations

The Group's operations are at an early stage of development and success will depend on the Directors' ability to manage the current projects and to take advantage of further opportunities which may arise. There can be no guarantee that the Group can or will be able to, or that it will be commercially advantageous for it, to develop all or any of the licences. Further, the Group currently has no assets producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from active mining operations in the future and its ability to access equity markets for its development requirements.

Exploration and Mining Risks

The business of exploration for minerals involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. The mineral deposits to be assessed by the Group may not contain economically recoverable volumes of resources. Should the mineral deposits contain economically recoverable resources then delays in the construction and commissioning of mining projects or other technical difficulties may result in the Group's current or future projected target dates for production being delayed or further capital expenditure being required.

The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, explosions, flooding and extended interruptions due to inclement or hazardous weather conditions and other acts of God. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. No assurance can be given that the Group will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

The occurrence of any of these hazards can delay activities of the Group and may result in liability. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

Mineral exploration is highly speculative in nature, involves many risks and frequently is unsuccessful. There can be no assurance that any mineralisation discovered will result in proven and probable reserves being attributed to the Group. If reserves are developed, it can take a number of years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish ore reserves through drilling, to determine metallurgical processes to extract metals from ore and, in the cases of new properties, to construct mining and processing facilities. As a result of these uncertainties, no assurance can be given that the exploration programmes undertaken by the Group will result in any new commercial mining operations being brought into operation.

Operational Targets and Delays

The Group's operational targets will be subject to the completion of planned operational goals on time and according to budget, and are dependent on the effective support of the Group's personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets with a consequent material adverse impact on the business, operations and financial performance of the Group. The Group will not generate any material income until mining has successfully commenced. In the meantime the Group will continue to expend its cash reserves.

Volatility of Price of Gold

The market price of gold is volatile and is affected by numerous factors which are beyond the Group's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate

of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in gold market prices could render less economic, or uneconomic, some or all of the exploration and/or extraction activities to be undertaken by the Group.

Volatility of Metal Prices and Exchange Rates

Historically, metal prices have displayed wide ranges and are affected by numerous factors over which the Company does not have any control. These include world production levels, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. In the case of gold, purchases and sales of bullion holdings by central banks or other large holders or dealers may also have an impact on the market and price. The aggregate effect of these factors is impossible to predict.

Consequently as a result of the above, price forecasting can be difficult to predict or imprecise.

Any future Company income from its product sales will be subject to fluctuations in metal prices and could become subject to exchange controls or similar restrictions. Currency conversion may have an adverse effect on income or asset values.

Insurance coverage

There are significant exploration and operating risks associated with exploration for gold, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, formations and reserves, production facilities and other property. In addition, the Group will be subject to liability for environmental risks such as pollution and abuse of the environment. Although the Group will exercise due care in the conduct of its business and will maintain what it believes to be customary insurance coverage for companies engaged in similar operations, the Group is not fully insured against all risk in its business. The occurrences of a significant event against which the Group is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Group's insurance coverage may become unavailable or prohibitively expensive.

Development Projects

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, estimates of proven and probable reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of cash operating costs based upon anticipated tonnage and grades or ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors.

As a result, it is possible that actual cash operating costs and economic returns may differ from those currently estimated.

Resource Estimates

The Company has derived the ore resource figures presented in this document from those reported in the Competent Person's Report set out in Part V of this document and which are subject to the qualifications in the Competent Person's Report. Reserves and resources estimates may require revisions based on actual production experience. Furthermore, a decline in the market price of gold that the Group may discover could render ore reserves containing relatively lower grades of these minerals uneconomic to recover and may ultimately result in a restatement of reserves.

Environmental Factors

The Group's operations are subject to environmental regulation (including regular environmental impact assessments and permitting). Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a

manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

Limited Operating History

The Group has no properties producing positive cash flow and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Group has not earned profits to date and there is no assurance that it will do so in the future. A majority of the Group's activities will be directed to the search for and the development of new mineral deposits. Significant capital investment will be required to achieve commercial production from the Group's existing projects and from successful exploration efforts. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Financing

Should the Group develop any of its projects to the point of production, the successful extraction of gold may require very significant capital investment. In addition, delays in the construction and commissioning of any of the Group's mining projects or drilling projects or other technical difficulties may result in projected target dates for related production being delayed and/or further capital expenditure being required. In common with all mining and drilling operations, there is uncertainty, and therefore risk, associated with operating parameters and costs resulting from the scaling up of extraction methods tested in laboratory conditions. The Group's ability to raise further funds will depend on the success of existing and acquired operations. The Group may not be successful in procuring the requisite funds and, if such funding is unavailable, the Group may be required to reduce the scope of its operations or anticipated expansion. In the event that financing is successful it may mean that new Ordinary Shares need to be issued on a non pre-emptive basis, thus diluting the interests of investors at that time.

Access to Capital Markets

The Group may require additional financial resources to continue funding its exploration and development activities. The Group may in the future raise additional funds through public or private financing or through bringing in joint venture partners. The availability of this capital is subject to general economic conditions and lender and investor interest in the Group's projects. To ensure the availability of capital, the Group will maintain an investor relations programme in order to inform all Shareholders and potential investors of the Group's developments. Any investment in the Group should be regarded as an investment in the potential resources rather than a direct investment in the commodity itself.

Acquisition and Joint Venture Risks

The Company has made and may make further licence acquisitions or enter into joint ventures in circumstances where the Directors believe that such acquisitions or joint ventures would support the Company's strategy. However, there can be no assurances that the Company will be able to identify, complete and integrate suitable acquisitions or manage such joint ventures successfully. Acquiring new businesses and entering into joint ventures can place significant strain on management, employees, systems and resources and can take significant time to negotiate with all relevant parties. The acquired businesses may not perform in line with expectations to justify the expense of acquisition.

Competition

The mineral exploration and mining business is competitive in all of its phases. The Group competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Group, in the search for and acquisition of exploration and development rights on attractive mineral properties. The Group's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and development rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that the Group will continue to be able to compete successfully with its competitors in acquiring exploration and development rights on such properties.

Infrastructure

The Group must use the public infrastructure in Liberia for its operations. There is a risk that some of the infrastructure required by the Group may not be available at the times required as much of the public infrastructure in Liberia is in a dilapidated or poor condition.

Actions of third parties, including contractors and partners

The Company will be reliant to an extent on third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that new ones will be successfully formed. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Company. To the extent that the Company cannot engage contractors according to its plans and budgets, its financial and operational performance may be adversely impaired.

In certain circumstances, the Company may be liable for the acts or omissions of its partners. If a third party pursues claims against the Company or against a joint venture vehicle as a result of the acts or omissions of the Company's partners, the Company's ability to recover from such partners may be limited. Recovery under such arrangements may involve delay, management time, costs and expenses or may not be possible at all which, in each case, could adversely affect the Company's financial performance and condition.

Dependency on Key Personnel

The loss of any key individuals in the Group's management team or the inability to attract appropriate personnel could impact the Group's performance.

Ability to recruit and retain staff

The Group may be adversely affected by an inability to recruit, retain and motivate suitable personnel as its business develops and grows in size. There can be no assurance that suitably qualified personnel will be available in Liberia and that the Group will be able to retain existing professionals or meet their remuneration requirements. Furthermore, the cost base in relation to such remuneration, which may include equity compensation, may increase significantly and could have an adverse effect of the Group's results of operations and/or financial condition. Due to the remote locations of the Group's operations, the nature of the industry and the extended administrative procedures required to fill these key positions it can sometimes be difficult to find appropriate individuals with the necessary skills and experience required to fill these key positions.

Risks Relating to the Placing

AIM and Liquidity of the Ordinary Shares

AIM is not the Official List. The Ordinary Shares will not be listed on the Official List. Notwithstanding that Admission becomes effective and dealings commence in the Ordinary Shares, this should not be taken as implying that there will be a liquid market for the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise.

Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up. Investors may, on disposing of Ordinary Shares, realise less than their original investment or may lose their entire investment. The Ordinary Shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the Ordinary Shares may not reflect the underlying value of the Group's net assets. The price at which the Ordinary Shares will be traded and the price at which investors may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its proposed operations, and some which may affect the business sectors in which the Group operates. Such factors could also include the performance of the Group's operations, large purchases or sales of the Ordinary Shares, liquidity or the absence of liquidity in the Ordinary Shares, legislative or regulatory changes relating to the business of the Group and general economic conditions.

Possible Volatility of the Price of the Ordinary Shares

Following Admission the market price of the Ordinary Shares could be subject to significant fluctuations due to various factors and events, including any regulatory or economic changes affecting the Group's operations, variations in the Group's operating results, developments in the Group's business or its competitors, or to changes in market sentiment towards the Ordinary Shares. The Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices for securities and which may be unrelated to the Group's operating performance. Any of these events could result in a decline in the market price of the Ordinary Shares.

City Code

The Directors intend to operate the Company so as to establish that it is managed and controlled in the UK. Assuming that the Company is managed and controlled in the UK, it will be governed by the City Code. However, if it is established that the Company is not managed and controlled in the UK, then the provisions of the City Code will not apply and the Company will not be subject to takeover regulation in any jurisdiction.

Passive Foreign Investment Company

Circular 230 Notice

This tax disclosure was written in connection with the promotion or marketing of Shares, and it cannot be used by any U.S. holder or other shareholder for the purpose of avoiding penalties that may be asserted against such U.S. holder or other shareholder under the Internal Revenue Code of 1986, as amended (the "Code"). U.S. Holders and other shareholders should seek advice based on their particular circumstances from an independent tax advisor.

No determination has been made as to whether or not the Company may be treated as a "passive foreign investment company" ("**PFIC**") for U.S. federal income tax purposes. The Company will be treated as a PFIC if 75 per cent. or more of its gross income in a taxable year, including its *pro rata* share of the gross income of any corporation in which it is considered to own, directly or indirectly, 25 per cent. or more of the shares by value, is "passive income." For this purpose, passive income generally includes, among other things, dividends, interest, royalties, rents, annuities, net gains from the disposition of assets that produce passive income, gains from certain currency and commodities transactions, and income from certain derivative transactions. Alternatively, the Company will be treated as a PFIC if at least 50 per cent. of the value of its assets (within the meaning of the PFIC rules) in a taxable year, averaged over the year, including its *pro rata* share of the value of assets (within the meaning of the PFIC rules) of any corporation in which it is are considered to own 25 per cent. or more of the shares by value, are held for the production of, or produce, passive income.

If the Company is a PFIC, U.S. holders (as defined below) of the Shares may be subject to a number of detrimental U.S. federal tax consequences, including but not limited to interest charges on deferred income, re-characterisation of gain on the disposition of the Shares as ordinary income, the denial of any step-up in basis of the Shares upon the death of a U.S. holder, the ineligibility of distributions for taxation at the long-term capital gains rate as "qualified dividend income," and, if certain elections are made, accelerated recognition of income regardless of the timing of distributions. Specifically, absent certain elections, if the Company was to be treated as a PFIC, a U.S. holder would be required to allocate ratably over such U.S. holder's holding period any "excess distributions" received (i.e., the portion of any distributions received on our Shares in a taxable year that exceeds 125 per cent. of the average of the distributions received during the preceding three years (or the U.S. holder's holding period, if shorter)). The amount allocated to the current taxable year would be subject to U.S. federal income tax as ordinary income and the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year. An interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, any gain realised on the sale, exchange or other disposition (including a deemed disposition) of the Company's Ordinary Shares would be treated as an excess distribution subject to U.S. federal income tax as ordinary income.

For this purpose a "U.S. holder" is a beneficial owner of Shares that is a United States person within the meaning of Section 7701(a)(30) of the Internal Revenue Code and which includes an individual citizen or resident (as determined for U.S. federal income tax purposes), a corporation or other entity organized under the laws of the United States or any of its political subdivisions and classified as a corporation for U.S. federal income tax purposes, an estate the income of which is subject to U.S. federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary jurisdiction over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Persons who hold Shares through one or more partnerships, trusts, estates or other entities should consult with their own tax advisers as to how the PFIC rules may apply to them.

The Company has not undertaken any analysis as to whether it is a PFIC for U.S. federal income tax purposes. PFIC status is determined annually after the close of the year in question. The Company makes no assurance that it is not currently a PFIC, that it will not become a PFIC in the future, that if it becomes a PFIC the Company will have timely knowledge or notify U.S. holders of such, or that the Company will provide U.S. holders with information necessary for such holders to make filings or elections in response to its PFIC status (which elections might mitigate certain of the adverse U.S. federal income tax consequences described above). The U.S. federal income tax provisions regarding PFICs are very complex and are affected by various factors in addition to those described above. U.S. holders of Shares are strongly encouraged to consult with their own tax advisers about the PFIC rules and other U.S. tax rules in connection with purchasing, holding, or disposing of Shares.

United States Securities Law

Investors should be aware of the potentially long-term nature of their investment in the Company's Ordinary Shares. The offer and the sale of the Ordinary Shares will not be registered under the United States Securities Act or under the securities laws of any state in the United States. The Company is offering its securities pursuant to exemptions from registration, which depend in part upon the investors' investment intent. Investors will be required to represent that they are purchasing the Ordinary Shares for their own account for investment purposes and not with a view to resale or distribution. Investors may not transfer the Ordinary Shares unless such transfer is registered under the United States Securities Act and applicable state securities laws, or an exemption from such securities laws is available. There is no public trading market for the Ordinary Shares in the United States and there can be no assurance that any trading market in the United States will develop. Accordingly, investors may be required to bear the economic risks of their investment for an indefinite period of time.

General

Terrorism and the Uncertainty of War

The terrorist attacks on the United States on 11 September 2001, the US-led war on terrorism backed by the UK and other acts of violence or war may affect the Group's operations and profitability. The potential near-term and long-term effects these attacks may have on the Group's business are uncertain. The consequences of any terrorist attacks or any armed conflicts, which may result, are unpredictable, and the Group may not be able to foresee events that could have an adverse effect on its business.

Currency Exchange Risks

As a consequence of the international nature of the Group's business, the Company is exposed to the risk of changes in foreign currency exchange rates. This may result in gains or losses with respect to movements in exchange rates that may be material and may also cause fluctuations in reported financial information that are not necessarily related to the Group's operating results.

Market Perception

Market perception of the Group may change, potentially affecting the value of investors' holdings and the ability of the Group to raise further funds by the issue of further Ordinary Shares or otherwise.

Taxation Framework

This document has been prepared in accordance with current UK tax legislation, practice and licence area and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.

Forward Looking Statements

Certain statements within this document, including those in the part of this document under the heading "Information on the Group", constitute forward looking statements. Such forward looking statements involve risks and other factors which may cause the actual results, achievements or performance of the Group to be materially different from any future results, achievements or performance expressed or implied by such forward looking statements. Such risks and other factors include, but are not limited to, general economic and business conditions, changes in government regulation, competition, changes in development plans and the other risks described in this Part 2. There can be no assurance that the results and events contemplated by the forward looking statements contained in this document will, in fact, occur. These forward looking statements are correct only as at the date of this document. The Company will not undertake any obligation to release publicly any revisions to these forward looking statements to reflect events, circumstance or unanticipated events occurring after the date of this document except as required by law or by regulatory authority.

General

The risks noted above do not necessarily comprise all those potentially faced by the Group and are not intended to be presented in any assumed order of priority.

Although the Directors will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this nature before making any decision to invest.

PART V

COMPETENT PERSON'S REPORT

A C A HOWE INTERNATIONAL LIMITED

TECHNICAL REVIEW OF HUMMINGBIRD RESOURCES LIMITED GOLD AND IRON ORE EXPLORATION PROJECTS IN LIBERIA

by
A C A HOWE INTERNATIONAL LIMITED

for
HUMMINGBIRD RESOURCES LIMITED
and
LIBERUM CAPITAL LIMITED

8 December 2010

Berkhamsted
Herts, UK

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SUMMARY

Hummingbird (Liberia) Inc Resources (Hummingbird Liberia) holds eight Mineral Exploration Agreement (MEA) licence areas on its own account and one MEA licence area 80%, three licences through Deveton Mining Company in which it retains an 80 per cent. interest, two licenses through Sinoe Exploration Limited in which it retains a 90 per cent. interest and one licence through Afro Minerals Inc in which retains an 80 per cent. interest. A 20 per cent. economic interest in one licence held by Hummingbird Resources (Liberia) Inc has been transferred to a third party. In total, the Company and its Group hold 7,170 square kilometres and it is the largest licence holder in Liberia.

The prime mineral exploration focus of Hummingbird Resources Limited (Hummingbird) is orogenic gold, greenstone hosted gold and shear zone hosted gold type mineralisation, with iron ore potential representing subsidiary interests.

The present report is based on visits to Liberia in April 2008 and July 2010 by ACA Howe Senior Associate Geologist Richard Parker, during which five of the more advanced exploration properties were visited, and on exploration data generated by Hummingbird. During the past two years, Hummingbird has concentrated on resource drilling at the most advanced gold project at Dugbe block F.

Liberia's main commercial mineral resources include a number of world-class iron ore deposits that were exploited on a large scale between the early 1950s and 1989 and formed a mainstay of the economy. Production ceased in 1991 when the country was overrun by protracted civil war. In recent years a number of major global mining groups have been granted concessions for re-opening of the mines and developing associated railways and deep sea water ports for export, including Arcelor-Mittal and BHP Billiton at the Nimba deposits.

Although artisanal gold and diamond mining is widespread in Liberia, no significant commercial mines were developed historically or are active currently.

Liberia did not experience the gold exploration boom during the 1980s and 1990s that took place in the neighbouring countries of West Africa due not only to political instability, but also to lack of adequate licensing regimes and mineral databases that were established during the colonisation of those countries whilst Liberia remained un-colonised. Liberia therefore remains largely under-explored, and organised gold exploration has been confined to the last seven years.

A number of junior mineral exploration companies have been engaged in gold exploration in recent years, including Diamondfields International, African Aura Mining (formerly Mano River Resources and African Aura Resources), and a number of privately owned companies including Amlib United Minerals, Liberty International Mineral Corp., Africa West Minerals Corp. and Hummingbird.

Under Liberian mining law, mineral exploration requires a Mineral Exploration Agreement (MEA) which is granted in respect of specified minerals. Those granted to Hummingbird and its JV partners are in respect of 'gold and associated minerals (except iron ore)', except for the Mount Ginka licence which is for iron ore only. ACA Howe has not examined the legal status of the Hummingbird licenses or joint venture agreements but documents provided indicate that they are in good standing.

The holder of an MEA has the exclusive right to apply for a Mineral Development Agreement (MDA) in respect of the specified minerals. MDAs are granted subject to normal environmental and planning constraints. Royalties payable under an MDA are by negotiation. There are three classes of mining licence: Class A (industrial scale), Class B (small-scale, semi-mechanised) and Class C (artisanal).

The road network in Liberia is in a poor state of repair due to neglect during the civil war, but improvements are now in progress and all of Hummingbird's licenses can be reached by some form of road. Road access within the licenses is sparse and often of variable quality. Logging roads provide additional access to some parts of the licenses.

The climate is tropical and humid with distinct wet and dry seasons, and most rainfall occurs between late April and mid-November. Fieldwork can be carried out all year round, as Hummingbird has proved by drilling more than 14,000 metres of core during the 2010 rainy season. In many areas bush roads become difficult during the rainy season. Hummingbird's license areas are mostly covered by primary forest, with significant areas that have been cleared for subsistence agriculture or abandoned to secondary growth.

The Precambrian rocks of West Africa belong to the West African Craton which has resulted from a process of progressive accretion of a series of younger orogenic belts onto the oldest crustal core of early Archaean age, known as the Man Shield. Locally, younger orogenic belts developed inside existing cratons, but more commonly they added to the size of older cratons by accreting new crustal material along their margins. The Birimian rocks of West Africa surround the Man Shield to form greenstone belts that extend throughout much of Ghana, Côte d'Ivoire, Burkina Faso and Mali and into Guinea and Niger. The extent of the Birimian in Liberia is somewhat uncertain; the rocks of the extreme southeast of Liberia are of undisputed Birimian type; further west belts of Archaean and Birimian age rocks alternate, separated by northeast-southwest deep crustal shear zones. USGS age dates of rocks in the Dugbe-Greenville area indicate an Eburnean age and a clear correlation with the Birimian.

Tropical weathering has produced large areas of lateritic and duricrust soils over much of Liberia resulting in sparsity of outcrops and effectively masking much of the underlying geology.

Alluvial gold is widespread in Liberia and has been worked, mostly on a small scale, at numerous localities throughout the country and on most of the Hummingbird licenses. Bedrock gold mineralisation has recently been identified by trenching and drilling on Hummingbird's Dugbe license, and potential bedrock sources for gold mineralisation have been recognised at Jababli, Zia, Kana Hills and Ba licenses.

The high gold potential of the Archaean rocks of the Man Craton can be inferred by comparison with similar granite-greenstone terranes in Canada, Australia, Brazil and Tanzania. Archaean rocks in West Africa have been poorly explored due to political instability in Sierra Leone and Liberia where they predominate, but recent exploration has started to confirm the gold potential with the discovery of the Baomahun deposit (Cluff Gold) in Sierra Leone and the New Liberty deposit by African Aura in western Liberia.

The Birimian rocks of West Africa are regarded as having a higher gold potential than the Archaean, since they are known to host numerous world-class, multi-million ounce gold deposits. The main episode of gold mineralisation appears to have been controlled by regional-scale shear zones which permitted the rise of granite diapirs. The majority of the gold deposits in the Birimian are associated within structures that are subsidiary to major shear zones, and include disseminated sulphide type (DST) and quartz-sulphide vein type (QVT) and intrusion related stockworks. The Birimian rocks of Liberia are generally of higher metamorphic grade than elsewhere in West Africa, which may overprint hydrothermal alteration and hamper the recognition of pre-metamorphic gold mineralisation.

Hummingbird has selected ground along major crustal-scale thrust faults or shear zones either within Birimian greenstone belts and or at the contact between the Birimian and the Man Craton. These are postulated to be zones of repeated deformation and magmatic activity accompanied by

magmatic and metamorphic hydrothermal systems and hence prospective for orogenic gold mineralisation.

ACA Howe notes that Hummingbird's ground selection in eastern Liberia is endorsed by the fact that Newmont Mining Corporation has acquired concessions along strike of Hummingbird's on the same belts in Côte d'Ivoire. Newmont's strategy in this region was guided by their multi-layer WARFS (West African Regional Framework Studies) compilation, which identified prospective belts throughout the Birimian region on the basis of all available geological, geochemical and geophysical data.

Hummingbird carried out reconnaissance exploration on seven MEA areas during 2006 to 2010. The chief reconnaissance exploration method was stream sediment geochemistry, with a total of 6,181 stream sediment samples collected and analysed for gold and forty-six other elements. Heavy mineral samples from some of the concessions were also examined for diamond indicator minerals.

The stream sediment surveys approximate to one sample per 1.5 to 2.0 square kilometres. The samples are fairly evenly distributed over the MEA areas and provide good area coverage. Analytical results have been compiled in a single database and plotted through a GIS system to provide a reliable indication of the potential within individual areas.

The **Mount Ginka** MEA area lies fifteen kilometres south of the major Mount Nimba iron deposit, which is presently undergoing re-development by Arcelor-Mittal and BHP-Billiton.

A horizon of iron formation forms a low ridge, culminating in Mount Ginka, which can be followed for 30 kilometres across the licence area. This unit is recorded as mostly of silicate facies iron formation with subsidiary oxide facies (itabirite). Grab samples of this material taken by ACA Howe returned between 33% and 38% iron. Sampling by Hummingbird has returned iron analyses of between 31.4% and 53.5% Fe, and an average of 40.02% Fe. All of the samples contained high silica, ranging between 19.65% and 46.30% Si and low contaminants (0.05% P; 0.01% S and less than 2% Al2O3). Hummingbird intends to undertake an aeromagnetic survey, map and sample the itabirite and determine whether it is amenable to magnetic upgrading

The **Zia and Kana Hills** MEAs cover adjoining areas of 443 square kilometres and 257 square kilometres, respectively. The areas are located in Grand Gedeh County in northeast Liberia, approximately 257 kilometres east-northeast of Monrovia, and adjoining the border with Côte d'Ivoire. The area is vegetated predominantly by primary forest interspersed with areas that have been cleared for subsistence agriculture or abandoned to secondary growth. Hummingbird maintains a tented exploration camp at Zia which is located close to the main area of stream sediment gold anomalies and artisanal gold workings. Access to other parts of the license is via bush trails and upgraded logging roads through the forest.

The licenses are traversed by the Juazohn Shear Zone, a prominent northeast-southwest trending regional structure that can be traced through Côte d'Ivoire to the Liberian coast. The rocks to the northwest of the shear zone include quartz-muscovite schists and pelites whereas the rocks lying to the southeast of the Juazohn Shear Zone comprise leucocratic gneiss which is well-foliated and contains amphibolite units.

ACA Howe is not aware of any historical records or occurrences of bedrock gold mineralisation on the license area, but alluvial gold occurrences, forming the basis for small-scale placer operations, are recorded, particularly in the vicinity of the Juazohn Shear Zone.

Hummingbird carried out reconnaissance stream sediment sampling over the Zia and Kana Hills area, identifying prominent gold anomalies within Block A in the vicinity of the Juazohn Shear Zone with a peak value of 18,027 ppb Au. Subsequent follow-up confirmed coherent anomalies

oriented parallel to the regional northeast-southwest strike located on either side of a distinctive topographic ridge. Stream sediments with elevated gold values drain from this ridge and gold values decrease away from it, suggesting the gold source is within the ridge. Field reconnaissance work in 2009 established the ridge is caused by prominent Banded Iron Formation (BIF), which extends northeast through Zia and Kana Hills for 25 km strike length. BIF is a favourable host rock for gold mineralisation in many localities worldwide.

ACA Howe visited the main anomalous area on 19 April 2008 and viewed test pits which showed a deep lateritic profile overlain in places by gravels and alluvial soils and gravels and traversed by sluggish streams. ACA Howe concludes that the stream anomalies were likely to be exaggerated by local conditions but are potentially related to local bedrock mineralisation and therefore represent a worthwhile target.

At Zia, Hummingbird has carried out soil sampling at 40m intervals on cut lines 400m apart over the main area of gold stream anomalies, including the northeast trending BIF ridge, for a total of 3050 soil samples. Results from soil sampling was disappointing when compared to the widespread high gold in stream sediments in that few soil samples returned high levels of gold; only three soil samples returned above 1.0 ppm Au (1.73; 2.53 and 2.68 ppm Au). ACA Howe believes that the thick laterite cover at Zia is likely masking the gold signature in the soils. However, soil samples with values of 30 to 50 ppb Au suggest a number of interesting zones that warrant follow up.

A single trench measuring 239.7m in length was excavated, sampled every metre and returned three significant values; 0.78 g/t Au, 1.31 g/t Au and 2.3 g/t Au. Material exposed in the trench consists primarily of colluvium, with blocks of Banded Iron Formation (BIF), rare schist and sheared quartz vein. Several quartz veins were identified with strikes parallel to the main ridge.

At Kana Hills a total of 1,132 soil samples were collected at sample intervals of 40m and line spacing of 800m covering the BIF ridge. Laterite profiles are similar as those at Zia and likely affected the soil sampling. Results show several low-level northeast trending gold in soil anomalies within and surrounding the ridge.

Hummingbird plans to carry out an infill soil survey at Kana Hills to better delineate the soil anomalies and investigate the prioritised soil anomalies at Zia and Kana Hills by 2,800m of diamond core drilling in a number of fences across the BIF ridge. Fine gold and nuggets are being panned by locals from the gullies draining the drill target areas.

The **Jababli** MEA is located in Grand Gedeh County in southeast Liberia, approximately 270km east-southeast of Monrovia and 80 kilometres south of Zwedru. The Jababli MEA originally covered an area of 800km² and the northern part was relinquished during 2008 whilst the southern, more prospective part covering 400 km² was retained. The main Zwedru-Greenville road crosses in parts through the Jababli license. Logging roads provide access to the southeast part of the license, but most areas of the license are accessible only by bush track.

The majority of the license area is underlain by granodiorite gneiss in mylonitic contacts with elongate bodies of amphibolite, which form elevated ridges. The USGS map indicates five alluvial gold occurrences on the license. The most easterly of these corresponds to the alluvial workings at Sloh-Meh, an artisanal mining camp that has been active for several decades. At Peace Camp there are numerous artisanal gold workings draining the north face of the amphibolite ridge.

Hummingbird carried out reconnaissance stream sediment sampling during 2007 and 2008 which identified gold anomalies with a maximum of 8,667 ppb Au and broadly coincident with the distribution of alluvial gold occurrences.

Soil samples collected along ridge crests surrounding the Sloh-Meh alluvial workings returned weakly anomalous gold results (mostly 10-25 ppb Au) in the area immediately around the workings. During the course of sampling, duricrust cover was recorded along some of the ridges, and it is likely that this would have rendered soil geochemistry ineffective in these areas.

ACA Howe visited the Jababli area on 22 April 2008. Artisanal workings observed at Sloh-Meh occur within an area of moderately steep topography suggest a local source for the gold, possibly from quartz veining such as was observed in saprolitised bedrock immediately above the workings.

Gossanous boulders interpreted as massive banded sulphide have been identified by Hummingbird at Peace Camp as potentially being associated with gold mineralisation within the 9km long, east west trending amphibolite ridge. A trench program is proposed, targeting a series of stratabound, 1 to 2 km long, 100m to 150m wide, gold and coincident arsenic soil anomalies, and aiming to generate targets for scout drilling.

ACA Howe concludes that the Jababli MEA holds significant potential for greenstone hosted gold (orogenic) mineralisation which should be investigated by trenching across identified anomalies.

The **Ba MEA** covers an area of 625km² (having been reduced by 50% during 2008 from an original 1250km²), located within Nimba, and River Cess counties in south central Liberia, approximately 170km east-southeast of Monrovia.

A network of logging roads provides access to most parts of the license, with some areas accessible only by foot along a network of bush tracks that link the numerous villages.

The majority of the license area is underlain by an Archaean age gneiss unit that encloses elongate units of a composite supracrustal unit that includes varying amounts of schist, quartzite, amphibolite and horizons of iron formation (itabirite). The supracrustal rocks are more resistant to weathering than the gneiss and form upstanding ridges that are particularly common in the eastern part of the license.

The Cestos shear zone, a deep crustal structure striking northeast across Liberia into adjacent Côte d'Ivoire, is located close to the southeast corner of the Ba licence.

Hummingbird carried out reconnaissance stream sediment sampling that provided an effective test of the gold potential of the license and identified gold-arsenic anomalies. The peak values are peripheral to an amphibolite ridge. Hummingbird is targeting greenstone hosted (mesothermal) gold deposits at Ba and plans to carry out grid soil sampling over six prioritised stream sediment anomalies for a total of 2,200 soil samples.

ACA Howe has not visited the Ba MEA area.

During 2008 to 2010, Hummingbird acquired **seven new MEAs** and a further two MEAs through its subsidiary Sinoe Exploration Inc., for a total of 4,837km². The new licence areas have been acquired in order to add continuous coverage over prospective areas overlying greenstone belts and shear zones, which are considered to be the prime elements defining gold prospectivity in the Birimian. ACA Howe considers that the new licenses possess very good exploration potential that warrants systematic exploration.

The Tawake, Gekehn, Blebo and Plibo MEAs straddle approximately 65km strike length of the Dube shear zone, a prominent northeast-southwest trending regional structure that can be traced through Côte d'Ivoire to the Liberian coast. The Tawake licence also straddles a section of the Dugbe shear zone which may be a control of the gold mineralisation at Dugbe and Bokon Jedeh, 120 kilometres to the west-south-west.

Since the main episodes of gold mineralisation in the Birimian appear to have been controlled by regional-scale shear zones, the Dube shear zone and adjacent rocks must be regarded as prime exploration ground. The potential of the belt is supported by numerous records of artisanal gold operations scattered throughout the belt. Although these are predominantly of alluvial type, high grade gold-quartz vein mineralisation has been identified by Liberty Mining at its Jolodah prospect a few kilometres west of the Plibo MEA in the vicinity of a splay fault of the Dube shear zone.

Hummingbird has completed reconnaissance stream sediment sampling over the Blebo and Plibo licenses and is in process of conducting stream sediment surveys across Tawake and Gekehn. At the Blebo area, three multiple point gold anomalies exceeding 1000 ppb Au have been identified and clearly warrant further investigation. Stream sediment results from the Plibo Licence have identified an anomalous belt along the northern sector of the license which ACA Howe regards as very encouraging in view of its proximity to the major Dube shear zone.

ACA Howe considers that stream sediment geochemistry is the most appropriate method of evaluating the new licenses.

The Tiehnpo, Nemo Creek and Joe Village licence areas, totalling 1,602km², have been recently acquired in order to avail of the newly evident regional potential that has emerged following the positive results of resource drilling at Dugbe. Hummingbird has acquired this ground package based on the principal geological features associated with the Dugbe deposit, namely the Dugbe shear zone and the Birimian gn2 gneiss that borders it. ACA Howe considers that these ground acquisitions are well-founded. Hummingbird's ground package on the Dugbe belt now covers a total of 2,055km² including Dugbe, and covers a strike length of 60km of the prospective Dugbe shear zone and the gn2 gneiss. These ground holdings surround an exploration licence held by Bokon Jedeh Resources centred on the Bokon Jedeh deposit and covering around 20km strike length of the Dugbe shear zone.

The regional distribution of artisanal workings as determined from satellite imagery and geological records is broadly co-incident with the Dugbe shear zone and the gn2 gneiss, which corroborates the prospectivity of these features and endorses Hummingbird's ground acquisitions over the Dugbe belt.

ACA Howe considers that Hummingbird's ground holdings along the Dugbe belt represent a compelling opportunity warranting an intensive exploration programme.

The **Dugbe** MEA covers an area of 450km², after Hummingbird relinquished the northern, less prospective part during 2008 in line with licence regulations.

The Dugbe area is located within Sinoe and Grand Kru counties in southeast Liberia, approximately 275km southeast of Monrovia.

The Dugbe license is reached by main road from Monrovia via Buchanan to Greenville, a route of approximately 180km. Dugbe is located some 70km northeast from Greenville via a dirt and gravel road that has recently been upgraded by the German Agro Action, (GAA) which has installed new bridges over the rivers and major creeks. Hummingbird has completed 11.3km of new access road branching from the existing road at a distance of approximately 66km from Greenville. The eastern blocks are currently accessible only via a 30km walk.

The Dugbe area has a tropical climate like all other areas of the country. It receives approximately 450cm of rainfall annually, most of which falls in the period from mid May to mid October, alternating with a dry season. Daytime temperatures generally rise to 27 to 32°C.

The topography of the area is hilly, rising from 50 to 100m in valley bottoms to 250m on hilltops. It is characteristically dissected by a dendritic network of closely spaced streams and rivers most of

which have narrow and discontinuous floodplains. The license area lies within the watershed of the Dugbe River and its tributaries Namien Creek (also known as the Jubo River) and Botou River, which flow southwestwards across the concession. Cascades and small rapids are present on most rivers creating obstacles to navigation. The area is vegetated predominantly by primary forest, and significant areas in the west have been cleared for subsistence agriculture or abandoned to secondary growth.

The town of Greenville (population 16,000) has a modern deepwater port facility which was formerly capable of accommodating vessels of 500ft in length and was used to export timber from Sinoe County from the 1960s to the 1980s. The port fell into disrepair during and after the civil war and became inoperable due to sunken shipping including a capsized ferry at the main berth. Buchanan Renewable Energy (BRE) currently plans to refurbish this port in 2011, which would involve clearing the sunken ships and dredging the port area. The jetty at Greenville Port is about 350m long, so when dredged should be able to accept cargo ships of reasonable size suitable for the import of mine equipment.

Basic mechanical repair services are available at Greenville. More advanced engineering facilities are available at Buchanan or Monrovia.

Hummingbird has employed a total of 80 staff directly, up to 15 contract drilling staff and up to 105 local day labourers at Dugbe. Hummingbird has established an exploration camp at the south end of the Dugbe F project area in order to support an ongoing diamond drilling campaign. It has accommodation for 80 employees and drilling contractors and includes a clinic with basic medical and first aid facilities, a vehicle repair workshop, core logging, cutting and storage facilities, adequate office space, and VSAT satellite connection for broadband internet access and Skype telephone.

The majority of the Dugbe area is underlain by a composite gneiss unit comprised mostly of melanocratic gneiss and by smaller areas of well-foliated leucocratic gneiss. The license is traversed by the Dugbe shear zone, a prominent east northeast-west southwest trending regional structure.

Alluvial gold occurrences forming the basis for small-scale placer operations occur within the area, particularly in the vicinity of Money Camp on block F and Dwyen gold mining camp in block B.

Gold mineralisation at Dugbe is hosted by gneiss of probable metasedimentary origin. It is characterised by a strong association with arsenic. These features, together with its location in a Birimian province suggest an affinity with the shear-zone hosted class of orogenic gold deposits, which are widespread in the Birimian of West Africa.

Many features typical of Birimian granite-greenstone gold deposits are not clearly evident at Dugbe, the most important of these being discordant structural features and hydrothermal alteration. In ACA Howe's opinion, the absence of these features suggests that mineralisation preceded regional metamorphism and the morphology and re-distribution of the deposit is a result of this history. Despite this history, gold grades at Dugbe are continuous over significant distances within gneissic bands and remain sufficiently high to be potentially economic.

Alluvial gold occurrences forming the basis for small-scale placer operations occur within the area, particularly in the vicinity of Money Camp on block F, where they support a village of several hundred men, women and children.

Primary (sulphide) mineralisation is observed in Dugbe core as sulphide disseminations within the schists. Total sulphide content rarely exceeds 3% and grain size is generally less than 1mm. Pyrite and pyrrhotite are ubiquitous throughout the schists, occurring as anhedral grains. Arsenopyrite occurs in euhedral to subhedral acicular crystals. It is restricted to distinct core intervals ranging

from a few centimetres to several tens of metres where it is closely correlated with the better mineralised gold zones. Outside these distinct intervals, arsenopyrite appears to be absent. Chalcopyrite is observed occasionally, as separate grains or in aggregates with pyrite. The geochemical distribution of copper is somewhat elevated in the gold zones (100-200 ppm) probably reflecting a higher incidence of chalcopyrite.

The mineralisation occurs in zones that are conformable to the foliation of the host schist and is not accompanied by significant hydrothermal alteration or cross cutting veins or structures. This renders the mineralised zones difficult to detect visually in core. Polished section studies show that the gold is present in grains averaging 30 microns in size and generally in microcracks and grain boundaries of arsenopyrite.

The Dugbe deposit is affected by tropical weathering that generally extends as saprolitised rock to a depth of between 5 and 10m.

ACA Howe is not aware of any historical records or occurrences of bedrock gold mineralisation on the Dugbe concession area although there are extensive workings in weathered bedrock nearby at Bokon Jedeh. However several old exploration trenches believed to have been dug by UNDP during the 1990s or earlier, have been recorded during field work, providing evidence of recent historical exploration.

Hummingbird carried out reconnaissance stream sediment sampling in the Dugbe area from 2006 to 2008 which identified three principal anomalous areas each comprising several sites above 10,000 ppb Au, on block A, block B and block F, predominantly in the vicinity of the Dugbe shear zone. Follow-up stream sediment sampling confirmed coherent anomalous zones above 2,000 ppb Au over the anomalies.

Analytical results for soil samples on block B outlined an 8 km by 2km gold anomaly (greater than 30 ppb Au), with coincident elevated arsenic (greater than 20 ppb) and with nine soil samples assaying greater than 500 ppb in an east northeast-west southwest alignment. Trenching of this anomaly has returned values of up to 2m at 10.78 g/t Au in quartz vein material. ACA Howe notes that the anomaly is aligned directly with the Bokon Jedeh gold deposit, some 10km along strike to the west-southwest.

Analytical results for soil samples on Block F outlined a 4.8km long, 2km wide gold in soil anomaly (greater than 30ppb Au) with twelve soil samples assaying greater than 1,000ppb Au with a peak value of 3,083 ppb Au. The anomalous values can be resolved into a main anomaly, trending north-northeast and a number of parallel subsidiary anomalies. The Dugbe F soil anomaly was truncated to the southwest by the boundary of the Dugbe license but it probably extends further to the southwest onto the newly acquired MEA at Joe Village.

The exploration focus at Block F has been on the southern 2.8km of the 4.8km long gold in soil anomaly. Trenching across the peak areas returned gold intervals of 27m at 1.98 g/t Au (DFOTR001), 84m at 1.65 g/t Au (DFOTR003), and 22m at 2.15 g/t Au (DFOTR004) in saprolitised quartz-biotite schist. Scout drilling in early 2009 targeted on the down-dip extension of the trenched zone returned gold grades comparable to those in the trenches within the top 10-12m both in oxidised rock and associated with sulphides in fresh rock lower down. Six scout drill holes were completed in 2009. Holes DFDC001 and DFDC004 recorded intersections of **2.04 g/t Au over 11.28m from 0.0 to 11.28m surface and 1.80 g/t Au over 12.49m from 21.25m** (0.5 g/t Au cut-off), respectively, indicating significant economic gold potential down-dip and along strike of the initial drill holes. This potential was investigated by the 2010 resource drilling campaign which comprised ninety-three diamond drill holes totalling 14,082.1m. Intersections in all except two holes are of economic significance (i.e. greater than 2m at 1 g/t Au).

The 2010 resource drilling was contracted to Australian Exploration Drilling Company using two track-mounted Atlas Copco CS1000 diamond drill rigs that have been operating on double shifts. Drilling was conducted on a 160m by 160m grid covering a strike extension of 2,880m of the Dugbe anomaly and extending across strike for up to 560m to the east. Infill drilling on 80m centres was undertaken in areas of the C anomaly in order to upgrade sections of the deposit from inferred into indicated category. Excellent overall core recovery of 98 % was achieved due to the competent and uniform nature of the quartz biotite schist host rock. Drilling was conducted throughout the rainy season with virtually no complications.

Hummingbird's current geological model for mineralisation at Dugbe F is a 3km long continuous gold zone dipping gently to the southeast and extending from surface for over 500m down dip. The zone ranges in thickness from 2m to 40m, with the thickest parts outcropping at surface. The mineralised zone follows large open folds, pinching and swelling along strike as well as downdip. Gold mineralisation is hosted by quartz biotite schist overlain by quartz biotite garnet schist. Sulphide mineralogy includes pyrite, pyrrhotite, arsenopyrite and chalcopyrite. Pegmatite and granodiorite sills intrude the rocks at Dugbe F but do not appear to contribute to significant, if any, dilution to the gold system. Gold mineralisation at Dugbe F is of the disseminated sulphide type; it is extremely fine grained with only a few instances of visible gold seen in drill core.
The northern 2km of the Dugbe F soil anomaly remains untested; an infill soil program is currently being conducted to explore the Dugbe F trend further north. The Dugbe F soil anomaly also remains untested to the southwest, where it runs onto the adjacent Joe Village property recently acquired by Hummingbird.

The main type of reconnaissance exploration samples taken by Hummingbird in Liberia to date have been stream sediment samples and soil samples. Reconnaissance stream sediment samples were collected by Liberian exploration contractor Earthcons Consulting Inc., at a density of one sample per 1 to 2km², which ACA Howe considers is adequate to provide a reliable indication of gold potential. ACA Howe considers that the stream sediment and soil sample collection and preparation methods conform to standard industry practice and have been shown to be effective in identifying meaningful stream and soil gold anomalies in most areas.

Hummingbird has adopted protocols for diamond drill core handling, logging and sampling that encompass best industry practice. For most of the drill programme, all core was cut and analysed for gold due to the difficulty in visually identifying mineralised intersections. In the latter part of the programme a hand held XRF machine was used to determine the ore zones based on associated arsenic which eliminated the necessity to sample and analyse unmineralised sections of core.

Stream sediment, soil and half-core samples have been prepared in Stewart Group's preparation facility in Monrovia and analysed for gold by fire assay with AA finish (Au4) and 46 elements at OMAC Laboratory, Ireland. Preparation and analysis follows standard industry practice.

ACA Howe verified reconnaissance stream sediment anomalies at Zia and Kana Hills in 2008 by independently panning the sediment and observing gold particles. Soil anomalies at Dugbe were sampled independently and returned similar values to those recorded by Hummingbird.

A Quality Assurance and Quality Control (QA/QC) program was implemented by Hummingbird during the drilling campaign at Dugbe F, in an attempt to provide adequate confidence that sample and assay data could be used for resource estimation. This involved the insertion of blanks, standards, and duplicates every twenty samples. The greater majority of the blank samples are well within acceptable limits and close to the lower limit of detection, indicating negligible cross contamination between samples. Analysis of 478 standard Control Reference Material (CRM) samples returned twenty-eight samples (5.86% of the population) outside of two standard deviations from their respective control grades, which ACA Howe considers is within acceptable limits. Comparing each CRM assay population arithmetic mean to the expected certified grade shows that there is an apparent bias to slight under-reporting of gold, with a 6.1% difference

between the mean and the certified grade of 0.52. Assays of field duplicates of quarter core showed poor correlation with original samples with only 64% of duplicate samples being within ±10% of the mean paired value. T his lack of repeatability is probably due in part to a free gold nugget effect which is corroborated by the observed presence of native gold grains in core at Dugbe. The extent of the nugget effect and its influence on the reliability of standard assays was investigated by carrying out screen fire assays on a suite of 148 pulp samples. The results indicate no significant systematic bias between the original (Au4) method and the screen fire assays, suggesting that the nugget effect is not a source of significant error. This is corroborated by the lack of erratic high results in the Au4 results. ACA Howe considers that the QA/QC results provide sufficient confidence in assay values for use in CIM compliant resource estimation.

ACA Howe independently sampled six sections of quarter drill core taken from mineralised intersections at Dugbe. ACA Howe has also obtained three pulp samples from the Stewart Group sample preparation facility in Monrovia, and twenty pulp samples from OMAC Laboratory in Ireland. The check samples were selected to reflect the grade variations of the mineralisation and are distributed in time through the drilling campaign from DFDC006 to DFDC034. Assays of the check samples were carried out by Acme Analytical Laboratories, Vancouver, Canada. Analytical results show a close comparison between the original and check samples. After exclusion of one erratic high result, OMAC assays averaged 0.91 g/t Au compared to 0.85 g/t Au for Acme, indicating the possibility of a slight bias towards under reporting by Acme.

The Bokon Jedeh gold deposit held under an MDA by Bokon Jedeh Resources Ltd is located approximately 12km southeast of the Dugbe deposit and 4km south of the southern boundary of Dugbe Block B and is surrounded by the Nemo Creek MEA area. The deposit has been the subject of intensive artisanal mining for over seventy years and presently supports a population of several thousand miners who are exploiting deeply weathered parts of the deposit. Bokon Jedeh was explored in around 2002 by Freedom Gold who completed diamond drilling and an exploration adit but did not publish a resource. They found that the deposit occurs in lateritic horizons and in fresh bedrock which comprises steeply dipping melanocratic gneiss which can be subdivided into either pyroxene bearing or garnet bearing units. The gold occurs in zones conformable with the foliation of the gneiss in association with fine grained disseminated sulphides in the pyroxene bearing biotite gneiss. The Bokon Jedeh deposit is affected by deep tropical weathering but otherwise has characteristics very similar to the Dugbe deposit.

Half-core samples from oxide and sulphide intersections encountered in the 2009 drilling were submitted to SGS Lakefield Oretest Pty Ltd, of Australia, for bench-scale metallurgical testwork including cyanidation and gravity concentration. The results indicated that cyanide gold extraction of around 84% and 92% could be achieved for the oxide and sulphide ore, respectively. Treatment in a Knelson concentrator achieved a gravity separation of 52% of the gold. Discrepancies in the head grades suggested that coarse gold was present but screen fire assays subsequently conducted on all core samples >0.5 g/t Au showed no significant change in grades indicating that coarse gold and attendant nugget effect is minimal.

Phase 2 testwork was performed on samples derived from a thick intersection of fresh sulphide phase material intersected in hole DFDC026. Results of cyanidation tests were lower than those attained in Phase 1, at between 80.4% and 85.1%. Gold recoverable to a gravity concentrate was between 23.4% and 39.1%, modest in comparison to that achieved on the sulphide samples tested in 2009 (52 to 53% recovery). T he differing results of Phase 1 and Phase 2 metallurgical test work suggest that the Dugbe deposit is subject to spatial variations in mineralogy that have not been recognised. Future metallurgical test work should attempt to take account of this variability by taking samples representative of different parts of the deposit.

The November 2010 resource estimate prepared by ACA Howe incorporates diamond drilling and trench data obtained to CIM compliant standards during exploration of Dugbe Block F permit in 2009 and 2010

Validation and processing of data for 3D modelling and resource estimation was performed in Micromine software. Statistical interrogation of assay data indicates that mineralisation at the Dugbe deposit consists of three or more mixed populations within an overall lognormal sample distribution, including a low grade <0.5 ppm Au, a medium <1.5 ppm Au and a higher grade >1.5ppm Au population.

Geological domain modelling is based on lithological features, weathering boundaries, grade populations, and general strike orientations and has defined fourteen separate >0.1 ppm gold domains that have been used to constrain block model resource estimation. Of the fourteen zones there are four extensive domains of significant volume associated with surface gold anomalies that account for 95% of the modelled volume. Domain densities are determined by the proportionally weighted average of the bulk densitygravity of logged lithologies within each domain.

Domains honour logged lithology, structural characteristics and the 3D geological model developed by Hummingbird and ACA Howe. The strike length of defined mineralised zones totals approximately 3,000m and up to 500m in down dip extent. The maximum depth extent is approximately 200m below surface.

Inverse distance (IDW^2) interpolations of composited assay values inform the wireframe constrained block model grades. For the purposes of grade interpolation the range of influence for each assay is defined by a search ellipse with an 80m diameter in the strike and dip axis and with a thickness of 10m in the across-dip direction. The ellipse is orientated in the plane of mineralisation. The classification of interpolated blocks considers the following:

- Sample density, search and interpolation parameters.
- The reliability of geological, sample, survey and bulk density data.
- Robustness of the geological model.
- Grade continuity confidence

All blocks captured in runs that are less than or equal to the search range in all directions and that are in the four principal mineralised domains have been classified as "Indicated" resources. All other blocks have been classified as "Inferred" resources.

In accordance with CIM Definition on Mineral Resources and Mineral Reserves, the November 2010 classified resource estimate for gold at the Dugbe deposit is summarised in the following table:

SUMMARY OF RESOURCES BY CIM CATEGORY FOR AIM DISCLOSURE*					
Category	**Gross Attributable Resource**			**Net Attributable**	**Operator**
	Tonnes (millions)	**Grade (g/t Au)**	**Contained Gold (Ozs)**		
Indicated	15.93	1.078	552,000	100%	Hummingbird Resources (Liberia) Inc
Inferred	4.97	1.624	260,000	100%	Hummingbird Resources (Liberia) Inc
Total	20.90	1.208	812,000	100%	Hummingbird Resources (Liberia) Inc

*Resources are reported at a 0.5 g/t Au Block Cut-off. Indicated and Inferred resources may be combined for AIM.

Source: Leon McGarry BSc. of ACA Howe

Hummingbird has established a well organised and efficient presence in Liberia and has established and maintained excellent relationships with government authorities in Monrovia, the relevant local authorities for the project areas, and with local communities of artisanal miners.

Exploration has been supported by well managed logistics and operations with the establishment and maintenance of first-class camps in remote and difficult areas.

Geologists and other technical staff have been hired locally and from Ghana, with management from Europe and North America. Management has demonstrated excellent professional standards and has fostered the free interchange of ideas and learning which has resulted in good staff morale.

Exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices. This has led to success in the discovery of the Dugbe deposit and the recognition of what promises to be a new gold province.

1. INTRODUCTION AND TERMS OF REFERENCE

1.1. GENERAL

ACA Howe International Limited (ACA Howe) has been retained by Hummingbird Resources Limited (Hummingbird) and Liberum Capital Limited (Liberum) to prepare an independent technical report on Hummingbird's mineral interests in the Republic of Liberia, West Africa. The present report is a revision of the 2008 report, incorporating later exploration data generated by Hummingbird up to October 2010. During this period Hummingbird has concentrated on advancing the two most promising prospect areas at Zia-Kana Hills and Dugbe, while continuing with early stage exploration on a range of other properties.

The purpose of this report is to provide investors with an independent assessment of the mineral potential of the fifteen license areas held by Hummingbird since 2006 or in which Hummingbird holds an interest. This Technical Report conforms to guidelines issued by the London Stock Exchange for listing of Mining and Oil & Gas Companies on the Alternative Investment Market (AIM).

Hummingbird presently holds eleven licenses on its own account and four further licenses in joint venture with Liberian companies, as discussed in section 3.2 of this report. The prime potential of the licenses is lode and shear zone orogenic type gold mineralisation, with iron ore potential representing a subsidiary interest. Hummingbird commenced exploration in Liberia in 2006 and has since completed reconnaissance stream sediment surveys over all of the original seven license areas, and is presently conducting exploration over seven licenses granted more recently.

Exploration has identified a deposit with economic potential at Dugbe where resource drilling has recently been completed and has allowed a resource estimate as reported in section 17 of this report.

ACA Howe Senior Associate Geologist Richard Parker visited five of the more advanced properties in April 2008 and the Dugbe Project in June 2010. Extensive on-site discussions were held with Hummingbird's management and geologists David Pelham (Technical Director), Will Cook (Operations Director), Maxime Herbert, Francis Duku and Caesar Oppong (Senior Geologists), Isaac Boadi (Consulting Geologist), and Danae Voormeij (Chief Geologist), whose willing help and assistance is acknowledged.

ACA Howe is an international geological and mining consulting firm which was incorporated in the province of Ontario in 1966 and in the UK in 1978. ACA Howe provides a wide range of geological and mining consulting services to the international mining industry, including geological evaluation and valuation reports on mineral properties. The firm's services are provided through offices in Toronto, Canada, and Berkhamsted, near London, U.K.

1.2. SCOPE AND CONDUCT

This report was prepared by Mr. Richard T.G. Parker and Mr. Leon McGarry.

Richard Parker gained a B.Sc. in geology at Newcastle University in 1968. He is a Member of the Institution of Materials, Mining and Metallurgy, a Fellow of the Geological Society of London and a Chartered Engineer. He worked for several mining and exploration companies before becoming an independent consultant in 1990. He has worldwide experience in mineral exploration, economic geology and mining analysis in base and precious metals, uranium and some industrial mineral deposits. He has carried out numerous international assignments for ACA Howe since March 1996.

Leon McGarry gained a B.Sc. in Earth Science at Brunel University in 2005. He is a Fellow of the Geological Society of London. He worked for exploration, geophysical survey and geotechnical consulting companies before joining ACA Howe International in 2007. He has worldwide experience in mineral exploration and resource estimation of coal, base and precious metal deposits.

Hummingbird has accepted that the qualifications, expertise, experience, competence and professional reputation of ACA Howe's Principals and Senior Associate Geologists are deemed appropriate and relevant for the preparation of the Report. Hummingbird has also accepted that ACA Howe's Principals are members of professional bodies which are appropriate and relevant for the preparation of this Report.

1.3. DISCLAIMER

Hummingbird and its subsidiaries have warranted that full disclosure of all material information in its possession or control has been made to ACA Howe. Hummingbird has agreed that neither it nor its associated companies will make any claim against ACA Howe to recover any loss or damage suffered as a result of ACA Howe's reliance upon the information provided by Hummingbird or its proposed subsidiaries for use in the preparation of this report. Hummingbird has also indemnified ACA Howe against any claim arising out of the assignment to prepare this report, except where the claim arises as a result of any proved wilful misconduct or negligence on the part of ACA Howe. This indemnity is also applied to any consequential extension of work through queries, questions, public hearings or additional work arising from ACA Howe's performance or engagement. Neither ACA Howe nor the author of this report (nor family members or associates) have any business relationship with Hummingbird or any associated company, nor with any other company mentioned in this report, which is likely to materially influence their impartiality or create a perception that the credibility of this report could be compromised or biased in any way. The views expressed herein are genuinely held and deemed independent of Hummingbird. Moreover, neither ACA Howe nor the author of this report (nor family members or associates) have any financial interest in the outcome of any transaction involving the property other than the payment of normal professional fees for the work undertaken in the preparation of this report (which is based upon hourly and daily charge-out rates and reimbursement of expenses). The payment of such fees is not dependent upon the content or conclusions of either this report or consequences of any proposed transaction. ACA Howe has not been asked to verify mineral title, compliance with Liberian laws and regulations or the underlying inter-company agreements and title transfers. Though ACA Howe has carefully reviewed the available information, ACA Howe has not conducted any extensive independent investigation of the data. Hummingbird has reviewed draft copies of the report for factual errors. Hence, the statement and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report. ACA Howe's opinion is provided solely for the purposes outlined in Section 1.1 of this report and ACA Howe consents to the use of the report for this purpose. ACA Howe reserves the right to, but will not be obligated to, revise this report and conclusions thereto if additional information becomes known to ACA Howe subsequent to the date of this report.

1.4. UNITS

All units of measurement used in this report are metric unless otherwise stated. Precious metals values in geochemical analysis are in parts per million (ppm) or parts per billion (ppb) as reported by the originating laboratories. Gold grades in trenching and drilling are expressed in grams per tonne (g/t). Currency is expressed in US dollars unless stated otherwise. Universal Transverse Mercator grid coordinates (UTM) are based on the WGS84 datum. The properties are located in UTM Zone 29 North.

1.5. SOURCES OF INFORMATION

In writing this report, ACA Howe has relied primarily on data, reports and maps supplied by Hummingbird. Other sources of information include published maps and scientific papers, mining company websites and mining company technical reports as cited in section 23, References.

1.6. LIBERIA MINING INDUSTRY

Although artisanal gold and diamond mining is widespread in Liberia, no significant commercial mines are currently active.

The iron ore deposits of Liberia are Archaean age iron formations of itabirite (BIF) type and are associated with metavolcano-sedimentary formations overlying and tightly infolded into the predominantly gneissic basement complex. Iron ore was mined between the early 1950s and 1989 and formed a mainstay of the economy. Ore from the principal mines at Mount Nimba and the 'Western Cluster' was exported via railways through the ports of Buchanan and Monrovia. However the railways and associated port and handling facilities were destroyed during the civil war and now require rehabilitation or re-building. Concessions for the re-development of the Yekepa and Mount Nimba deposits have been granted to BHP Billiton and Arcelor-Mittal, respectively. Arcelor-Mittal has begun reconstruction of the railway leading to the Buchanan port, with every first and second sleeper already replaced.

All diamond production in Liberia came from artisanal alluvial mining which was formerly subject to a UN embargo under the Kimberley Process, but production continues on a small scale. Diamonds occur in two principal areas; in alluvial terrace gravels in the Gbapa area, which is located about 35km south of Nimba and Yekepa on the northern border with Guinea, and within an area roughly between the Lofa River and the Mano and Morro Rivers along the western border with Sierra Leone. Diamond exploration aimed at locating kimberlite sources has recently been carried out in the Lofa-Mano area by Mano River Resources and by Diamond Fields International. A number of kimberlites have been located and explored but have been shown to be either barren of diamond or very low grade. However the abundance of gem quality diamonds and diamond indicator minerals in certain areas points to undiscovered diamondiferous kimberlites. Hummingbird has carried out reconnaissance diamond exploration on its Nimba concession and identified several diamond indicator minerals; however diamond exploration on this project has now been discontinued in favour of the more obvious iron ore potential.

Liberia did not experience the gold exploration boom that took place in the neighbouring countries of West Africa due not only to political instability but also to lack of adequate licensing regimes and mineral databases that were established during the colonisation of those countries whilst Liberia remained un-colonised. Liberia therefore remains markedly under-unexplored in comparison to other countries in West Africa.

A number of companies have been engaged in gold exploration in recent years, including Diamondfields International, African Aura Resources, Mano River Resources, (now both have combined to become African Aura Mining) and a number of privately owned companies including Amlib United Minerals, Freedom Gold (presently inactive), Liberty Mining (presently inactive) and Hummingbird.

Diamondfields investigated the Bateajam gold workings in Grand Gedeh, where artisanal miners are recovering gold from the weathered Birimian regolith in an area close to the main Cestos shear zone. Stream sediment and soil geochemical surveys identified widespread anomalies but follow-up pitting has not established a significant bedrock source.

African Aura Mining has investigated three principal prospects on its Bea Mountain Licence area in Western Liberia where extensive large-scale artisanal alluvial and hard rock mining has taken place at New Liberty, Weaju and Gondoja prospects. Mineralisation is concentrated within sheared ultramafic komatiitic talc schists typical of Archaean greenstone belts elsewhere in the world. ACA Howe estimated a combined resource for New Liberty and Weaju of 768,000 contained ounces of gold at 6.9 g/t Au in 2000. Africa Aura subsequently established a NI 43-101 compliant measured and indicated resource of 13.5 million tonnes at 3.18 g/t Au (1.4 million ounces) at New Liberty. A feasibility study in 2007 indicated limited life for an open pit operation, but significant potential for deeper resources that may be amenable to underground mining. African Aura is currently carrying out a drill programme to investigate this potential.

AmLib is currently drilling on its Kokoya deposit where it has outlined a gold resource of 700,000 ounces. It is also exploring advanced projects at Zwedru, adjacent to Hummingbird's properties.

Freedom Gold, a private company controlled by US evangelist Pat Robertson, carried out exploration on the Bokon Jedeh gold prospect in Sinoe County, southeast Liberia. The prospect lies immediately adjacent to Hummingbird's Dugbe concession, and is discussed in section 10 of this report. The main area of the prospect is understood to be now held by Bokon Jedeh Resources, a Liberian company.

2. RELIANCE ON OTHER EXPERTS

The technical information in this report was derived from company reports, maps, and digital files and memorandums, as well as from discussions with Hummingbird geologists and management. The source data is believed to be reliable but there exist possibilities for error and difference of opinion. Reasonable care has been taken to ensure that this report is accurate and factual. In this regard ACA Howe has made all reasonable effort (including a site visit and review of Hummingbird's operations) to confirm the authenticity and completeness of the technical data on which this report is based.

All maps and digital data relating to license tenure and Mineral Exploration Agreements described in this report have been supplied to ACA Howe by Hummingbird. ACA Howe is not aware of, nor is qualified to provide expert comment on the environmental and/or legal issues associated with Hummingbird's concessions, including any agreements, joint venture terms or the legal status of the tenures.

3. PROPERTY DESCRIPTION, TITLE AND LOCATION

3.1. LIBERIAN MINING LAW AND REGULATIONS

Under Liberia Minerals and Mining law, revised in April 2000, and subject to Regulations of March 2010, all minerals are vested in the state, and the Government has right of eminent domain to expropriate private surface rights for mining development. Mineral licences and development are administered by the Ministry of Lands, Mines and Energy (the Ministry).

Mineral exploration requires a Mineral Exploration Agreement (MEA), which is granted in respect of specified minerals. Those granted to Hummingbird and its JV partners are in respect of 'diamonds, gold and associated minerals (except iron ore)'. The definition of 'associated minerals' is an area of possible latitude and ambiguity, which requires clarification. MEAs are normally granted over licence blocks measuring 10km by 10km. MEAs for iron ore are granted separately, in recognition of the historical importance of iron ore mining in Liberia. Hummingbird has been granted a license for iron ore adjacent to (or overlapping) its former gold and diamond license in Nimba County.

MEAs are granted for a period of three years, after which the holder has the option to extend for a further two-year period over an area which must be reduced by 50%. Hummingbird's original seven licences were subject to such reduction in 2008. Extensions beyond five years are at the discretion of the Minister, and could presumably be granted subject to satisfactory performance and further area reduction. MEAs confer the right to carry of the out all types of exploration including pilot mining.

On application, a fee of US$5,000 per licence is payable regardless of the size of the licence. An annual licence fee of US$5,000, and surface rights payment of US$0.50 per hectare are payable. A work expenditure commitment of US$0.50 per acre per year is required for Hummingbird's initial licences (Dugbe, Ba, Jababli, Zia, and Kana Hills) but for licences acquired under the new legislation this has now risen to US$3.75 per acre per year, rising to US$7.50 in the second year and to US$11.25 in the third and subsequent years. A royalty of 3% is payable to the Liberian government on any gold produced under pilot mining during the exploration period. The rate of royalty on any other minerals mined is left open to negotiation, and the rate of royalties to be paid in the production stage of gold mining has not been noted. There is no set royalty rate on diamonds under the current Mineral Laws of Liberia.

Under the terms of an MEA, the holder is required to employ two geologists or mining engineers from the Ministry of Lands and Mines per licence, and to employ and train Liberian nationals where possible. In practice, Hummingbird has needed to employ expatriate geologists because of the lack of suitably qualified Liberians.

The holder of an MEA is required to submit work programmes annually and to submit summary reports quarterly and expenditures and exploration results annually. The latter requirement has been largely ignored by other MEA holders in the past, with the result that the government does not have an organised archive of previous exploration data. Hummingbird has initiated an exemplary progress reporting system, starting Q3 2010, with hope that other companies will follow suit.

The holder of an MEA may transfer it to a third party, subject to the approval of the Ministry.

The holder of an MEA has the exclusive right to apply for a Mineral Development Agreement (MDA) in respect of the specified minerals. MDAs are granted subject to normal environmental and planning constraints. Royalties payable under an MDA are by negotiation, but recently granted MDAs for gold have been subject to a 3% royalty.

Mining operations may be carried out under three different types of licence, depending on scale and degree of mechanisation. The USGS has summarised the terms of these licences as follows:

Class A Mining Licences—Under a Class A licence, concessions are limited to 1,000km² and are open to foreign ownership. Concessions are valid for up to twenty-five years and are renewable for consecutive additional terms of up to twenty-five years each upon a showing of proven reserves. Class A licence holders are required to enter into a Mineral Development Agreement with the Government and to pay land rent, taxes, and royalties. Mineral Development Agreements are subject to review every five years to take into consideration "substantial changes in circumstances." Royalties for diamond range from 3% to 10% of the appraised value, with periodic reviews by the Ministry of Lands, Mines and Energy to reassess the royalty rate. Royalties are paid directly to the Ministry of Finance.

Class B Mining Licences—Under a Class B licence, concessions are granted for an initial term of five years, and are renewable for consecutive periods of up to a further five years. Mechanised "industrial" mining operations (backhoe excavators, suction pumps, etc.) are permissible under this licence. Foreign ownership is allowed.

Class C Mining Licences—Issuances of Class C licences have been the key regulatory control mechanism over artisanal mining. Concessions are granted for a one year period and all expire on 31 December each year. A licence fee of $350 per claim is required. Only Liberian nationals are eligible for Class C licences. Class C claim areas are limited to twenty-five acres and are restricted to semi-mechanised artisanal mining –generally a "shovel and digger" operation. Several Class C licences may be combined to apply for a Class B licence. The Government placed a moratorium on artisanal mining in January 2005 and announced that no Class C licences would be issued during 2005.

ACA Howe notes that, previously, an MEA could include pre-existing class B and class C licences within its bounds. In some cases, class B licences were granted within the bounds of a pre-existing MEA. This potential compromise to the exclusivity of the MEA has now been rectified by the Ministry, under the new mineral exploration regulations.

Hummingbird has established good working relations with government authorities in Monrovia and in particular with personnel of the Ministry of Lands, Mines and Energy. At local level, excellent relations with various communities in the project areas have been cultivated and maintained by carrying out social programmes and road improvements.

3.2. HUMMINGBIRD PROPERTIES

Hummingbird indirectly holds interests in fifteen MEAs, totalling an area of 7,170km². Eight of these MEAs are held 100% by Hummingbird Liberia, and two are held by Hummingbird's subsidiary, Sinoe Exploration Ltd., of which they own 90%. A further five MEAs are held under joint venture with third parties. Details of these holdings are listed in Table 1 below.

Under a joint venture agreement with Deveton Mining Company, (Deveton), Hummingbird holds an 80% interest in its Zia, Jababli and Ba MEA Licences. The approval of the Ministry of Lands, Mines and Energy to this assignment was granted on 18 May 2007.

Under an agreement dated 18 May 2007, Geotess International Corporation (Geotess) and Hummingbird formed Afro Minerals Inc. in which Hummingbird holds 80% equity and Geotess 20% equity. Geotess agreed to transfer its Kana Hills MEA licence to Afro Minerals. The transfer was approved by the Ministry of Lands, Mines and Energy which granted a one year extension to the initial three year licence term.

Under an agreement dated 10 November 2010 Hummingbird transferred a 20% interest in the Joe Village licence to a local Liberian partner, Liberian Scientific Equipment and Supply Company Inc pending the incorporation of a new Liberian entity through which the partners will hold their respective interests.

The Nemo Creek and Tiehnpo MEA Licences are held by Sinoe Exploration, 90% of which is owned by Hummingbird though its UK subsidiary Golden Grebe Mining Ltd. The remaining 10% is owned by Kwa Exploration, a Liberian company.

ACA Howe has not undertaken a legal review of the mineral title of Hummingbird's Liberian properties or joint venture agreements, however copies of the MEAs, the territory maps of the licence areas held by Hummingbird, which conveyed the rights as stated by the company, were supplied to the author. ACA Howe also inspected copies of the joint venture agreements and consents from the Ministry.

The current mineral exploration agreement areas are illustrated in Figure 1.

TABLE 1. SUMMARY TABLE OF HUMMINGBIRD ASSETS

Asset /Licence Name	Licence Holder	Interest	Status	Licence Expiry Date	Area (km^2)	Comment
Dugbe	Hummingbird Resources (Liberia) Inc	100%	Exploration	24-Oct-11	450	
Mt. Ginka	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	155	
Kana Hills	Afro Minerals	80%	Exploration	24-Oct-11	257	Under an agreement dated 18 May 2007 with Geotess International Corporation, Hummingbird have an 80% equity holding in Afro Minerals Inc.
Jababli	Deveton Mining Company	80%	Exploration	24-Oct-11	400	Hummingbird holds 80%of the project under a joint venture agreement with Deveton Mining Company.
Zia	Deveton Mining Company	80%	Exploration	24-Oct-11	443	Hummingbird holds 80%of the project under a joint venture agreement with Deveton Mining Company.
Ba	Deveton Mining Company	80%	Exploration	24-Oct-11	625	Hummingbird holds 80%of the project under a joint venture agreement with Deveton Mining Company.
Ke Town	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	100	
Zwedru	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	1000	
Tawake	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	665	
Gekehn	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	795	
Blebo	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	300	
Plibo	Hummingbird Resources (Liberia) Inc	100%	Exploration	01-Apr-13	375	
Nemo Creek	Sinoe Exploration Ltd	90%	Exploration	01-Apr-13	690	Though its UK subsidiary Golden Grebe Hummingbird have 90% ownership of Sinoe Exploration Ltd. 10% is owned by Kwa Exploration.
Tiehnpo	Sinoe Exploration Ltd	90%	Exploration	21-Jul-13	665	Though its UK subsidiary Golden Grebe Hummingbird have 90% ownership of Sinoe Exploration Ltd. 10% is owned by Kwa Exploration.
Joe Village	Hummingbird Resources (Liberia) Inc	80%	Exploration	07-Oct-13	250	Under an agreement dated 10 November 2010 a 20% interest in the Joe Village licence is held by Liberian scientific Equipment and Supply Company Inc.

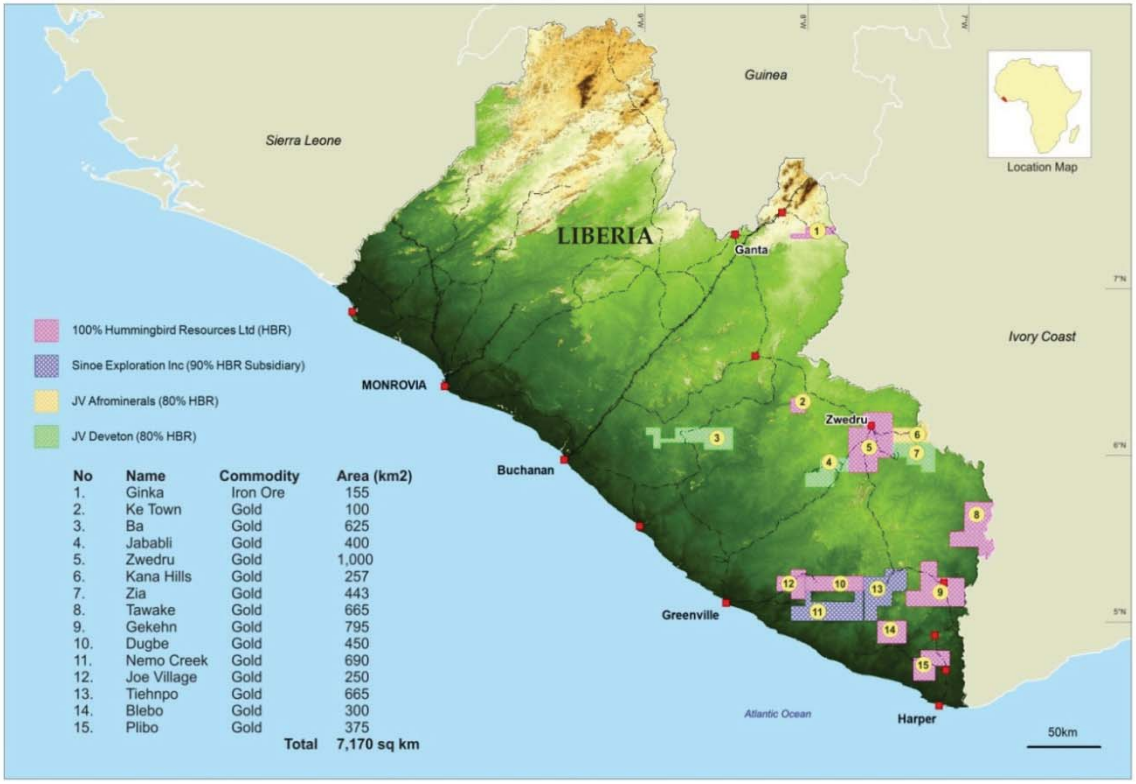

FIGURE 1. MAP OF LIBERIA, SHOWING HUMMINGBIRD LICENSE AREAS

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

4.1. ACCESSIBILITY

Liberia is located on the west coast of Africa and is bordered by Sierra Leone, Guinea and Côte d'Ivoire, centred on latitude 6º 30' North, longitude 9º 30' West (Figure 1). It can be reached from Europe via flights from Brussels four times per week and by more frequent flights from Nigeria and Ghana. All international flights arrive at Roberts International Airport, approximately 50km east of Monrovia.

Presently there are no commercial scheduled air services within Liberia nor are there any helicopters or fixed wing aircraft available for charter. However, helicopter hire services are available in Abidjan in neighbouring Côte d'Ivoire.

All of Hummingbird's licenses can be reached by some form of road, but road access within the licenses is of variable quality, with more remote parts of some of the licenses requiring more than 12 hours walk. Some of the licenses were formerly served by logging roads but as logging was the subject of an embargo until recently, many of these roads are now totally overgrown or in very bad repair.

4.2. CLIMATE

The climate is tropical and humid, with little change in temperature throughout the year. The mean is 27°C (81°F), with temperatures rarely exceeding 36°C (97°F) or falling below 20°C (68°F). On the coast the heat is tempered by an almost constant breeze. Yearly rainfall is as high as 510cm

(200in) on the coast, decreasing to about 200cm (80in) in areas farthest inland. There are distinct wet and dry seasons, most of the rainfall occurring between late April and mid November. Average relative humidity in the coastal area is about 82% during the rainy season and 78% in the dry season, but it may drop to 50% or lower between December and March when the dust-laden harmattan blows from the Sahara.

Fieldwork can be carried out all year round but in many areas, bush roads are challenging during the rainy season.

4.3. LOCAL RESOURCES

Basic field exploration services are available from local contractor, Earthcons Geological Consulting Inc, which has carried out most of the reconnaissance stream sediment surveys for Hummingbird.

Other local exploration services include a sample preparation laboratory in Monrovia run by Alex Stewart Ltd, which prepares rock pulps and sieved soil and stream sediment samples for analysis at OMAC Laboratories, Ireland, which is part of the Alex Stewart Group. There is also a preparation laboratory in Monrovia run by ALS Chemex, with assaying undertaken at the ALS Chemex labs in Kumasi, Ghana.

Experienced Liberian exploration geologists are in short supply due to the former lack of exploration activity. Hummingbird and other companies therefore rely on expatriate geologists.

A number of drilling contractors provide diamond and reverse circulation drilling in West Africa and will mobilise to Liberia when required.

Specialised fabrication and mining engineering services are not available in Liberia but this is expected to change with the development of Yekepa, Nimba, Putu and other large iron ore mines in the country.

4.4. INFRASTRUCTURE

The road network comprises 10,600km of which 650km are paved, the remainder being gravel and dirt roads. Neglect and damage during the civil war have left many roads in poor repair and difficult to travel on, especially during the rainy season. Reconstruction efforts have focused on the routes between the main cities and on those needed to repatriate refugees.

Liberia has four main ports at Buchanan, Greenville, Harper, and Monrovia. The ports of Greenville and Harper were used primarily for the logging trade, while Buchanan was traditionally used for rubber and iron ore exports. Water depth at the harbour at Buchanan limits the size of ships that can berth. Dredging will be needed to accommodate large world-class iron ore carriers that will be required when Liberian iron ore industry has been revitalised.

Liberia had a total of 490km of railway that ran from Monrovia to the closed iron ore mine at Bong and from the Port of Buchanan to Yekepa and the former Nimba iron ore mine. The Buchanan-Yekepa line (267km, standard gauge) is presently being rehabilitated by Arcelor-Mittal to provide transport of iron ore from the Nimba mine.

Monrovia and other centres of population were formerly served by a grid electricity system, running water and landline telephones. Most of the electrical grid was destroyed during the civil war and electricity is now supplied almost entirely by private generators, whilst running water has now been restored to parts of Monrovia. Mobile phone coverage is available in and close to larger

villages and towns throughout the country. Various local wireless internet networks are available in Monrovia.

Hummingbird operates from a well-run office with accommodation in a suburb of Monrovia. Exploration field camps with accommodation and office space are maintained at Zia and Dugbe F, as well as forward bases in Zwedru and Greenville.

Reconnaissance exploration has been carried out using lightweight tents or local accommodation. Where more detailed work has been carried out at Zia and Dugbe exploration camps have been built using canvas tents and locally available material. The camps are well constructed and efficiently run observing high environmental standards. Communications at the camps are maintained using VSAT broadband satellite equipment.

4.5. PHYSIOGRAPHY

Liberia comprises three distinct topographic belts lying parallel to the coast. The low coastal belt is between about 15 and 80km wide, with tidal creeks, shallow lagoons, sandy beaches and mangrove swamps. The land then rises to rolling hills, with elevations of 60 to 150m (200 to 500ft). The third belt, comprising the bulk of Liberia, is marked by abrupt changes of elevation in a series of low mountains and plateaus, less densely forested than the hilly region; these include the Nimba Mountains near the Guinea frontier and the Wologisi Mountains which reach a maximum of about 1,380 m (4,528 feet) with Mt. Wutuvi, the nation's highest point. The six principal rivers all flow southwest into the Atlantic Ocean. Of these, only the Farmington is navigable for a significant distance. Sandbars obstruct the mouths of all rivers, making entrance hazardous, and upstream there are rocky rapids.

All of Liberia was formerly vegetated by tropical rain forest but many parts, especially in the west, have now been deforested due to agriculture, rubber plantations, logging and for fuel, with significant areas now covered by secondary growth. Primary forest covers most of the eastern part of the country, with secondary growth mostly restricted to populated areas.

5. HISTORICAL EXPLORATION

Due to the prolonged period of civil war, Liberia did not experience the high levels of gold exploration that has taken place elsewhere in West Africa over the past twenty-five years. Organised gold exploration has been largely confined to the last five years and there is little evidence of historical exploration having taken place on the MEA areas currently held by Hummingbird.

The Nimba license was formerly held by Diamondfields International who carried out a reconnaissance heavy mineral survey for diamonds. ACA Howe is unaware of any other prior ownership of mining or exploration concessions that are presently held by Hummingbird or its joint-venture partners.

The only other evidence of prior organised exploration is on the Dugbe licence where a small number of exploration trenches believed to be more than seven years old are located close to the gold soil anomaly on block F. Hummingbird understands from local opinion that these trenches were dug by the UNDP in the 1990s.

The only mining and production from the properties is that which has been carried out informally by small scale alluvial artisanal miners.

6. GEOLOGICAL SETTING

The Precambrian rocks of West Africa (Figure 2) belong to the West African Craton, which has resulted from a process of progressive accretion of a series of younger orogenic belts onto the oldest crustal core of early Archaean age, known as the Man Shield. Locally, younger orogenic belts developed inside existing cratons, but more commonly they added to the size of older cratons by accreting new crustal material along their margins.

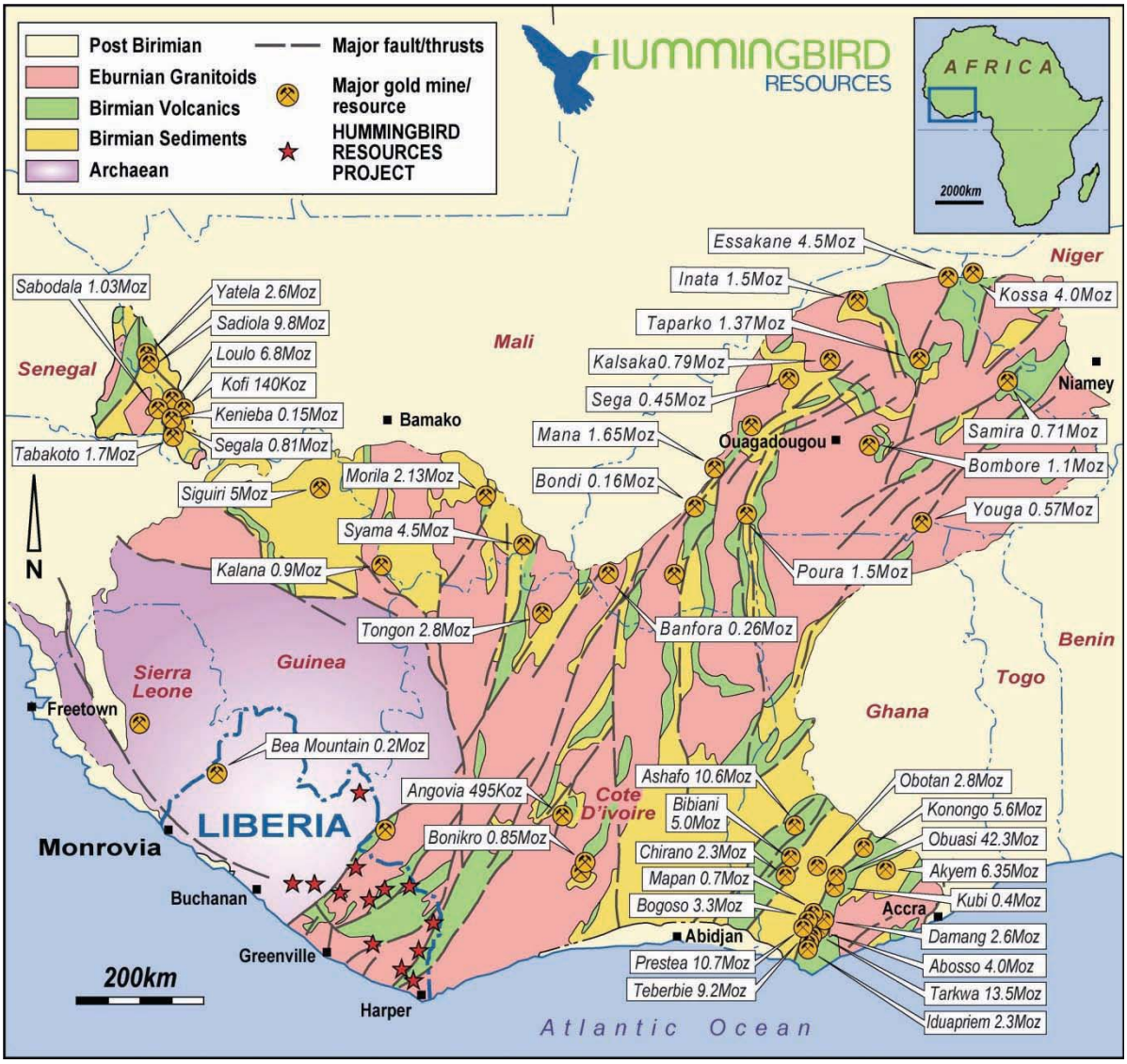

FIGURE 2. GEOLOGY AND GOLD DEPOSITS OF WEST AFRICA

The Archaean rocks were cratonised between 3.5 and 2.6 billion years during the Leonian and Liberian orogenic events to form the Man Shield which underlies most of Sierra Leone and western Liberia. The Man Shield comprises an Archaean core of extensive granitic gneiss/granitoid complexes which envelop supracrustal rocks representing a less metamorphosed granite-greenstone terrane.

The Birimian rocks of West Africa surround the Man Shield to form greenstone belts that extend throughout much of Ghana, Côte d'Ivoire, Burkina Faso and Mali and into Guinea and Niger. The Birimian comprises a very extensive and thick package of metasediments and metavolcanics of Lower Proterozoic age. Birimian rock types comprise sedimentary flysch-type assemblages (including phyllite, schist greywacke and argillite) with a strong volcanic component (principally basic pyroclastic rocks) intruded by polyphase granites. They are generally of lower metamorphic grade, most commonly greenschist facies and were subject to metamorphism during the Eburnean orogeny dated at 2.15 to 2.19 billion years (Milesi et al, 1989).

The Pan-African orogeny of Upper-Proterozoic to Lower Palaeozoic age (600-500 Ma) was the last major tectonic event in West Africa. This event completed the addition of new crustal material to the older cratons and re-metamorphosed older pre-existing lithologic sequences of Archaean to Late Proterozoic age (i.e. the Liberian and Eburnean age metamorphic provinces). Pan-African mobile belts rim the western margins of West Africa and along Liberia's coast. The end of the Pan-African orogeny welded the various cratons of all of Africa together to form the approximate current shape of the continent of Africa. To a great extent, the older Archaean to Lower-Proterozoic crustal material was preserved along with the contained base-metal and gold mineralisation within the Pan-African belts.

The geology of Liberia (Figure 3) is poorly understood in comparison with that of neighbouring countries due largely to the years of civil war during which no significant geological mapping, research or exploration was carried out. The most reliable and complete geological mapping was performed by US Geological Survey in the 1970s, resulting in coverage of the entire country at 1:250,000 scale. This mapping has formed the basis for Hummingbird's exploration strategy. Other maps include those by BRGM (Milesi et al), The Commission for the Geological Map of the World, UNESCO, and the Council for Geoscience, South Africa (Veselinovic-Williams and Frost-Killian, 2002; and Choubert, G. and A. Faure-Muret, 1988). These cover neighbouring parts of West Africa and serve to place Liberian geology in its wider context.

Liberia is underlain by three main rock assemblages, Archaean age granite gneisses of the Man Shield in the west and Lower Proterozoic volcanics and sediments of the Birimian Supergroup in the east and a belt of Pan-African rocks along the coast (Figure 3). The Archaean comprises medium to high grade metamorphic rocks which in Liberia have been mapped and described in the 1970s by USGS who recognised a variety of gneissic rocks including granitic, granodioritic, quartz dioritic, leucocratic and melanocratic types. These gneissic rocks envelop supracrustal rocks that are generally of lower metamorphic grade and include schists, amphibolites and quartzites, and silicate and oxide facies occurrences of banded iron formation (BIF or itabirite) on which the major iron ore deposits are based (Nimba, Bong etc) and which host a number of gold deposits, as discussed in section 7.

The structural grain of the metamorphic rocks in the Liberian and Eburnean age provinces trends mainly northeast, whereas that of the Pan-African age province trends northwest (Figure 3). The metamorphic rocks record several episodes of deformation, including several generations of folding and faulting, metamorphism, and locally inferred unconformities. Isoclinal folds that have steeply dipping limbs and gently to moderately plunging axes are the norm and range from microscopic to several kilometres across.

The actual extent of the Birimian in Liberia is subject to some uncertainty; the rocks of the extreme southeast of Liberia (i.e. east of the Dube shear zone, Figure 3) are of undisputed Birimian type. The rocks in the Dugbe area forming part of an extensive NE-SW belt of composite gneiss (designated gn2 in the USGS mapping of the 1970s) that extends through Dugbe to Greenville, can also be assigned to the Birimian based on USGS Sr-Rb age of 2000 MY on graphitic rock near Greenville

Further west zones of major crustal-scale shearing, with a strong strike-slip component represent a transition zone where belts of Archaean and Birimian age rocks alternate, (and may represent anticlinal and synclinal fold cores respectively), separated by shear zones that generally trend northeast-southwest. The rocks between the Dube shear zone and the Cestos shear zone are of uncertain affinity and have been variously assigned to the Archaean or the Birimian, dependent largely on metamorphic grade. Some of the lower grade schist belts represent the southward strike extension of Birimian belts that have been defined in the adjacent relatively well-explored parts of Côte d'Ivoire, and these include the Ity belt which hosts the profitable Ity gold mine. Some of the intervening gneiss belts may represent more highly metamorphosed Birimian, but other belts include BIF which is not widespread in the Birimian and suggests Archaean affinity. The shear zones must be considered as prospective sites for gold mineralisation by comparison with other greenstone terranes and because of their frequent spatial association with placer gold.

A system of northwest-trending diabase dikes of Jurassic age forms a linear pattern across the geologic map of Liberia and exhibits negative magnetic anomalies of 50 – 150 gammas that impart a prominent linear grain to the aeromagnetic map. Jurassic to Cretaceous age kimberlite rock has been mapped in northwestern Liberia, with some localities reportedly diamondiferous (Kushner, 2005). The prevalence of abundant placer gold and diamond workings throughout the country indicates probable local sources to these alluvial and eluvial deposits.

Tropical weathering has produced large areas of lateritic and duricrust soils over significant areas of Liberia and has resulted in scarcity of outcrops and effectively masked much of the underlying geology of the country. Bedrock is commonly saprolitised to depths of a few metres to several tens of metres. As a result of this deep weathering, and due to the low relief of much of the country, outcrop is limited. Where outcrop does occur it is commonly as in-situ saprolite or lateritic residuum. In these cases it is often difficult to characterise the protolith and mapping of the regolith is important.

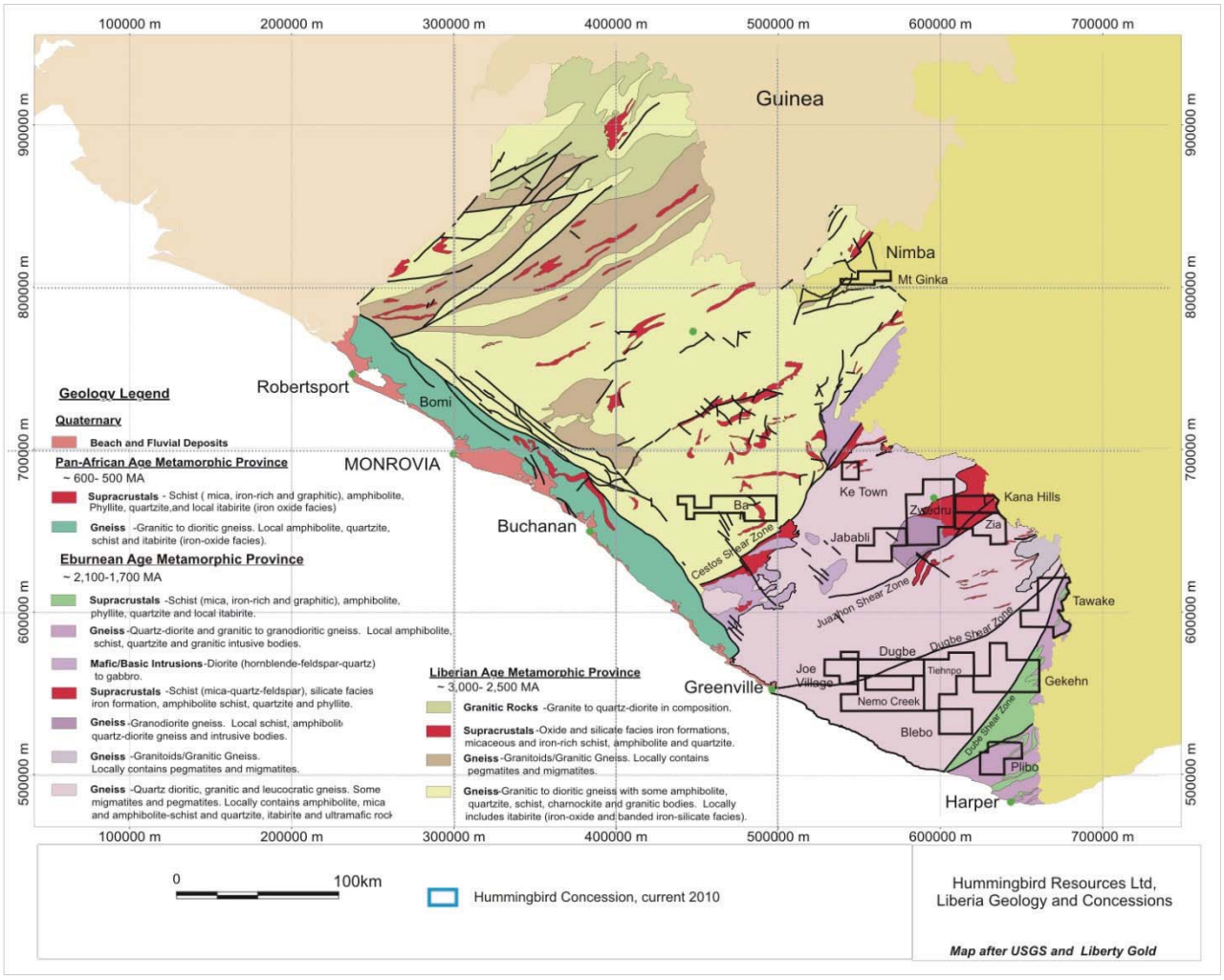

FIGURE 3. GEOLOGY OF LIBERIA, SHOWING HUMMINGBIRD CONCESSIONS

7. DEPOSIT TYPES

Alluvial gold is widespread in Liberia and has been worked, mostly on a small scale, at numerous localities. The Hummingbird licenses include areas of placer gold which have been exploited irregularly by artisan miners. In general these are creek placers that are developed in and immediately adjacent to the present drainage and in which alluvial gold occurs in coarse gravel consisting predominantly of quartz pebbles. These alluvial deposits are generally less than one metre thick, but the possibility exists that more substantial placers may exist within river terraces. The distribution of creek placers is in most cases probably related closely to the primary distribution of gold mineralisation in bedrock, and the identification and mapping of placers and associated artisan workings therefore provides a valuable exploration guide. Artisan workings commonly commence as alluvial workings and progress upstream to their source, which may be represented by eluvial, saprolitic or primary mineralisation. ACA Howe is not aware of any extensive artisan workings apart from alluvial type existing on the Hummingbird licences, but the Jababli artisan workings include some in saprolite.

Hummingbird's exploration to date has identified bedrock mineralisation in trenching and drilling at Dugbe and in artisan workings at Sloh-Meh and Peace Camp. However a number of different deposit types occur in similar rocks elsewhere in West Africa and globally, and are therefore discussed as possible targets or exploration models. The granite/greenstone orogenic gold deposit type is of most relevance to Liberia, both in Archaean and Birimian terrain.

The Archaean rocks of the Man Shield hold good potential for granite/greenstone hosted gold deposits which can be inferred by analogy with other similar Archaean terranes such as those in Canada, Australia, Brazil and Tanzania. The prevalence of banded iron formation in some of the Archaean supracrustals suggests a potential for gold deposit of Homestake-type. Archaean rocks are largely restricted to Sierra Leone and western Liberia and have been poorly explored due to former political instability. However recent exploration has started to confirm this potential with the discovery of the Baomahun deposit (Cluff Gold) in Sierra Leone and the New Liberty deposit by Mano River Resources (now African Aura Mining) in western Liberia. Like many Archaean cratonic areas of the world, the Man Craton also contains good potential for diamond deposits, as exemplified by the Kono diamond field in eastern Sierra Leone, one of the world's most prolific alluvial diamond fields.

The Birimian rocks of West Africa host numerous world-class, multi-million ounce gold deposits, including Obuasi, Yamfo and Chirano in Ghana; Sadiola Hill, Loulou and Morila in Mali and Siguiri and Lero-Fayalala in Guinea, as well as a host of other smaller deposits. The majority of these deposits were discovered during the past twenty-five years when exploration activity was encouraged by a high gold price and by liberalisation of the economies and legislations of most West African countries. The main episode of gold mineralisation appears to have been controlled by regional-scale shear zones. The majority of the gold deposits are associated within structures that are subsidiary to major shear zones, and include disseminated sulphide type (DST) and later quartz-sulphide veins and stockworks. The Birimian gold deposits are generally characterised by lower content of associated elements such as silver, arsenic and base metals than the Archaean deposits.

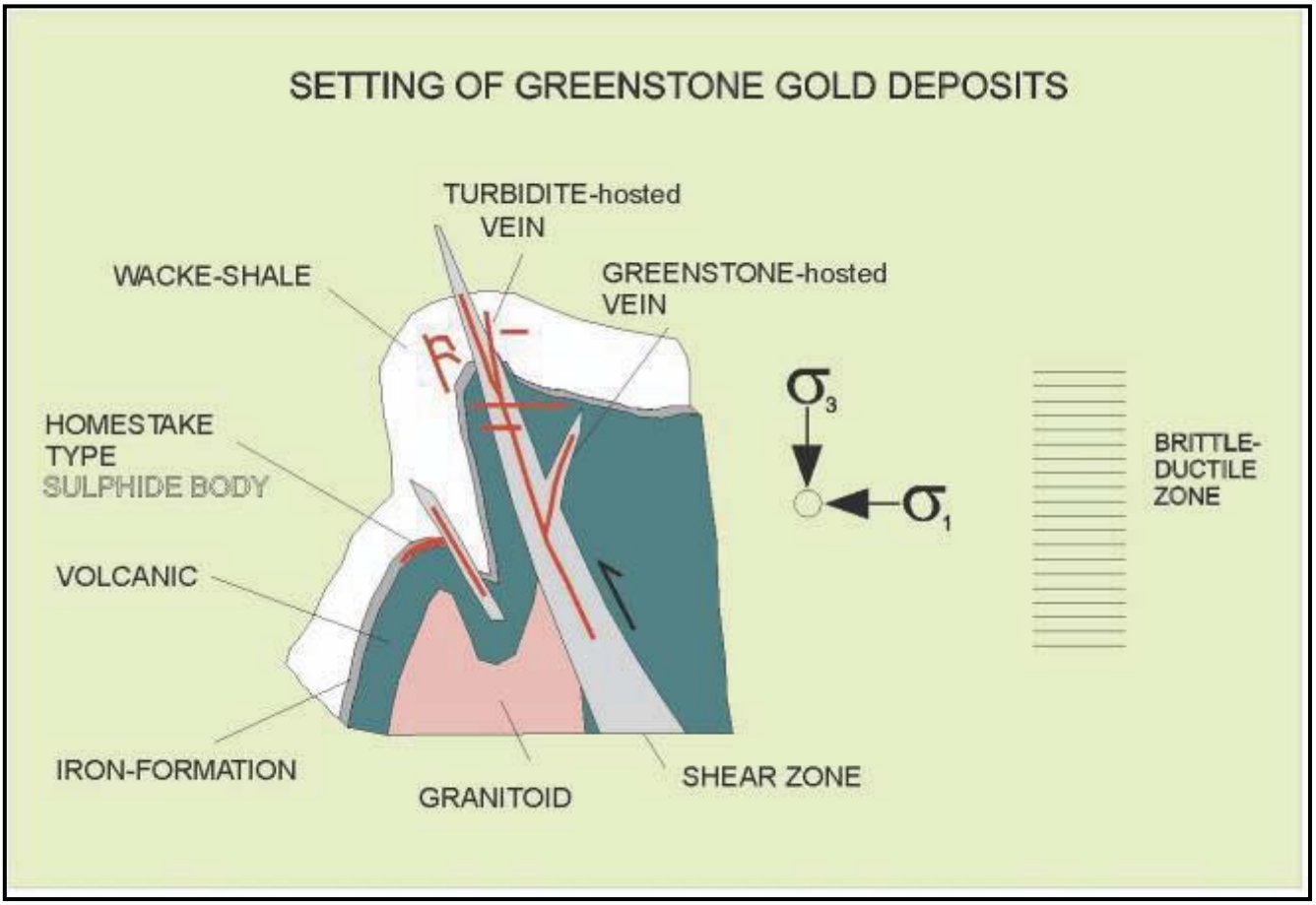

FIGURE 4. SCHEMATIC DIAGRAM ILLUSTRATING SETTING OF GREENSTONE HOSTED LODE GOLD DEPOSITS

The Birimian is regarded as holding a higher gold potential than the Archaean, in terms of the size of gold deposits, but whether the rocks of any particular belt are assigned to the Archaean or the Birimian may be less important than the metamorphic grade; lower grade rocks such as schists and phyllites are generally regarded as more prospective for the formation and preservation of gold deposits than higher metamorphic grade rocks such as gneisses and granulites in which pre-existing gold deposits may have been disrupted or dispersed. Metamorphosed greenstone-hosted deposits may be less easily recognisable in the field since typical visible features such as hydrothermal alteration and crosscutting veins may have been overprinted by metamorphic features. The Bokon Jedeh and Dugbe deposits, discussed in section 9.8.2, appear to represent this type of metamorphosed Birimian mineralisation.

Hummingbird has selected ground along major crustal-scale thrust faults or shear zones either within Birimian greenstone belts or at the contact between the Birimian and the Man Craton (see Figure 3). These are postulated to be zones of repeated deformation and magmatic activity accompanied by magmatic and metamorphic hydrothermal systems and hence prospective for orogenic (mesothermal) gold mineralisation of Granite-greenstone type.

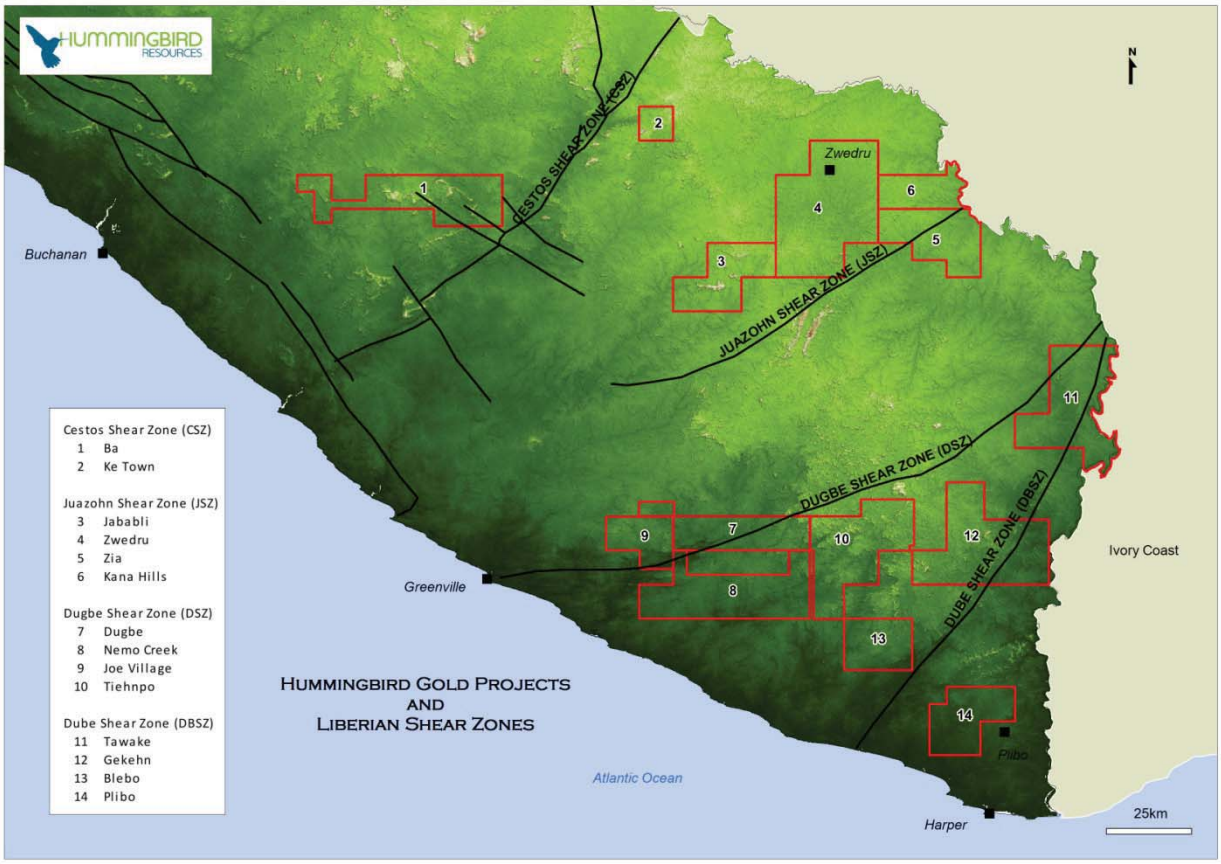

FIGURE 5. HUMMINGBIRD GOLD PROJECT AREAS AND LIBERIAN SHEAR ZONES

Hummingbird's ground selection is endorsed by the fact that Newmont Mining Corporation has acquired concessions along strike of Hummingbird's on the same belts in Côte d'Ivoire. Newmont's strategy in this region was guided by their multi-layer WARFS (West African Regional Framework Study) compilation, which identified prospective belts throughout the Birimian region on the basis of all available geological, geochemical and geophysical data. ACA Howe notes that the WARFS compilation closely endorsed Hummingbird's selection of new concessions in eastern Liberia.

The tropical weathering that is ubiquitous in Liberia is likely to have resulted in significant re-distribution of gold within surface layers, with important consequences for the grade and morphology of the deposits and the exploration procedures required to detect them. The Ity deposit in Côte d'Ivoire provides an example where weathering has resulted in supergene enrichment and created economic gold concentration within the saprolite and laterite horizons.

Tropical lateritic weathering regimes pose two primary barriers to mineral exploration. The subsurface may be obscured firstly by a thick blanket of lateritic residuum (lateritic gravel and ferruginous duricrust) and associated soils; and secondly, by deep zone of clay-rich weathering covering the potential ore body. By understanding the palaeo-weathering history of a region and the dispersion patterns of elements such as gold (which is inherent in the weathering of these systems), it is then possible to utilise geochemistry to locate concealed bedrock mineralisation and gold-bearing structures.

However, it should be noted that the development of lateritic profiles in Liberia is very variable. In the Dugbe area of eastern Liberia, for example, there is little or no laterite development, weathering

depths are very shallow (commonly less than 5m) and standard soil geochemical techniques and approaches work excellently.

The iron ore deposits of Liberia have played a major role in the economy of the country and include those which have been mined at Nimba, Western Cluster and Bong, and undeveloped deposits such as Wologisi and Putu. All belong to the itabirite type of deposit, otherwise known as Banded Iron Formation (BIF), consisting of bands of iron minerals (magnetite and hematite) and gangue minerals (mostly carbonates, silicates and chert). Typically, unenriched BIF contains about 30% iron by weight. This type of deposit is frequently enriched to hematite by supergene processes and accounts for the greater proportion of iron mined worldwide including Carajas, Brazil, and Pilbara, Australia. The major iron ore deposits of West Africa also belong to this class of deposit and include Nimba, Simandou in Guinea and Zouerate in Mauritania. BIF deposits are confined to the Precambrian era and are either Archaean or Proterozoic in age.

The Middle Proterozoic deposits such as Nimba and Simandou are generally more permeable, thereby allowing deep percolating groundwaters to leach the non-iron minerals in the BIF and replace them by hydrous iron oxides (notably goethite). At the same time, magnetite in the BIF is oxidised to hematite. This supergene enrichment can cause an increase in the grade of these deposits to depths of several hundred metres.

In Liberia prolonged weathering above a Jurassic land surface at around 700m above mean sea level was responsible for the enrichment of the Nimba deposit and other BIF deposits that lie above this palaeosurface.

Archaean BIF deposits are widespread throughout West African cratons, but are generally less permeable and less susceptible to supergene enrichment. Instead, these types of iron ore deposits are amenable to metasomatic upgrades through partial recrystallisation of the magnetite rich layers. In Liberia the Putu (Severstal and Africa Aura; 1 billion tonnes at 37.6% Fe), Bong (China-Africa Development Fund and Wuhan Iron and Steel Co: 2.8 billion tonnes at 35.5% Fe) and Hummingbird's Mount Ginka deposits are of this type.

Orogenic hosted gold deposits are frequently hosted by BIF which forms a favourable host probably on account of its physical and chemical properties. BIF is hard and brittle rendering it amenable to forming and retaining open spaces during deformation. The chemical nature of BIF may also play an important role in gold precipitation. Global examples of BIF hosted gold deposits are numerous and include Homestake (U.S.A.), Passagem (Brazil), Lupin (Canada) and Geita (Tanzania).

Hummingbird is targeting BIF hosted gold deposits at Zia and Kana Hills where a BIF ridge trends along the Juazohn Shear zone and is thrust over the gneissic basement to the west. The BIF ridge extends 25km through Zia and Kana Hills and there are numerous artisanal gold workings located along the drainages from the ridge feature.

At Jababli, Hummingbird is targeting amphibolite hosted skarn gold deposits of the Nevoria (Southwest Australia), Kolar (India) and Hemlo (Canada) type. This is based on evidence of calc-silicate alteration encountered in an amphibolite ridge in mylonitic contact with basement granodiorite gneiss.

8. MINERALISATION

Although there are widespread occurrences of alluvial gold within Hummingbird's license areas, examples of bedrock mineralisation are rare, being limited to those at Dugbe F and possible examples exposed in saprolite in artisanal workings at Sloh-Meh and Peace Camp at Jababli. This is to be expected, given that exploration Hummingbird is the first company to have carried out

exploration in most areas, and in view of the deep tropical weathering, forest cover and metamorphism that obscure visible evidence of mineralisation.

The mineralisation encountered at various localities is described in the relevant section of this report.

9. EXPLORATION

To date, Hummingbird has collected 6,181 stream sediment samples and more than 12,000 soil samples across the properties. An additional 3.5km of trenches have been excavated, mapped and sampled. As a result, a significant number of geochemical anomalies have been delineated, which are the focus of ongoing exploration activities. The most advanced gold properties are Dugbe, Zia and Jababli, with Dugbe Block F currently in the stage of resource drilling.

The stream sediment surveys approximate to one sample per 1.5 to 2.km². The samples are fairly evenly distributed over the MEA areas and provide a good areal coverage. Analytical results have been compiled into a database management system (using an Access database) and plotted through a GIS system (MapInfo) to provide a reliable indication of gold potential within individual areas.

Hummingbird has carried out soil geochemical surveys in four MEA areas where some of the most prominent stream sediment gold anomalies were located, namely Zia, Kana Hills, Dugbe, and Jababli. The results to date have defined strong and coherent gold anomalies at Dugbe Block B (8km long gold in soil anomaly), at Dugbe Block F (4.8km long gold in soil anomaly), a series of stratabound coincident gold and arsenic anomalies at Jababli's Peace Camp and more subtle gold in soil anomalies trending parallel within the BIF ridge striking through Zia and Kana Hills.

Soil geochemical anomalies at Zia and Dugbe have been investigated by auger sampling and by trenching. High gold values encountered in trenching at Dugbe were investigated by diamond drilling to test continuity at depth and highly encouraging results lead Hummingbird to resource drilling in 2010 for a total of 14,082.1m of diamond core.

Details of exploration results are discussed fully in the following sections.

9.1. MOUNT GINKA MEA

9.1.1. AREA, LOCATION AND ACCESS

The Mount Ginka MEA (for iron ore) extends to 155km² covering a ridge of iron formation 30km in strike length. It is located within Nimba County in north central Liberia, approximately 275km east-northeast of Monrovia, and adjoining the border with Côte d'Ivoire. The corner co-ordinates of the licence are contained in Appendix I.

The MEA is located approximately 275km northeast of Monrovia, centred on Latitude 7º 15' North, Longitude 8º 30' West. It can be reached from Monrovia via a well-maintained bitumen road to Ganta (250km kilometres), then via a well-maintained gravel road to Sanniquellie (35km), a small town located 12 kilometres northwest of the MEA.

The area lies some 15km south of the major Mount Nimba iron deposit, which is discussed in more detail in section 9.1.5. Largely as a consequence of the iron ore mines, the region benefits from good infrastructure and access and the MEA area is accessible by a network of roads serving scattered villages. The Mount Nimba-Buchanan Railway which was formerly used to export ore passes approximately 15km west of the MEA.

The area is centred on a prominent ridge extending east-west for 30km and rising to 529m at Mount Ginka. The ridge is caused by a resistant itabirite horizon and is dissected at mid point by a structural break.

The area is vegetated predominantly by secondary growth forest interspersed with subsistence agricultural clearings and with occasional stands of degraded primary tropical forest.

9.1.2. LOCAL GEOLOGY AND MINERALISATION

The 1:250,000 scale USGS is the main source of geological information for the area. It depicts a horizon of iron formation (is, Itabirite) which forms a low ridge of which Mount Ginka is the highest point. This ridge strikes east-west for 30km along the length of the licence. The iron formation unit is recorded as mostly of silicate facies with subsidiary oxide facies (itabirite or Banded Iron Formation; BIF). The area north of the ridge is depicted as underlain by massive granitic gneiss (gng1), whereas well foliated leucocratic gneiss, (gnl) occurs to the south.

Haematite enrichment plays an important role in the upgrading of the Mount Nimba deposit, and is believed to be related to a Jurassic land surface at around 700m elevation. Mount Ginka lies below that elevation and is believed to have been unaffected by the enrichment process. The unusual east west trend (as opposed to the typical northeast trend of most geological features in West Africa) and the apparent offset mid way through the 30km long strike length of the ridge suggests renewed tectonism and potential for metasomatic upgrade of iron through recrystallisation of the magnetite to coarser grain size, as was the case at Bomi Hills.

Alluvial gold and diamond occurrences forming the basis for former small scale placer operations occur within the area, principally along the Ya River and its tributaries. ACA Howe is not aware of any records or occurrences of bedrock gold mineralisation on the concession area.

9.1.3. EXPLORATION WORK AND RESULTS

ACA Howe is not aware of any previous exploration work having been carried out on the Mount Ginka MEA area, however, in view of the proximity of the Mount Nimba iron ore deposit it seems probable that reconnaissance iron ore exploration would have been undertaken during the period of mining operations. Small scale artisanal gold and diamond mining is understood to have been undertaken along the Ya River in the area immediately east of Sanniquellie and north of Mt Ginka prior to the embargo on diamond mining and export.

Hummingbird previously held an MEA covering the Nimba area, located immediately north of Ginka. Reconnaissance drainage geochemistry indicated low grade gold anomalies and anomalies in diamond indicator minerals, but these were insufficiently attractive to warrant retention of the licence, particularly in view of the company's strong focus on gold targets further southeast.

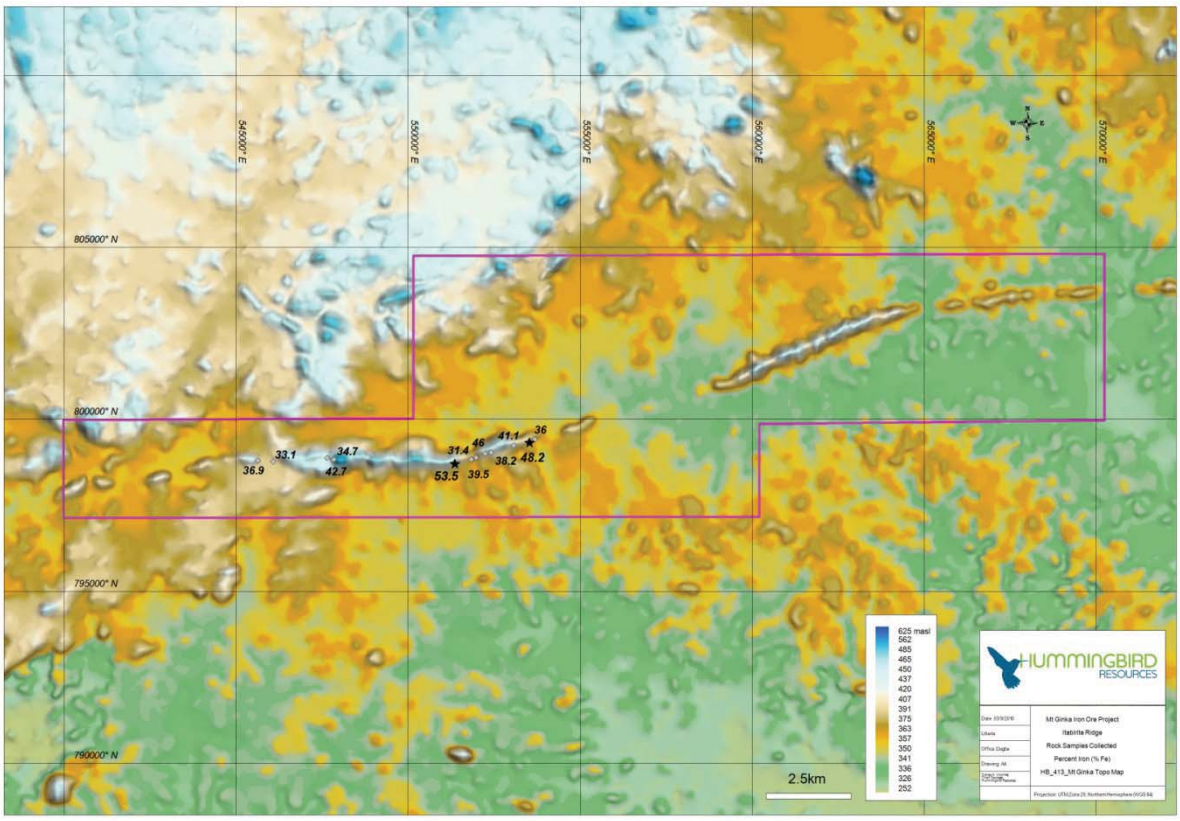

FIGURE 6. MT GINKA ITABIRITE RIDGE AND IRON CONTENT OF GRAB SAMPLES

9.1.3.1. Geological Mapping and Sampling

Geological mapping on the ridge by Hummingbird has located only two in-situ outcrops. The first of these is in a road cutting across the eastern extent of the western ridge south of Lole village (551841E/798808N). The roadside exposure indicates a silica rich itabirite facies unit which is highly magnetic although oxidised with reduced magnetism on weathered and oxidised surfaces. The unit in exposure is relatively thin (approximately 8m across) dipping at 82 degrees (sub-vertical) and striking 266 degrees. It is heavily jointed at right angles to dip/strike and although it is well indurated is also highly friable due to it laminar banding and multiple joint sets.

Elsewhere on the ridge itabirite float has been widely recorded and mapped over widths of up to 150m although this is unlikely to indicate the extent of sub surface mineralisation.

A suite of thirteen representative samples were selected and sent for analysis at ALS laboratory Group (Johannesburg, RSA) for Fusion XRF including twenty-four elements and Loss on Ignition (LOI). Analytical results indicate iron content of between 31.4% and 53.5% Fe, and an average of 40.02% Fe. All of the samples contained high silica, ranging between 19.65% and 46.30% and low contaminants (0.05% P; 0.01% S and less than 2% Al_2O_3).

9.1.4. ACA HOWE FIELD VISITS

ACA Howe visited the Mount Ginka area on 18 April 2008 and observed steeply dipping outcrops of strongly magnetic banded iron formation in roadcuts on the ridge. Grab samples of iron formation material from this location taken by ACA Howe returned 33.4% Fe and 38.4% Fe (see Table 3).

Roadcuts on the slopes of the ridge expose sericitic schists. Outcrops of saprolitised granite gneiss are exposed along roadcuts at the base of the ridge. These geological features are in accord with those depicted on the USGS map.

9.1.5. ADJOINING PROPERTIES

The Mount Ginka area lies immediately south of the major Mount Nimba iron deposit. This deposit was worked extensively by LAMCO who produced reportedly between 12Mt/yr and 24 Mt/yr of high grade direct shipping ore during the period 1964 to 1989 and exported the ore via a 267km rail link to the port of Buchanan prior to closure in 1991.

The Mount Nimba deposit and the associated port and railway are presently undergoing redevelopment by Arcelor-Mittal. Additional exploration is also presently ongoing west of the Mt Ginka concession by BHP Billiton who have been actively exploring Mt Kitoma, approximately 10km south west of Sanniquellie, since 2005.

BHP Billiton have identified an enriched coarse grained magnetite itabirite ore (BIF) concealed by a deep weathering profile (60 to 100m) and in places a laterite cap. Assay results indicated iron percentage to be approximately 40% with low P and Al. SiO2 was noted to be in the region of 50%. It has been reported that localised Fe% have been recorded above 60% and are related to structurally enriched zones.

9.1.6. MOUNT GINKA CONCLUSIONS AND RECOMMENDATIONS

Mt Ginka is located near an existing rail line that connects the BHP Billiton and Arcelor-Mittal iron ore projects at Nimba to the deep sea port in Buchanan. Hummingbird intends to investigate the

iron ore potential by carrying out an aeromagnetic survey at 50m line spacing covering the 30km strike length of the Mt. Ginka itabirite ridge. Positive results from the aeromagnetic survey will be followed up with geological mapping and trenching. Samples will be submitted for testing by Davis Tube to determine the amenability to upgrade by magnetic separation.

9.2. ZIA MEA

9.2.1. AREA, LOCATION AND ACCESS

The Zia MEA covers an area of 443km² (having been reduced by 50% during 2008 from an original 875km²), located within Grand Gedeh County in north east Liberia, approximately 275km east-northeast of Monrovia, and adjoining the border with Côte d'Ivoire.

The MEA is centered on Latitude 5º 47' North, Longitude 7º 50' West. It can be reached from Monrovia via a well-maintained bitumen road to Ganta (250km), then via a well maintained gravel road to Zwedru (195km) and a moderately well maintained dirt and gravel road for 42km to the village of Boundary, close to the northwest boundary of the concession. Hummingbird has re-habilitated an old logging road for a distance of 8.5km to access its tented exploration camp which is located close to the main area of stream sediment gold anomalies and artisanal gold workings. Access to other parts of the concession is via bush trails through the forest.

The topography of the area is subdued and undulating, with a narrow ridge of low hills caused by a more resistant Banded Iron Formation (BIF) horizon trending northeast-southwest across Block A. The drainage is of a reticulate pattern following the northeast-southwest structural grain. The majority of the concession lies within the watershed of the Dube River which flows eastwards across the southern Blocks of the concession. The northeast part of the concession drains northeastwards into the Cavally River which forms the boundary with Côte d'Ivoire.

The area is vegetated predominantly by primary tropical forest interspersed with areas that have been cleared for subsistence agriculture or abandoned to secondary growth.

9.2.2. LOCAL GEOLOGY AND MINERALISATION

The main source of geological information is the 1:250,000 scale geological map published by the USGS. This depicts the majority of the area as underlain by leucocratic gneiss which is well-foliated and contains amphibolite units and a number of lenses of iron formation.

Block A is traversed by the Juazohn shear zone, a northeast-southwest trending regional structure that can be traced through Côte d'Ivoire to the Liberian coast. The rocks to the northwest of the shear zone are depicted on the USGS map as undivided schists ("s", including quartz-muscovite schists, micaceous quartzite and pelitic phyllite). The Juazohn Shear Zone has thrust a package of basement gneisses including BIF westwards over the schists.

During the course of ACA Howe's very brief field visit in 2008, a number of outcrops were observed which were in accord with the geology as depicted by USGS.

Alluvial gold occurrences forming the basis for small-scale placer operations occur within the area, particularly in the vicinity of the Juazohn Shear Zone. The USGS map depicts an alluvial mining occurrence at Truma on the Dube River in the southwest of the concession on block E, now relinquished.

ACA Howe is not aware of any records or occurrences of bedrock gold mineralisation on the license area.

The extent and quality of the iron mineralisation of the itabirites within the Zia MEA is not known.

Extensive deposits of itabirite iron formation occur at Putu, between 10 and 30km west of the Zia Licence and are presently under investigation by Putu Iron Ore Mining (a JV between African Aura Mining and Severstal). African Aura -Severstal are currently conducting a 62,000m drill programme at Putu, aimed at increasing the resource from 1 billion tonnes at 37% Fe to 2 billion tonnes and demonstrating potential for an additional 2 billion tonnes. The African Aura-Severstal JV is planning to build a 130km railway from the Putu site to Greenville, at a budgeted cost of US$300 million, linking to a new iron ore loading terminal at Greenville. The Zwedru to Greenville road will be paved as part of the development.

Putu Iron Ore (a joint venture between African Aura Mining and Severstal) was granted an MDA for the Putu Iron Ore project in September 2010. The JV plans to complete a feasibility study by 2013 and, following three years construction at a Capex of US$2.5 billion, to start production in 2016. The construction of the Putu railway and ore loading terminal and refurbishment of Greenville port will give a major economic boost to the Sinoe and Grand Gedeh County region.

9.2.3. EXPLORATION WORK AND RESULTS

ACA Howe is not aware of any previous exploration work having been carried out on the Zia MEA area.

Stream sediment reconnaissance and detailed work was completed by Earthcons personnel using local accommodation and lightweight tents. With the identification of prominent anomalous targets on block A, access was improved by rehabilitation of the logging road east of Boundary Village and a good quality 50-man tented camp was installed.

9.2.3.1. Stream Sediment Sampling

Hummingbird carried out reconnaissance stream sediment sampling during 2007 during which a total of 260 sites were sampled for gold and diamonds in first pass survey according to the methods described in Section 11 of this report. The area covered was limited to the five most northerly blocks, or approximately 56% of the licence area. The four most southerly licences were not covered by the reconnaissance stream survey due to their inaccessibility. Follow up stream sediment sampling for a further 162 samples was conducted in a second pass.

Sample density equates to approximately one sample per 2km². ACA Howe notes that the samples are fairly evenly distributed over a reticulate stream drainage system, so providing a coverage that is a reasonable test of the gold potential of the MEA.

The results of gold analyses identified anomalous high values concentrated predominantly within block A in the vicinity of the Juazohn shear zone. Twelve sites recorded highly anomalous gold values in excess of 1000 ppb Au, with a maximum value of 34,060 ppb Au. Elsewhere, a coherent anomaly (maximum 1637 ppb Au) occurs near Deli in the south of block G in proximity to a mapped lens of iron formation. These areas of potential have been retained within the reduced area of the MEA following relinquishment of 50% of the area during 2008.

FIGURE 7. ZIA MEA: BLOCK A, EXPLORATION RESULTS FOLLOW-UP, SHOWING BIF RIDGE AND PROPOSED DRILL FENCES (1-4)

Detailed follow up stream sediment sampling was carried out over the stream sediment anomaly identified in block A in order to confirm and better define the anomalous zones. Samples were collected at 200m intervals above the anomalous sites identified from the reconnaissance survey, according to the follow-up procedure described in Section 11 of this report.

Analytical results showed consistent anomalous gold values above 1,200 ppb Au generally over several hundred metres of stream section. Anomalous results in adjacent streams define coherent anomalous zones aligned northeast-southwest parallel to the regional strike and lying on either side of a distinctive topographic ridge (Figure 7) and occupying an area of approximately 10km by 4km.

9.2.3.2. Soil Sampling

In order to facilitate soil sampling, Hummingbird cut a grid of survey lines over the anomalous target areas on block A. The grid comprises a baseline oriented east-northeast, parallel to the regional strike and a series of perpendicular offset lines at 400 metre intervals. The 13km base line is marked by concrete survey points and pickets. Offset lines are marked by pickets at 40m intervals. Approximately 60km of cut and surveyed lines have been completed to date. A total of 3,050 soil samples were collected at 40m intervals along cut lines.

Analytical results indicated a sporadic distribution of anomalous gold values, with few coherent anomalies. only three samples exceeding 1ppm Au (1.73; 2.53 and 2.68 ppm Au and it is likely that the high iron content in the soils, derived from the BIF rocks, have contributed to significant lateritisation, effectively masking the gold signature.

A number of the stronger and more coherent soil anomalies were tested by 127 deep soil auger and pit samples. This work failed to define any significant mineralised zones or anomalies, returning only three isolated values above 100 ppb (maximum 746 ppb). Due to soil depths, none the auger holes and very few pits reached bedrock or even saprock.

The gold soil results are much lower than the stream results from the same area. Possible reasons for this are discussed in the following section.

Nineteen grab samples of quartz vein float and other rock fragments collected from the vicinity of the soil anomalies returned only a single weakly anomalous result (216 ppb Au).

9.2.3.3. TRENCHING

A single trench measuring 239.7m in length was excavated, sampled every metre and returned three significant values; 0.78 g/t Au, 1.31 g/t Au and 2.3 g/t Au. Material exposed in the trench consists primarily of colluvium, with blocks of Banded Iron Formation (BIF), rare schist and sheared quartz vein. Several quartz veins were identified with strikes parallel to the main ridge.

9.2.4. ACA HOWE FIELD VISIT

Richard Parker visited the camp and anomalies on Block A on 19 April 2008. Several stream sediment and soil anomalies were inspected at this time.

It was noted that test pits expose a typical lateritic weathering profile comprising a very shallow zone of organic material underlain by 2-3m of red and yellow mottled clay-rich residual soil overlying saprolitised schist bedrock in which steeply dipping foliation is apparent. Hummingbird concluded from the soil profile exposed in test pits that shallow soil sampling would provide an effective test of bedrock mineralisation in the area although later soil sampling work disproved this.

ACA Howe panned stream sediment from several anomalous sites and identified up to fifty very small grains of visible gold estimated at 50 to 100 microns. The stream sediment comprises gravel of predominantly quartz vein composition that is deficient in the clay and silt fraction that predominates in the saprolitised bedrock, and represents an ideal environment for gold entrapment with consequent enhancement of gold anomalies.

At locality B the site of anomalous stream sediment samples was observed. The site is one of low stream gradient with sparse outcrops of amphibolitic schist in the streambed and banks. The stream banks are composed of fine white silty sand which also underlies flood plains extending for up to 100 metres either side of the stream. The stream sediment comprises coarse pebbly gravel comprised almost entirely of angular quartz fragments. The sediment is practically devoid of clay fraction material and silt fraction material is very sparse. ACA Howe panned two twenty litre samples of unsorted gravel and identified one very small grain of gold estimated at 100 microns.

ACA Howe noted the presence of a distinct east northeast-south southwest topographic ridge where BIF was subsequently found. No outcrops were observed but the increased frequency of quartz vein cobbles observed in soil probably reflects increased veining and silicification along the ridge.

ACA Howe concludes that the anomalous stream sediment sites occur generally in sluggish streams of low gradient which have favourable traps in bedrock and between tree roots. The coarse nature of the stream sediments indicates high-energy deposition during heavy rain, which would remove most of the clay and silt fraction. These conditions are favourable for the concentration of gold in stream sediments and may partially explain the extremely anomalous gold results.

The majority of the terrain in the prospect area is of low sloping relief underlain by residual soil type in which shallow soil samples should provide an effective indicator of bedrock mineralisation. The soil composition which is predominantly clay and silt is likely to host much lower gold values than the streams in which the fine clay and silt fraction of the lighter minerals is depleted.

ACA Howe concluded that the stream anomaly is likely to be related to local bedrock mineralisation and represents a worthwhile target. The location of the gold stream anomaly in relation to the BIF ridge suggests that it is derived from mineralisation hosted by the BIF which has been partially segmented and sheared, so providing a structural and chemical trap favourable for BIF hosted gold mineralisation.

The increased iron in the soils derived from the BIF horizons have contributed to significant laterite formation at Zia, thereby masking the gold signature in the soils. Subtle low gold (20-30ppb Au) in soil anomalies suggest narrow gold zones parallel to the BIF ridge, extending for several hundred metres. With soil sampling and trenching not proving to be effective in delineating robust geochemical anomalies, ACA Howe recommends a series of shallow drill fences perpendicular across sections of the BIF ridge where stream sediments showed high concentrations of gold and artisanal gold mining activities are common.

9.2.5. NEWMONT VISIT

A report following a visit by Newmont geologists in March 2009 noted that in several pits mottled zone is developed in transported material overlying gravel. This is in accord with the type of profile observed by ACA Howe in flood plains at locality B. Newmont rightly questioned the effectiveness of soil sampling in this particular environment, but ACA Howe believes that this observation is probably restricted to the vicinity of streams and does not extend to the gently rising ground beyond the streams, where soil geochemistry is likely to be effective.

9.2.6. ZIA CONCLUSIONS

Conclusions relating to work carried out on the Zia MEA are discussed together with those from Kana Hills.

9.3. KANA HILLS MEA

9.3.1. AREA, LOCATION AND ACCESS

The Kana Hills MEA covers an area of 257km², located within Grand Gedeh County in northeast Liberia, approximately 325km east-southeast of Monrovia, and adjoining the border with Côte d'Ivoire. The southern concession boundary is contiguous with Hummingbird's Zia licence area.

The MEA is centred on Latitude 6º 00' North, Longitude 7º 53' West. It can be reached from Monrovia via Ganta and Zwedru (445km) and then via a moderately well maintained dirt and gravel road for 21km to the western boundary of the concession. The road across the concession is overgrown and rarely used by vehicles. It has recently been re-habilitated by Hummingbird to allow access for soil sampling and to the village of Seyouwu in the eastern part of the concession. Access to other parts of the license is via bush trails through the forest.

The topography of the area is subdued and undulating, and is traversed by a low ridge which is due to a continuation of the same NE-SW BIF horizon that crosses the Zia concession. The drainage is of a reticulate pattern following the northeast-southwest structural grain. The majority of the concession lies within the watershed of the Cavally River which forms the boundary with Côte d'Ivoire.

The area is vegetated predominantly by tropical forest interspersed with areas that have been cleared for subsistence agriculture or abandoned to secondary growth. The population is sparse, being limited to two principal villages, Seyouwu and Palm Bay.

9.3.2. LOCAL GEOLOGY AND MINERALISATION

The main source of geological information is the 1:250,000 scale geological map published by the USGS. This depicts the concession as traversed by the Juazohn shear zone, a prominent northeast-southwest trending regional structure that can be traced through Côte d'Ivoire to the Liberian coast. The southwest strike continuation of the Juazohn shear zone passes through the Zia concession.

The area to the northwest of the shear zone is depicted on the USGS map as underlain by undivided schists (including quartz-muscovite schists, micaceous quartzite and pelitic phyllite). The rocks to the southwest of the shear are depicted as quartz-diorite gneiss.

Alluvial gold occurrences forming the basis for small-scale placer operations are said to occur within the area. A more extensive placer, a few kilometres north of the license on ground now held by AmLib Mining, is reported to have formerly been worked by the Bentley Mining Company (which became AmLib United Minerals) who recovered more than 160,000 ounces of gold (AmLib, 2007). This site is now reported to be being worked by approximately 2,000 artisanal miners. The Bentley site is accessed through the Kana Hills MEA via a bush road from Bentley Junction (Figure 7).

ACA Howe is not aware of any records or occurrences of bedrock gold mineralisation on the license area but AmLib reports having identified a high-grade quartz vein on its Bentley concession to the north.

9.3.3. EXPLORATION WORK AND RESULTS

ACA Howe is not aware of any previous exploration work having been carried out on the Kana Hills MEA area.

Stream sediment reconnaissance and detailed work was completed by Earthcons personnel using local accommodation and lightweight tents. The most prominent stream sediment anomaly was subsequently investigated by grid soil sampling.

9.3.3.1. Reconnaissance and Follow-up Stream Sediment Sampling

Hummingbird carried out reconnaissance stream sediment sampling during 2007 when a total of 180 sites were sampled for gold according to the methods described in Section 11 of this report.

This equates to approximately one sample per 1.4km². ACA Howe notes that the samples are fairly evenly distributed over a reticulate stream drainage system, so providing a coverage that is a reasonable test of the gold and diamond potential of the MEA.

The results of gold analyses identified anomalous high values which were subsequently followed up by more detailed sampling at 200m intervals for an additional 130 stream sediment samples. The results are depicted on Figure 8, with anomalies designated K1 to K4 located in the north eastern part of the license attaining levels of 12,879 ppb Au in the vicinity of the BIF ridge. Stream sediments with elevated gold values drain from this ridge and gold values decrease away from the ridge.

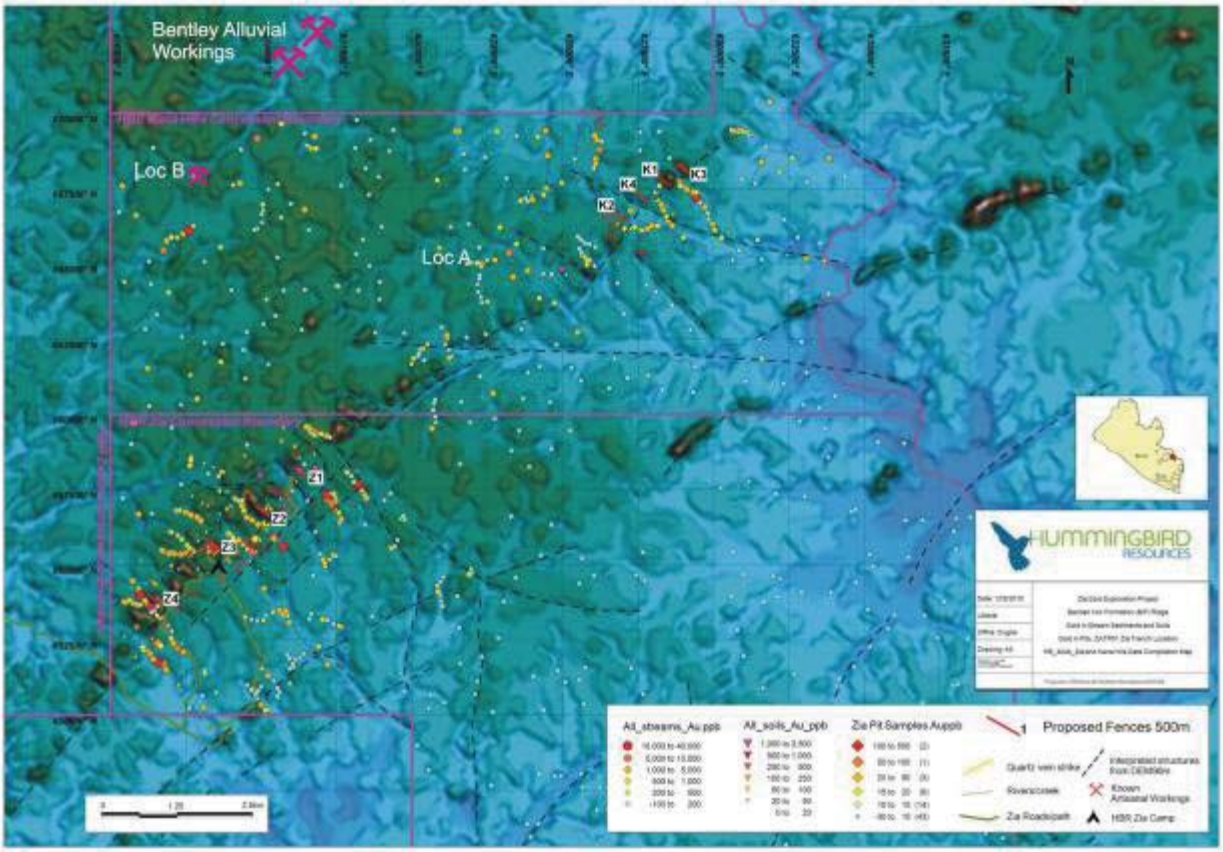

FIGURE 8. KANA HILLS AND ZIA MEAS; EXPLORATION RESULTS

9.3.3.2. Soil Sampling

During 2008, by a soil survey was conducted across the northern part of the BIF ridge, which was deemed most prospective based on stream sediment results. A soil grid measuring approximately 6km by 6km was established, striking northwest across the main BIF ridge. A total of 1,132 samples were collected at 40m spacing on lines 800m apart.

Analytical results indicated low level (30ppb to 50 ppb Au) anomalous gold values, trending northeast and parallel to the main ridge (Figure 9). A maximum of 1,200 ppb Au was recorded and with only 20 samples exceeding 100 ppb Au.

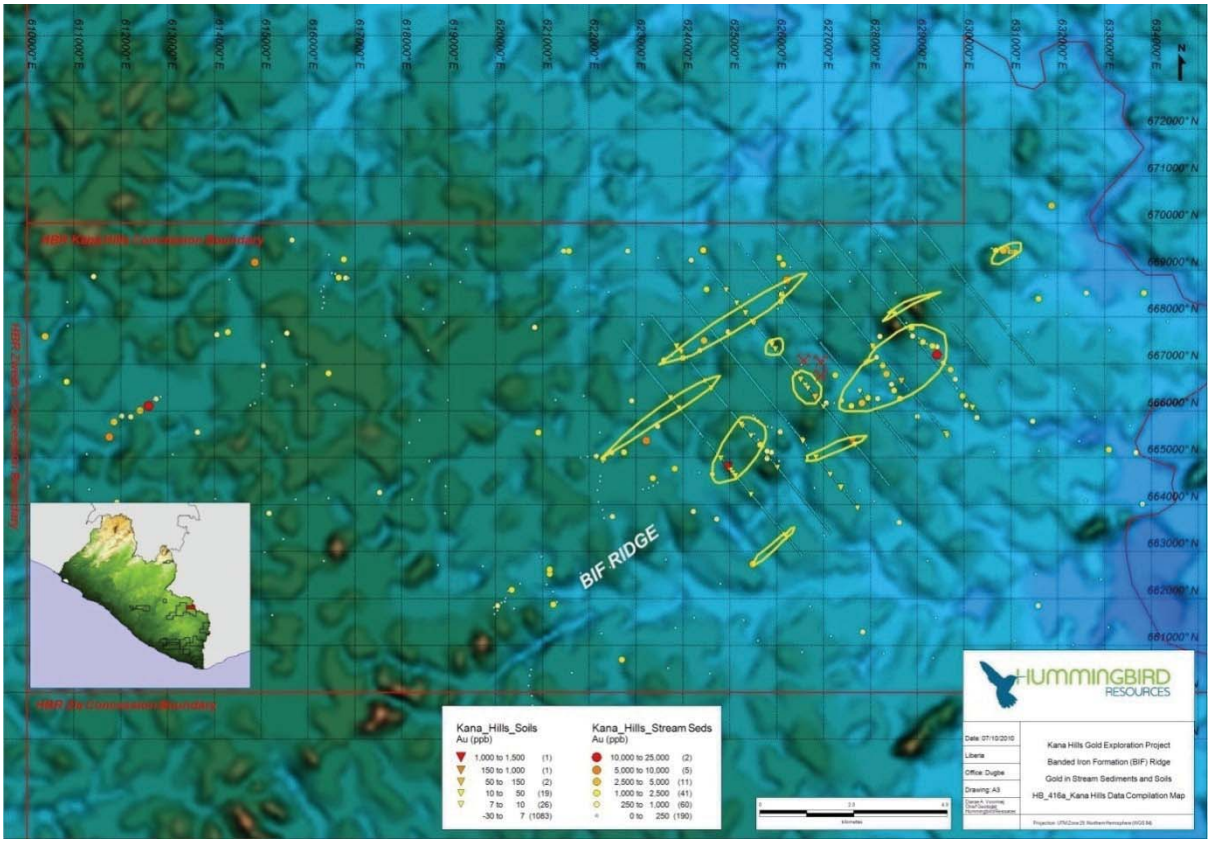

FIGURE 9. SOIL SAMPLE RESULTS FOR KANA HILLS MEA

9.3.4. ACA HOWE FIELD VISIT

Rick Parker visited the Kana Hills MEA on 21 April 2008. Locations visited are marked on Figure 8.

Only one rock outcrop was noted during the course of ACA Howe's visit where a roadbed outcrop of well-foliated gneiss occurs. The USGS map depicts this area as schist, so the anomalous outcrop of gneiss suggests that the schist could be less extensive than indicated by USGS.

At locality A, the site of anomalous stream sediment samples corresponding to the southern part of anomaly B-3 was observed. The site is one of low stream gradient with no outcrops observed. The stream sediment comprises coarse pebbly gravel composed almost entirely of angular quartz fragments which are predominantly white and sugary, with common black tourmaline and with minor quantities of grey quartz (KHR003). The sediment is practically devoid of clay fraction material and silt fraction material is very sparse. ACA Howe panned two twenty-litre samples of unsorted gravel but did not identify visible gold.

Locality B is situated 900m northwest of the village of Palm Bay. The locality is the site of artisanal alluvial workings comprising a water-filled pit measuring about 30m by 50m that was being actively worked to a maximum depth of around 2m to exploit a gold-bearing quartz gravel horizon between about 0.5 to 1.0m thick. As at other localities, the gravel comprised predominantly white, sugary quartz, with minor amounts of grey quartz and fine-grained opaque white quartz.

9.3.5. ZIA AND KANA HILLS CONCLUSIONS

The Zia and Kana Hills license areas overlie approximately 25km strike length of a BIF ridge following the Juazohn shear zone which is postulated to be a zone of repeated deformation and magmatic activity with accompanying hydrothermal systems giving the possibility of forming large mineral systems. The prospectivity is further enhanced by the presence of numerous small artisanal gold workings where local panners are extracting visible gold from all along the Zia / Kana Hills ridge feature suggesting the probability of primary mineralisation in the area, and by the presence of visible gold in quartz vein fragments a few kilometres north of Kana Hills at the Bentley artisanal mine site.

Highly anomalous gold analyses were recorded by reconnaissance and follow up stream sediment surveys overlying the trace of the Juazohn shear zone at Zia block A and Kana Hills, supporting the perceived prospectivity of the area.

Subsequent soil surveys encountered only isolated anomalous gold values which were not significantly enhanced by augering, pitting and trenching. In many cases, the pitting has shown a thick and complex soil profile with alluvial cover in places suggesting that soil geochemistry may have been rendered ineffective.

Hummingbird is targeting Banded Iron Formation (BIF) - hosted gold deposits at Zia and Kana Hills. A ridge trends northeast through both concession following 25km of strike length and is composed of metavolcanic and metasedimentary rocks, of which a large component consists of BIF rocks. These in turn are composed of oxide facies (magnetite/hematite dominant), silicate facies (quartz dominant) and sulphide facies (rich in sulphides including pyrrhotite, pyrite and arsenopyrite). They are typically banded in alternating silica rich and silica poor layers. Based on literature review of similar deposits, areas of high mineral potential are those regions where the BIFs are sheared, faulted, folded and disrupted, which creates permeability for mineralising fluids to enter. The iron in the rocks forms the chemical traps for gold deposition. Sulphide facies are also targeted.

Hummingbird plans to investigate the more coherent geochemical anomalies at Zia and Kana Hills by core drilling along a series of 500m long fences as designated Z1-Z4 and K1-K4 on Figures 6 and 7. ACA Howe endorses this programme as a suitable test of the potential.

9.4. JABABLI MEA

9.4.1.1. AREA, LOCATION AND ACCESS

The Jababli MEA, held by Hummingbird in joint venture with Deveton Mining Company, covers an area of 400km² (having been reduced by 50% during 2008 from an original 800km²), located within Grand Gedeh County and Sinoe County in south east Liberia, approximately 270km east-southeast of Monrovia.

The MEA is centred on Latitude 5º 50’ North, Longitude 8º 25’ West. It can be reached from Monrovia via a well-maintained bitumen road to Ganta (250km), then via a well maintained gravel road to Zwedru (195km) and then for 35km along a moderately well maintained dirt and gravel road towards the port of Greenville. Logging roads provide access to the southeast part of the concession, but the state of repair deteriorates northwards so that most areas of the concession are only accessible by bush track.

The more easterly of the logging roads accesses an artisanal mining camp at Sloh-Meh with a population of several hundred.

A second artisanal mining site is understood to be active at 'Peace Camp' where purportedly primary material is being mined. This is located 20km west-southwest of Sloh-Meh on Block G, but vehicle access is prevented by the narrow and slippery road to the village.

The topography of the Jababli area is hilly, rising from around 190m to 460m and with a number of ridges caused by relatively resistant amphibolite. A well developed reticulate drainage pattern feeds the Butudi Creek and Jobo River flowing southwest.

The area is vegetated predominantly by primary tropical forest, but significant areas have been cleared for subsistence agriculture or abandoned to secondary growth.

9.4.2. LOCAL GEOLOGY AND MINERALISATION

The main source of geological information is the 1:250,000 scale geological map published by the USGS. This depicts the majority of the area as underlain by a gneiss unit (gndq2); dark coloured, medium to coarse grained hornblende-bearing quartz diorite gneiss. The gneiss includes elongate bodies of amphibolite, up to 500m wide, which are schistose to nearly massive and being more resistant than the gneiss, form elevated ridges. The most southerly of these bodies passes laterally into a 2.5km long ultrabasic body.

The gneiss is affected by large scale regional folding which is manifested as arcuate ridges of amphibolite. No major shear zones are depicted on the USGS map.

The USGS map indicates two gold occurrences in the southern part of the concession. The more easterly of these corresponds to the alluvial workings at Sloh-Meh and the more westerly to workings at Peace Camp.

ACA Howe is not aware of any records or occurrences of bedrock gold mineralisation on the concession area.

9.4.3. EXPLORATION WORK AND RESULTS

Stream sediment reconnaissance and detailed work was completed by Earthcons and Hummingbird geological teams using local accommodation and lightweight tents. Hummingbird is not aware of any previous systematic exploration work having been carried out on the Jababli MEA area.

9.4.3.1. Reconnaissance Stream Sediment Sampling

Hummingbird carried out reconnaissance stream sediment sampling in 2007 to 2008 when a total of 600 sites were sampled for gold according to the methods described in section 11 of this report.

This equates to approximately one sample per 1.4km^2. ACA Howe notes that the samples are fairly evenly distributed over a reticulate stream drainage system, so providing a coverage that is a reasonable test of the gold potential of the MEA.

The results of gold analyses identified anomalous high values as depicted on Figure 10, which are concentrated predominantly within blocks G and H in the southern part of the license area. The most prominent anomalies are located in the northwest and northeast corners of block H, and are broadly coincident with the distribution of alluvial gold occurrences and mining operations indicated on the USGS map.

A total of thirty-one strongly anomalous gold results above 1,000 ppb Au were recorded, of which six exceeded 5,000 ppb, including a maximum value of 8,667 ppb Au.

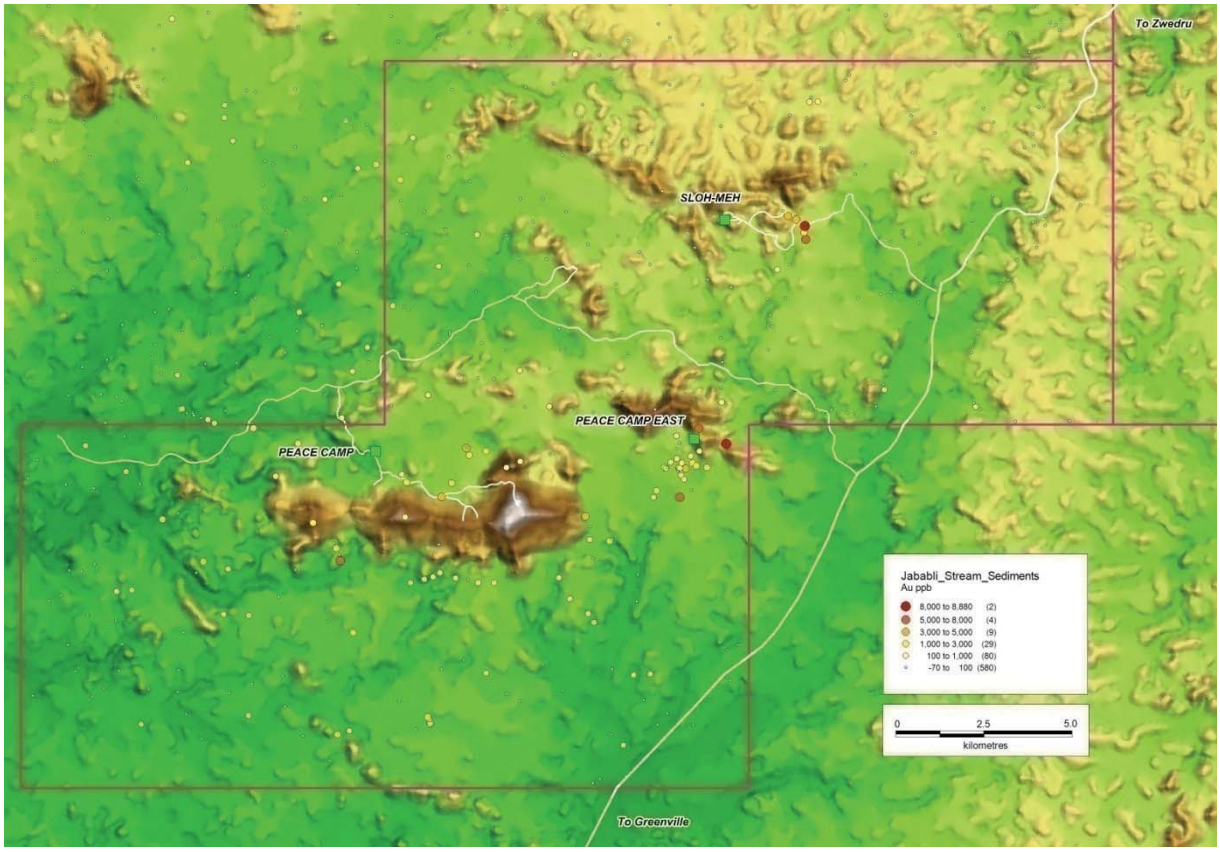

FIGURE 10. JABABLI LICENSE SHOWING SRTM TOPOGRAPHY WITH PROMINENT AMPHIBOLITE RIDGES, ARTISANAL CAMPS AND STREAM SEDIMENT SAMPLE SITES

9.4.3.2. Follow-up Stream Sediment Sampling

Detailed follow up stream sediment sampling was carried out over the stream sediment gold anomalies in order to confirm and better define the anomalous zones. The results of that work are presented on Figure 10. Samples were collected at 200m intervals above the anomalous sites identified from the reconnaissance survey, according to the follow-up procedure described in section 11 of this report.

Analytical results for most anomalies returned generally irregular and sporadic anomalous gold values, possibly indicative of coarse alluvial gold. However an anomaly 1.5km east of the Sloh-Meh alluvial operation was significantly enhanced, with consistently anomalous values over the 1km section that was sampled. This anomaly also returned the highest gold value of the survey (8,881 ppb Au) and clearly warrants more work.

9.4.3.3. Soil Sampling

A total of 153 soil samples were collected along ridge crests surrounding the Sloh-Meh alluvial workings. Analytical results returned weakly anomalous gold results (mostly 10-25 ppb) in the area immediately around the workings. During the course of sampling duricrust cover was recorded along some of the ridges, and it is likely that this would have rendered soil geochemistry ineffective in these areas.

Soil samples collected along traverses in the Peace Camp area returned coherent anomalous values between 50 and 1500 ppb Au with associated weakly anomalous arsenic along the ridge crest (see Figure 11) suggesting that the Peace Camp alluvial gold is derived from a local source. This is also supported by the presence of grey quartz in the rejects from artisanal workings.

9.4.4. ACA HOWE FIELD VISIT

Richard Parker visited the area on 22 April 2008 during which road traverses were made as indicated on Figure 10.

The more northerly road accesses the Sloh-Meh alluvial workings and associated village of an estimated several hundred artisanal miners. The workings comprise shallow pits extending over an area of approximately 300m by 100m along a valley floor that is sloping at an estimated 5º to 7º and is bounded by fairly steep hills rising an estimated 50 to 70m. This geomorphology suggests a local source for the gold, and that the deposit may be partly eluvial. Numerous quartz veins in saprolitised bedrock in the roadbed crossing the slope above the workings may represent a possible mineralised source.

The more southerly road provides extensive sections of exposed saprolitic gneiss with common white quartz veins mostly concordant with the foliation.

9.4.5. GEOLOGICAL RECONNAISSANCE MAPPING

Reconnaissance geological mapping at Peace Camp has identified numerous artisanal gold workings draining the north face of the 9km long east west trending amphibolite ridge at Peace Camp. Quartz veins in saprock diggings confirming the presence bedrock mineralisation at this locality and returned values of up to 2.28 g/t Au in channel samples.

Rocks encountered during mapping consist of amphibolite facies metavolcanics and metasediments and contain calc-silicate alteration, indicating potential for greenstone hosted gold skarn mineralisation.

Alluvial gold workings are widespread along the base of the 9km long amphibolite ridge at Jababli Peace Camp prospect and extend to near the top of the ridge, where robust gold and coincident arsenic soil anomalies have been delineated as seen in Figure 11, suggesting a nearby bedrock source for the gold.

Banded gossanous float has been recorded on the ridge above the workings at Peace Camp, indicting probable derivation from massive or semi-massive sulphide mineralisation. Samples of this material await analysis.

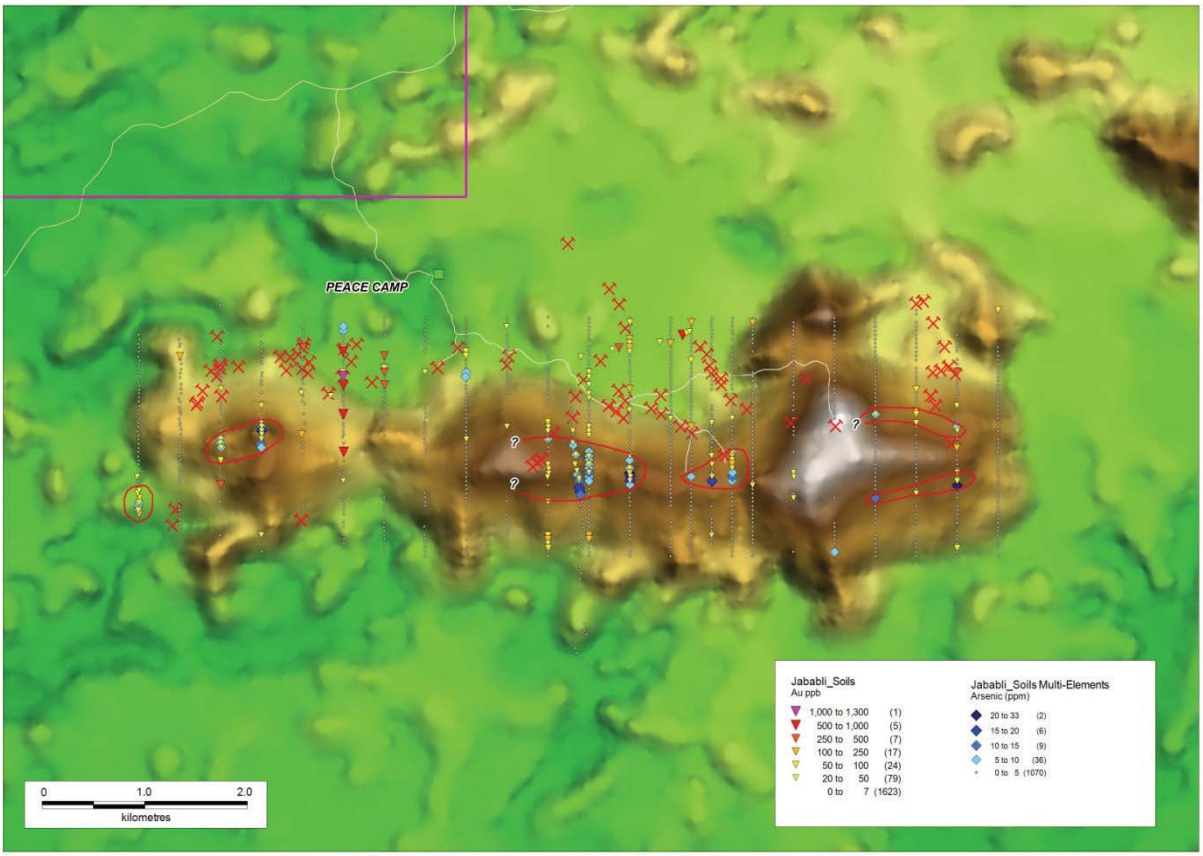

FIGURE 11. AMPHIBOLITE RIDGE AT PEACE CAMP SHOWING ARTISAN WORKINGS, GOLD AND ARSENIC GEOCHEMISTRY

9.4.6. JABABLI CONCLUSIONS

ACA Howe concludes that the Jababli MEA holds significant potential for greenstone hosted gold (orogenic) mineralisation which should be investigated by trenching across identified anomalies.

Hummingbird is planning to carry out a 500m trench program, targeting a series of stratabound, 1 to 2km long, 100m to 150m wide, gold and coincident arsenic soil anomalies, with the aim of generating targets for scout drilling.

9.5. BA MEA

9.5.1. AREA, LOCATION AND ACCESS

The Ba MEA, held by Deveton Mining Company and joint ventured to Hummingbird, covers an area of 625km² (having been reduced by 50% during 2008 from an original 1,275km²), located within Nimba, and Grand Bassa counties in south central Liberia, approximately 170km east-southeast of Monrovia.

The MEA is centred on Latitude 5º 57’ North, Longitude 9º 20’ West. It can be reached from Monrovia via a well-maintained bitumen road to Buchanan (125km) then for 75km along a moderately well maintained dirt and gravel road towards the port of Greenville. The southern boundary of the concession area can then be reached by a logging road (28km). A network of

logging roads provides access to most parts of the concession, but some areas are only accessible by foot on a network bush tracks that link the numerous villages.

The topography of most of the concession area is hilly, rising from around 150m to a maximum of 400m. A well developed reticulate drainage pattern feeds the south–flowing Jo and Wane Rivers southwards.

Much of the eastern part of the concession is covered by primary tropical forest, but the majority of the western part has been cleared for subsistence agriculture or abandoned to secondary growth.

9.5.2. LOCAL GEOLOGY AND MINERALISATION

The main source of geological information is the 1:250,000 scale geological map published by the USGS. This depicts the majority of the area as underlain by an Archaean age gneiss unit (gnl). The gneiss encloses elongate units of a composite supracrustal unit (z) including varying amounts of schist, quartzite, amphibolite and horizons of iron formation (itabirite, it). The supracrustal rocks are more resistant to weathering than the gneiss and form upstanding ridges that are particularly common in the eastern part of the concession. The arcuate disposition of these ridges reflects broad regional folding.

ACA Howe is not aware of any records or occurrences of bedrock gold mineralisation on the license area.

Stream sediment reconnaissance and detailed work was completed by Earthcons personnel using local accommodation and lightweight tents.

Hummingbird is not aware of any previous exploration work having been carried out on the Ba MEA area.

9.5.3. RECONNAISSANCE STREAM SEDIMENT SAMPLING

Hummingbird carried out reconnaissance stream sediment sampling during which a total of 871 sites were sampled for gold according to the methods described in section 11 of this report. This equates to approximately one sample per 1.5km². The reticulate drainage system affords reasonable coverage and provides a fair test of the gold potential of the MEA.

The results of gold analyses identified anomalous high values as depicted on Figure 10, which are concentrated predominantly within central part of the concession area, corresponding to blocks D, E and F.

The anomalous sites on blocks D, E and F extend across an area of 30km east–west by 7km north-south in which about half the samples exceed 1,000 ppb Au and 15 exceed 2,000 ppb Au, with a maximum value of 8,658 ppb. The peak values are in an area draining supracrustal rocks, including itabirites. The alluvial gold mining operation recorded by USGS lies just beyond the western margin of the anomalous zone.

Hummingbird has defined stream sediment anomalies based on gold and arsenic values and ranked them by taking other anomalous elements into account. Anomalous targets are depicted on Figure 12 below as areas 1 to 6 according to priority. The prioritised stream sediment anomalies will be investigated by grid soil sampling.

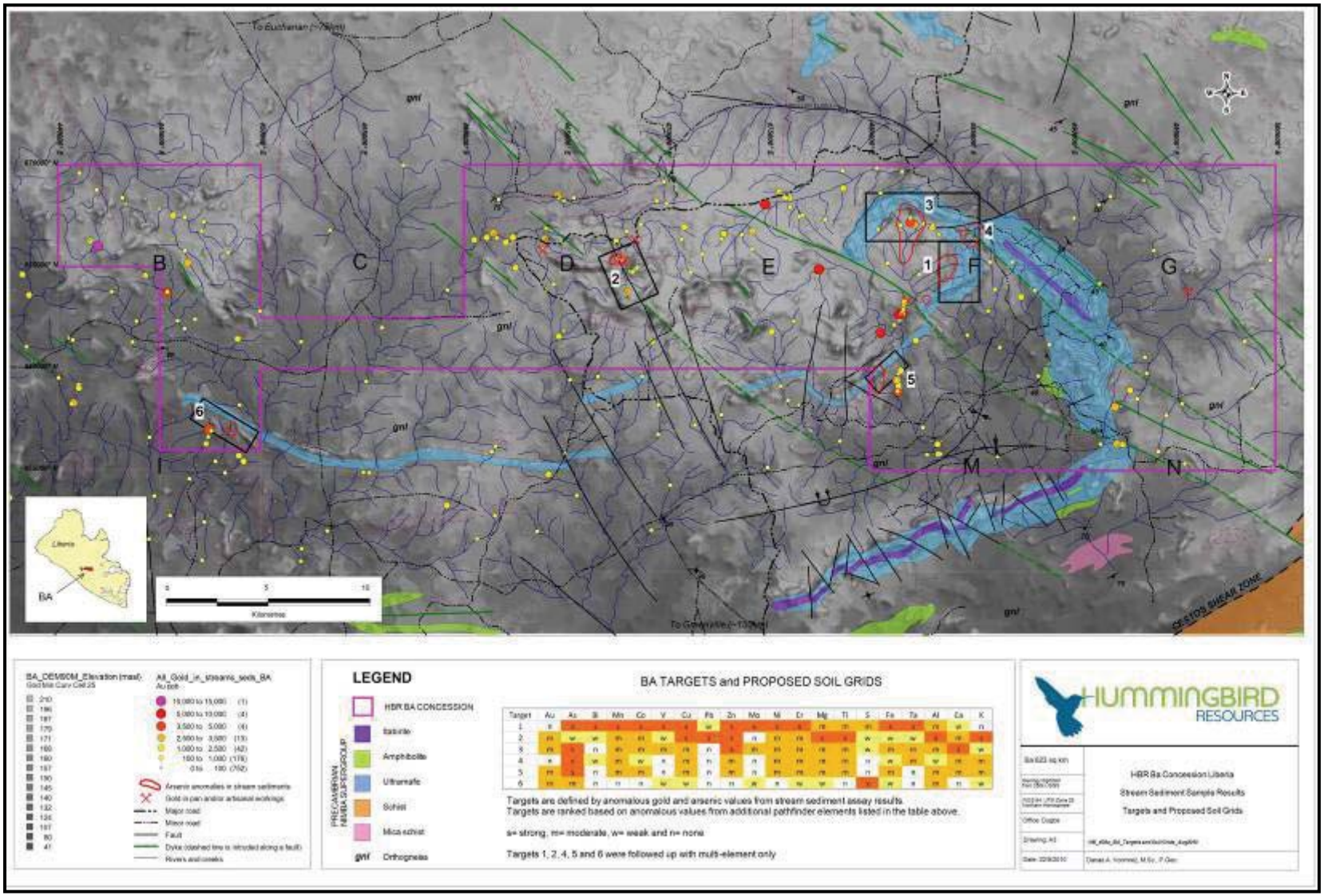

FIGURE 12. BA MEA: GEOLOGY, STREAM SEDIMENT GOLD ANOMALIES AND PROPOSED SOIL GRIDS.

9.5.4. ACA HOWE FIELD VISIT

ACA Howe has not visited the Ba MEA area.

9.6. NEW MEAS

During 2008 to 2010, Hummingbird acquired seven new MEAs and a further two MEAs through its subsidiary Sinoe Exploration Inc., for a total of 4,837km². The new licence areas have been acquired in order to add continuous coverage over prospective areas overlying greenstone belts and shear zones, which are considered to be the prime elements defining gold prospectivity in the Birimian. ACA Howe considers that the new concessions possess very good exploration potential warranting systematic exploration.

The **Tawake, Gekehn, Blebo and Plibo** MEAs totalling 2,135km² straddle approximately 65km strike length of the Dube shear zone, a prominent northeast-southwest trending regional structure that can be traced for several hundred kilometres through Côte d'Ivoire to the Liberian coast. The Tawake licence also straddles a section of the Dugbe shear zone which may be a control of the gold mineralisation at Dugbe and Bokon Jedeh, 120km to the west-south-west.

The rocks to the southeast of the Dube shear comprise mica schists that are generally of lower metamorphic grade than those to the west and are undisputed Birimian. They form part of a greenstone belt that can be traced for at least 1,000km to the northeast through Côte d'Ivoire.

Since the main episodes of gold mineralisation in the Birimian appear to have been controlled by regional-scale shear zones, the Dube shear zone and adjacent rocks must be regarded as prime exploration ground. The potential of the belt is supported by numerous records of artisanal gold operations scattered throughout the belt. Although these are predominantly of alluvial type, high grade gold-quartz vein mineralisation has been identified by Liberty Mining at its Jolodah prospect a few kilometres west of the Plibo MEA in the vicinity of a splay fault of the Dube shear zone.

Hummingbird is presently carrying out reconnaissance stream sediment sampling over the eastern group of MEAs, with planned sites as depicted in Figure 14. ACA Howe considers that this is the most appropriate method of evaluating the new concessions.

Analytical results for stream sediment geochemistry of the Plibo area are plotted on Figure 13 below. Three areas with multiple point anomalies exceeding 1,000 ppb Au have been identified and clearly warrant further investigation.

Some 373 stream sediment samples were collected in the Plibo MEA licence at a density of one sample per square kilometre. The gold results plotted up on the attached map, show fourteen strongly anomalous values exceeding 500ppb Au with a maximum of 3761 ppb Au, clustered in a 10km wide belt along the northern sector of the licence as depicted in Figure 13. The USGS geological map depicts the anomalous belt as overlying quartz diorite gneiss (gndq1) in proximity to the Dube shear zone.

ACA Howe considers that the Plibo stream sediment results are very encouraging in view of the proximity of the anomalous trend to the Dube shear zone and endorses Hummingbird's proposed programme.

Hummingbird plans to follow up the anomalous samples by more detailed stream sediment geochemistry and soil sampling. ACA Howe recommends that prioritisation of the anomalies should be carried out based on levels of arsenic and other pathfinder elements.

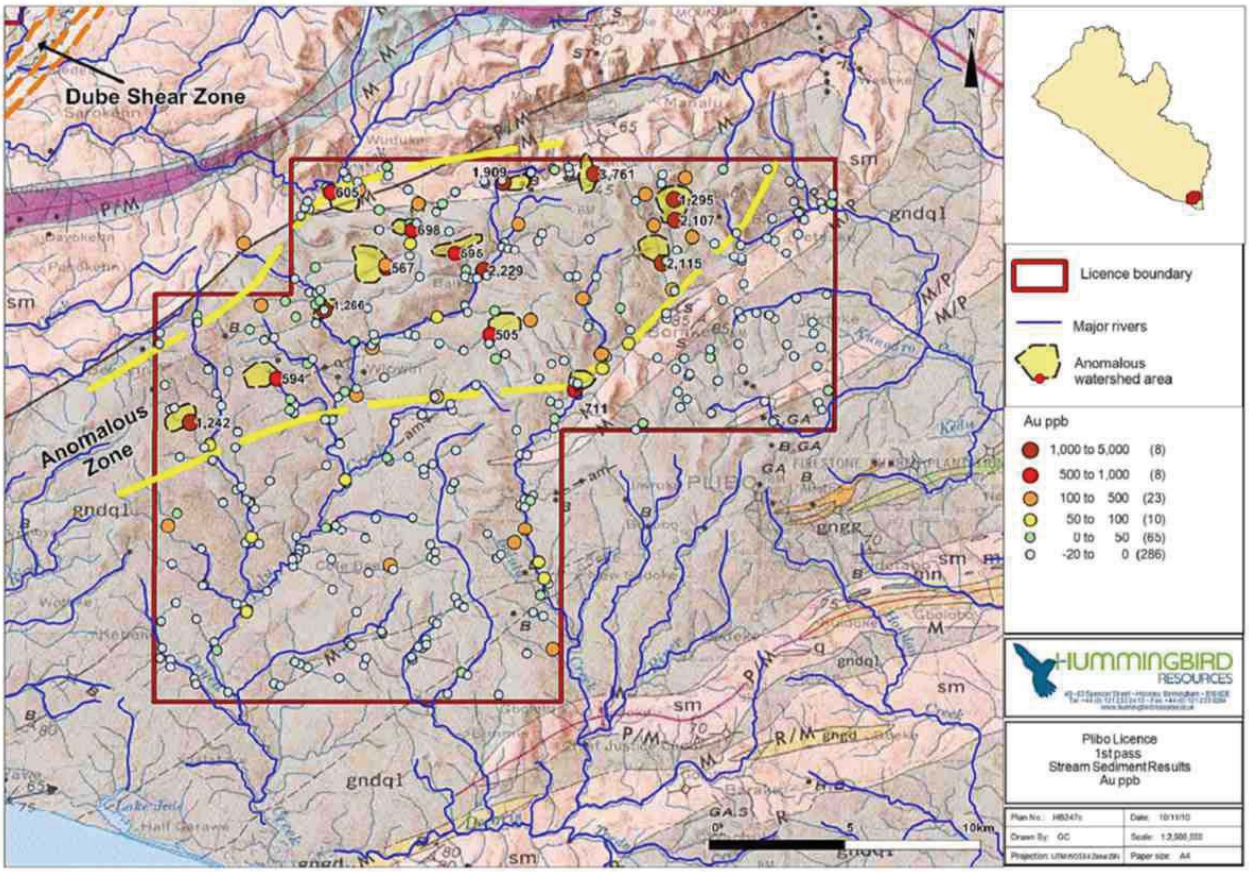

FIGURE 13. PLIBO MEA: STREAM SEDIMENT GOLD GEOCHEMICAL RESULTS

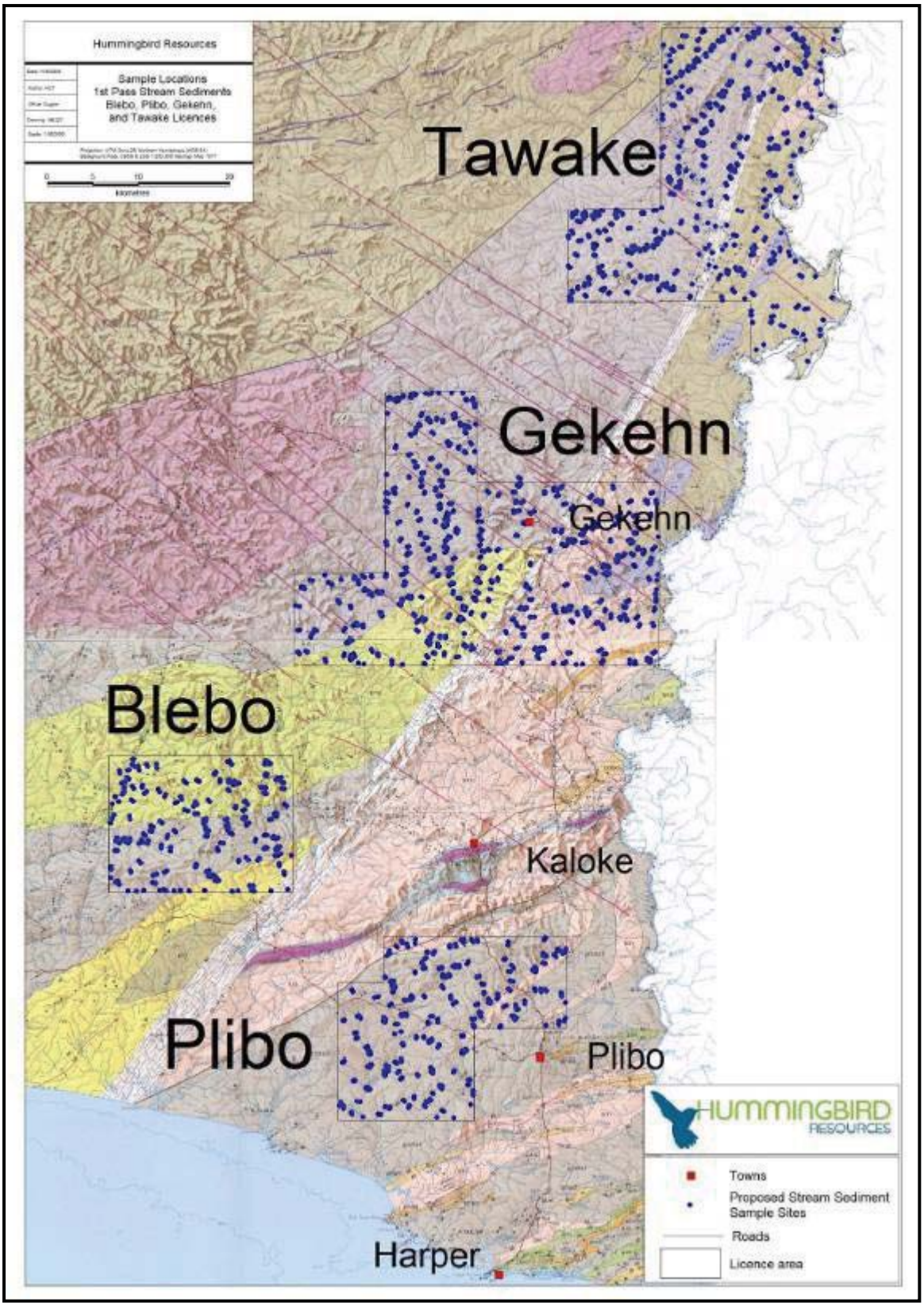

FIGURE 14. EASTERN MEAS : PLANNED RECONNAISSANCE STREAM SAMPLING

The **Zwedru** MEA is considered prospective as it is underlain by an extensive area of the same micaschists that underlie the Kana Hills and Zia concessions located immediately to the east. The USGS map shows the Juazohn shear zone as lying immediately south of the licence, but it is possible that splays of this prospective zone extend onto the Zwedru concession.

The **Ke Town** MEA overlies part of a greenstone belt that extends into Côte d'Ivoire where it hosts the Ity gold deposit some 60km to the north.

ACA Howe considers that the new licenses possess very good exploration potential that now warrants reconnaissance exploration.

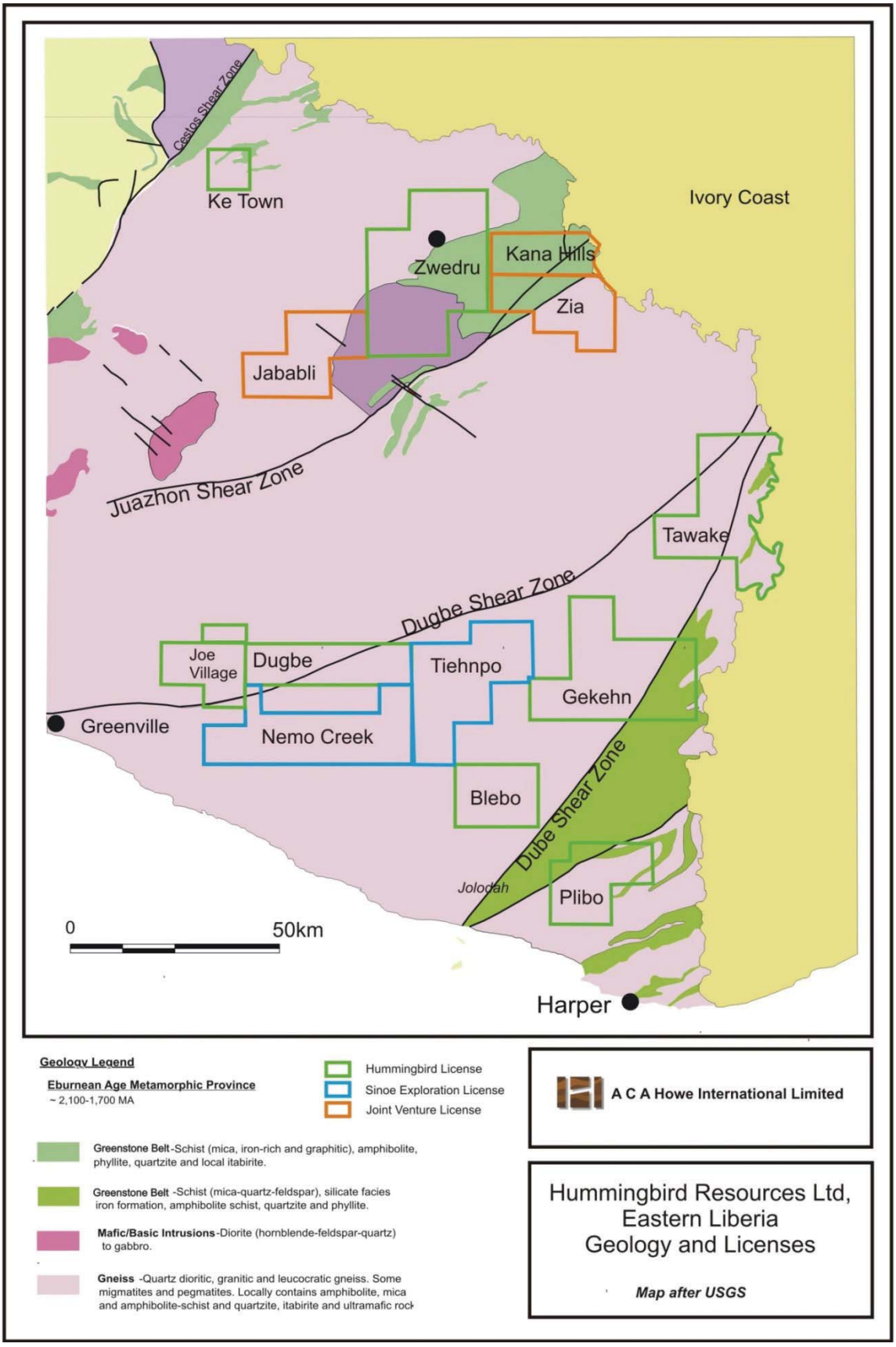

FIGURE 15. EASTERN LIBERIA, GEOLOGY AND LICENSES

The **Tiehnpo, Nemo Creek and Joe Village** licence areas, totalling 1,602km², have recently been acquired in order to take advantage of the newly evident regional potential that has emerged following the positive results of resource drilling at Dugbe. Hummingbird has acquired this ground package based on the principal geological features associated with the Dugbe deposit, namely the Dugbe shear zone and the Birimian gn2 gneiss that borders it. The exact relationships that these features have with the Dugbe deposit are as yet unclear, but ACA Howe considers that Hummingbird's ground acquisitions are well-founded. Hummingbird's ground package on the Dugbe belt now covers a total of 2,055km² including Dugbe, and covers a strike length of 60km of the prospective Dugbe shear zone and the gn2 gneiss. These ground holdings surround an exploration licence held by Bokon Jedeh resources centred on the Bokon Jedeh deposit and covering around 20km strike length of the Dugbe shear zone.

Hummingbird has acquired GeoEye high resolution (50cm pixels) satellite imagery over much of this belt allowing identification of artisanal gold workings. The results, plotted on Figure 16, show a clear concentration corresponding to known workings and geochemical anomalies at Dugbe F, Dugbe B and Bokon Jedeh. Many other alluvial workings have been identified in clusters at Joe Village and Dugbe River on newly acquired ground west and south of Dugbe F.

Hummingbird plans to carry out soil sampling on lines 800m apart covering the northwest part of Nemo Creek licence area covering two ENE-SSW target zones. The remaining portion of the licence area will be covered by reconnaissance stream sediment sampling. It is worth saying that Freedom Gold held all of the Nemo Creek area in the 1990s and it was/is considered an extremely prospective area.

Coherent clusters of artisanal workings have been identified on the Tiehnpo licence area east of the Dugbe licence that can be broadly resolved into two east-west trends at Taiken and Sardiaken, 20km and 5km long respectively. The regional distribution of artisanal workings is broadly co-incident with the Dugbe shear zone and the gn2 gneiss, which corroborates the prospectivity of these features and endorses Hummingbird's ground acquisitions over the Dugbe belt. The Tiehnpo licence area was formerly held by Liberia Gold Corporation who carried out soil sampling on seven grids for a total of 3,151 samples and excavated eight trenches. Hummingbird has acquired reports relating to this work for evaluation.

A.C.A. Howe considers that Hummingbird's ground holdings along the Dugbe belt represent a compelling opportunity warranting an intensive exploration programme.

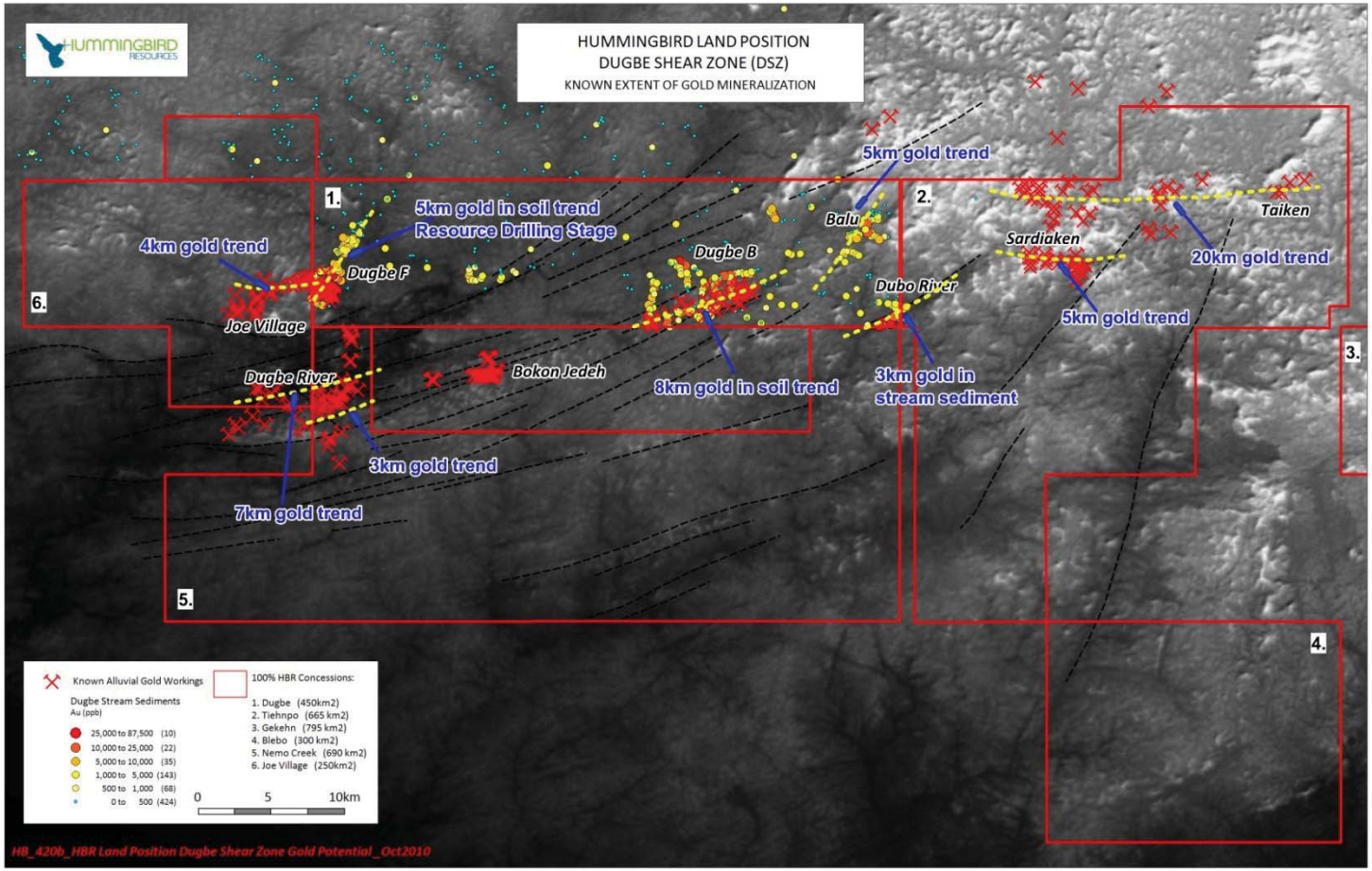

FIGURE 16. DUGBE BELT; ARTISANAL WORKINGS AND STREAM GEOCHEMISTRY

9.7. DUGBE MEA AREAS

9.7.1. PROPERTY DESCRIPTION

The Dugbe MEA held by Hummingbird covers an area of 450km² (having been reduced by 50% during 2008 from an original 900km²), located within Sinoe and Grand Kru counties in southeast Liberia, approximately 275km southeast of Monrovia and centred on Latitude 5º 09 North, Longitude 8º 27' West.

9.7.2. ACCESSIBILITY, CLIMATE, PHYSIOGRAPHY, LOCAL RESOURCES AND INFRASTRUCTURE

The Dugbe area can be reached from Monrovia via a well-maintained bitumen road to Buchanan (125km) and a moderately well maintained dirt and gravel road to the port of Greenville where Hummingbird has established a local base in a house that provides overnight accommodation for personnel and storage for materials, supplies and fuel en route from Monrovia to the exploration camp at Dugbe block F.

Access from Greenville to the drill project on Dugbe block F is via a dirt and gravel road that has recently been upgraded by the German Agro Action, (GAA) which has installed new bridges over the rivers and major creeks. Hummingbird has completed 11.3km of new access road branching from the existing road at a distance of approximately 66km from Greenville. The access road is accessible by four wheel drive vehicles, but is liable to become challenging due to mud during the rainy season. The journey from Greenville to the Dugbe camp takes about three hours under good conditions.

The present access route replaces an older more southerly route that crosses the Dugbe River via a bridge just south of Dugbe camp. This route is in bad repair and deeply rutted due to heavy use by pickup trucks and motorcycles en route to the large mining community at Government Camp and Bokon Jedeh.

Most parts of the Dugbe license are accessible only by footpath or river. The eastern blocks (A and B for example) are accessible via a road from Zwedru to Kawiken and then via a 30km walk into the licence area.

The Dugbe area has a tropical climate like all other areas of the country. It receives more than 450cm of rainfall annually, most of which falls in the period from mid May to mid October, alternating with a dry season. Daytime temperatures generally rise to 27 to 32°c.

The topography of the area is hilly, rising from 50 to 100m in valley bottoms to 250m on hilltops. It is characteristically dissected by a dendritic network of closely spaced streams and rivers. most of which have narrow and discontinuous floodplains. The concession lies within the watershed of the Dugbe River and its tributaries Namien Creek (also known as the Jubo River) and Botou River which flow southwestwards across the license. Cascades and small rapids are present on most rivers creating obstacles to navigation.

The area is vegetated predominantly by primary forest, but significant areas in the west have been cleared for subsistence agriculture or abandoned to secondary growth.

The license area is generally sparsely populated especially within the forest areas. Dugbe F block supports a mining community known as 'Money Camp' which is located approximately 1.5km north of the Hummingbird camp. Money Camp is inhabited by an estimated 300 persons who are engaged in small scale alluvial mining in small creeks and floodplains. Many of the inhabitants of

Money Camp are employed by Hummingbird on a casual basis and local community relations are for the most part friendly. Hummingbird maintains good relations with the wider community and local government through the employment of a community relations officer.

The town of Greenville (population 16,000) has a modern deepwater port facility which was formerly capable of accommodating vessels of 500ft in length and was used to export timber from Sinoe County from the 1960s to the 1980s. Cargo pier depth was formerly 4.9-6.1m, but would probably now require dredging. The port fell into disrepair during and after the civil war and became inoperable due to sunken shipping including a capsized ferry at the main berth. Buchanan Renewable Energy (BRE) currently plans to refurbish this port in during 2011; this would involve clearing the sunken ships, and dredging the port area. The jetty at Greenville Port is about 350m long, so when dredged should be able to accept cargo ships of reasonable size suitable for the import of mine equipment.

Basic mechanical repair services are available at Greenville. More advanced engineering facilities are available at Buchanan or Monrovia.

9.7.2.1. DUGBE CAMP

Hummingbird has established an exploration camp at the south end of the Dugbe F project area in order to support an ongoing diamond drilling campaign. It has accommodation for 80 employees and drilling contractors. The camp also includes a clinic with basic medical and first aid facilities, a vehicle repair workshop, core logging, cutting and storage facilities, adequate office space, and VSAT satellite connection for broadband internet access, and Skype telephone.

FIGURE 17. HUMMINGBIRD CAMP, DUGBE

9.8. DUGBE HISTORY

The area around Money Camp is presently being worked artisanally on a small scale for alluvial gold. The artisanal activity is believed to have commenced several years prior to exploration by Hummingbird. Much more intensive artisanal activity has been carried out at Bokon Jedeh, 12km southeast of the Dugbe deposit (see section 15).
Hummingbird is not aware of any previous exploration work having been carried out on the Dugbe MEA area, and the Geological Survey has no records of previous work. However several old exploration trenches near Money Camp on Dugbe block F were seen at the time of the first ACA Howe visit providing evidence of recent historical exploration, reputedly by UNDP in the 1990s.

9.8.1. DUGBE GEOLOGICAL SETTING

The main source of geological information for the Dugbe area is the 1:250,000 scale geological map published by the USGS in 1977. This depicts the majority of the area as underlain by a composite gneiss unit (gn2) comprised mostly of melanocratic gneiss and by smaller areas of leucocratic gneiss (gnl) which is well-foliated and contains amphibolite units and a number of lenses of iron formation.

The concession is traversed by the Dugbe shear zone, a prominent ENE-SSW trending regional structure as seen in Figure 16.

Outcrops observed by ACA Howe in the Dugbe F block area comprise well foliated biotite gneiss with lenses of more coarsely crystalline pegmatitic composition which dip gently to the east. These observations are consistent with the regional geology depicted on the USGS map.

The principal rock types identified in the field and in drill core at Dugbe have been classified by Hummingbird as (in order of abundance): quartz-biotite pyroxene schist, quartz-biotite-garnet schist, granodiorite sills, pegmatite and mafic unit. In addition to the minerals listed all rock types contain abundant plagioclase feldspar. These rock types have been assigned the following codes in logging QBSCH, QBGSCH, GRD, PVN, and MAFIC.

Both schist types display strong planar fabric (foliation) due to alignment of minerals, particularly biotite, and distinct banding mainly due to segregation of mafic and felsic constituents. In view of these features the rocks may perhaps be more correctly described as ‘gneiss’ rather than ‘schist’, and this usage follows that of the USGS mapping in the region. The quartz-biotite-pyroxene schist is the most abundant rock type and forms the principal host rock of gold mineralisation. The quartz-biotite-garnet schist, is commonly found structurally overlying the pyroxene variety, probably reflecting a stratigraphic variation in original rock type.

The pegmatite comprises quartz, feldspar and biotite as a coarsely crystalline aggregate devoid of planar structures. It occurs generally within the schist as conformable units that may vary from a few tens of centimetres to many tens of metres. As discussed by Thatcher (section 9.8.1.1) it may have been derived from the schists by partial melting and segregation, rather than as an intrusive.

The mafic rock is somewhat finer grained than the schists. Its occurrence is limited principally to 7 to 12m intersections in holes DFDC1, 2 and 10, where it occurs as cross-cutting sills and to a line of boulders possibly representing a dyke.

9.8.1.1. PETROGRAPHY

Hummingbird submitted ten samples of typical host rocks from Dugbe drill core for thin section microscopy and petrographic description by Dr E.C. Thatcher of Microsearch CC of South Africa.

The field description of the host rocks was quartz-biotite schist, garnet biotite schist and pegmatite. The quartz-biotite - (pyroxene) schists consist of granoblastic aggregates of quartz, biotite, plagioclase, and orthopyroxene with accessory amounts of opaque sulphides. The quartz biotite garnet schist comprises similar mineralogy but includes garnet and is devoid of pyroxene.

Both schist types display a strong foliation characterised by alignment of biotite crystals, and a compositional banding on a scale of 2 to 5mm due to varying amounts of mafic and felsic constituents. Some bands consisting mostly of quartz are interpreted as segregations rather than metamorphosed veins.

Both schist rock types are interpreted as the metamorphosed equivalent of a semipelitic sediment (sandy shale, or shaley greywacke) that has been regionally metamorphosed in the uppermost amphibolite (or granulite) facies.

The pegmatite comprises biotite, plagioclase, quartz, microcline and accessory apatite, all developed as a coarse grained igneous texture with no obvious foliation or other mineral fabrics. The composition of the mineralogy is typical of a granite or granodiorite. It could well have been formed through partial melting of the schists and addition of potassium.

Thatcher concludes that all samples have been affected by a single episode of regional metamorphism in the uppermost amphibolite facies. The presence of orthopyroxene as a metamorphic mineral in several of the samples probably indicates that metamorphic grade was transitional to the granulite facies. This conclusion on metamorphic grade is supported by evidence of partial melting, accompanied by K metasomatism leading to the development of foliation-concordant, gneissic bands, or concordant veins, of leucocratic granitoid material (leucotonalite, leucogranodiorite, etc).

All rock types are affected by weak sericitisation, chloritisation and occasional carbonate veining. This minor alteration can be regarded as a form of retrogressive metamorphism and provides evidence that the rocks have been subjected to a second, very weak, tectonothermal event at some stage subsequent to the main regional metamorphic event.

Dr Thatcher notes that rocks with similar lithology and slightly lower metamorphic grade host economic and sub-economic gold mineralisation at Kiaka (Burkina Faso) and Morila (Mali). However, at Morila the amphibolite facies semipelites are generally unfoliated (hornfelsic) whereas at Kiaka they are well foliated, banded and laminated in a similar manner to the Dugbe rocks. At both localities pyrrhotite and chalcopyrite are the main sulphides in the host rocks to gold mineralisation.

9.8.1.2. STRUCTURE

The drill core is marked with an orientation spear to allow measurements of the orientation (dip and direction) structural features. Foliation is the most pervasive structural feature and this is recorded at close intervals on separate log sheets. Analysis of the orientation of the foliation has allowed the construction of a preliminary structural map. This depicts the northern part of the prospect (i.e. from line 2200N for at least 1200m north) as a simple structure with a rather uniform dip of around 30 degrees east and a strike of 030-035 degrees. The southern part of the prospect is depicted as an open fold in which the foliation swings in strike from 00° (north-south) to 90° (east-west) between lines 2200N and 920N. This folding is reflected both in dip and strike measurements in the core and in topographic features determined from detailed topographic survey (see Figure 18).

Smaller scale open fold structures can frequently be observed in individual outcrops which are reflected by fluctuations of 20 to 30 degrees in orientation.

Foliation observed in drill core is usually well-developed and displays relatively uniform orientation over many metres, however small scale sigmoidal structures have been recorded infrequently.

Joints and fractures in core are recorded, but are rather infrequent. A full analysis of their frequency and direction has not yet been completed, but will be necessary for geotechnical purposes.

More important, wider brittle structures have been observed in core only rarely, for example at 113m in hole 139, where a 2m zone of steeply-dipping fracturing is accompanied by bleaching (?sericitisation) of biotite and fine quartz veinlets. Alteration of this type and intensity has not been observed elsewhere in the core.

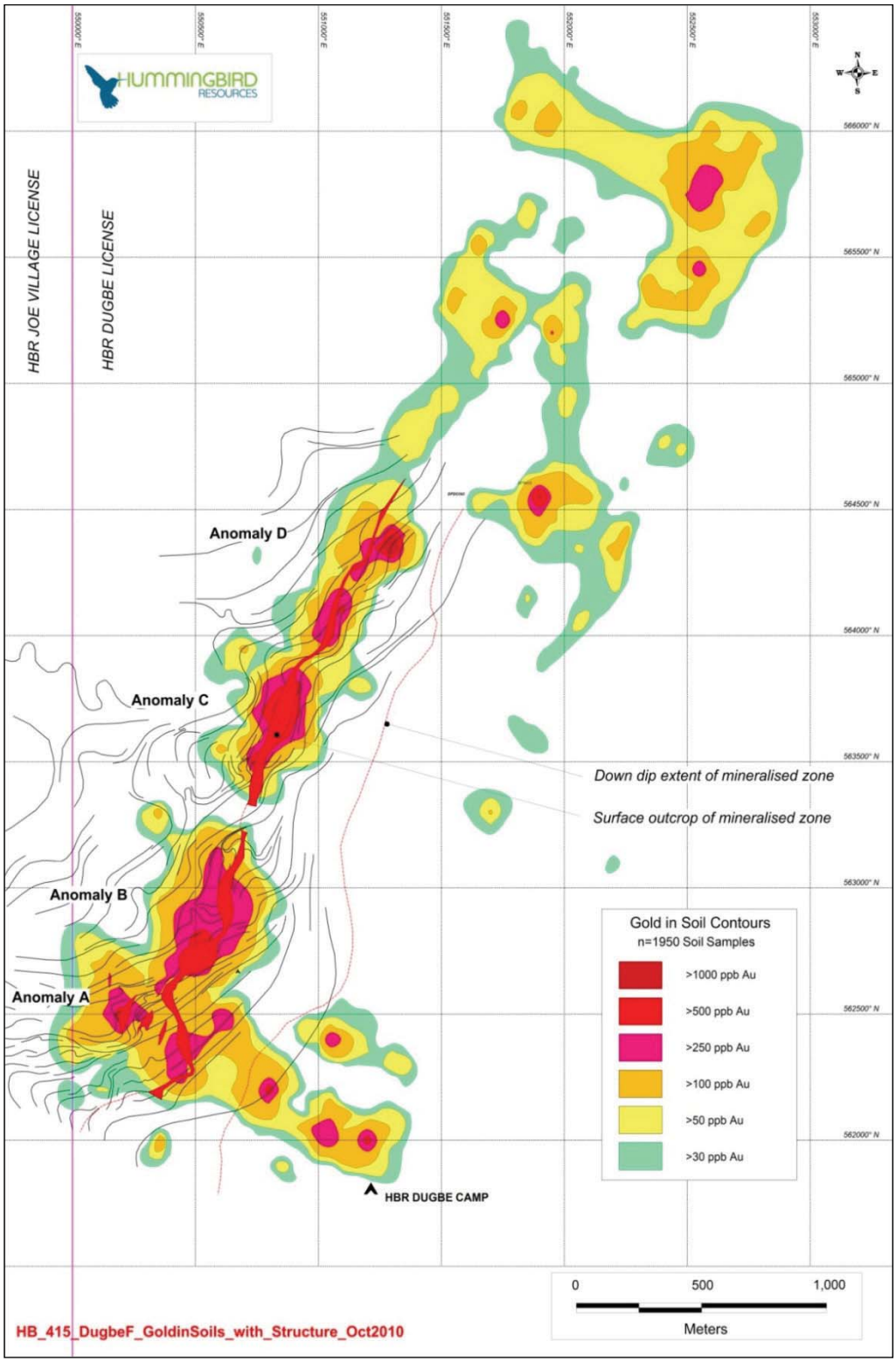

FIGURE 18. DUGBE STRUCTURAL GEOLOGY AND SOIL GOLD ANOMALIES

9.8.2. DUGBE DEPOSIT TYPE

The mineralisation at Dugbe is hosted by gneiss of probable metasedimentary origin depicted on the USGS map as within unit gn2 for which they determined an Eburnean age of 2,070 m.y. in the Greenville area which indicates it is part of the Birimian Supergroup.

The Dugbe deposit is characterised by a strong association with arsenic and is located in general proximity to a major regional shear zone (the Dugbe shear). These features, together with its location in a Birimian province suggest an affinity with the granite-greenstone class of orogenic gold deposits, which are widespread elsewhere in the Birimian of West Africa, as discussed in section 7.

Many of typical features of Birimian granite-greenstone deposits are not present at Dugbe. The most important of these are structural control by faults, shears and other brittle structures and by hydrothermal alteration.

Granite-greenstone deposits typically occur adjacent to major regional structures such as shear zones and manifest minor shearing, veining and jointing developed within brittle-ductile transition conditions, providing conduits for hydrothermal fluids. Such fluids are probably derived from metamorphic de-watering and granite intrusion under conditions typical of greenschist facies metamorphism. Higher grade metamorphism is generally considered to be unfavourable to the development of hydrothermal deposits due to the absence of water or hydrous mineral phases and to the ductile nature of the rocks, which do not support brittle open structures necessary for a hydrothermal plumbing system. At Dugbe there is no evidence of any structural control of mineralisation, such as mineralised veins, joints, faults or shear zones. Such features would be expected to cross-cut the foliation in a discordant manner, but the mineralisation seen in drill core appears to be entirely concordant with the foliation of the gneiss.

Birimian and other greenschist-hosted deposits are generally characterised by a quartz-sericite-carbonate-chlorite alteration assemblage that pervades the host rock generally adjacent to faults, fractures and veins. Such wallrock alteration results in the destruction of minerals such as biotite, garnet and feldspar and the formation of sericite, chlorite and clay minerals, and is often visually manifested by bleaching. At Dugbe there is no evidence for hydrothermal alteration, rather the simple Ca-Mg silicate mineral assemblage is consistent with the primary mineralisation occurring prior to high grade regional metamorphism.

The distribution of gold at Dugbe appears to be strongly affected by remobilisation during regional metamorphism which has obscured or obliterated structural control, wallrock alteration and any other details of the primary mineralisation. As a consequence, mineralisation is extremely difficult to recognise in outcrop or in core and reliance on arsenic determination by portable XRF instrument is necessary.

The attenuated concordant mineral zones at Dugbe are consistent with metamorphism and ductile deformation of a granite-greenstone deposit and the geometry of the mineral zones is defined by that of the gneiss host rock.

9.8.3. DUGBE; MINERALISATION AND ALTERATION

9.8.3.1. Alluvial

Alluvial gold occurrences forming the basis for small-scale placer operations occur within the area, particularly in the vicinity of Money Camp on block F, where they support a village of several hundred miners and their families.

9.8.3.2. Primary

Primary (sulphide) mineralisation is observed in core as sulphide disseminations within the schists. Total sulphide content rarely exceeds 3% and grain size is generally less than 1mm. Pyrite is ubiquitous throughout the schists, occurring as anhedral grains.

Arsenopyrite occurs in euhedral to subhedral acicular crystals. It is restricted to distinct core intervals ranging from a few centimetres to several tens of metres, where it closely associated with gold content. Outside these distinct intervals arsenopyrite appears to be absent.

Chalcopyrite is observed occasionally, as separate grains or in aggregates with pyrite. The geochemical distribution of copper is somewhat elevated in the gold zones (100-200 ppm) probably reflecting a higher incidence of chalcopyrite.

As discussed in section 9.8.2, the mineralisation occurs in zones that are conformable to the foliation of the host schist and is not accompanied by significant hydrothermal alteration or cross cutting veins or structures. This renders the mineralised zones difficult to detect visually, as is evident from Figure 19 below which is a photo of a typical section of mineralised core.

FIGURE 19. TYPICAL MINERALISED CORE

(DFDC016, 83-84m=1.27 g/t Au, 84-85m=2.78 g/t Au, 85-86m= 3.55 g/t Au, 86-87m=0.86 g/t Au)

9.8.3.2.1. Ore Mineralogy

Hummingbird submitted three core samples typical of mineralised zones within quartz biotite schist to Jon Hunt of Golder Associates in Dublin, Ireland, for polished section ore microscopy.

Gold was identified in all three samples. In each of the samples gold occurs almost exclusively in close association with arsenopyrite (misidentified as pyrite) grains. Occasionally the gold is present in microcracks and along grain boundaries. Although gold grain sizes vary considerably (<1μm to 250μm), the average size is in the region of 30μm.

Hunt considered that the extractability of the gold in these samples would be simplified due to its presence as free gold and may be extracted using a dual process of froth flotation followed by heap leaching. The froth flotation would serve to liberate the gold and sulphides and the heap leaching would be expected to capture the gold present in microcracks and along grain boundaries.

9.8.3.2.2. Alteration

Alteration of the primary minerals observed in the schist host rock has been recorded in core and in thin sections. This comprises minor sericitisation of feldspars and chloritisation of biotite and garnets. These forms of alteration are generally restricted to the margins of the minerals and to fractures and only very rarely (DFDC59, 139m) constitute pervasive alteration affecting the whole rock mass. As noted by Thatcher, this alteration represents a weak, tectonothermal event at some stage subsequent to the main regional metamorphic event rather than to a major hydrothermal event.

9.8.3.2.3. Weathering and Oxidisation

The Dugbe deposit is affected by development of a soil profile typical of tropical rainforest. This comprises a predominantly residual soil developed to a maximum depth of a metre or two which is underlain by saprolitised bedrock and mottled zone, passing into fresh unweathered rock typically occurring at a depth of around 5m, but occasionally with weathering profile developed to maximum depths of around 10m (e.g. in DFDC 37).

The oxidation state of sulphides is reflected by the change in colour from brown to grey at the base of the mottled zone, with sulphides below that depth being unoxidised.

9.8.4. DUGBE EXPLORATION

Stream sediment reconnaissance and detailed work was completed by Earthcons personnel in 2007 using local accommodation and lightweight tents. The stream sediment survey identified a number of prominent anomalies close to the southern boundary of the concession in blocks A, B and F.

Hummingbird is not aware of any previous exploration work having been carried out on the Dugbe MEA area, however old exploration trenches seen at the time of the ACA Howe visit provided evidence of recent historical exploration reputedly by UNDP in the 1990s, by local accounts.

9.8.4.1. Reconnaissance Stream Sediment Sampling

Hummingbird carried out reconnaissance stream sediment sampling during the period from 2006 to 2008 during which a total of 614 sites were sampled and analysed for gold and 46 elements according to the methods described in section 11 of this report.

This equates to approximately one sample per 2 square kilometres. ACA Howe notes that the samples are generally fairly evenly distributed over a reticulate stream drainage system, so providing a coverage that is a reasonable test of the gold potential of most of the MEA, however coverage in certain areas is deficient, particularly in the western half of block H, the eastern half of block F and the area of block D that lies south of the Dugbe River. The latter two areas are particularly important because of their proximity to the Dugbe shear zone, the F block anomalies and the Bokon Jedeh deposit.

The results of gold analyses identified anomalous high values concentrated predominantly within blocks A, B and F. Each of the anomalies A-1, B-1 and F-1 comprised several sites above 10,000 ppb.

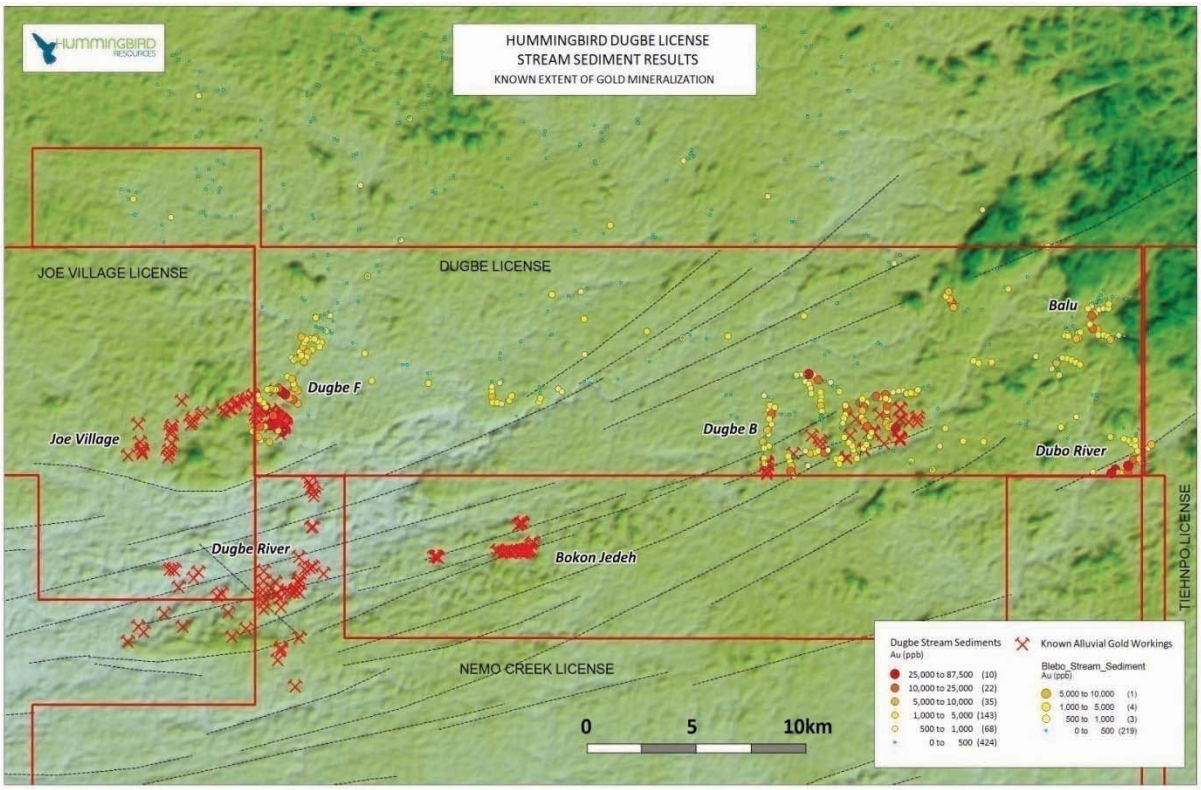

FIGURE 20. DUGBE MEA; STREAM SEDIMENT AU ANOMALIES

9.8.4.2. Follow-up Stream Sediment Sampling

Detailed follow up stream sediment sampling was carried out over the stream sediment anomalies identified in blocks A, B and F in order to confirm and to better define the anomalous zones. The results of that work are presented on Figure 20 above. Samples were collected at 200m intervals above the anomalous sites identified from the reconnaissance survey, according to the follow-up procedure described in section 11 of this report.

Analytical results for anomaly F-1 showed consistent anomalous gold values above 2,000 ppb Au within several adjacent streams over a distance of approximately 4km in a NNE-SSW direction parallel to the regional strike. Gold values in the core area of the anomaly are frequently in excess of 20,000 ppb Au and reach a maximum of 38,000 ppb Au.

Analytical results for Anomaly B-1showed consistent anomalous gold values above 1,000 ppb Au, with a maximum of 87,000 ppb Au. The anomaly is recorded within several adjacent streams extending over an area of approximately 6km by 2km.

Anomaly A-1 is located in the extreme SE corner of the concession and is formed by five consecutive samples collected along a 1.5 kilometre section of the Dubo River. The Dubo River drains a basin in excess of 50km² square kilometres and is therefore significantly larger than the majority of streams sampled by the survey. It is likely that the anomaly is alluvial in nature and related to more distal mineralisation in the drainage basin rather than from a proximal bedrock source.

9.8.4.3. Soil Sampling

Soil samples were collected at 40m intervals over stream sediment target areas B-1 and F-1 according to the method described in section 11 of this report.

Analytical results for soil samples on anomaly B-1 returned a broad, weak anomaly with gold values of 10-25 ppb, surrounding a narrow, more tightly constrained anomaly with peak values between 317 and 685 ppb Au, extending for 5km along an ENE-WSW alignment (Figure 20). Numerous small artisanal workings were noted during the course of the soil sampling. ACA Howe notes that the anomaly is aligned directly with the Bokon Jedeh deposit, some 10km WSW (see Figure 20).

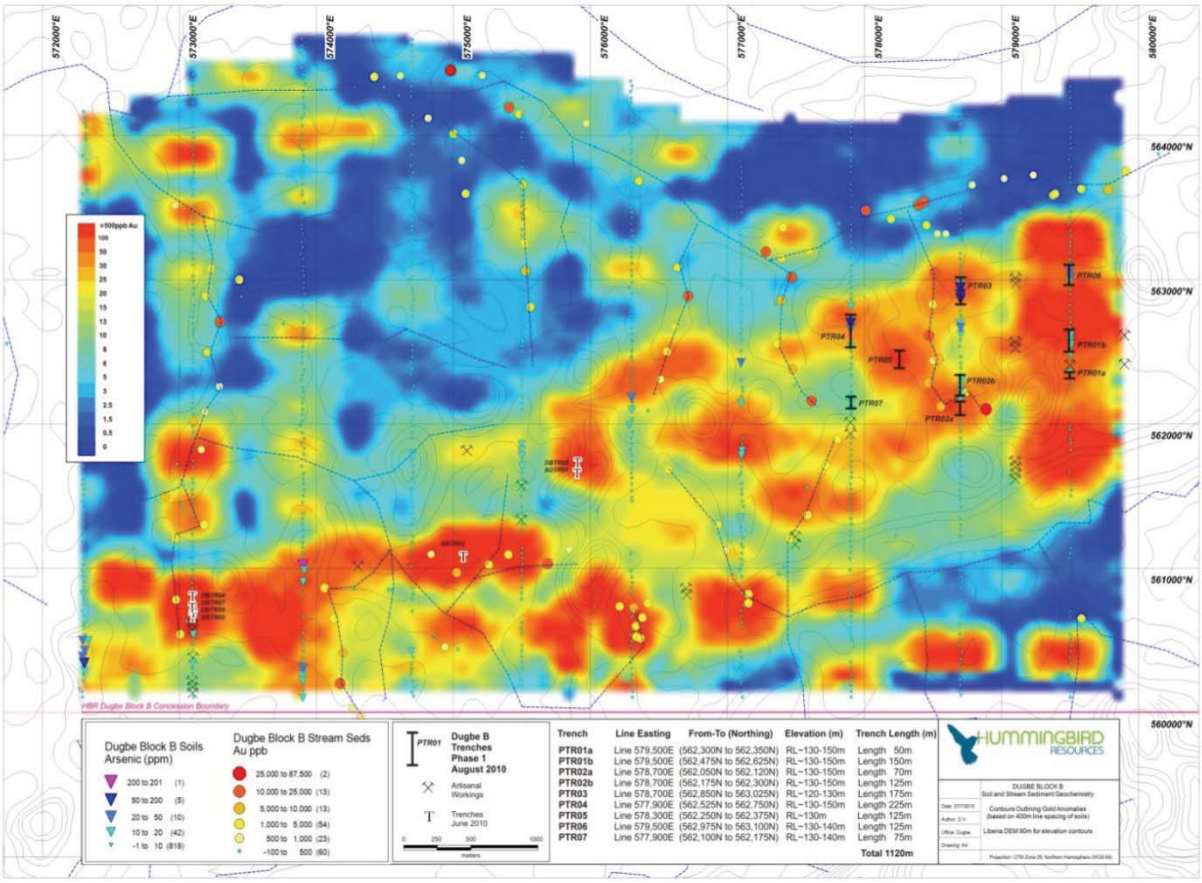

FIGURE 21. DUGBE BLOCK B - SOIL ANOMALY B-1 SHOWING GOLD AND ARSENIC GEOCHEMISTRY AND TRENCH LOCATIONS

Analytical results for soil samples on anomaly F-1 returned anomalous values at intervals over a 4km distance with a peak value of 1352 ppb Au (Figure 21). The anomalous values can be resolved into a main anomaly, trending NNE and a number of subsidiary anomalies. Anomalous values, exceeding 200 ppb Au extend over widths of 100 to 200m in the main anomaly.

9.8.4.4. Trenching

Trench results over anomalous peaks at the western end of the Dugbe B anomaly returned best intercepts of 2m at 6.06 g/t Au and 2m at 10.78 g/t Au in quartz vein material. More detailed infill

soil sampling at 400m intervals provided better definition of the eastern end of the anomaly, defining wide areas in excess of 50ppb Au with associated arsenic. Fourteen trenches, totalling 943.5m, were subsequently completed over these anomalous areas. Results indicated widespread anomalous but sub-economic gold in saprolite, with a maximum of 10m at 0.61 g/t Au. It should be noted that as yet the geology and geomorphology of the Dugbe B area is not yet well understood, so the full significance of these trench results cannot yet be appreciated. It is quite possible, for example, that with the deep weathering in the area, there may be leaching of gold values near surface.

Soil anomalies at Dugbe block F were tested by digging hand dug trenches across the peaks of the geochemical soil anomalies (i.e. >300 ppb). A total of 14 trenches, each approximately 160m long, were dug at approximately 320m intervals as shown in Figure 22 below. The trenches were dug to approximately 2m depth and generally encountered weathered and oxidised bedrock which was sampled at 2m intervals in the walls just above the base of the trench. Analytical results, shown in Figure 22 including anomalous gold values exceeding 1 g/t Au extending over several tens of metres are broadly comparable to those encountered in drillholes down-dip, although the trench intersection widths are greater due probably to the shallow dip of the mineralised zone, but possibly also due to chemical and physical re-distribution of gold in the surficial environment.

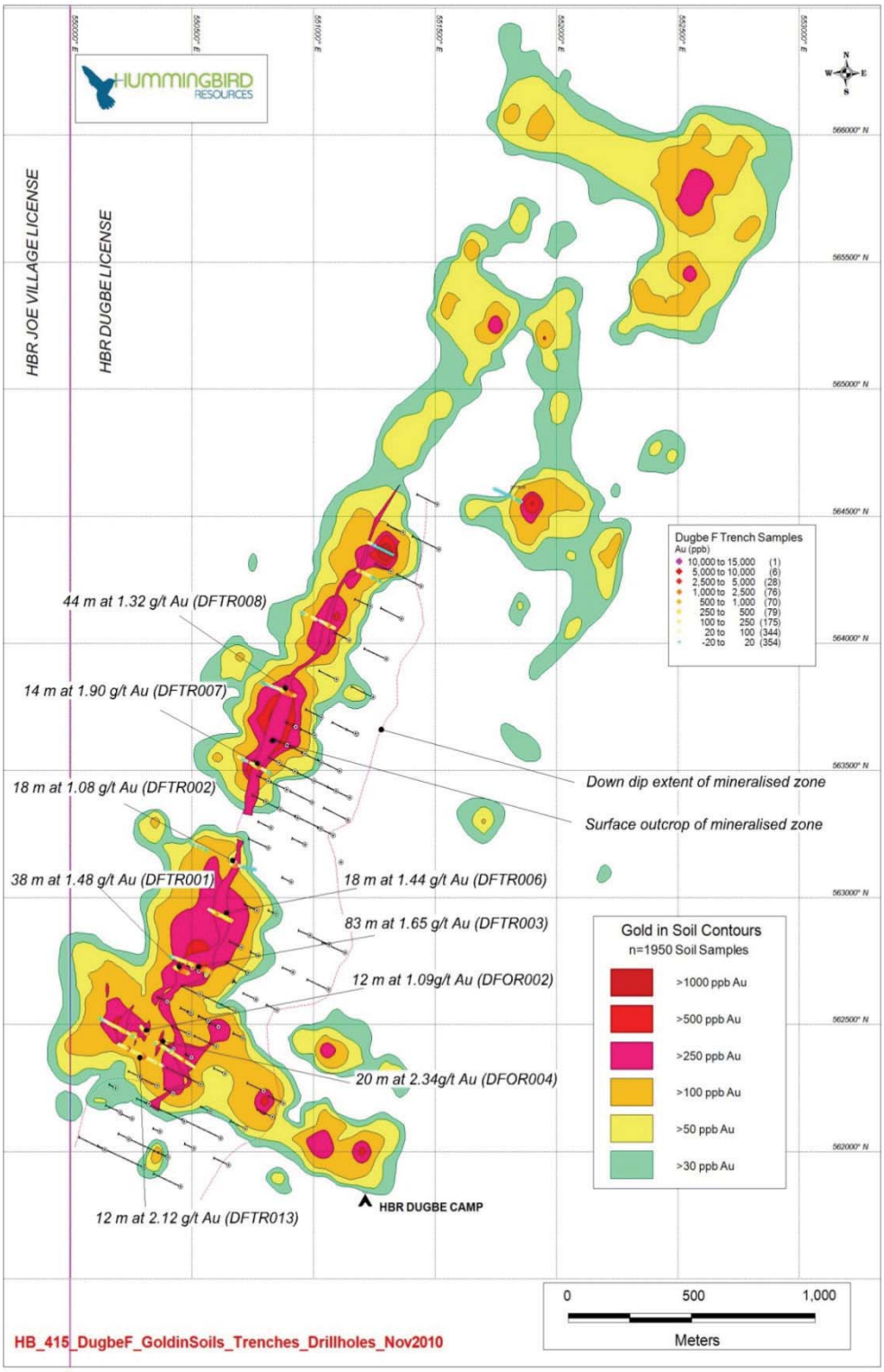

FIGURE 22. DUGBE F SOIL ANOMALIES, TRENCH LOCATIONS, RESULTS.

10. DUGBE DRILLING

A total of 93 diamond drill core holes totalling 14,082m have been drilled at Dugbe F in the period from March 2009 through October 2010.

Drilling has been carried out on a 160m² grid (see Figure 22) covering a strike extension of 2,880m of the Dugbe F structure and corresponding soil anomaly and extending across strike for up to 560m to the east.

Drill holes were collared towards a standard azimuth of 295º (true north). The first 25 holes were collared at an angle of 70º, thereafter the dip angle was reduced to 60º. Drill pads and roads have been constructed by Hummingbird using a Caterpillar D6 bulldozer. Drilling has been carried out in two phases.

Phase 1:

Due to unavailability of a local contractor, drilling was conducted in-house by Hummingbird using a Manpower skid mounted machine. Drilling commenced in March 2009 and was completed in May 2009 with the completion of seven diamond drill holes totalling 519.95m. This drilling campaign was hampered by mechanical breakdowns that resulted in low overall productivity. The majority of holes were collared in NQ2 (45.1mm) diameter and cored in BQTR size (36.5mm). Good overall core recovery of 90.6% was achieved.

Phase 2:

Drilling was contracted to Australian Exploration Drilling Company who used a two track-mounted Atlas Copco CS1000 machines. Drilling commenced in February 2010 and was completed in October 2010 during which a total of 86 holes were drilled for a total of 13,593m. Drilling was conducted in two 12 hour shifts and has achieved good overall productivity of around 29m per shift.

During Phase 2, the majority of holes were collared in PQ (85mm) diameter and cored in NQ2 (45.1mm) size. Excellent overall core recovery of 98% was achieved due to the competent and uniform nature of the gneiss host rock.

FIGURE 23. TYPICAL DRILL SETUP, DUGBE

10.1. DRILLING SURVEY CONTROL

The locations and orientations of the drill holes are checked by the surveyor prior to drilling and after the completion of each hole. The driller identifies each hole with a wood plug showing the drill hole number clearly labelled with permanent black marker. Hummingbird technicians then mark the hole location with a small concrete plinth for permanent location. Drill hole locations are surveyed using the total stations TOPCON surveying instrument model GTS-236W.

Down hole survey readings were not recorded for the first ten holes which are mostly less than 130m deep and not likely to deviate significantly. Thereafter down hole surveys were recorded every 30m using a Reflex EZShot instrument. Survey results have been corrected for magnetic declination (+8º). The survey results are reviewed by the geologist upon entry into the database and any suspect readings, due to the presence of magnetic minerals are rejected from use.

Dip variations at the base of drill holes are not more than 5º, with an average value of 1.3°. Azimuth variations of up to 15º have been recorded at the base of some of the deeper drill holes with an average of 4.3 º

10.2. DRILLING RESULTS

All holes drilled to date have intersected gold mineralisation. Grades and widths in all except two (DFDC007 and DFDC093) are of economic significance (i.e. greater than 2m at 1 g/t Au).

The drill intersections have outlined a deposit comprising a single zone in the north part generally about 5m thick, dipping gently to the east and extending from surface for over 500m down dip. Some much wider zones, up to 42m in DFDC026, have also been intersected.

At the southern part of the deposit the zone dips south (as opposed to southeast for the rest of the deposit) and dips subhorizontally beneath the surface.

A summary of some of the better intersections is presented in Table 2 below. These intersections have not been corrected for true width by taking into account the angle of intersection with the zone, but since all intersections were at an oblique angle (generally more than 70 degrees) to the zone, the corrections for true width would be small.

TABLE 2. DUGBE DEPOSIT; BETTER INTERSECTIONS*

Hole Number	From, (m)	To (m)	Width (m)	Grade (g/t Au)
DFDC001	0.00	12.59	12.59	1.87
DFDC004	21.25	33.74	12.49	1.80
DFDC006	4.65	30.63	25.98	1.02
DFDC015	61.00	70.10	9.10	1.49
DFDC023	101.00	109.00	8.00	1.91
DFDC026	59.00	70.00	11.00	1.59
and	76.46	95.00	18.54	1.08
DFDC044	3.90	13.00	9.10	1.94
DFDC052	36.00	41.58	5.58	2.04
DFDC060	63.00	68.00	5.00	3.91
DFDC061	99.07	103.00	3.93	2.41
DFDC066	0.00	13.00	13.00	1.48
and	19.00	29.00	10.00	1.62
DFDC073	122.00	136.00	14.00	0.73
DFDC074	193.00	201.00	8.00	1.30
DFDC078	91.84	97.00	5.16	2.57
DFDC079	170.00	179.00	9.00	1.20
DFDC081	21.00	34.00	13.00	2.10
and	49.00	65.00	16.00	1.59
DFDC083	36.87	61.86	24.99	1.38
DFDC089	28.26	40.00	11.74	1.25
DFDC091	108.94	123.00	14.06	1.48

* Above a 0.2 g/t Au Cut-off.

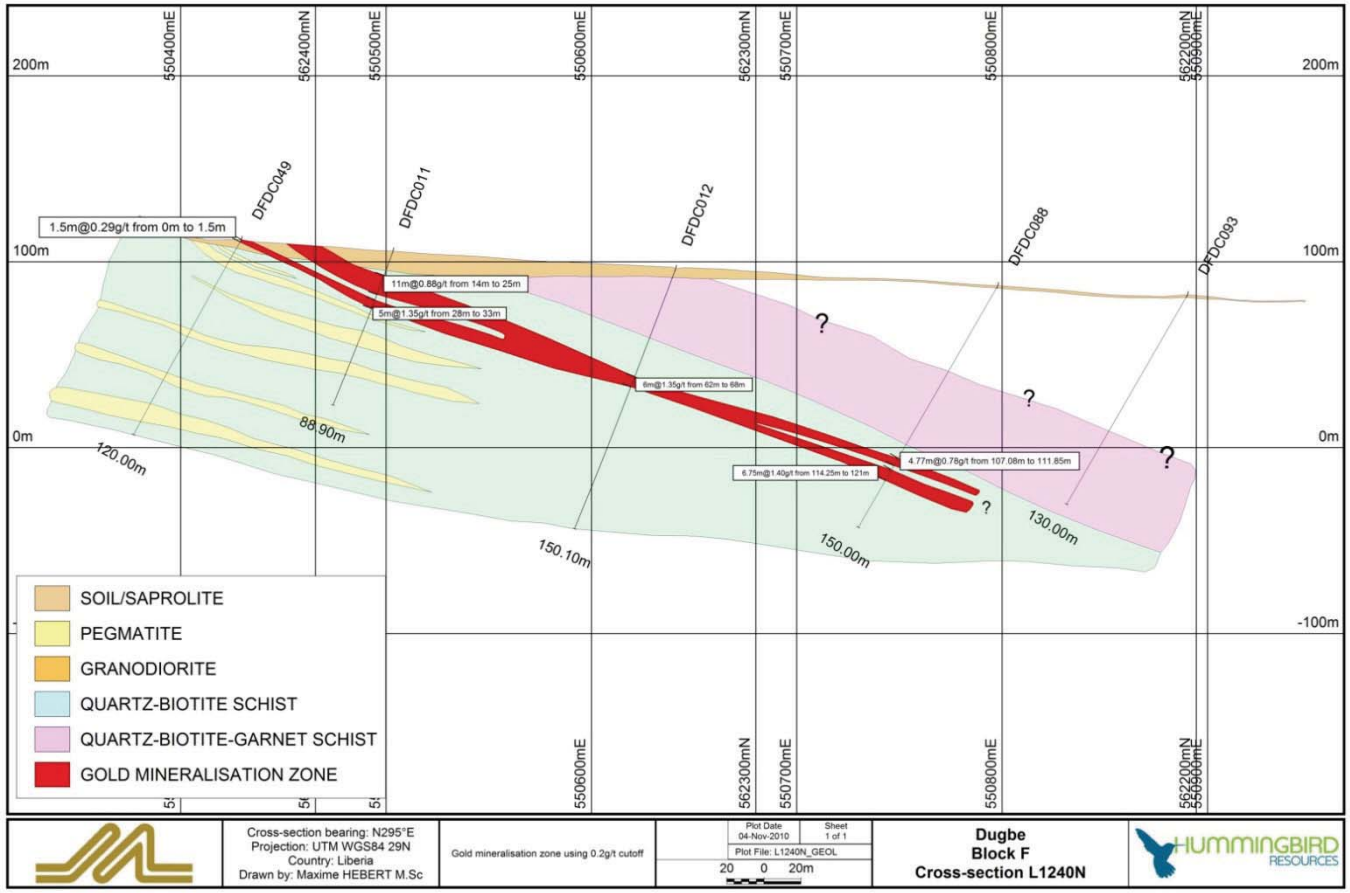

FIGURE 24. DUGBE DRILL SECTION LINE 1240N

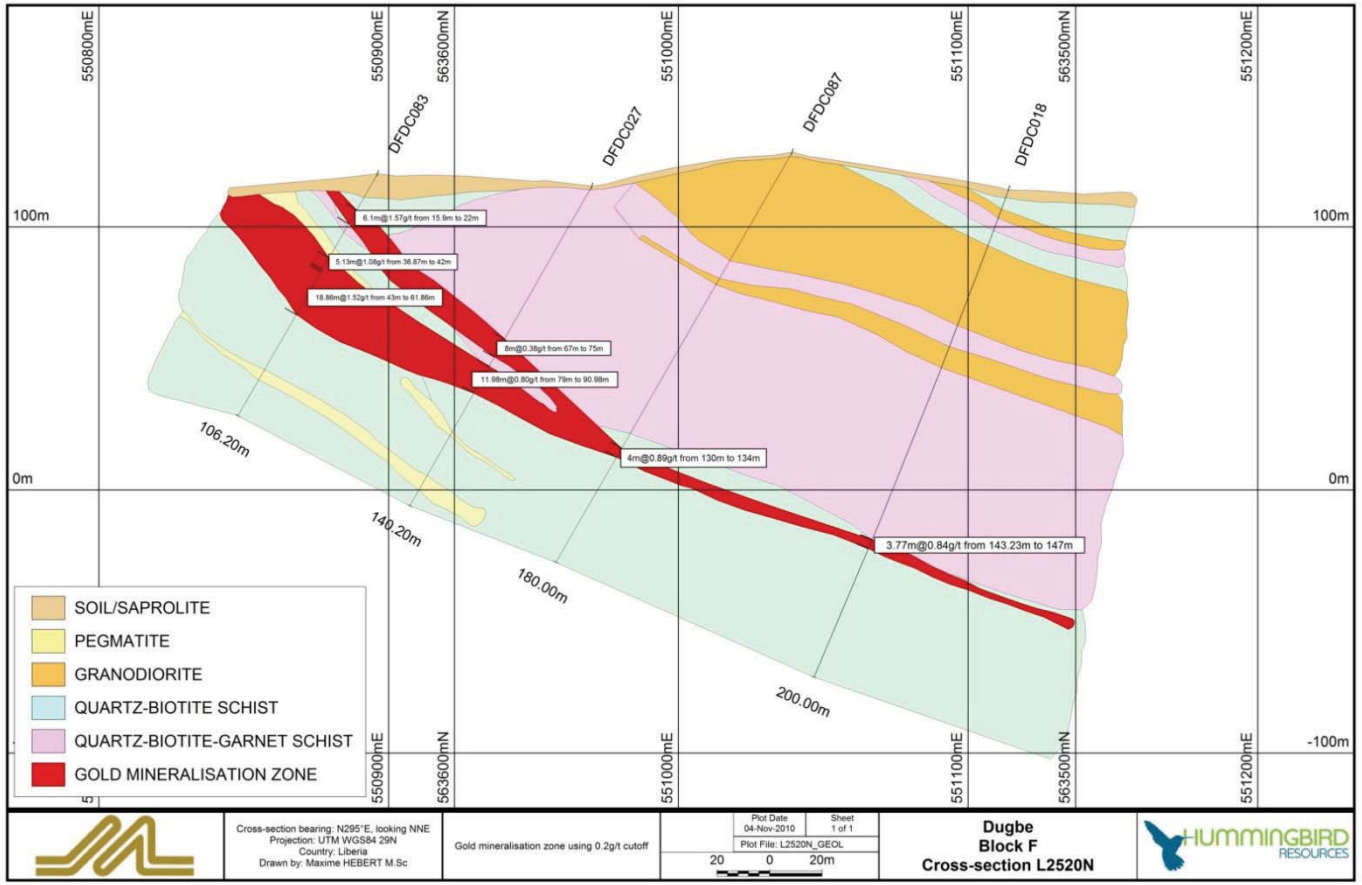

FIGURE 25. DUGBE DRILL SECTION LINE 2520N

11. SAMPLING METHOD AND APPROACH

11.1. STREAM SEDIMENT GEOCHEMISTRY

Reconnaissance stream sediment samples were collected by Liberian exploration contractor Earthcons Consulting Inc., at a density of one sample per 1 to 2km². At each site a geochemical sample is collected by digging a 20 to 50cm hole in the active stream sediment generally in the centre of the stream and removing 50 litres of stream gravel using a 10 litre bucket. This was washed through a set of three Madison Test sieves with sizes of 2.0mm, 710 microns and 300 microns respectively. The oversize fractions at each stage are investigated for mineral identification; these comprise the coarse grains from the 2.0mm and 710 micron sieves and fine grains from the 300 micron sieve. Undersize fraction from the 300 micron sieve is collected as a geochemical sample for gold and multi-element analysis. Each sample has an average weight of 2kg.

Follow-up stream sediment sampling of gold and base metal anomalies was carried out at an interval of 200m using a slightly different technique employing the use of a 710 micron sieve for washing stream gravel which is then panned in a batea (a kind of cone shaped gold washing pan) to produce a 2kg sample. The very fine heavy concentrates are collected for analysis. Recorded details of each sample site included presence or absence of gold in pan, presence of nearby artisan workings, sediment character and GPS co-ordinates.

ACA Howe considers that the stream sediment sample collection and preparation methods conform to standard industry practice, and have been shown to be an effective first-pass reconnaissance tool capable of identifying meaningful stream and soil gold anomalies in most areas.

ACA Howe recommends that the multi-element response of stream sediments draining the Dugbe deposit should be analysed statistically in order to provide a characteristic signature that can be used to prioritise regional anomalies elsewhere in the Dugbe belt.

11.2. SOIL GEOCHEMISTRY

Soil samples were collected over potential source areas of stream sediment anomalies at the Zia and Dugbe properties, generally at 40m intervals along cut and picketed lines. Soil samples of 2kg were collected by digging a hole between 25cm and 40cm depth. Relevant features such as ground slope, soil colour, particle size distribution and sample depth were noted for each sample. ACA Howe considers that this method of soil sampling conforms to industry standards and is likely be effective in identifying soil gold anomalies.

The stream sediment and soil samples were submitted to the Alex Stewart sample preparation laboratory in Monrovia where the fine grained -150 micron fraction was removed by mechanical sieve shaker. This fraction, generally weighing 50 to 100g was shipped to OMAC Laboratory, Ireland for chemical analysis. Gold analysis was carried out on 50g charges. Analysis for 46 elements by ICP was also carried out. OMAC Laboratory is a well-established commercial laboratory accredited to international standard ISO/IEC 17.025.

11.3. TRENCHING

Hummingbird has investigated the more prominent geochemical anomalies by trenching. Trenches were dug by hand through soil cover and into weathered bedrock or to a depth of 2m if no bedrock was encountered. Trenches were normally orientated perpendicular to the regional or local strike direction.

Trench walls were logged for lithology and structure. Sampling of the trenches was conducted by cutting a 5 by 10cm channel in one wall of the trench, generally at a height of 20 to 50cm above the bottom of the trench in order to avoid the possibility of water flow and attendant sediment deposition or removal.

11.4. DIAMOND DRILL CORE SAMPLING

The following are relevant excerpts from Hummingbird's work procedure for drill core handling and sampling. Many of these procedures were observed during the author's site visits. Hummingbird personnel were found to conduct this work in a professional manner that follows accepted industry standards.

11.4.1. DRILL SITE CONTROL

- Plywood core boxes are delivered to the drill site in such a manner that they are clean and free of grease at the site. T he drill hole number, box number and starting and finishing depth are marked clearly on each box by Hummingbird's drill site technician.

- At the end of each run, drill core is fed from the core barrel onto a length of angle iron to allow for fitting of each piece to the succeeding piece to re-assemble the core in its original position by the technician who then draws a saw line with felt tipped pen along the top side of the core. There is no necessity to orient the core according to veining or other mineralised features, since no features of this type have been observed in the Dugbe mineralisation, which is entirely disseminated and visually unrecognisable.

- The drill site technician places a wood block in the core box at the end of each core interval recovered from the hole that clearly shows the distance down hole in metres

- A clean top is placed on each box and prior to transportation from the drill site to the core shack by Hummingbird employees. Care is taken that transportation is as gentle as reasonably possible.

11.4.2. CORE SHACK CONTROL

When the core arrives at the core shack, a geologist oversees the placement of the core boxes on the logging tables and the removal of the tops.

The core is inspected and cleaned if required. The geologist marks the core laterally at the end of each sample. A standard sample length of one metre is used but where pegmatite sills exceeding 50cm occur the sample interval can be varied from 0.5 to 1.5m to allow coincidence with the sill contacts. The sample number (determined from pre-printed sample tags) is marked by felt tipped pen at the start and finish of each sample on the left hand side of the cutting mark (i.e. the retained half).

The geologist locates the core orientation mark and marks an orientation line along the length of the core in red felt tipped pen.

11.4.3. DRILL CORE LOGGING

Geological logging is carried out on appropriate graphical forms that record lithology, mineralisation and alteration according to pre-defined codes suitable for entry into a computer

database. Structural logging is carried out on appropriate forms which record orientation of foliation and other salient features relative to the core orientation line.

ACA Howe considers that the core logging procedure is appropriate to the type of deposit including the categories and codes for lithology, alteration mineralisation and structure.

The whole (uncut) core is dampened and photographed in light shade, one box at a time, with appropriate labels of hole number, box number and depth. A complete photographic record is thus available for reference purposes.

11.4.4. XRF ANALYSIS

As discussed in section 9.8.2, the features of mineralisation are difficult to recognise visually during the course of core logging. Multi element analysis has demonstrated that the gold mineralisation is correlated closely with arsenic.

A portable X-ray fluorescence (XRF) analyzer, model Delta DP4000, has therefore been used to scan the drill core and identify mineralised sections based on their arsenic content. The XRF machine measures through a 2cm window which necessitates multiple measurements to compensate for the irregular distribution of arsenopyrite. For each metre of core, four separate readings are therefore taken and averaged to arrive at a statistically valid estimate of arsenic content.

This procedure was adopted because of the difficulty in visually distinguishing mineralised core from unmineralised core. The use of a portable XRF analyzer in holes from DFDC 060 enabled reliable recognition of gold mineralisation due to its very close correlation with arsenic. Sampling of these later holes was restricted to mineralised core determined on the basis of anomalous arsenic and unnecessary sampling of long sections of unmineralised core was avoided. However ACA Howe recommends that such apparently barren sections should be tested by sludge or groove sampling to avoid missing mineralised zones that may not always be associated with arsenic.

11.4.5. DRILL CORE SAMPLING

During most of the drilling campaign all core drilled was sampled and assayed, including long barren sections. During the latter part of the drill programme from hole DFDC 060 onwards the recognition of mineralised zones by XRF scanning at the core logging stage eliminated the necessity to sample and assay barren sections of drill core. The core was broken at each sample interval and cut by diamond saw along the pre-drawn saw line. The samplers were careful to cut the sample exactly as indicated by the geologist. Only a single piece of core was removed from the core box at a time. Care was taken to replace the unsampled (left hand) portion of half-core back in the box in the correct orientation.

After cutting, the right hand half-core was placed in a pre-numbered and tagged bag corresponding to the number previously marked on the core by the geologist. The sample tag books were marked with the hole number and interval and then archived at the Dugbe field camp.

For every twenty core samples, three pre-numbered and tagged bags were left empty for later insertion of blanks, standards and duplicates, as discussed in section 13 (QA/QC).

Blank samples were prepared from a uniform fine grained diabase intrusive that outcrops in the Monrovia area and is known to contain low gold, silver and base metal values.

Standard samples were inserted every 20 samples using control reference material from Geostats, namely G995-1, G998-4, G905-2, G907-8 (for sulphides) and G3063 (for oxides).

Quarter core field Duplicate samples are inserted every 20 samples.

The bagged samples were placed in woven polypropylene rice sacks in batches of ten for shipment in Hummingbird vehicles via the field base at Greenville to the Alex Stewart sample preparation facility in Monrovia.

12. SAMPLE PREPARATION, ANALYSIS AND SECURITY

12.1. STREAM SEDIMENTS AND SOILS

Soil samples were submitted as taken to the Alex Stewart sample preparation facility at Monrovia, where they were oven dried before sieving at -80 mesh (150 microns), following Stewart Group procedure P2.

One standard, one blank and one duplicate were inserted every 25 samples.

12.2. SAMPLE PREPARATION; DRILL CORE

Half-core samples are delivered to the Alex Stewart sample preparation facility at Monrovia. Sample preparation consists of the following processes (designated procedure P5, as recommended for gold-bearing samples in Stewart Group's schedule of services).

- Half-core sample is dried at 100° C.
- Half-core is crushed in a jaw crusher to 75% passing 2mm.
- -2mm material is split by riffle to produce a fraction of at least 1kg. Remainder is retained as coarse reject.
- 1kg fraction of -2mm material is pulverised in a Tema mill for sufficient time to allow 95% of the pulp to pass 100 microns (corresponding to Alex Stewart preparation code P5).
- A 150g portion of pulp is shipped to OMAC laboratory, Ireland for analysis. The remaining portion of the pulp is retained in Monrovia.

ACA Howe has inspected the sample preparation facility in Monrovia and noted that these procedures were followed correctly at that time with adequate cleaning of equipment with compressed air and barren material.

ACA Howe considers that the sample method and sample preparation procedure is appropriate to the type of mineralisation occurring in the Dugbe deposit.

No aspect of preparation was carried out by any employee, officer, director or associate of Hummingbird.

12.3. ANALYTICAL METHODS

12.3.1. SOIL AND STREAM SEDIMENTS

Sieved soil and stream sediments samples, weighing approximately 100g, were submitted to OMAC Laboratories, Ireland, where analysis for gold by aqua regia digestion followed by MIBK

extraction and atomic absorption using a 50g charge was carried out, according to Stewart Group Standard Geochem procedure Au 1.

A proportion of stream sediment and soil samples were also analysed elements by digestion in Aqua Regia followed by determination of 46 elements by Inductively Coupled Plasma Atomic Emission Spectrometry (ICP-AES). This technique is designated procedure AR/ES in Stewart Group's schedule of services.

12.3.2. DRILL CORE

Pulp sub samples weighing around 150g are packed on wooden boxes and shipped via air courier from the Alex Stewart sample preparation facility in Monrovia to OMAC Laboratory, Loughrea, County Galway, Republic of Ireland.

OMAC Laboratory has been operating continuously for over thirty years and has an excellent reputation. It became part of the Stewart Group in 2000. This laboratory is accredited by the Irish National Accreditation Board to be in compliance with International standard ISO 17025:2005, General Requirements for Competence of testing and Calibration of Laboratories.

All half-core pulp samples have been analysed for gold by fire assay of a 50g charge, followed by atomic absorption finish. This technique is designated procedure Au4 in Stewart Group's schedule of services.

Poor repeatability of some duplicate samples and poor correlation with metallurgical composites was ascribed to the possible presence of coarse free gold due to incomplete homogenisation during sample preparation (nugget effect).

A suite of samples was analysed by screen fire assay in order to investigate the magnitude of the nugget effect. Screen fire assay involves sieving the entire pulp sample (generally 1kg) through a -100 micron sieve. A 50g charge of the undersize is assayed by fire assay followed by atomic absorption. The oversize, which should contain any gold particles that have been flattened rather than pulverised, is assayed by the same technique. The results of 196 screen fire assays are discussed in section 13 of this report.

All half-core pulp samples were also analysed for 46 elements by digestion in Aqua Regia followed by determination of 46 elements by Inductively Coupled Plasma Atomic Emission Spectrometry (ICP-AES). This technique is designated procedure AR/ES in Stewart Group's schedule of services.

13. QUALITY CONTROL AND ASSURANCE

A Quality Assurance and Quality Control (QA/QC) program was implemented by Hummingbird during the Phase 1 exploration campaign in an attempt to provide adequate confidence that sample and assay data could be used for resource estimation. The QA/QC program for drill core and trench data is formalised in the procedure document "Geological Plan- Annex F: Drill Samples Quality Control Protocol" dated September 2009.

For every twenty core and trench samples, three pre-numbered and tagged bags were left empty for later insertion of blanks, standards and duplicates.

Blank samples have been prepared from a uniform fine grained diabase intrusive that outcrops in the Monrovia area and is known to contain low gold, silver and base metal values.

Standard samples are inserted every 20 samples using control reference material from GeoStats.

Quarter core field Duplicate samples are inserted every 20 samples.

The following section comprises an analysis of QA/QC data from the project. Details of the QA/QC samples are contained in the Table below:

TABLE 3. ASSAY QA/QC DETAILS

QA/QC Sample/Assay Type	No of Samples	% of Total Samples*
Blank samples	669	6%
Duplicate samples	675	6%
Certified Reference Material	670	6%
Total	2014	18%

*Total number of core and trench samples submitted up to November 2010= 11,364

13.1. BLANKS

A total of 669 blank samples were assayed, the majority of which are well within acceptable limits and close to the lower limit of detection. Only 9% of samples returned assay values greater than 0.01 ppm Au. Blank sample values typically range from below the lower limit of detection to 0.07 ppm Au. Blanks return values at the higher end of this range even when the risk of contamination is very low, e.g. at the beginning of an analysis batch and when surrounded by barren samples. There may be a potential for elevated background gold values in the blank material.

There are three highly anomalous results. Blank samples B585920 and B586660 returned values of 0.113 and 0.11 ppm Au respectively. Each sample was immediately preceded by mineralised samples, suggesting possible contamination during sample preparation. The highest blank value, 0.19ppm Au, was returned by sample B597820 which is preceded by low grade samples. It is considered that this spurious value maybe due to a data entry error swapping the result with sample B597822 that returned an assay value below the limit of detection.

14. STANDARD CRM SAMPLES

A total of 670 Certified Reference Material (CRM) samples were included during the 2010 exploration campaign, accounting for 6% of the total samples analysed. Details of the individual CRM samples are shown in Table 4. Control plots and descriptions of individual CRM sample performance are presented in Appendix V.

Of 664 assayed CRM samples, 32 (4.82% of the total) were outside of two standard deviations from their respective control grades, which ACA Howe believes are within acceptable limits. In addition to the assayed CRM samples, 5 CRM sample were not assayed and one returned a negative assay grade. These samples were not included in the analysis of QAQC data.

Comparing each CRM assay population arithmetic mean to the expected certified grade shows that there is an apparent bias to under-reporting of gold. Excluding G397-8, the mean value returned for all CRM samples submitted under-report the certified gold content. For CRM G905-2 there is a -5.1% difference between the mean and the certified grade of 0.52, with the majority of samples falling below the control grade. For CRM G302-5 all assays report lower than the expected control grade of 1.66 ppm Au, with a difference between the mean and the certified grade of -8.5% and 31% of samples are outside 2 standard deviations.

TABLE 4. CRM SAMPLE DETAILS									
CRM ID	**CRM Grade (g/t Au)**	**± 1 SD**	**± 2 SD**	**Number**	**Mean assay (g/t Au)**	**Mean difference (%)**	**Min assay (g/t Au)**	**Max assay (g/t Au)**	**% Within +/- 2SD**
OxC58	0.20	0.01	0.01	3	0.20	-1.67%	0.19	0.20	100%
G905-2	0.52	0.04	0.08	149	0.49	-5.10%	0.41	0.68	95%
OxF53	0.81	0.03	0.06	5	0.79	-2.72%	0.74	0.83	60%
OxF41	0.82	0.02	0.05	8	0.77	-6.13%	0.70	0.82	50%
G302-5	1.66	0.08	0.16	13	1.53	-8.01%	1.29	1.63	69%
G995-1	2.75	0.18	0.36	140	2.70	-1.76%	2.25	3.15	97%
G998-4	4.36	0.22	0.44	135	4.34	-0.35%	3.83	5.00	98%
G907-8	6.78	0.27	0.54	137	6.70	-1.25%	6.07	7.42	97%
G306-3	8.66	0.33	0.66	60	8.67	0.16%	7.69	9.50	92%
G397-8	11.65	0.65	1.30	14	11.67	0.16%	11.06	12.80	100%

A negative bias in reported assay grades relative to the certified values is more apparent at lower grades. With increasing grade, accuracy appears to improve. The error plot for G397-8 shows that all but one of the assays report lower than the expected control grade of 11.65 ppm Au, with a difference between the mean and the certified grade of 0.16% and 100% of samples within +/- 2 standard deviations.

Outliers are present in most CRMs. G302-5, G305-2 and OxF41 have successive outliers beyond -2SD. Outliers are predominantly associated with peaks and troughs in a cyclical trend, which is indicative of analytical drift.

14.1. DUPLICATES

Field duplicate samples were taken from split quarter core. A total of 675 duplicates were re-analysed and compared, accounting for 6% of all samples. There is a poor correlation between original and duplicate values indicated by a correlation coefficient of only 0.78, with only 62% of duplicate samples being within ±10% of the mean paired value. Excluding duplicate values at or below the lower limit of detection (0.01 ppm Au), only 45% of samples are within ±10% of the sample pair mean.

As shown in Figure 26 on the following page, the difference between the original assay value and the duplicate value is large in many cases. Spurious duplicates include: sample HBDF-TR3-1093 which returned an original assay value of 0.13 ppm Au, and a repeat value of 0.84 ppm Au. Sample B586959 returned an original assay value of 0.33 ppm Au and a duplicate value 1.89 ppm Au.

The reasonable precision shown by the CRM analysis and short period of time between original and duplicate analyses indicates that this lack of repeatability is probably due in part to a free gold nugget effect that may be due at least in part to the small quarter core samples. This likely nugget effect is supported by observed mineralisation in other Birimian deposits and the observed presence of native gold grains in core at Dugbe.

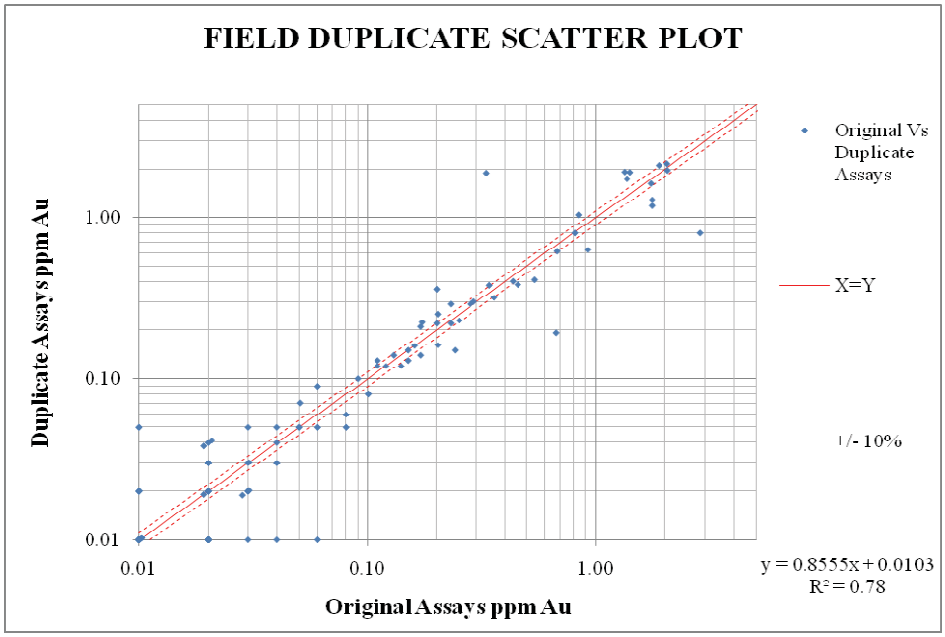

FIGURE 26. FIELD DUPLICATES, ORIGINAL VS REPEAT ASSAYS

14.2. SCREEN ASSAY DUPLICATES

In October 2009, three different methods were used on a set of core samples to decide which method would be most reliable for assaying Dugbe F drill core samples. These three methods were 30g fire assay, 50g fire assay and screen fire assay (1000gm). The screen fire assay work was done by OMAC Laboratory (Ireland) on 196 samples from scout drill core in October 2009.

An Excel document dated 11 November 2009 shows that the results from screen fire assay had been investigated, but for weighted average only (incorporating both plus and minus fractions) and the grade increase in the plus fraction had not been noticed. As a result, the difference between the screen fire assay results (weighted average) and 50g standard fire assay work was considered negligible when compared to the extra cost of running fire screen assays.

Based on this, all drill core samples from Dugbe F was analysed by 50g fire assay method, a standard method in industry practises.

In their September 2009 report on metallurgical test work on composite core samples from Dugbe F, SGS had indicated a discrepancy (increase) in grade relative to the corresponding OMAC results for the same intersections. SGS concluded that the discrepancy was caused by the presence of coarse gold and warranted the use of screen fire assay for more reliable determination of grade of the ores.

In the screen fire assay procedure 1kg of pulp is sieved through a 100 micron sieve thus producing two size fractions. The oversize (+100 micron) fraction is fire assayed entirely (in 50g portions if required) and the fine (-100 micron) fraction is fire assayed in a single 50g charge. The gold content in the coarse fraction includes all the coarse gold particles present in the original 1kg pulp. The gold content of the fine fraction is considered to be homogeneous and free from nugget effect. Using this data the true gold concentration of the original 1kg pulp can be calculated from the weighted average of coarse and fine fractions.

A suite of 196 samples were collected from mineralised zones in diamond drill holes DFDC001, DFDC002, DFDC003, DFDC004, DFDC005, DFDC006, and DFDC007. These samples had already been assayed by 50g standard fire assay method.

The results showed generally higher gold content in the oversize as compared to the undersize, however the weight of oversize was generally less than 5% of the undersize and the weighted average grade showed only a very small increase relative to the undersize. The increase is most pronounced for samples above 1 g/t Au where the average grade of fines was 1.925 g/t Au compared to a weighted average of 1.983 g/t Au, an increase of 2.9% (Table 4).

A single sample assayed 39 g/t Au in the oversize and 4.88 g/t Au in the undersize, resulting in a weighted average of 5.36 g/t Au, representing a 9.0% increase in grade. In a population of 196 samples this is indicative of a mild nugget effect.

TABLE 5. SCREEN FIRE ASSAY; FINE VS COARSE FRACTION ASSAYS

Fines + coarse weighted Cut-off (g/t Au)	Screened fines Average (g/t Au)	Fines + coarse weighted Average (g/t Au)	Increase (%)
>1.0	1.925	1.983	2.921
>0.5<1	0.693	0.696	0.449
>0.2<0.5	0.328	0.331	0.908
>0.2	1.130	1.158	2.378

In October 2010, 148 pulps from most of the main intersections in holes DFDC011 to DFDC042 were submitted to OMAC Laboratory for screen fire assay. Of the original FA assay values, 73 samples or 50% are within +/-10% of the preferred screen assay values. Extreme outliers include sample B586348 that originally assayed at 1.64 ppm Au by fire assay and returned a screen assay value of 0.08 ppm Au. Similarly, sample B585922 originally assayed at 1.07 ppm Au FA and retuned a SA value of 0.12 ppm Au. Outliers can be identified in scatter plot shown in Figure 24.

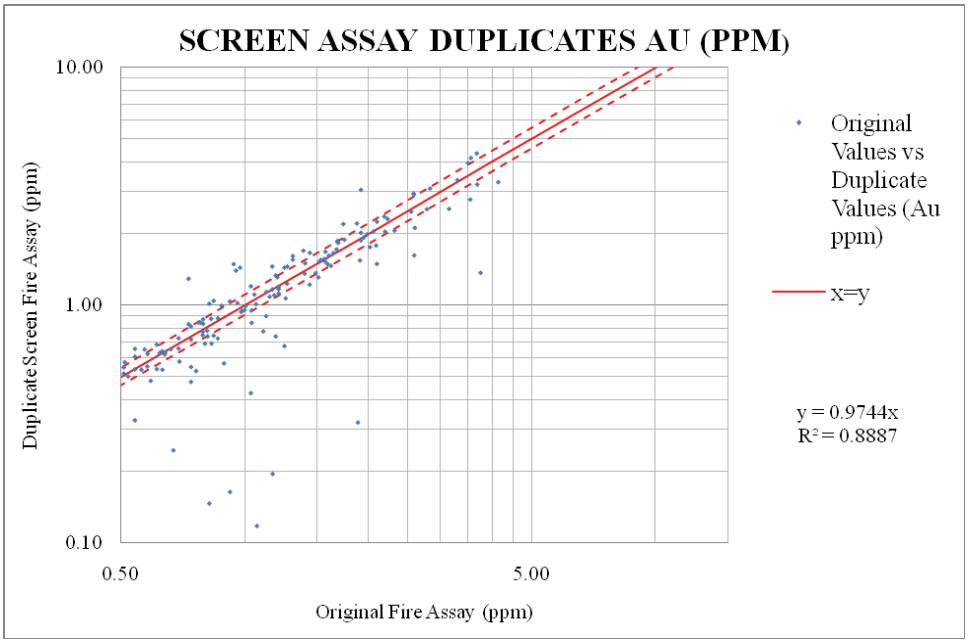

FIGURE 27. ORIGINAL ASSAYS V, SCREEN ASSAY DUPLICATES

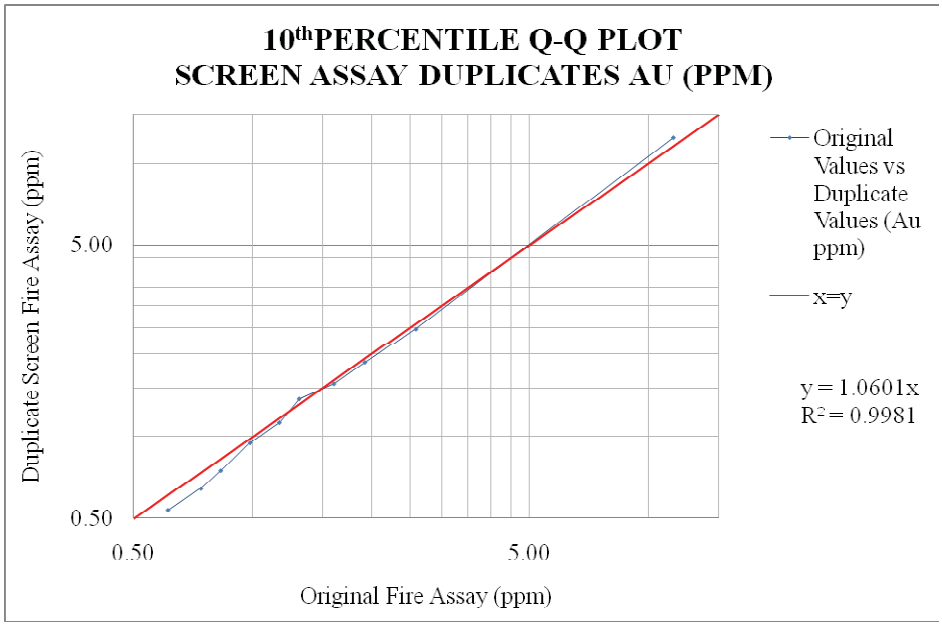

FIGURE 28. FIELD DUPLICATES, ORIGINAL VS REPEAT ASSAYS

The results showed an average of 1.38 g/t Au for the screen fire assay method compared to 1.44 g/t Au for the original assays by Au4 method, a decrease of 4.2%.

The Q-Q plot in Figure 28 indicates that relative to screen assays the Au4 values up to 1 ppm Au have the potential to be overstated. Above 1 ppm Au, the two populations show improved correlation.

There appears to be no significant systematic bias between the results of the Au4 method and the screen fire assays, suggesting that the nugget effect is not a source of significant error. This is corroborated by the lack of erratic high results in the Au4 results. The highest result reported for Au4 was 11.56 g/t Au in a sample for which the corresponding screen fire assay was 12.41 g/t Au.

14.3. QA/QC CONCLUSIONS

The QA/QC programme at Dugbe has generated acceptable results over the course of the Phase 1 exploration activities. A total of 2014 QA/QC samples amounting to 18% of all trench and drillhole samples have been assessed.

Blank sample results show that there is only a minor risk of contamination during sample handling and preparation, or mislabelling.

Based on CRM results there is a possible bias towards under-reporting of gold grades. The under reporting of lower grade CRM values comparable to mineralisation encountered at the Dugbe deposit, and the specifically the poor performance of the 1.60 ppm Au CRM, is cause for concern.

Outliers are predominantly associated with peaks and troughs in cyclical trends indicative of analytical drift. Both the analytical drift and under reporting of certified grades is most likely to be associated with spectroscopy performance at OMAC.

A significant number of duplicates assays show poor repeatability, indicative of nugget effect. It is considered that whilst a nugget effect is present, it is not large enough to have a significant impact on the deposit scale interpolation of grades in this resource estimation study.

It is considered that on the whole the QA/QC results provide sufficient confidence in assay values for use in CIM compliant resource estimation.

Future exploration work should seek to address some of the issues identified above. To resolve the presence of a systematic bias and the under reporting of CRM gold values at low grades, continuous QA/QC surveillance should be undertaken and the results fed back to the assay laboratory. Additionally a duplicate programme at an internationally recognised third party laboratory should be implemented for the identification of any systematic bias.

15. DATA VERIFICATION

15.1. ACA HOWE SAMPLES, 2008

ACA Howe carried out check sampling at three anomalous soil sample sites at Dugbe during the site visit in 2008. ACA Howe also took independent panned concentrate samples at three localities for visual inspection, and collected 13 rock samples, mostly comprising quartz vein fragments from anomalous stream sediment sites. Details of these samples and preliminary analytical results are listed in Appendix II.

The results indicate good repeatability for the three soil samples at Dugbe. The difference in analyses is consistent with the irregular distribution of gold in particulate form (nugget effect).

The observation of gold grains in ZPC 001 and 002 provides assurance of the presence of gold in the Zia Block A anomaly. The absence of significant gold in corresponding stream sediment sample ZSS002 may be due to nugget effect possibly coupled with lack of fines in the prepared sample.

Samples of quartz fragments and of mineralised material selected visually from streams and roadcuts returned only one weakly anomalous gold value, 80 ppb Au in grey quartz fragments from Kana Hills. This suggests that gold mineralisation may not be characterised by an obvious visual signature, which is consistent with a pre-metamorphic origin.

15.2. ACA HOWE DUPLICATE SAMPLES, DUGBE, 2010

In order to provide verification of gold assay values obtained in drill core from Dugbe, ACA Howe independently sampled six sections of quarter drill core taken from mineralised intersections. ACA Howe also obtained three pulp samples from the Stewart Group sample preparation facility in Monrovia, and twenty pulp samples from OMAC Laboratory in Ireland. The check samples were selected to reflect the grade variations of the mineralisation and are distributed in time through the drilling campaign from DFDC006 to DFDC034.

All of the above twenty-nine samples were submitted to Acme Analytical Laboratories Ltd, Vancouver, Canada for gold analysis. The six half-core samples were analysed by screen fire assay according to Acme's procedure G602. Pulp samples were analysed in 50g charges, by fire assay with AA finish according to Acme's procedure G610.

The results shown in Table 6 indicate a generally close agreement between the two sets of assay results. For drill core all samples showed a close agreement except RPL 002 for which OMAC

reported 3.42 g/t Au against Acme's 2.54 g/t Au. This difference is likely caused by irregular gold distribution in the core.

The results for pulp samples also indicate a generally close agreement between the two sets of assay results, although individual assays may differ by up to 33%. The average of the 23 assay results was 1.35 g/t Au for OMAC versus 1.46 g/t Au for Acme. The difference is largely accounted for by a single sample B585188 for which OMAC reported 11.56 g/t Au versus 15.37 g/t Au by Acme, a difference probably caused by the presence of coarse gold. After exclusion of sample B585188, OMAC assays averaged 0.91 g/t Au compared to 0.85 g/t Au for Acme, indicating the possibility of a slight bias towards over reporting by OMAC

TABLE 6. COMPARISON OF ORIGINAL ASSAYS V HOWE CHECK ASSAYS

ACA HOWE DUPLICATE		INTERVAL				ASSAYS		
Sample Number	Sample Type	Hole Number	From, (m)	To, (m)	Width (m)	OMAC Original - Au4 (g/t Au)	ACME Check (g/t Au)	Difference (%)
RPL001	1/4 core	DFDC006	26.85	27.76	0.91	1.76	1.76	0.2
RPL002	1/4 core	DFDC009	31.25	32.30	1.05	3.41	2.54	-25.7
RPL003	1/4 core	DFDC021	45.00	46.00	1.00	1.57	1.56	-0.4
RPL004	1/4 core	DFDC032	58.70	59.97	1.27	0.21	0.19	-8.1
RPL005	1/4 core	DFDC032	68.08	69.00	0.92	-0.01	<0.005	
RPL006	1/4 core	DFDC033	142.88	143.99	1.11	0.46	0.47	1.5
1859	pulp	DFDC003	5.86	6.52	0.66	0.29	0.27	-8.3
B584581	pulp	DFDC010	65.46	65.83	0.37	0.26	0.18	-31.2
B584693	pulp	DFDC011	22.00	23.00	1.00	1.92	1.88	-1.9
B584848	pulp	DFDC012	66.00	67.00	1.00	3.56	3.44	-3.4
B584965	pulp	DFDC013	14.00	15.00	1.00	1.18	1.17	-1.0
B585134	pulp	DFDC014	23.00	24.00	1.00	0.02	0.02	-5.0
B585342	pulp	DFDC015	69.00	70.10	1.10	0.38	0.36	-5.8
B585466	pulp	DFDC016	82.00	83.00	1.00	0.44	0.45	2.3
B585592	pulp	DFDC017	73.00	74.00	1.00	0.84	0.91	8.2
B585785	pulp	DFDC018	144.95	145.97	1.02	0.24	0.23	-2.9
B585917	pulp	DFDC019	66.00	67.00	1.00	0.40	0.37	-8.6
B586084	pulp	DFDC020	69.02	69.97	0.95	0.11	0.09	-18.2
B586335	pulp	DFDC022	90.00	91.00	1.00	0.95	0.92	-3.7
B586473	pulp	DFDC023	53.18	54.01	0.83	0.48	0.51	6.0
B586677	pulp	DFDC024	90.97	92.00	1.03	0.38	0.35	-7.4
B586815	pulp	DFDC025	97.00	98.00	1.00	1.17	0.97	-17.5
B586923	pulp	DFDC026	67.00	68.00	1.00	4.15	3.08	-25.8
B587090	pulp	DFDC027	73.05	74.00	0.95	0.26	0.35	32.7
B587256	pulp	DFDC028	82.00	83.00	1.00	0.79	0.75	-4.8
B587464	pulp	DFDC029	117.00	118.00	1.00	0.88	1.03	17.0
B587746	pulp	DFDC031	142.00	142.98	0.98	0.66	0.81	22.1
B588301	pulp	DFDC034	54.00	55.02	1.02	1.07	1.02	-5.1
B585188	pulp	DFDC014	66.00	66.57	0.57	11.56	15.37	33.0

16. ADJACENT PROPERTIES

16.1. BOKON JEDEH

The Bokon Jedeh gold deposit, held under an MEA by Bokon Jedeh Resources Ltd, is located approximately 12km southeast of the Dugbe deposit and 4km south of the southern boundary of Dugbe block B and is surrounded by the Nemo Creek MEA area. The deposit has been the subject of intensive artisanal mining for over 70 years and presently supports a town known as Government Camp with a population of several thousand miners who are exploiting deeply weathered parts of the deposit.

Bokon Jedeh was explored in around 2002 by Freedom Gold who completed detailed geochemistry, trenching, approximately twelve diamond drill holes, and an adit but did not publish a resource. The explored section of the deposit occurs in lateritic horizons and in fresh bedrock which comprises steeply dipping melanocratic gneiss which can be subdivided into either pyroxene bearing or garnet bearing units.

The mineralisation is associated with fine grained sulphide disseminations which follow the foliation of the gneiss. The gold occurs in association with chalcopyrite, pyrite, pyrrhotite and arsenopyrite and is also commonly associated with graphite. The mineralisation has a low content of silver and arsenic and is practically devoid of cross-cutting veins or obvious hydrothermal alteration suggesting that it preceded the main metamorphic episode and is itself metamorphosed. No resource figures have been published.

Bokon Jedeh is characterised by deep tropical weathering that extends to several tens of metres and is therefore much more pervasive than at the Dugbe deposit. The weathering results in saprolite, laterite and colluvial development that is amenable to artisanal mining and simple gravity extraction methods.

Apart from the extent of weathering, the geological setting and mineralisation of the Bokon Jedeh deposit bear close similarities to those of the Dugbe deposit.

17. MINERAL PROCESSING AND METALLURGICAL TESTING

17.1. PHASE 1 TESTWORK

Half-core samples from oxide and sulphide intersections intersected in the 2009 drilling were submitted to SGS Lakefield Oretest Pty Ltd, of Perth, Australia, for bench-scale metallurgical testwork including cyanidation and gravity concentration.

Oxide samples were derived from intersections in DFDC001 (0 to 9.07m) and DFDC002, 3.2m to 8.56m, and sulphide samples from DFDC004 21, 25m to 33.74 m. T he total weights of the samples were 13.10kg and 17.20kg respectively.

Head assays performed on the pulverised and homogenised samples reported significantly different results in successive charges. For the oxide ore results of 1.62, 1.80, 2.04 and 1.97 g/t Au (average 1.86) were reported. For the sulphide ore results of 2.26 and 2.16 g/t Au (average 2.21) were reported.

A 1kg sub sample of each ore type was subjected to a 24 hour cyanide bottle roll test. A 2kg sub sample of each ore type was treated in a three inch Knelson gravity concentrator. Following this testwork SGS concluded that

- The variable calculated head grades obtained for gold in various tests throughout the program suggested a possible presence of coarse-grained gold.
- The ores contained minor amounts of arsenic and copper.
- The preliminary gravity recoverable gold tests showed that:
    - About 53% of the gold in the sulphide ore was recovered to a concentrate using a Knelson concentrator, irrespective of the grind size tested.
    - A lesser amount (22% to 27%) of the gold in the oxide ore was recoverable to a gravity concentrate. Gold recovery from the oxide ore decreased as the grind size was reduced from a P80 of 106 microns to a P80 of 75 microns.

Direct cyanidation of the whole ores resulted in:

- Gold extractions of ~84% and ~92%, for the oxide and sulphide ore, respectively.
- Grind size did not appear to significantly influence gold extractions from either ore, when assessed at P80 sizes of 106 microns and 75 microns.
- Both ore types exhibited a component of slow-leaching gold, with leaching appearing to be incomplete after 24 hours. The nature of the slow-leaching gold needs to be confirmed, however given that a similar response was observed in leach tests on gravity tailings, coarse gold was not considered to be the sole cause.
- Diagnostic assays conducted on the leach residues from both ores suggested that a high proportion of the residual gold was associated with sulphide, or non-silicate minerals. Size assays on the residues further indicated that for the oxide ore, where higher gold losses to tailings were observed, the residual gold was finely disseminated within other minerals.
- Leach tests on the gravity tailings (Knelson tails) resulted in 76% and 86% of the gold extracted from the oxide and sulphide tailings, respectively. Higher gold extractions were obtained at the finer grind size of P80 of 75 microns. The effective overall gold recovery, including indicative gold recovered to a Knelson concentrate, was equivalent to 81% and 93% for the oxide and sulphide ores. These gold recoveries were consistent with whole ore leach tests.

SGS made the following recommendations:

- The indicated presence of coarse-grained gold in the ores warrants the use of screen fire assay techniques to provide a more reliable determination of the head grade of the ores.
- A full elemental scan should be performed on each ore type to determine the presence of elements, such as antimony and tellurium, which may contribute to the refractory and slow leaching nature of the ores. A high-definition mineralogical study, whilst expensive, may provide clarity on gold occurrence.
- The potential to achieve higher gold recoveries under optimised leach conditions needs to be considered. This may involve the use of (i) higher cyanide concentration, (ii) enhanced dissolved oxygen levels and (iii) leach durations beyond 24 hours.
- A detailed diagnostic leach will assist in identifying gold deportment, and may be a useful adjunct, or substitute, to mineralogy. The test will indicate gold present as free gold, or associated with :
    - Reactive sulphides (such as pyrrhotite)
    - Arsenopyrite
    - Pyrite
    - Tellurides
    - Silicates
- The amenability of the ores to gravity gold recovery methods should be further confirmed in larger scale tests using a 10kg sample charge and using a Falcon Superbowl test unit.

17.2. PHASE 2 TESTWORK

Phase 2 testwork was performed by the same laboratory as Phase 1 working under supervision of Mr Shaun Bunn of MGMT Group Pty Ltd.

Metallurgical samples were derived from the intersections in drillhole DFDC026 from 60.0m to 70.0m and from 76.46m to 94.0m. The material in these intersections is entirely sulphide phase, with no oxidation recorded. Test work included:

- Apparent relative density measurements;
- Cyanide leach tests on different grind sizes;
- Diagnostic tests on leach residues, and
- Gravity recovery tests.

Bulk Density determinations were performed on six core samples taken from each of the metallurgical samples as shipped. The densities ranged from 2.80 to 2.82kg/m^3 for Met Sample number 1 and 2.79 to 2.81kg/m^3 for Met Sample number 2.

The cyanide Leach Tests recorded recoveries of between 80.4% and 85.1% depending on grind size, with the higher recoveries recorded in 75 micron grind size. These recoveries are lower than those achieved in Phase 1 sulphides, which gave a recovery of 92.1% after only 24hrs. The lower recovery indicates a refractory component that will require further assessment.

Elevated cyanide and oxygen levels did not improve leach recoveries. The addition of carbon to the leach did not improve cyanidation recoveries, which suggests that the lower recovery is unlikely to be caused by preg-robbing material in the ore.

Diagnostic analysis of cyanidation residues determined that the losses are almost exclusively due to gold locked in sulphides.

The amount of gold recoverable to a gravity concentrate was between 23.4% and 39.1%, modest in comparison to that achieved on the sulphide samples tested in 2009 (52-53% recovery). The grade of the gravity concentrate was also significantly lower at between 9.2 g/t and 13.9g/t (previously achieved 94-152 g /t).

Cyanide recoveries varied between Phase 1 and Phase 2 from 85% to 95%. The differing results of Phase 1 and Phase 2 metallurgical testwork suggest that the Dugbe deposit is subject to spatial variations in mineralogy that have not been recognised. Future metallurgical testwork should attempt to take account of this variability by taking samples representative of different parts of the deposit.

18. NOVEMBER 2010 ACA HOWE MINERAL RESOURCE ESTIMATION

18.1. DATA SUMMARY

Raw data incorporated into this resource estimate consists of all diamond drilling data and trench data completed on the Dugbe Block F permit, between 2009 and 2010.

ACA Howe has reviewed and discussed the sample collection methodologies adopted by Hummingbird and is satisfied that data collection methodologies are of a satisfactory standard and compliant with CIM guidelines.

18.2. DATA VALIDATION

Drill hole and trench collar, assay, survey and geology data as well as the data files listed in Table 7 were presented as Microsoft Access database and imported into Micromine *.dat data files. These data files were checked and interrogated via Micromine validation functions prior to constructing a Micromine drill hole database for the deposit. Key fields within these critical drill hole database data files was validated for potential numeric and alpha-numeric errors. Data validation cross referencing collar, survey, assay and geology files was performed in Micromine to confirm drill hole and trench depths, inconsistent or missing sample/logging intervals and survey data.

No significant errors were detected during data validation.

18.3. INPUT DATA

Input data for estimation are outlined in the Table below. XRF data from drill cores were also incorporated into the deposit database to aid in modelling however these values were treated as indicative only and not used in the block grade estimates.

TABLE 7. DUGBE BLOCK F MICROMINE INPUT DATA FILES

MM Data Type	Number of Records	Number of Holes	Comment
MM Database			
DH Collar	93	93	
DH Geology	4,219	90	
DH Assay	10,152	87	
DH Survey	451	78	Down hole survey data
DH Geotech	357	10	
DH Structure	2,539	69	
Bulk Density	1,167	79	
DH XRF Assay	12,09	83	Values not used in resource estimation.
Trench Collars	27	27	
Trench Assays	1,246	27	
Trench Geology	1,226	27	
Topographic Survey	1,640	-	
Additional Input Data			
Hummingbird Cross Sections and Plans			

18.4. CLASSICAL STATISTICAL ANALYSIS

Descriptive statistical analysis of Dugbe assay data was undertaken in order to understand the characteristics of the assay populations. Specifically, this analysis was undertaken to estimate the natural gold cut-off grade that defines the mineralised envelopes and to determine the distribution parameters for gold and to consider whether the datasets are compatible for use in resource estimation. Almost all samples in the drill hole and trench databases are 1m long.

TABLE 8. DUGBE DESCRIPTIVE STATISTICS ON ALL UNRESTRICTED ASSAYS		
	Drill Hole Assays	**Trench Assays**
Normal Statistics		
Minimum	0.00	0.00
Maximum	24.60	12.60
N° of points	10152	1212
Sum	992.61	390.88
Mean	0.10	0.32
Variance	0.23	0.73
Std Dev	0.48	0.85
Co-efficient of Variance	4.95	2.64
Logarithmic Statistics		
N° of points	10152	1209
Mean of natural logs	-4.41	-2.91
Geometric Mean	0.01	0.05
Natural Log Variance	2.13	6.30
Nat. Log Std Deviation	1.46	3.39
Sichel's V	2.13	1.84
Sichel's Gamma	2.91	3.39
Sichel's T-Estimator	0.04	5.44

Unrestrictive descriptive statistics were generated for both drill and trench assays and are presented in Table 8. The trench samples target and intersect mineralisation at an acute angle in comparison to drill holes. Therefore the trench data is on average higher grade, nonetheless a comparison of the histograms for trench and drill hole data indicates that the same grade populations are present and that the two data sets are compatible. Broadly, the Dugbe gold deposit sample assay values are log-normally distributed and a histogram of all assay data is presented in Figure 29.

A review of geological interpretations, previous ACA Howe studies and discussion with staff geologists suggests that the local geology and spatial features associated with the mineralisation are understood.

A ‘background’ or very low gold population is represented by the blue population curve in Figure 29 and includes 73% of all histogram assays. The spikes below 0.1 are due to rounding to three decimal places.

At approximately ~0.5 Au ppm there is a clear population break at the intersect between the background and low grade populations. The low grade population is represented by a yellow population curve in Figure 29 and encompasses 13% of all assays in the histogram.

There is a more gradual transition to the high grade population, with a break at approximately 1.5 ppm Au. The high-grade population is represented by a pink population curve and encompasses 14% of all assays in the histogram.

On the whole, and unusually for Archaean gold deposits, the plus 0.5ppm population trends towards a lognormal distribution and is reflected in a 0.77 coefficient of variation (one shows perfect distribution about the mean).

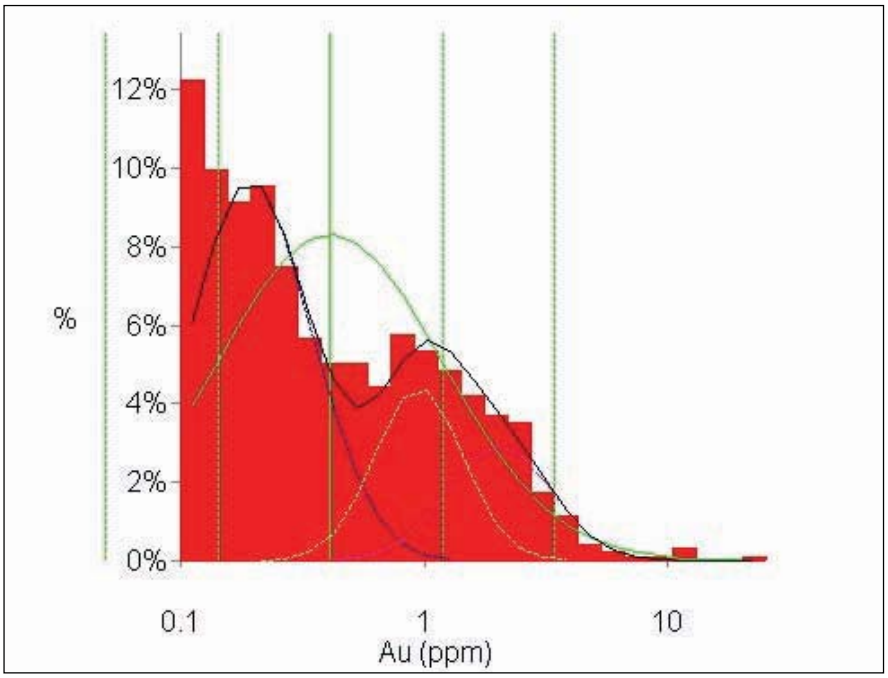

FIGURE 29. HISTOGRAM DECOMPOSITION FOR ALL UNCONSTRAINED AU ASSAY VALUES

18.5. DOMAIN INTERPRETATION

18.5.1. MINERALISATION AND GEOLOGY

Summary statistics and sample gold assay histogram were generated from the assay database and indicate the presence of three or more mixed sample sub-populations within an overall lognormal sample population. The remaining assays are associated with background and low level mineralisation. Because of the gradual increase in grades no natural lower cut off can be discerned. Samples greater than 0.1ppm Au were used for the purposes of defining a mineralised envelope.

Geological domain modelling has been utilised when defining gold grade domains and this geological input has improved the geometry of the grade domains. It was based on characteristic geological features, grade populations, general strike orientations, mineralisation type and spatial location.

Following statistical checks based on logged geological intervals, there appears to be a lithological control to the gold mineralisation at Dugbe. Primary (sulphide) mineralisation is generally constrained to the schists in distinct core intervals ranging from a few centimetres to several tens of metres. Typically, intervals comprise a high grade core that correlates with the distinct >1.4 ppm Au population and a lower grade halo <0.14 ppm Au.

Geochemical surveys and surface trenching have defined gold anomaly zones A to D shown in Figure 18, which can be correlated over a distances of up to 1.8km along strike as anastomosing and bifurcating bands conformable to the foliation of the host schist. Mineralisation is open down dip and to the south and north.

Drilling within these zones has confirmed the below-surface continuity of gold mineralisation between the surface anomalous drill defined zones and 14 separate domains have been interpreted for the purposes of resource estimation which are described in Table 10. Modelled domains are

constrained by a 0.1 ppm Au envelope and also largely to individual structural and lithological zones, i.e. they have been developed to honour logged geology, structural characteristics as well as the 3D geological model developed by Hummingbird and ACA Howe. Wireframe domains are presented in Figure 30.

Given the observed continuity of grades and mineralisation between drill holes spaced up to 160m apart, the unconstrained extents of mineralised domains have been interpreted to be 80m in both strike and dip directions. Where constrained by the presence of a barren drill hole the extrapolation distance is taken to be half the drill data spacing. It is likely that mineralised domains continue for a significant distance down dip, however the lack of drilling prevents the development of the model beyond depths supported by sample data.

Strike and dip orientations of zones have been interpreted using drill hole assay and geological data, interpreted as string polygons on cross sections through the deposit and combined to form 3 dimensional mineralised wireframes. Strings were snapped to drill hole intervals for greatest accuracy.

The strike length of defined mineralised zones used in wireframe restricted resource estimation for Dugbe block F totals approximately 3000m and a down dip extent of up to 500m. The maximum depth extent is approximately 200m below surface. These wireframes incorporate extensions of up to 80 in lateral extents for particularly robust portions of the geological model.

18.5.2. WEATHERING BOUNDARIES

The Dugbe deposit is affected by tropical weathering that generally extends as saprolitised rock to a depth of between 5 and 10m. Drill hole lithological logging was used to model the boundary between the saprolite and fresh rock zones. The interpreted saprolite zone includes oxide and transitional material. String points were created for each zone in each hole and joined up to produce a base of saprolite surface model. Model blocks were assigned to above or below the saprolite boundary surface. The deposit model coloured by weathering domain is presented in Figure 31.

Insufficient bulk density samples have been collected from the weathered saprolitic zone and a determination of the bulk density has not been made. The shallow depth to fresh rock results in only 6% of blocks falling into the weathered zone. As such the lack of Saprolite bulk density determinations was not considered to be a critical for this study. The weathering surface was not used as hard boundary in grade interpolation, as no significant statistical relationship between weathering and grade was observed in the saprolitic zones.

18.5.3. DENSITY

A total of 1,164 samples were collected from the core of 79 drill holes to facilitate the determination of in situ bulk density values for the lithologies encountered at the Dugbe project. Bulk density testing of each sample was performed by Hummingbird geologists and values were calculated by the gravimetric method.

For a bulk sample a 10 or 15cm long piece of half core is weighed dry and while suspended in water. Fractured or brecciated samples are coated in wax or wrapped in plastic film prior to immersion in water. The bulk density is determined by measuring the volumetric displacement of the rock in water and dividing the weight of rock by the volume.

Bulk density values for the entire deposit range from 2.09 to 3.40 t/m^3 and average 2.72 t/m^3 with a standard deviation of 0.08. There is little variation in density values between lithologies and a poor correlation with depth below surface.

Prior to resource estimation, geological logging data within each interpreted mineralised domain was extracted and the density that was to be applied to each mineralised domain calculated by considering the proportions of each lithology that constitutes ore and applying a weighted average density using the mean density value for each lithology. Bulk Density values for each lithology are contained in the Table below.

TABLE 9. LENGTH WEIGHTED AVERAGE ROCK DENSITIES

Rock Type	Number of Samples	Bulk Density (t/m^3)
Granodiorite	3	2.79
Granite Vein	121	2.64
Mafic Intrusive	6	2.91
Pegmatite Vein	196	2.65
Quartz Biotite Garnet Schist	177	2.75
Quartz Biotite Schist	600	2.76
Quartz Vein	8	2.69
Schistose Granite Vein	47	2.69
Schistose Quartz Vein	5	2.72
Soil/Saprolite	1	2.10
Total	1164	

TABLE 10. DUGBE DOMAIN WIREFRAMES

Zone	Modelled Domain	Description	Strike (m)	Down Dip Extent (m)	Strike (deg)	Dip (deg)	Plunge (deg)	Drill Sample Density (m)	Number of Holes/ Trenches	Bulk Density (t/m^3)
Anomaly A	A_1	Flat lying zone south of and including Anomaly A.	650	750	25	0	6	80 x 80 to 120 x 120	18	2.758
	A_2	Bifurcation of A1	100	160	25	-1.5	5	-	1	2.706
Anomaly B	B_1	Southeast dipping ore zone expressed at surface as Anomaly B.	800	450	22	-16	3	80 x 80 to 120 x 120	29	2.706
	B_2	Bifurcation of B1.	150	250	10	-15	-2	160 x160	3	2.764
	B_3	Flat lying mineralised zone at depth below B1	250	300	22	-3	4	80 x 80	6	2.754
	B_4	Outlying pod, possible down dip expression of B1	80	100	15	-15	-2	-	1	2.764
	B_5	Outlying pod, possible down dip expression of B1	80	100	15	-15	-2	-	1	2.764
	B_6	Low grade pod, possible bifurcation of BC_1	100	90	20	-20	10	-	1	2.723
Anomaly B to C	BC_1	Southeast dipping ore zone linking Anomaly B and C below surface.	1000	420	15	-20	0	80 x 80 to 160 x 160	19	2.733
Anomaly C	C1	Flat lying low grade pod at depth below CD_1.	160	120	40	-22	7	80 x 80	4	2.732
	C2	Flat lying low grade pod at depth below CD_1.	260	160	30	-15	6	160 x 160	2	2.728
	C3	Low grade pod, possible bifurcation of CD1	80	80	20	-26	2	-	1	2.764
Anomaly C to D	CD_1	Extensive ore zone linking Anomaly C and D below surface	1800	630	15	-20	1.5	80 x 80 to 160 x 160	43	2.727
Anomaly D	D_1	Planar mineralised zone, below, and possible bifurcation of, CD1	250	340	25	-16	5	160 x 160	3	2.738

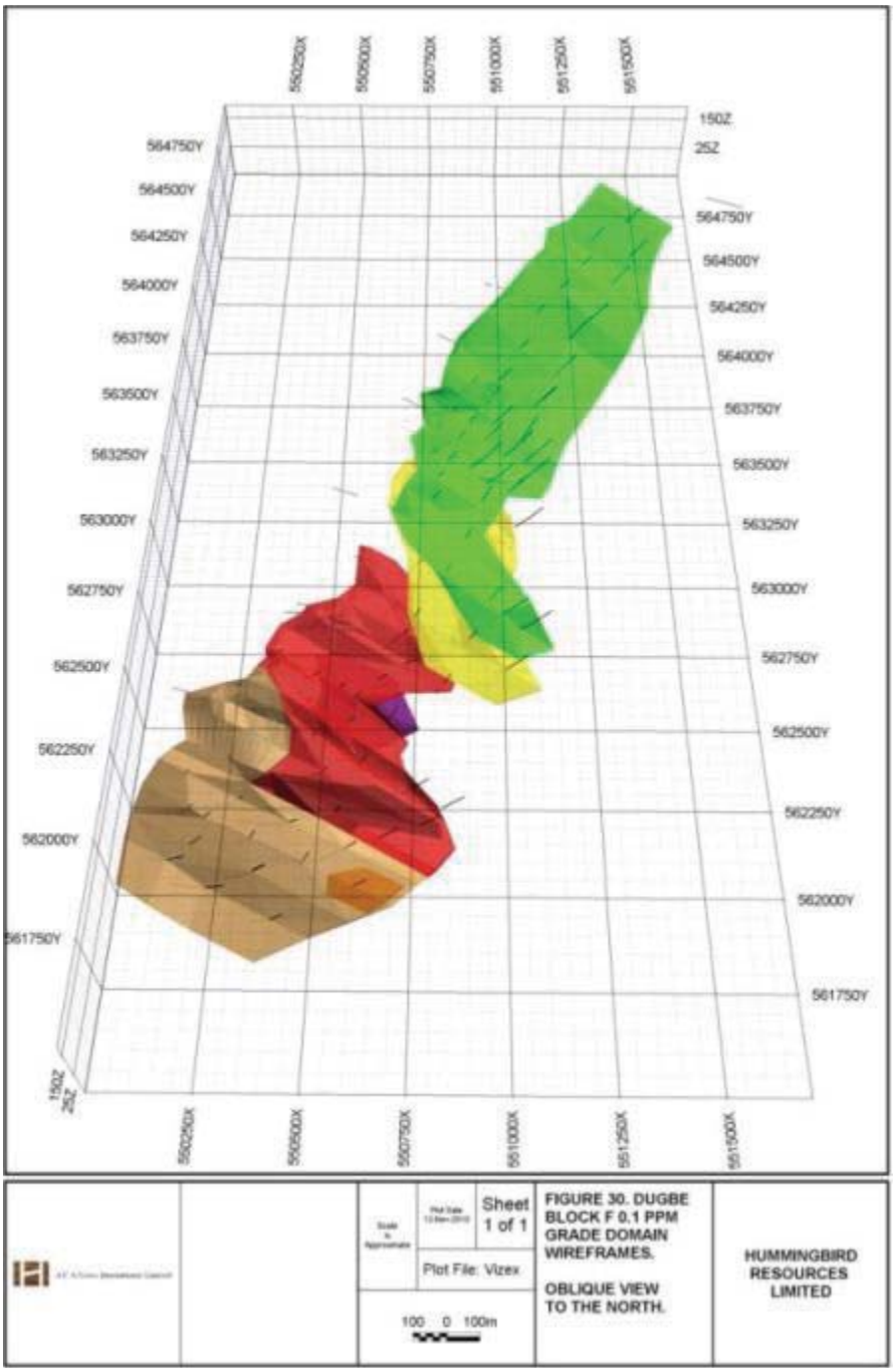

FIGURE 30. DUGBE BLOCK F; 0.1 PPM GRADE DOMAIN WIREFRAMES

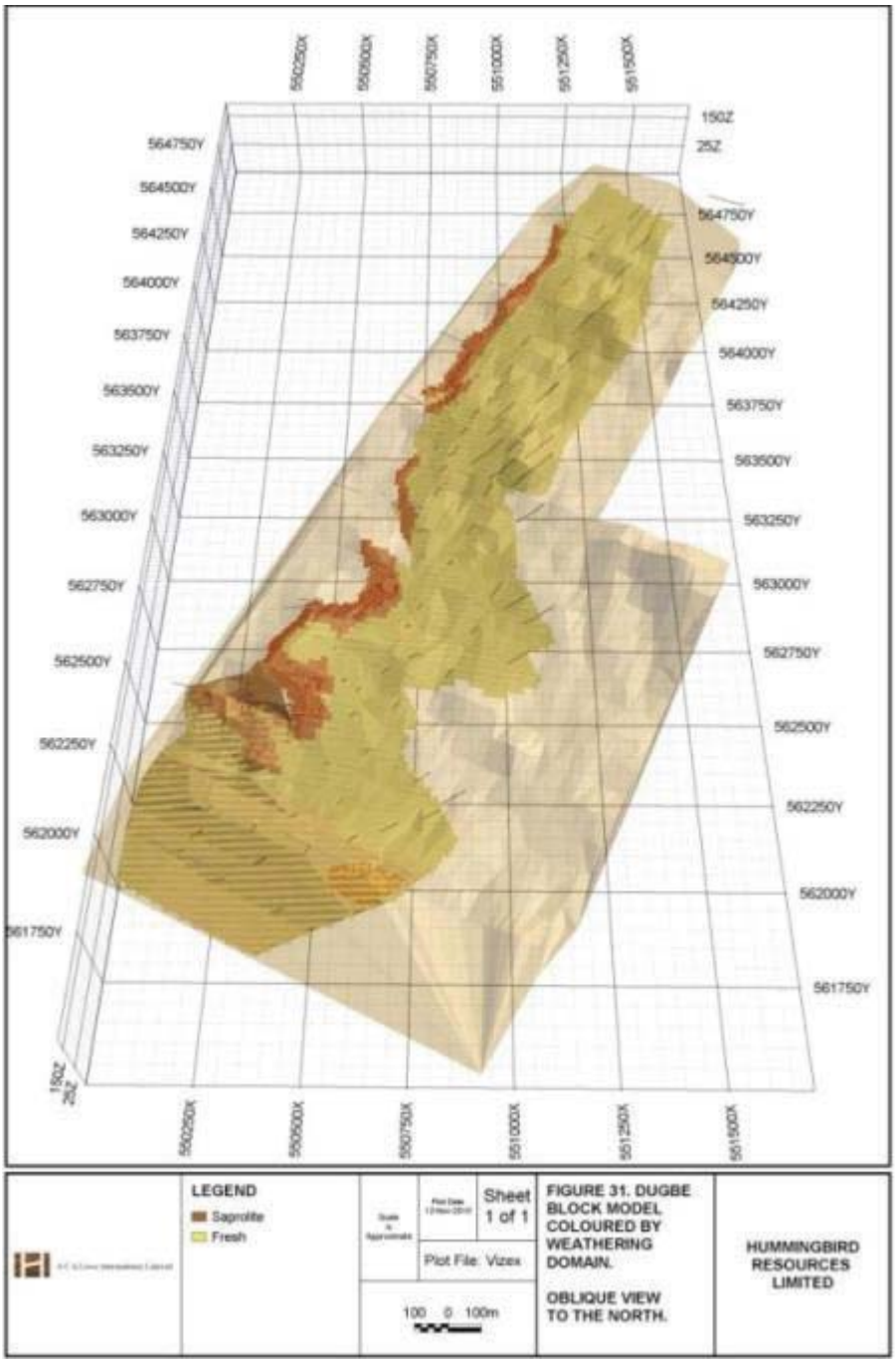

FIGURE 31. DUGBE BLOCK MODEL COLOURED BY WEATHERING DOMAIN

18.6. TOP CUTS

Top cut analysis was performed on raw gold assay data for the Dugbe Block F prior to block model grade interpolation to assess the influence that extreme grade outliers have on the log-normally distributed sample population of each zone. Whilst extreme grades are real, outliers are not usually statistically representative of assay populations and so may overstate the block grades in some parts of the deposit if left uncut.

Domain grade histograms were generated and the grades at which histogram tail disintegration occurs was considered along with statistical analysis to apply appropriate top-cuts to each domain. Excel spreadsheets were prepared to examine the effects of a range of top-cuts applied to raw data and the effect these have on the co-efficient of variation (COV) and loss of data from the domain.

No top cuts were applied to gold values within the Dugbe deposit. The Dugbe raw gold assay data is not severely skewed and demonstrates log normal distribution. The addition of top-cuts did not improve the COV and it is considered that high grade gold samples will not have an undue influence in interpolation and will not overstate block gold grades.

18.7. COMPOSITES

Prior to estimation, samples within the mineralised wireframes contained in the Dugbe drill hole assay files were composited to a standard length of 1m to reduce bias for geostatistical analysis and interpolation. The composite length was determined by considering the histogram for raw sample intervals for drill hole data.

The optimum composite length was taken to be 1m. A composite assay file was created for samples within the domain wireframes for use as input for block model interpolation. Descriptive statistics were then generated for composited data, and the mean values for each domain compared with the mean raw assay grade and top-cut assay grade for each domain.

18.8. GEOSTATISTICS

18.8.1. DOMAIN STATISTICS

Descriptive statistics was run for raw uncut data, top cut data and composite data within all the mineralised domains. Mean element values are contained in Table 11 below.

TABLE 11. DUGBE MINERALISED DOMAIN STATISTICS

Domain	Number of DH Samples	Number of TR Samples	Number of COMP Samples	Original Mean (g/t Au)	COMP Mean (g/t Au)
A_1	149	97	246	0.757	0.757
A_2	3	0	3	1.031	1.031
B_1	297	223	520	0.932	0.932
B_2	8	0	8	0.515	0.515
B_3	18	0	18	0.458	0.458
B_4	2	0	2	0.670	0.670
B_5	2	0	2	0.630	0.630
B_6	6	0	6	0.352	0.352
BC_1	178	34	212	0.784	0.784
C1	14	0	14	0.093	0.093
C2	5	0	5	0.336	0.336
C3	10	0	10	0.119	0.119
CD_1	475	65	540	0.653	0.653
D_1	3	0	3	8.453	8.453

18.8.2. VARIOGRAPHY

Spatial data analysis was considered prior to block model grade estimation in an attempt to generate a series of semi-variograms that would define the directions of grade anisotropy and spatial continuity of gold grades, such that these variogram parameters could be used as input parameters for grade estimation.

At the current drill spacing over the deposit there is insufficient sample data density within most domains to be able to reliably generate directional semivariograms. Nevertheless, variographic analysis was undertaken on drilling.

However, the resulting semivariograms are not considered robust enough for the purposes of reliable resource estimation and variograms could only be generated for the first direction (strike) and second direction (dip). No meaningful variograms were generated for the third (across dip) direction. Variographic analysis suggested the distance of grade continuity (range) within the two modelled domains to be between 80m and 100m in the strike and dip directions but these distances are not considered reliable given the number of sample data points used in the analysis, to be applied to all domains during resource estimation.

Therefore, search range and orientation parameters used in grade interpolation of each domain were interpreted by considering the data spacing within each domain (Table 9), and the strike orientation and dip orientation of the domain wireframes.

ACA Howe recommends that following further drilling, variographic analysis again be undertaken on the expanded sample database in an attempt to generate meaningful semivariograms that may be used as input parameters to Kriging. Reliable grade estimation via more advanced techniques (OK, MIK etc.) cannot be undertaken until more data is generated from additional drilling and sampling over the project.

18.9. BLOCK MODELLING

18.9.1. EMPTY CELL BLOCK MODEL

An empty block model was created to cover the extents of mineralised wireframes at Dugbe. A parent block size of 3 m × 10 m × 20 m was selected after considering the geological model, composite size, and potential mining methods. The block model details are contained in Table 12 below.

TABLE 12. DUGBE BLOCK MODEL EXTENTS

Dimension (m)	Origin Block Centre	Spacing (m)	Number of Blocks	End Block Centre
Dugbe Block F				
Easting	550,000	10	176	551,750
Northing	561,500	20	176	565,000
RL	-150	3	101	150

The domain wireframes were then assigned to the block model file such that blocks falling inside any given domain were assigned to that domain. All blocks outside the wireframe model were then deleted. During the assigning of wireframes, and to maintain the resolution of the mineralised bodies, block sub-celling down to a minimum of 0.3m x 1m x 2m was undertaken; however in the interpolation process all sub-blocks receive the interpolated grade of their parent (3m x 10m x

20m) block. A DTM surface was used to constrain the upper surface of the block model. Blocks situated above the DTM surface were then removed from the resource block model.

18.9.2. GRADE INTERPOLATION

Gold grades were interpolated into the block models on a domain by domain basis. For interpolation both the block model and composite assay file was filtered by domain and blocks within each domain assigned an interpolated grade using only composite data falling within each domain (i.e. wireframe restricted or closed interpolation). For each domain, the parent block IDW^2 interpolation technique was used and interpolation performed at different search radii, until all blocks within each domain had received an interpolated grade. The search distances were determined by means of the evaluation of the, geological model and deposit geometries, exploration data spacing and interpreted grade continuity. Interpreted geometries and search ellipse orientations for each modelled domain are contained in Table 13.

The Inverse Distance Weighting (IDW^3) method of grade interpolation was investigated. This is a linear, geostatistical method that uses the inverse of the distance to the value of the selected power as the mechanism to preferentially weight the samples grades to varying extents in the three defining directions within the deposit. As the power is increased then the weighting on the nearest sample to the point of estimation also increases, the higher the power then the greater the weighting to the nearest samples.

The third power is commonly used for precious and base metals to ensure that high sample grade within possible ore shoots are not given undue weighting in areas of the resource away from clustered high grade data.

At Dugbe it was found that the application of this power overly diminished grades in blocks between drill holes and far from sample data and the resultant block model grade was significantly lower than the input samples. It was concluded that the observed continuity of gold mineralisation over distances up to 180m necessitates the use of a power of two. The lower weighting of distance on grade helps to ensure that interpolated Au grades are not artificially reduced due to the data spacing associated with a laterally continuous deposit.

For the purposes of grade interpolation a search ellipsoid equal to the range of sample influence was determined. Reflecting the continuity of mineralisation between samples the ellipse has an 80m diameter in the strike and dip reflecting the drill hole spacing. A thickness of 10m in the across-dip direction of the search ellipsoid was chosen to reflect the planar nature of the deposit and to minimise block dilution.

The first search radii were selected to be equal to two thirds of the range in the strike, dip and across dip directions of the search ellipsoid (i.e. 53.3m, 53.3m and 6.6m respectively). Model blocks that did not receive a grade estimate from the first interpolation run were used in the next interpolation run, equal to the full ranges in all directions. Subsequent search radii were incremented by multiples of the initial ranges in corresponding directions until all blocks received an interpolated grade.

Data used to interpolate grade into the Dugbe block model contains locally clustered trench and drill hole sample data that has the potential to introduce bias when interpolating grades. Domains containing clustered data may overstate block grades compared to, in some areas, relatively sparse drilling data. To address this issue the interpolations included a restriction on the maximum number of samples that could be used in block estimation. The search ellipse is divided into eight sectors and a constraint of 2 samples per sector applied, essentially de-clustering the data.

Detailed definition of the interpolation parameters used in the Dugbe resource estimation update is contained in Table 13.

Once the interpolation process for the block model was complete, the resultant block model file was validated to ensure no blocks were empty. Bulk density values and weathering domains were then assigned to the block model file prior to reporting estimated resource tonnages.

TABLE 13. DUGBE BM INTERPOLATION PARAMETERS

Interpolation Method	IDW^2		
Interpolation Run Number	1	2	>2
Search Radii	or 2/3 range* in main directions	Equal to the range in main directions	Greater than the range in main directions
Min no of Samples	8	8	8
Max number of Samples	16	16	16
Min no of Drill holes	2	1	1
Discretisation	2*2*2	2*2*2	2*2*2

18.10. RESOURCE CLASSIFICATION

The CIM Definition Standards on Mineral Resources and Mineral Reserves, prepared by the CIM Standing Committee on Resource Definitions and adopted by the CIM council on 11 December 2005, provide standards for the classification of Mineral Resources and Mineral Reserve estimates into various categories. The category to which a resource or reserve estimate is assigned depends on the level of confidence in the geological information available on the mineral deposit, the quality and quantity of data available, the level of detail of the technical and economic information which has been generated about the deposit and the interpretation of that data and information. Under CIM Standards:

- **An "Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological or grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.**

- **An "Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.**

- **A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as**

outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

In addition, ACA Howe's resource classification methodology follows the Micromine Consulting Resource Modelling Standard Procedures (2001) and ACA Howe Resource Modelling Standard Procedures (2006). The classification of interpolated blocks was undertaken by considering the following criteria:

- Interpolation criteria based on sample density, search and interpolation parameters.
- Assessment of the reliability of geological, sample, survey and bulk density data.
- Robustness of the geological model.
- Grade continuity confidence

The current drill data spacing over the project is still not adequate to define measured resources, since grade continuity in three dimensions at current data spacings cannot be demonstrated with the required level of confidence to define such measured resources.

All blocks captured in runs that are less than or equal to the range in all directions have been classified as "Indicated" resources. All other blocks have been classified as "Inferred" resources. In addition the following points have been taken into account when classifying resources at Dugbe:

- An assessment of duplicate data, screen assay results and met testing demonstrate a relatively low nugget effect. The assay results from the phase 1 exploration programme appear to show log normal distribution and there are few spurious values suggesting that the gold populations are well defined.

- A review of all assay QA/QC for the phase 1 drilling suggests assay data used in resource estimation is robust enough to achieve indicated resource classification.

- Core recoveries are considered acceptable so as to be confident that core samples, and the assay values derived from them are representative of the material drilled and suitable for inclusion in resource estimation studies.

- Sample numbers on a domain basis remain relatively low and sample spacing relatively wide. For this reason no meaningful semivariograms have been generated, nor any measured resources defined. The average drill hole sample spacing for over half of the defined resource is estimated at between 80 m and 160 m and still warrants closer spaced infill drilling in places.

- The constrained and laterally continuous nature of the mineralised zones has allowed the development of a robust geological model. Resource blocks informed by one or more drill hole intersections within the main mineralised zones (A_1, B_1, BC_1 and CD_1) can qualify for indicated resource status.

- Blocks within outlying and discontinuous mineralisation zones, have been categorised as "Inferred" regardless of the run in which they were interpolated.

18.10.1.MODEL VALIDATION

Global and local model validation was undertaken on the Dugbe block model prior to resource reporting.

18.10.2.GLOBAL VALIDATION

The development of modelling domains has been influenced by using a cut-off of 0.2 ppm Au to define mineralised envelopes. Composite grade data has then been used to calculate block grades within each domain. A comparison of the mean domain composite grade and mean domain block grade was undertaken to assess potential over/under estimating during interpolation.

Considering that a degree of smoothing of grade is inevitable when estimating block grades at the current data spacing of the deposit, mean domain grades compare favourably to mean input domain composite grades used to estimate blocks.

Model validation also involved the cross reference checking of block model volume against wireframe volume. Comparison is made between the volume of the entire block model and the total volume of all domain wireframes for Dugbe Block F. This is undertaken to check that the block model extents honour the wireframe model. Results are presented in the Table below.

TABLE 14. BLOCK MODEL VOLUMES VERSUS WIREFRAME VOLUMES

Domain	Block Model Volume, (m^3)	Wireframe Volume, (m^3)	Difference, (%)
A_1	2,278,768	2,212,035	-2.93
A_2	32,985	33,720	2.23
B_1	3,458,837	3,150,135	-8.93
B_2	97,648	105,300	7.84
B_3	153,267	157,320	2.64
B_4	11,470	11,160	-2.71
B_5	11,545	10,740	-6.97
B_6	48,630	47,460	-2.4
BC_1	2,782,324	2,713,343	-2.48
C1	67,119	67,740	0.93
C2	75,900	74,340	-2.06
C3	43,842	41,700	-4.89
CD_1	6,876,530	6,568,808	-4.47
D_1	115,325	114,780	-0.47

18.10.3.LOCAL VALIDATION

Once modelling was completed, the block model was displayed in 2D Slices along with composite drill hole data and underground data in order to assess whether block grades honour the general sense of composite drill hole grades, that is to say that high grade blocks are located around high sample grades, and vice versa. The resource block model and assay values, coloured by gold grade, are shown in Figures 32 and 33.

A degree of local smoothing is apparent in all linear block model estimations and is to be expected and on the whole block grades correlate very well with input composite sample grades. Considering that a degree of smoothing of grade is inevitable when estimating block grades at the current data spacing of the deposit, mean domain grades compared favourably to mean input domain composite grades used to estimate blocks.

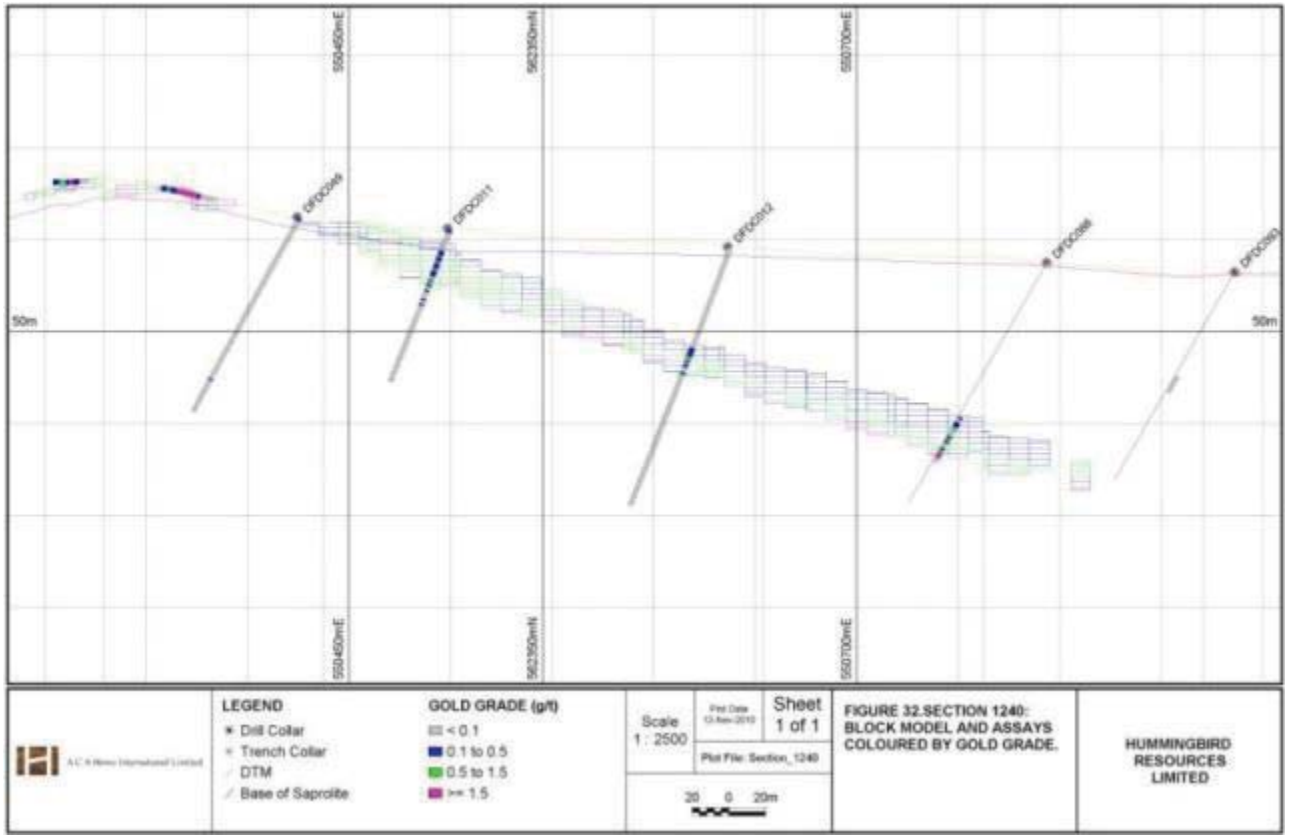

FIGURE 32. SECTION 1240 N: BLOCK MODEL COLOURED BY GRADE

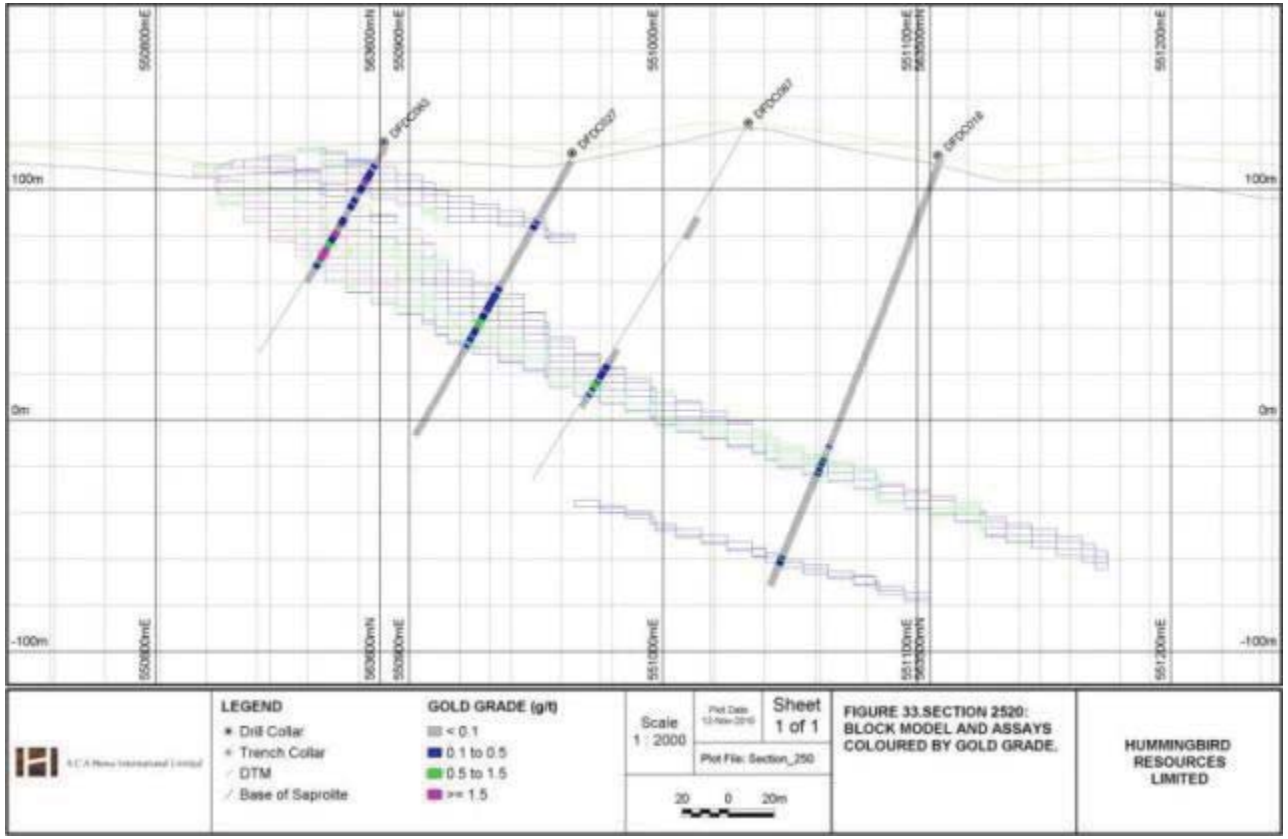

FIGURE 33. SECTION 1240: N BLOCK MODEL COLOURED BY GRADE

18.11. RESOURCE ESTIMATE REPORTING

It is ACA Howe's opinion that resources estimated as part of this study meet with CIM "Inferred" and "Indicated" category. Classifications are based upon consideration of the quality of input data, modelling and estimation methodology, interpolation criteria based on sample density, search and interpolation parameters, understanding and robustness of the geological model, drilling and sample density, and completion of property visit for procedural auditing and data verification purposes.

For the defined and modelled zones developed using a 0.1ppm Au envelope, and which honour the current geological and structural model for the deposit, total resources at a block model cut off of 0.5 g/t Au are estimated to be **20,900,000 tonnes at 1.208 g/t Au for approximately 812,000 ounces of gold.**

Total CIM compliant "Indicated" resources at a block model cut off of 0.5 g/t Au are estimated to be **15,930,000 tonnes at 1.078 g/t Au for approximately 552,000 ounces of gold.**

Total CIM compliant "Inferred" resources at a block model cut off of 0.5 g/t Au are estimated to be **4,970,000 tonnes at 1.624 g/t Au for approximately 260,000 ounces of gold** and amount to 76% of total resource tonnage, 68% of contained gold ounces.

The following Table presents a summary of total resources attributable to Hummingbird Resources Limited as per the disclosure requirements of the AIM guidance note for mining and oil and gas companies, June 2009.

TABLE 15. SUMMARY OF RESOURCES BY CIM CATEGORY FOR AIM DISCLOSURE*

Category	Gross Attributable Resource			Net Attributable	Operator
	Tonnes (millions)	Grade (g/t Au)	Contained Gold (Ozs)		
Indicated	15.93	1.078	552,000	100%	Hummingbird Resources (Liberia) Inc
Inferred	4.97	1.624	260,000	100%	Hummingbird Resources (Liberia) Inc
Total	20.90	1.208	812,000	100%	Hummingbird Resources (Liberia) Inc

*Resources are reported at a 0.5 g/t Au Block Cut-off. Indicated and Inferred resources may be combined for AIM.
Source: Leon McGarry BSc. of ACA Howe

Screenshots of the final block model for Dugbe, coloured by gold grade are shown in Figures 35 and 36 respectively. The final block models, coloured by resource classification are contained in Figures 37 and 38.

18.12. DUGBE GRADE-TONNAGE RELATIONSHIP

For information purposes only, the grade tonnage values for the Dugbe grade tonnage relationship are presented in the Table 18. Values are not separated by resource category and should be treated as indicative only as the greater potential variability in the low number of blocks at higher grades will decrease the resource confidence. Additionally, such curves do not take block size, block location and block availability for mining into account.

The grade tonnage curve demonstrates that within the 0.1 ppm Au envelope, the 0.5g/t Au resource cut-off grade is appropriate and generates an average grade of 0.867 g/t Au. A grade tonnage chart is presented in Figure 34 that shows the relative grade profile of the block model. Generally, the broad distribution of input assay values shown in the histogram, shown in Figure 29, is retained in block model resulting in a gradual decrease in tonnage with increasing grade.

TABLE 16. DUGBE BLOCK F GRADE-TONNAGE RELATIONSHIP

Block Model Cut Value (g/t Au)	Block Model Avg. Grade (g/t Au)	Block Model Tonnes (millions)	Contained Gold (g)	Contained Gold (Ozs)
2.0	4.918	1.305	6,419,891	206,000
1.5	2.924	3.448	10,081,614	324,000
1.0	1.910	8.606	16,440,968	529,000
0.9	1.753	10.281	18,026,599	580,000
0.8	1.607	12.265	19,704,398	634,000
0.7	1.459	14.821	21,621,468	695,000
0.6	1.323	17.801	23,555,384	757,000
0.5	1.208	20.905	25,250,621	812,000
0.4	1.077	25.219	27,152,553	873,000
0.3	0.967	29.663	28,697,462	923,000
0.2	0.867	34.464	29,889,490	961,000
None	0.738	41.892	30,911,012	994,000

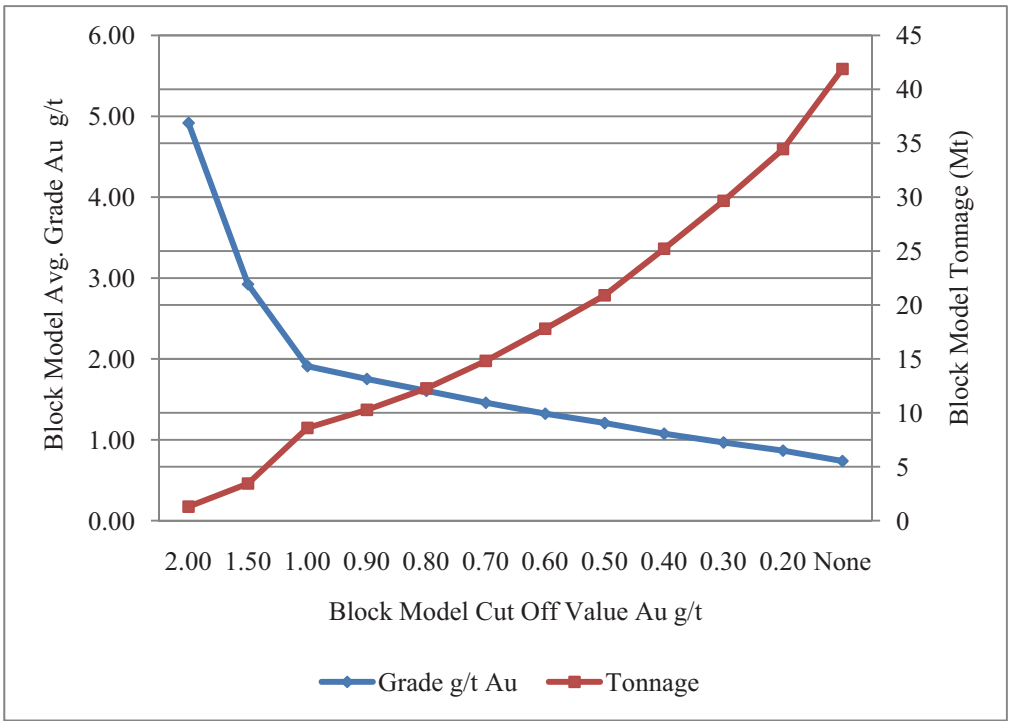

FIGURE 34. DUGBE GRADE TONNAGE CURVE

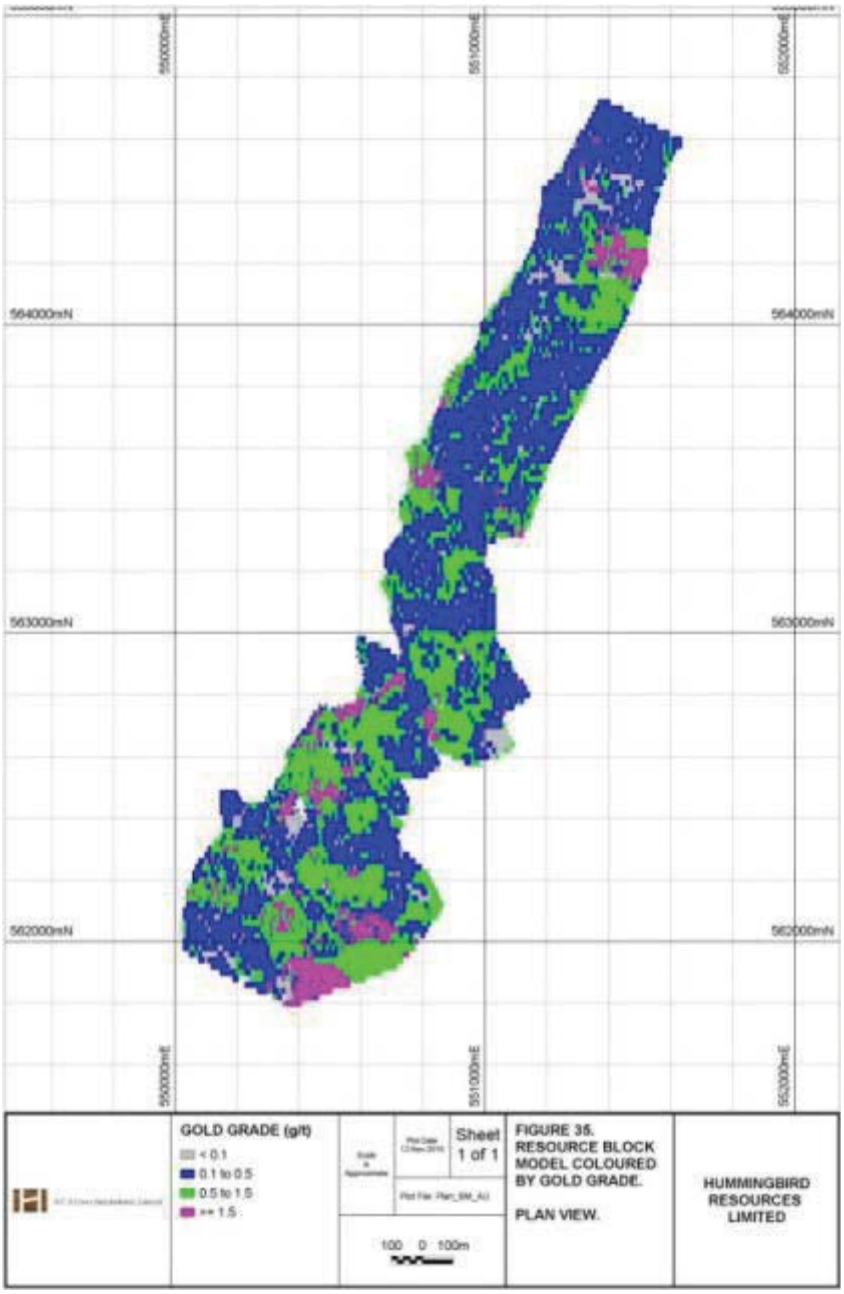

FIGURE 35. RESOURCE BLOCK MODEL COLOURED BY GRADE, PLAN VIEW.

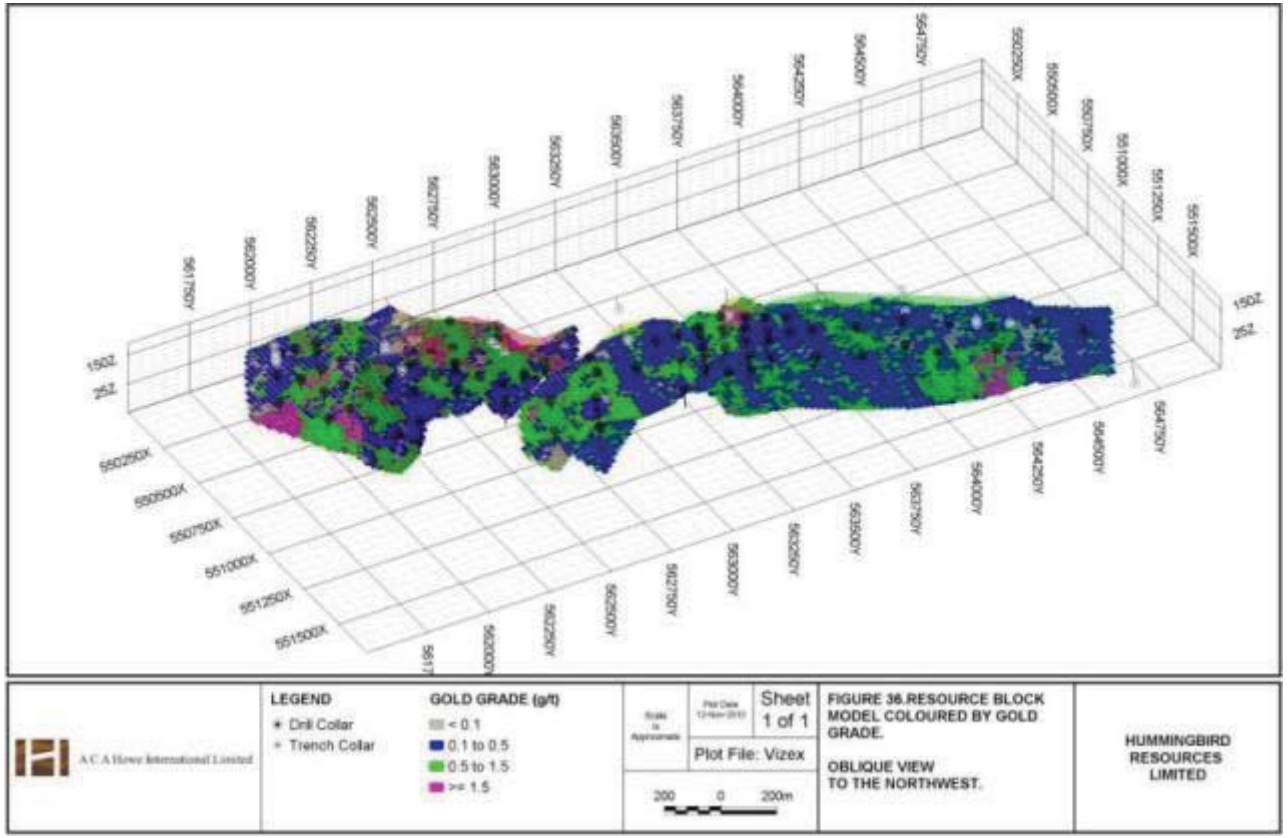

FIGURE 36. RESOURCE BLOCK MODEL COLOURED BY GRADE, OBLIQUE VIEW TO THE NORTHWEST.

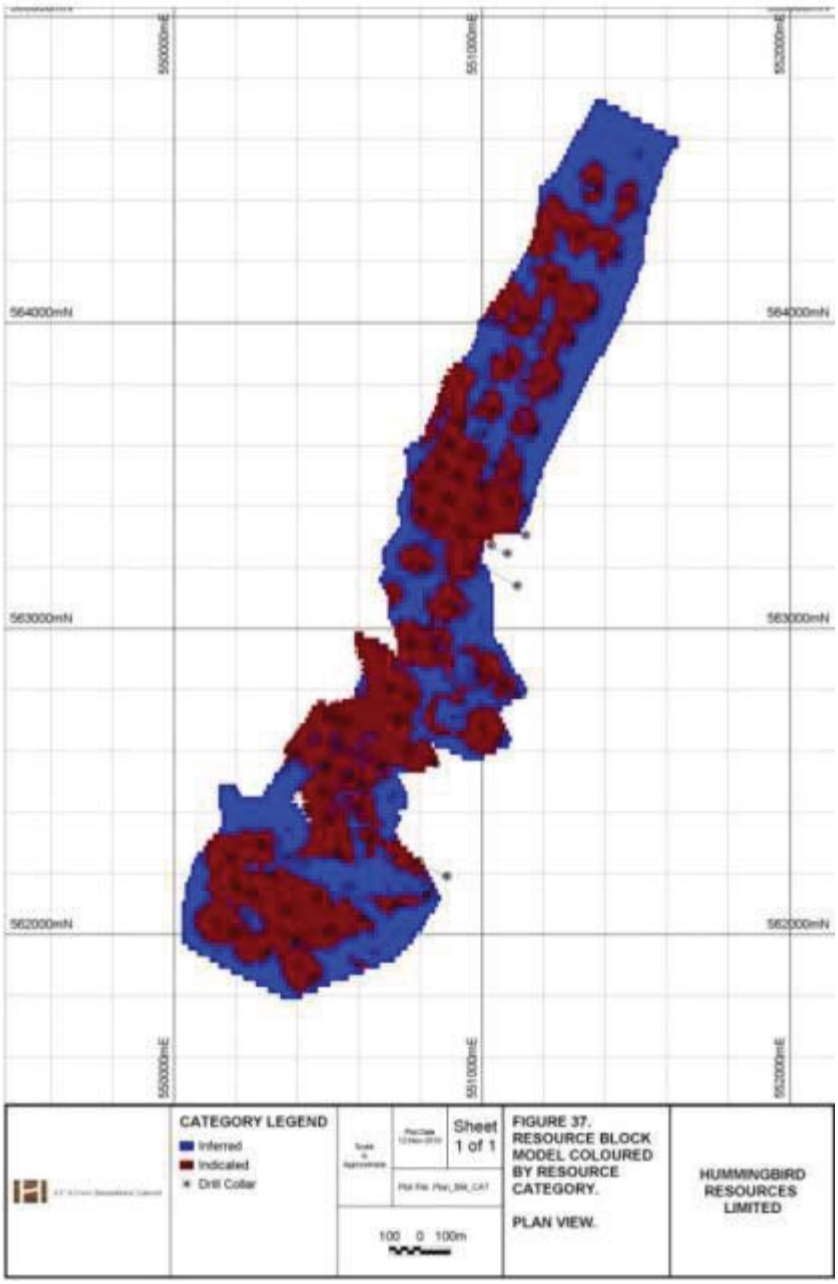

FIGURE 37. RESOURCE BLOCK MODEL COLOURED BY GRADE, PLAN VIEW.

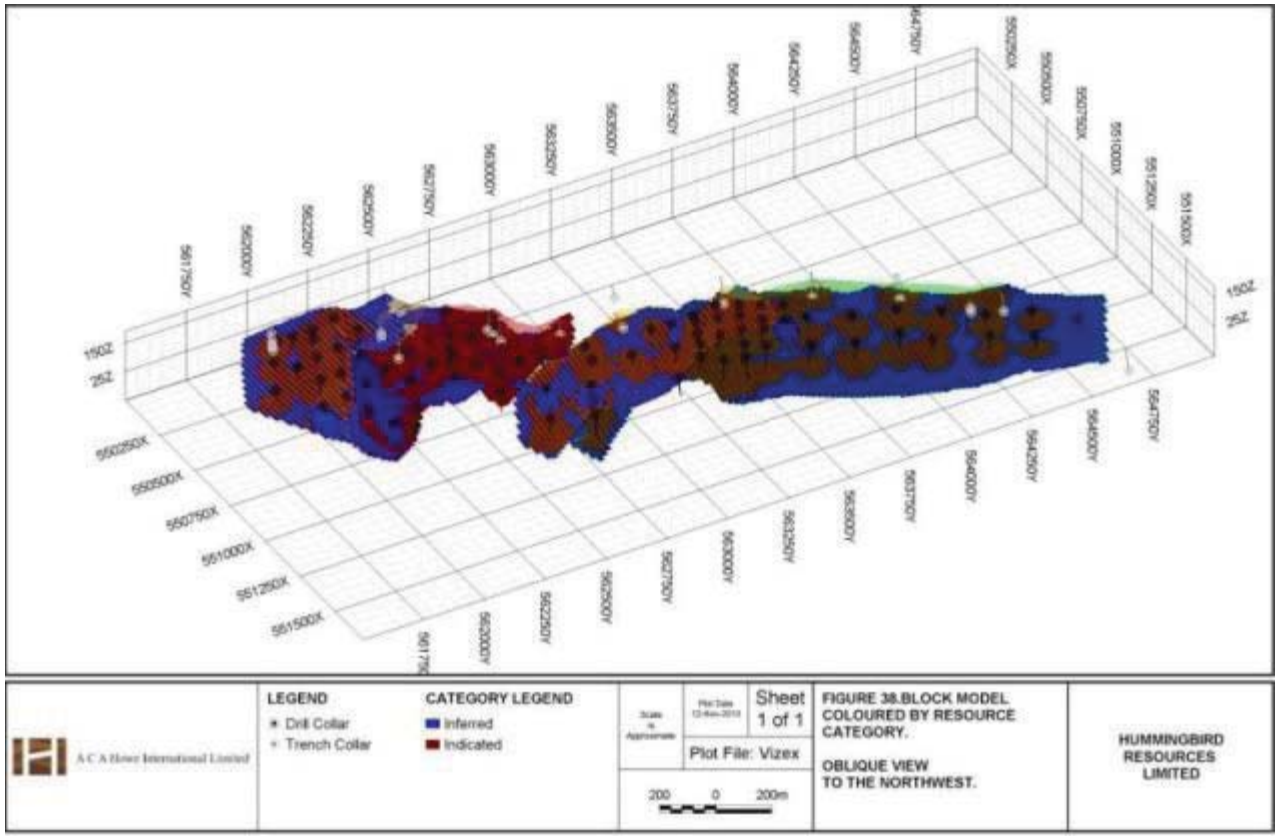

FIGURE 38. RESOURCE BLOCK MODEL COLOURED BY GRADE, OBLIQUE VIEW TO THE NORTHWEST.

19. OTHER RELEVANT DATA AND INFORMATION

19.1. MANAGEMENT AND ORGANISATION

Hummingbird has established a well organised and efficient presence in Liberia and has established and maintained excellent relationships with government authorities in Monrovia, the relevant local authorities for the project areas, and with local communities of artisanal miners.

Exploration has been supported by well managed logistics and operations with the establishment and maintenance of first class camps in remote and difficult areas.

Geologists and other technical staff have been hired locally and from Ghana, with management from Europe and North America. Management has demonstrated excellent professional standards and has fostered the free interchange of ideas and learning which has resulted in good staff morale.

Exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices. This has led to success in the discovery of the Dugbe deposit and the recognition of what promises to be a new gold province.

19.2. PROPOSED EXPLORATION PROGRAMME

Hummingbird has designed a forward exploration programme for 2011 and 2012 which is contained in Appendix I.

The main objectives of the programme are as follows:

- Dugbe F: Advance project towards pre-feasibility with infill drilling conducted to improve resource categorisation, and extend drilling along strike, with a scoping study conducted in 2011 moving towards a pre-feasibility study and additional drilling in 2012.
- Joe Village: Commence trenching and identify strong targets to start resource drilling before end 2011.
- Dugbe B, Nemo Creek and Tiehnpo: Complete soil sampling, trenching and scout drilling. Define preliminary inferred resources during 2012.
- Zia: Complete 5-10,000m of resource drilling.
- Ba, Jababli and Kana Hills: Complete soil sampling, trenching and 1500m of scout drilling at each locality.
- Ke Town and Zwedru: First pass stream sampling, complete soil sampling grids over any anomalies identified from stream sampling, and complete trenching of anomalies during 2012.
- Tawake: Complete soil sampling grids over any anomalies identified from stream sampling, and complete trenching of anomalies to generate drill targets during 2012.
- Blebo, Plibo and Gekhen: Complete soil sampling grids over any anomalies identified from stream sampling, and complete trenching of anomalies during 2012.
- Mount Ginka: Work towards scout drilling and assessing the metallurgical suitability of the iron.

Hummingbird is currently preparing budget estimates for the above programme.

ACA Howe considers that the programme will provide an effective means of advancing the projects and enhancing shareholder value. ACA Howe suggests that a high sensitivity aeromagnetic survey be considered over the Dugbe belt in order to identify and prioritise targets.

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20. INTERPRETATION, CONCLUSIONS AND RECOMMENDATIONS

Hummingbird is well-established in Liberia, maintaining excellent relations with government authorities and with the local communities in the project areas. Exploration and logistics have been managed economically and efficiently.

Exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices. This has led to success in the discovery of the Dugbe deposit and the recognition of what promises to be a new gold province.

Resource drilling in progress at the Dugbe gold deposit has identified a shallow, gently dipping low-grade deposit conformable with the foliation of the host schists and gneisses. The deposit extends over an area of 3,000m long by 200 to 500m wide, which ranges from 2m to 40m and averages about 5m in thickness.

Preliminary tests indicate that the mineralisation is amenable to gravity with cyanidation with gold recoveries between 85% and 92%. The presence of significant amounts of gravity-extractible gold is favourable in terms of cost-effective processing.

ACA Howe has completed a resource estimate for the Dugbe deposit based on 93 diamond drill holes completed on 160m and 80m centres in 2009 and 2010. This has resulted in a CIM-compliant resource as listed in Table 17 below:

TABLE 17. SUMMARY OF RESOURCES BY CIM CATEGORY FOR AIM DISCLOSURE*

Category	Gross Attributable Resource			Net Attributable	Operator
	Tonnes (millions)	Grade (g/t Au)	Contained Gold (Ozs)		
Indicated	15.93	1.078	552,000	100%	Hummingbird Resources (Liberia) Inc
Inferred	4.97	1.624	260,000	100%	Hummingbird Resources (Liberia) Inc
Total	20.90	1.208	812,000	100%	Hummingbird Resources (Liberia) Inc

*Resources are reported at a 0.5 g/t Au Block Cut-off. Indicated and Inferred resources may be combined for AIM.

Source: Leon McGarry BSc. of ACA Howe

ACA Howe recommends that a scoping study should be undertaken in order to explore mining, processing and financial scenarios and decide if a pre-feasibility study is warranted.

Hummingbird has selected ground along major crustal-scale thrust faults or shear zones either within Birimian greenstone belts or at the contact between the Birimian and the Man Craton. These are postulated to be zones of repeated deformation and magmatic activity accompanied by magmatic and metamorphic hydrothermal systems and hence prospective for gold mineralisation of granite-greenstone type.

The discovery of the Dugbe deposit significantly enhances Hummingbird's fifteen mineral exploration properties in Liberia, which hold excellent potential for discovery of further deposits.

This opinion is based on:

- Comparison of the regional geology with other similar Archaean and Proterozoic greenstone belts and particularly with the Birimian elsewhere in West Africa, which is known to host numerous multi-million ounce gold deposits.
- Elements of local geology that are generally considered favourable for the development of shear and lode hosted gold deposits, including known areas of Archaean and Proterozoic supracrustal lithologies (metasediment and metavolcanic greenstone belts), and extensive zones of structural disruption (shears, cross-faults, etc.).
- The fact that Liberia has remained practically unexplored in comparison to other West African countries due to prolonged civil war, which ended in 2003.
- Widespread artisanal gold mining activity – while mostly alluvial, this includes some hard rock activity as well.
- The presence of hardrock gold mineralisation on an adjacent property at Bokon Jedeh 12km away with features very similar to the Dugbe deposit, suggesting that both are part of a wider mineral province.
- The presence of artisanal mining along at least 60km strike length of the Dugbe belt.
- Strong and coherent gold anomalies obtained on most licences by Hummingbird during reconnaissance and follow-up stream sediment surveys.
- Encouraging results experienced by other companies on ground adjacent to Hummingbird's.

Exploration in Liberia is hampered by the following factors:

- Lack of detailed database of previous exploration or regional surveys.
- Lack of Liberian geologists with exploration experience.
- Deeply weathered regolith and attendant lack of outcrop.
- High metamorphic grade which tends to obliterate or overprint visible signs of mineralisation particularly within the Archaean, but possibly also within the Birimian which appears to be generally more strongly metamorphosed than elsewhere in West Africa.
- Lack of roads and difficult access in many areas.

Hummingbird's ground package on the Dugbe belt totals 2055km² including Dugbe, and covers a strike length of 60 kilometres of the prospective Dugbe shear zone. The regional distribution of artisanal workings as determined from satellite imagery and geological records is broadly co-incident with the Dugbe shear zone, which corroborates the prospectivity of these features and endorses Hummingbird's ground acquisitions over the Dugbe belt. ACA Howe considers that Hummingbird's ground holdings along the Dugbe belt represent a compelling opportunity that warrants an intensive exploration programme.

ACA Howe considers that the exploration programme presently being carried out is well-conceived and focused appropriately to achieve the company's objectives. ACA Howe considers that exploration has been carried out to a high technical standard.

Hummingbird has established a well organised and efficient presence in Liberia and has established and maintained excellent relationships with government authorities in Monrovia, the relevant local authorities for the project areas, and with local communities of artisanal miners.

Exploration has been supported by well managed logistics and operations with the establishment and maintenance of first class camps in remote and difficult areas.

Geologists and other technical staff have been hired locally and from Ghana, with management from Europe and North America. Management has demonstrated excellent professional standards and has fostered the free interchange of ideas and learning which has resulted in good staff morale.

Exploration has been based on sound geological premises and has been executed in an efficient and practical manner according to best industry practices. T his has led to success in the discovery of the Dugbe deposit and the recognition of what promises to be a new gold province.

The discovery of the Dugbe deposit demonstrates that Hummingbird's exploration approach is effective and if applied more widely over newly acquired ground has an excellent chance to result in further success.

Consideration should be given to carrying out airborne geophysical surveys including high sensitivity magnetics and VLF-EM. This should help in identifying structures with potential to host gold mineralisation.

The ironstone ridge at Mt Ginka warrants investigation by mapping, trenching, bulk sampling and metallurgical testing to determine if it is amenable to upgrading.

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APPENDIX I: HUMMINGBIRD EXPLORATION PROGRAMME

LICENSE NAME	DUGBE F	JOE VILLAGE	DUGBE B	NEMO CREEK	TIEHNPO	BA
LICENSE #	N/A	11051	N/A	11041	11047	N/A
EFFECTIVE DATE	24.10.2009	7.10.2010	24.10.2009	01.04.2010	24.07.2010	24.10.2009
LICENSE EXPIRY DATE	24.10.2011	7.10.2013	24.10.2011	01.04.2013	24.07.2013	24.10.2011
LICENSE AREA	100km2	250km2	100km2	693km2	665km2	624km2
CURRENT STATUS AND WORK COMPLETED	14,082m Resource drilling completed in October 2010	New license	2512 soil samples taken and XXX m of trenching completed	New license. Soil sampling program commenced in north of key area and 1000+ samples taken from Aug-Sep 10	New license but historical data available from exploration work completed by previous license holder	First and second pass stream sampling completed, soil grid is planned for Q4 2010
OBJECTIVES FOR 2011	Advance project towards pre-feasibility with infill drilling conducted to improve resource categorisation, and extend drilling along strike	Commence trenching and identify strong targets to start resource drilling before end 2011. Scout drilling non-essential due to sat imagery and existing data from Block F	Complete trenching and establish road access and a semi-perm field camp. Commence drilling	Complete soil sampling, trenching and 1500m of scout drilling (2 month program)	Complete soil sampling, trenching and 1500m of scout drilling (2month program)	Complete soil sampling, trenching and 1500m of scout drilling (2 month program)
OBJECTIVES FOR 2012	Pre-feasibility study and additional drilling	Define a resource during 2011 -2012 in combination with Dugbe F	Define a preliminary inferred resource during 2012	Define a preliminary inferred resource during 2012	Define a preliminary inferred resource during 2012	Define a preliminary inferred resource during 2012
MAPPING AND RECONNAISANCE						
Date completed / planned completion	2008	Jan-Mar 2011		Apr-11	Jan-11	
Approx (expected) cost	completed			3,200	3,200	
STREAM SEDIMENT SAMPLING						
# samples to take / taken	105	None, historic and sat data available	167	500	None, historic data available	1164
Date completed / planned completion	Jan-08		Feb-08	Apr-11		Jan-08
Approx (expected) cost USD				75		
SOIL SAMPLING						
# samples to take / taken	1954	approx 1000	2512	1800 taken, planned to take an additonal 1000 samples		2000
Date completed / planned completion	Oct-10	Dec 10 - Jan 11	Apr-10	Feb-11		Nov-Dec 10
Approx (expected) cost USD		108,000		54,000		108,000
TRENCHING						
Date completed / planned completion	Jul-10	Apr-May 11	08-Oct-10	May-Jun 11		Apr-May 11
# m excavated	2276m	1000m	943.5m plus an additonal 500m planned in Dec 10-Jan 11	1000m	1000m	1,000m
# samples to take / taken	1334	100,000	500	1000	1000	1000
SCOUT DRILLING						
Date completed / planned completion	May-09	None	None	Oct - Nov 11	Aug-Sep 11	Oct-Nov 11
# m drilled / planned	520m			1500m	1500m	1,500m
# samples to take / taken	710			1500	1500	1500
Approx (expected) cost				500,000	500,000	500,000
RESOURCE DRILLING						
Date completed / planned completion	12-Oct-10	Sep 11-Feb 12	Oct 11-Sep 12	end 2012	end 2012	end 2012
# m drilled	14,082m	10,000m	10,000m	5000m	5,000m	
# samples taken	11,537m	5,000	5,000	5,000		
Approx (expected) cost		3.5m	3.5m	1,7m		
SCOPING STUDY						
Date completed / planned completion	2011					
# m drilled	15,000m					
# samples taken	7,500					
Approx (expected) cost						
PRE-FEASIBILITY STUDY						
Date completed / planned completion	2012					
# m drilled	TBC					
# samples taken						
Approx (expected) cost						

LICENSE NAME	JABABLI	ZIA	KANA HILLS	TAWAKE	KE TOWN
LICENSE #	N/A	N/A	N/A	11013	11018
EFFECTIVE DATE	24.10.2009	24.10.2009	24.10.2009	01.04.2010	01.04.2010
LICENSE EXPIRY DATE	24.10.2011	24.20.2011	24.10.2011	01.04.2013	01.04.2013
LICENSE AREA	400km2	443km2	257km2	665km2	100km2
CURRENT STATUS AND WORK COMPLETED	Soil sampling completed 1963 of samples, mapping and trenching planned in Q4 2010	Soil grid completed in 2009 3476 samples, some pitting and scout drilling in Q4 2010. Semi-permanent camp established	Soil grid completed 1404 samples, semi-permanent camp established	First pass stream sediment sampling completed Q4 2010	No ground work commenced yet
OBJECTIVES FOR 2011	Complete trenching and 1,500m of scout drilling (2 month program)	Complete 10,000m of resource drilling	Complete 1500m of scout drilling	Complete soil sampling grids over any anomalies identified from stream sampling	Complete soil sampling grids over any anomalies identified from stream sampling
OBJECTIVES FOR 2012	Define a preliminary inferred resource during 2012	Progress project towards pre-feasibility, dependant on results	Define a resource during 2012	Define drill targets through trenching programs	Define drill targets through trenching programs
MAPPING AND RECONNAISANCE					
Date completed / planned completion	Nov-Dce 10	Nov-10	Mar-11	Mar-12	Apr-12
Approx (expected) cost	3,200	3,200	3,200	3,200	30,000
STREAM SEDIMENT SAMPLING					
# samples to take / taken	767	432	310	673	70
Date completed / planned completion	Nov-07	Dec-07	Oct-07	Nov 10 plus Jul-Aug 11 for second pass of approx 280 samples	Feb-11
Approx (expected) cost USD				74,000	15,000
SOIL SAMPLING					
# samples to take / taken	1963	3476	1404 plus 1000 samples due to be taken in Jan 11	2000	1000
Date completed / planned completion	Dec-09	Dec-09	Jan-11	Nov-Dec 11	Feb-12
Approx (expected) cost USD			54,000	108,000	54,000
TRENCHING					
Date completed / planned completion	Dec 10-Jan 11	Dec-09	Jul-08	May-Jun 12	May-Jun 12
# m excavated	1000m	364.3m	6.7m	1000m	1000m
# samples to take / taken	1000	360	9	1000	1000
Approx (expected) cost USD	100,000			100,000	100,000
SCOUT DRILLING					
Date completed / planned completion	May-Jun 11	Nov-Dec 10	Jul-Aug 11		
# m drilled / planned	1,500m	1,500m	1,500m		
# samples to take / taken	1500	1500	1500		
Approx (expected) cost	500,000	500,000	500,000		
RESOURCE DRILLING					
Date completed / planned completion	end 2012	end 2011			
# m drilled	5,000m	10,000m			
# samples taken	5000	10,000			
Approx (expected) cost	1,7m	3,5m			
SCOPING STUDY					
Date completed / planned completion		end 2012	TBC		
# m drilled		TBC			
# samples taken					
Approx (expected) cost		TBC			
PRE-FEASIBILITY STUDY					
Date completed / planned completion					
# m drilled					
# samples taken					
Approx (expected) cost					

LICENSE NAME	BLEBO	PLIBO	ZWEDRU	GEKHEN	MT GINKA
LICENSE #	11019	11020	11021	11022	12004
EFFECTIVE DATE	01.04.2010	01.04.2010	01.04.2010	01.04.2010	01.04.2010
LICENSE EXPIRY DATE	01.04.2013	01.04.2013	01.04.2013	01.04.2013	01.04.2013
LICENSE AREA	300km2	375km2	1000km2	795km2	157km2
CURRENT STATUS AND WORK COMPLETED	First pass stream sampling completed Q3 2010	First pass stream sampling completed Q3 2010	No work commenced yet	First pass stream sampling completed Q3 2010	Samples taken in 09-10 and shows up to >40% Fe content
OBJECTIVES FOR 2011	Complete soil sampling grids over any anomalies identified from stream sampling and commence trenching	Complete soil sampling grids over any anomalies identified from stream sampling and commence trenching	Complete soil sampling grids over any anomalies identified from stream sampling	Complete soil sampling grids over any anomalies identified from stream sampling	Work towards scout drilling and assessing the metallurgical suitability of the iron
OBJECTIVES FOR 2012	Complete trenching	Complete trenching	Complete trenching	Complete trenching	Drilling program TBC
MAPPING AND RECONNAISANCE					
Date completed / planned completion					Nov-Dec 10
Approx (expected) cost					70,000
STREAM SEDIMENT SAMPLING					
# samples to take / taken	227	373	420	900	
Date completed / planned completion	Jul-10	Sep 10 then second pass planned for Apr 11	Jan-Mar 11 then second pass planned for Sep 11	01/12/2010 then second pass planned for May-Jun 11	
Approx (expected) cost USD			111,000	74,000	
SOIL SAMPLING					
# samples to take / taken		2000	2000	2000	N/A
Date completed / planned completion		Jul-Aug 11	Jan-Feb 12	Sep-Oct 11	
Approx (expected) cost USD		108,000	108,000	108,000	
TRENCHING					
Date completed / planned completion		Dec 11-Jan12	Sept-Oct 12	Feb-Mar 12	Jan-11
# m excavated		1000m	1000m	1000m	100m
# samples to take / taken		1000	1000	1000	100
Approx (expected) cost USD		100,000	100,000	100,000	10,000
SCOUT DRILLING					
Date completed / planned completion					May-Jun 11
# m drilled / planned					500m
# samples to take / taken					500
Approx (expected) cost					100,000
RESOURCE DRILLING					
Date completed / planned completion					
# m drilled					
# samples taken					
Approx (expected) cost					
SCOPING STUDY					
Date completed / planned completion					
# m drilled					
# samples taken					
Approx (expected) cost					
PRE-FEASIBILITY STUDY					
Date completed / planned completion					
# m drilled					
# samples taken					
Approx (expected) cost					

APPENDIX II: CO-ORDINATES OF MEA AREAS

CO-ORDINATES OF MEA AREAS				
		UTM WGS 84 zone 29N		
COMPANY	MEA LICENCE NAME	Eastings	Northings	
HUMMINGBIRD	Tawake	670000	583870	along country boundary
		670000	590000	
		650000	590000	
		650000	600000	
		660000	600164	
		660199	620000	
		680000	620000	along country boundary
HUMMINGBIRD	Mt. Ginka	539982	799834	
		550094	800061	
		550151	804890	
		570148	804890	
		570035	799891	
		560150	799777	
		560150	797050	
		540039	797107	
HUMMINGBIRD	Ke Town	550000	690000	
		550000	680000	
		540000	680000	
		540000	690000	
HUMMINGBIRD	Zwedru	610000	680000	
		590000	680000	
		590000	670000	
		580000	670000	
		580000	640000	
		600000	640000	
		600000	650000	
		610000	650000	
		610000	680000	
HUMMINGBIRD	Gekehn	630000	580000	
		630000	560000	
		620000	560000	
		620000	550000	
		660000	550000	
		660000	570000	
		640000	570000	
		640000	580000	
HUMMINGBIRD	Blebo	620000	540000	
		620000	525000	
		600000	525000	

CO-ORDINATES OF MEA AREAS				
		UTM WGS 84 zone 29N		
COMPANY	MEA LICENCE NAME	Eastings	Northings	
		600000	540000	
HUMMINGBIRD	Plibo	650000	520000	
		650000	510000	
		640000	510000	
		640000	500000	
		625000	500000	
		625000	515000	
		630000	515000	
		630000	520000	
HUMMINGBIRD	Joe Village	529903	570051	
		549928	569977	
		549928	554916	
		540000	554916	
		540000	560133	
		529903	560133	
		529903	570061	
DEVETON	Ba	440000	670000	
		450000	670000	
		450000	662500	
		460000	662500	
		460000	670000	
		500000	670000	
		500000	655000	
		480000	655000	
		480000	660000	
		450000	660000	
		450000	656000	
		445000	656000	
		445000	665000	
		440000	665000	
DEVETON	Jababli	560000	650000	
		580000	650000	
		580000	640000	
		570000	640000	
		570000	630000	
		550000	630000	
		550000	640000	
		560000	640000	
DEVETON	Zia	610000	660000	
		637000	660000	
		640000	656200	

CO-ORDINATES OF MEA AREAS				
		UTM WGS 84 zone 29N		
COMPANY	MEA LICENCE NAME	Eastings	Northings	
		640000	640000	
		630000	640000	
		630000	645000	
		620000	645000	
		620000	650000	
		610000	650000	ALONG COUNTRY BORDER
AFRO MINERALS	Kana Hills	610000	670000	
		630000	670000	
		630000	675000	
		637000	660000	
		610000	660000	ALONG COUNTRY BORDER
HUMMINGBIRD	Dugbe	540000	574300	
		550300	574300	
		550300	570000	
		590000	570000	
		590000	560000	
		550000	560000	
		550000	570000	
		540000	570000	
SINOE	Nemo Creek	550000	560000	
		554000	560000	
		554000	553000	
		584000	553000	
		584000	560000	
		590000	560000	
		590000	540000	
		540000	540000	
		540000	550000	
		550000	550000	
Sinoe	Tiehnpo	619250	559935	
		610128	559935	
		610128	549952	
		599691	549952	
		599691	539968	
		590995	539968	
		591039	560010	
		590115	560010	
		590115	570000	
		605000	570000	
		605000	575000	

CO-ORDINATES OF MEA AREAS				
		UTM WGS 84 zone 29N		
COMPANY	MEA LICENCE NAME	Eastings	Northings	
		620519	574975	
		620519	561396	
		619250	561396	

APPENDIX III: SAMPLES COLLECTED BY ACA HOWE

Rock, Soil and Stream Sediment Samples Collected by ACA Howe								
Sample number	Sample type	Co-ordinates, WGS84, 29N						
		East	North	Concession Area	Description	Visible gold	ppb Au	Other anomalous elements
NBR 001	Rock chip, semi representative	551844	798823	Nimba	Banded Iron formation, strongly magnetic	0	<2	33.4% Fe
NBR 002	Rock chip, selected	553693	799459	Nimba	sericite schist, on N side of BIF	0	<2	
NBR 003	Rock chip, very selected	551844	798823	Nimba	Banded Iron formation, very selected ,very strongly magnetic	0	<2	38.4% Fe
ZPC001	Panned concentrate	614922	655828	Zia	heavy mineral concentrate from about 10kg of stream gravel, Anomaly C	1-2 grains	not analysed	
ZPC002	Panned concentrate	612089	655374	Zia	heavy mineral concentrate from about 10kg of stream gravel, Anomaly A, contains about 30 very small gold grains, c 0.01 to 0.1mm.	30 grains	not analysed	
ZSS 002	Stream sediment	612089	655374	Zia	stream sediment, direct from same site	0	<2	
ZR001	Rock chip, pebbles, very selected	612089	655374	Zia	very selected, small pebbles of grey fine grained grey quartz from stream gravel	0	<2	
KHC001	Panned concentrate	622244	665018	Kana Hills	panned concentrate, no visible gold	0	not analysed	
KHR001	Rock chip, pebbles, very selected	622244	665018	Kana Hills	very selected, small pebbles of grey fine grained grey quartz from stream gravel	0	<2	
KHR002	Rock chip, pebbles	622244	665018	Kana Hills	small pebbles of white quartz with tourmaline from stream gravel	0	<2	
KHR003	Rock chip, pebbles, very selected	622244	665018	Kana Hills	very selected, small pebbles of grey fine grained grey quartz from stream gravel	0	80	
KHR004	Rock chip, pebbles, very selected	612861	667585	Kana Hills	very selected, small pebbles of grey fine grained grey quartz from stream gravel	0	<2	
KHS001	Soil	612837	667592	Kana Hills	brown soil from trial pit in bank 2m vertically above workings	0	7	25 ppm As
JBR001	Very selected cobble	569325	641333	Jababli	brown silicified rock with multiphase quartz veinlets and vuggy cavities	0	<2	573 ppm Ni
DGR001	Very selected cobble	551142	561927	Dugbe	rare boulder of hackly pink limonitic rock with irregular vuggy quartz veins and veinlets	0	<2	
DGR002	Very selected cobble	550264	563057	Dugbe	selected grey quartz pebbles, common feldspar, rare ??moly	0	<2	
DGR003	Very selected cobble	546766	561067	Dugbe	grey/brown multiphase vein, hackly, minor ? Moly	0	<2	
DGR004	Very selected cobble	546766	561067	Dugbe	grey/brown multiphase vein, hackly, minor ? Moly	0	<2	
DGR005	Very selected cobble	550264	563057	Dugbe	selected grey quartz pebbles, common feldspar, rare ??moly	0	<2	
XR001	Very selected cobble	503534	585550	On road c 30km NE of Greenville	brown silicified rock with multiphase quartz veinlets and vuggy cavities	0	<2	

Rock, Soil and Stream Sediment Samples Collected by ACA Howe								
Sample number	Sample type	Co-ordinates, WGS84, 29N						
HBDF017B	Soil	550457	562724	Dugbe	orange-brown soil, Hummingbird sample 1351 ppb Au	0	545	154 ppm As, 51 ppm Cu
HBDF095B	Soil	550569	563189	Dugbe	orange-brown soil, Hummingbird sample 385 ppb Au	0	14	
HBDF093B	Soil	550634	563164	Dugbe	orange-brown soil, Hummingbird sample 1445 ppb Au	0	1445	22 ppm As

APPENDIX IV: GLOSSARY

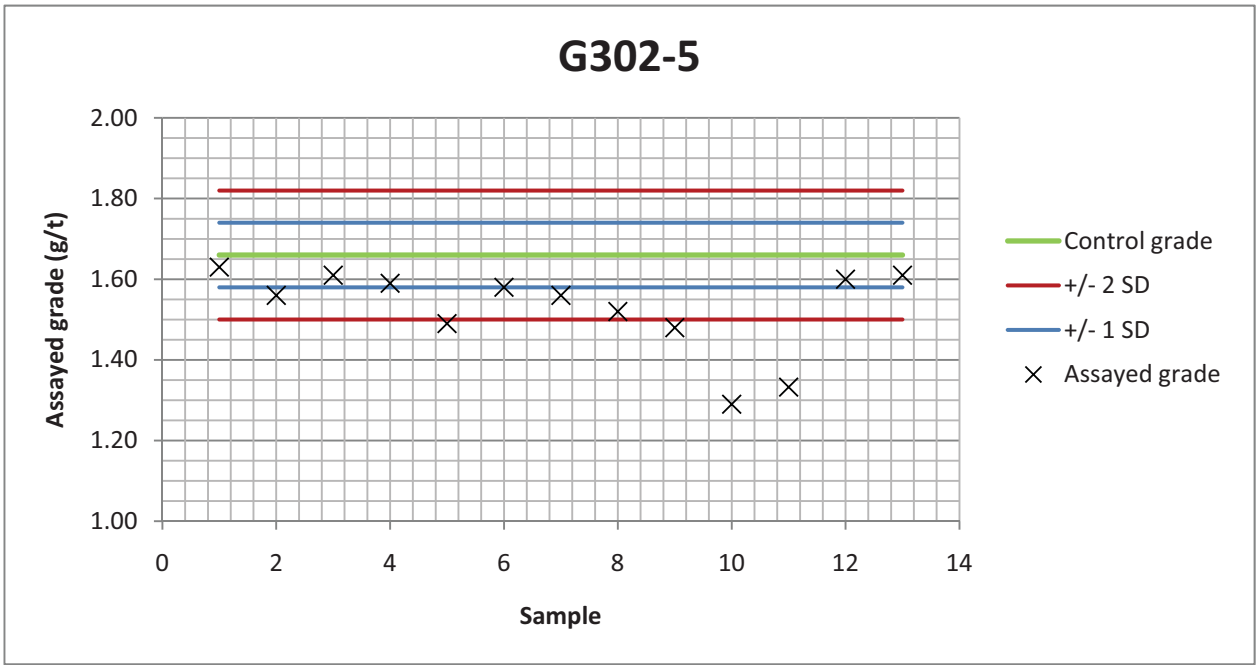
Adit	A tunnel driven horizontally into a mountainside, providing bottom access to a mineral deposit and/or helping to drain water.
Alteration	Changes in the chemical composition of a rock affected by external causes such as hydrothermal fluids or weathering.
Anomaly	An area distinguished by geological, geochemical or geophysical features/values which are different from the surrounding areas.
Amphibolite	A crystalloblastic metamorphic rock consisting mainly of amphibole and plagioclase with little or no quartz.
Archaean	The earlier part of Precambrian time, older than 2.5 billion years (Ga).
Argillite	A compact rock, derived either from mudstone (claystone or siltstone), or shale, that has undergone a somewhat higher degree of induration than mudstone or shale but is less clearly laminated and without its fissility, and that lacks the cleavage distinctive of slate.
Arsenopyrite	an iron arsenic sulphide (FeAsS), commonly associated with gold
Artisanal	Mining and processing carried out without significant mechanical equipment.
BIF	Banded Iron Formation synonymous with itabirite
Birimian	A group of rocks occurring in West Africa, forming volcano-sedimentary belts, which are between 2.2 billion and 2.0 billion years old (Ga).
Chalcopyrite	The copper iron sulphide mineral $CuFeS_2$, the principal ore of copper.
Craton	A part of the Earth's crust that has attained stability, and has been little deformed for a prolonged period; generally restricted to the extensive central areas of continents.
DDH	Diamond Drill Hole: - a drilling technique that results in rock core being obtained, see below.
Diamond drill hole	Hole drilled with an annular bit set with diamonds, from which a cylindrical core of rock is recovered
Diapir	An igneous intrusion accommodated by doming or folding of the surrounding rock.
Diorite	A granular crystalline intrusive rock rich in plagioclase and having little quartz.
Duricrust	A general term for a hard crust on the surface of, or layer in the upper horizons of, a soil in a semiarid climate. It is formed by the accumulation of soluble minerals deposited by mineral-bearing waters that move upward by capillary action and evaporate during the dry season.
Eburnean	Metamorphic event at 2.2 billion and 2.0 billion years affecting Birimian and older rocks.
Eluvial Deposit	An unconsolidated mineral deposit resulting from the decomposition or disintegration of rock in place. The material may have slumped or washed down slope for a short distance but has not been transported by a stream.
Flysch	A marine sedimentary facies characterised by a thick sequence of thinly bedded, graded deposits composed chiefly of marls, sandy and calcareous shales, and muds, rhythmically interbedded with conglomerates, coarse sandstones, and greywackes.
Ga	Abbreviation for billion years.
GIS	A computer system for managing spatial data. GIS can provide a simultaneous representation of geology, geophysics, geochemistry and mineral deposits in a region for the purposes of mineral exploration.
Gneiss	A foliated rock formed by regional metamorphism, in which bands or lenticles of granular minerals alternate with bands or lenticles in which

	minerals having flaky or elongate prismatic habits predominate., e.g. mica.
Granite	Igneous rock consisting largely of quartz, feldspar and mica.
Granodiorite	Igneous rock consisting of quartz and plagioclase with biotite, hornblende or pyroxene as mafic components. Differs from granite in lower silica and higher mafic minerals content.
Greywacke	An old rock name that is generally applied to a dark grey, firmly indurated, coarse-grained sandstone that consists of poorly sorted, angular to subangular grains of quartz and feldspar, with a variety of dark rock and mineral fragments embedded in a compact clayey matrix having the general composition of slate and containing an abundance of very fine-grained illite, sericite, and chloritic minerals.
Granulite	A relatively coarse, granular rock formed at high pressures and temperatures, which may exhibit a crude gneissic structure due to the parallelism of flat lenses of quartz and/or feldspar.
Greenstone belt	Greenstone belts are zones of variably metamorphosed mafic to ultramafic volcanic sequences with associated sedimentary rocks that occur within Archaean and Proterozoic cratons generally between granite and gneiss bodies.
Haematite	mineral, -Fe_2O_3; red if earthy, reddish to bluish grey if massive, or bright metallic steel-grey in thin tablets or mica like flakes (specular hematite); invariably has red ochre streak; a principal ore of iron.
Hydrothermal	Descriptive of hot aqueous solutions of magmatic origin which may transport metals and minerals in solution.
ICP	Inductively Coupled Plasma; analytical instrument capable of determining low concentrations of many elements simultaneously.
ID^2	Inverse Distance to the power of 2 or squared - a geostatistical method of extrapolating sample values to distant points in a mineral resource model
Ilmenite	A trigonal mineral, an ore if titanium, $FeTiO_3$,
Induced Polarisation (IP)	A geophysical exploration method used to locate areas containing disseminated sulphide mineralisation.
Itabirite	Banded iron formation (BIF), typically developed in Archaean rocks. A laminated, metamorphosed, oxide-facies iron formation in which the original chert or jasper bands have been recrystallised into megascopically distinguished grains of quartz and in which the iron is present as thin layers of hematite, magnetite, or martite.
Kimberlite	In intrusive igneous rock. A highly serpentinised porphyritic peridotite, commonly brecciated, which occurs in vertical pipes, dikes, and sills. It is the principal original environment of diamond, but only a small percentage of the known kimberlite occurrences are diamondiferous.
Komatiitic	Magnesium-rich ultramafic volcanic rock of high temperature origin.
Laterite	a red residual soil formed by the leaching of silica and by enrichment with aluminium and iron oxides, especially in humid climates.
Leucocratic	Light-coloured; applied to igneous rocks that are relatively poor in mafic minerals. See also Melanocratic.
Lode	A tabular or vein-like deposit.
Mafic	Containing or relating to a group of dark-coloured minerals, composed chiefly of magnesium and iron, that occurs in igneous rocks.
MEA	A Mineral Exploration Agreement granted under Liberian law.
Melanocratic	Applied to dark-coloured rocks, esp. igneous rocks, containing between 60% and 100% dark minerals.
Magnetite	Magnetic mineral formed of black iron oxide, Fe_3O_4, an important ore of iron.

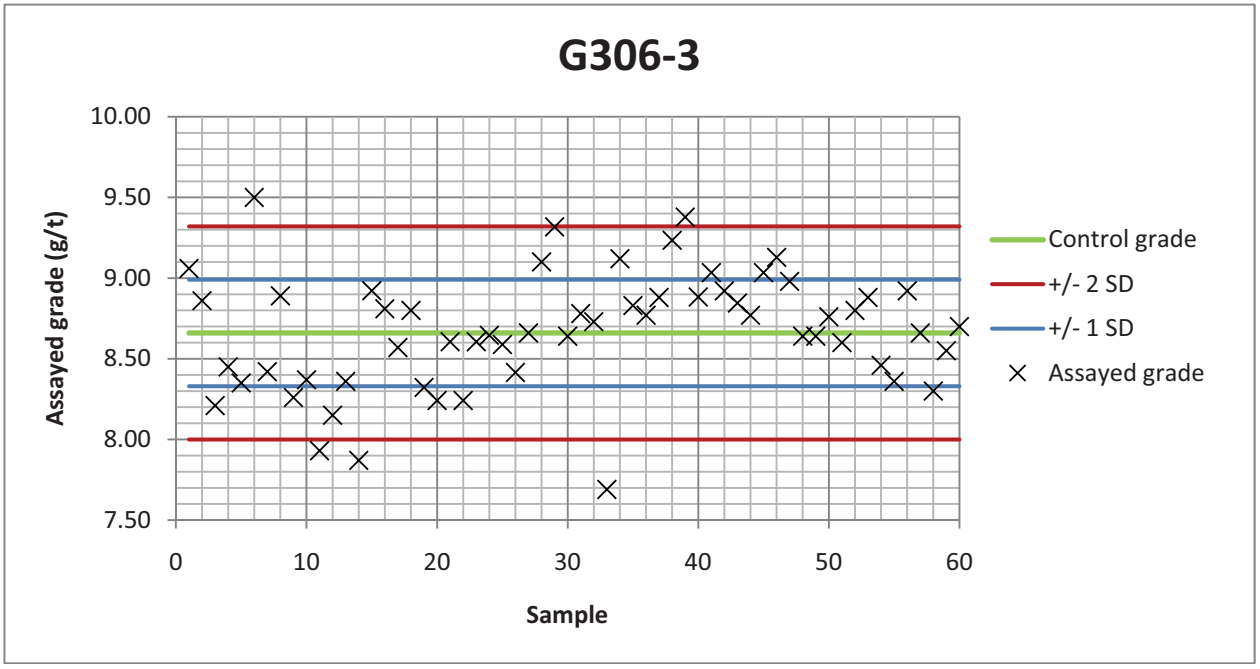
Metamorphism	The process of large-scale changes to rock composition caused by regional scale pressure or on a smaller scale by thermal affects at igneous contacts due to heat, pressure or the introduction of new chemicals.
Mineralisation	Rock containing an undetermined amount of minerals or metals, with unknown economics.
Orogeny (Orogenic)	The process by which structures within fold-belt mountainous areas were formed, including thrusting, folding, and faulting in the outer and higher layers, and plastic folding, metamorphism, and plutonism in the inner and deeper layers.
Pan-African Orogeny	A series of major Neoproterozoic orogenic events (mountain building) which related to the formation of the supercontinents Gondwana and Pannotia about 900 million years ago.
Pegmatite	A very coarse grained crystalline igneous rock.
ppb	Parts per billion.
Phyllite	A metamorphic rock, intermediate in grade between slate and mica schist. Minute crystals of sericite and chlorite impart a silky sheen to the surfaces of cleavage (or schistosity).
Precambrian	A major interval of geologic time between about 540 million years (Ma) and 3.8 billion years (Ga) ago, comprising the Achaean and Proterozoic eons and encompassing most of Earth history.
Proterozoic	A major division of geologic time spanning from 2500 to 543 million years before present (Ma).
Protolith	Refers to the precursor lithology of a metamorphic rock.
Reconnaissance	Descriptive of the earliest stage of exploration in which brief field inspections and sampling programmes are undertaken.
Regolith	The layer of loose rock resting on bedrock, constituting the surface of most land.
Saprolite	A chemically weathered rock. It is mostly soft or friable and commonly retains the structure of the parent rock since it is not transported, developed in the lower section of a laterite profile.
Soil sampling	Exploration method in which samples are taken of soil to determine the distribution of elements and any anomalous areas.
Schist	A strongly foliated crystalline rock, formed by dynamic metamorphism, that can be readily split into thin flakes or slabs due to the well developed parallelism of more than 50% of the minerals present, particularly those of lamellar or elongate prismatic habit, e.g., mica and hornblende.
Sericitic	A white, fine-grained potassium mica occurring in small scales as an alteration product of various aluminosilicate minerals.
Stockwork	Network of veins.
Stream sediment geochemistry	Exploration method in which sediment and rock samples are collected from creeks and rivers.
Supracrustal	Rocks formed at high levels in the crust; typically occurring as belts of sediments and volcanics of low metamorphic grade, surrounded by high grade, gneissic rocks.
Tantalum	A grey metallic element. Symbol, Ta. Occurs principally in the mineral columbite-tantalite, $(Fe,Mn)(Nb,Ta)_2 O_6$. Widely used to fabricate chemical process equipment, and electronic capacitors, vacuum furnace parts, and surgical appliances.
Ultramafic	Igneous rock composed chiefly of mafic minerals, e.g., monomineralic rocks composed of hypersthene, augite, or olivine.
VLF-EM	Very Low Frequency ElectroMagnetics, a geophysical method that depends on the electrical conductivity of rocks.
WARFS	West African Regional Framework Study, a multi-disciplinary GIS compilation by Newmont Mining Ltd

APPENDIX V: CRM PLOTS

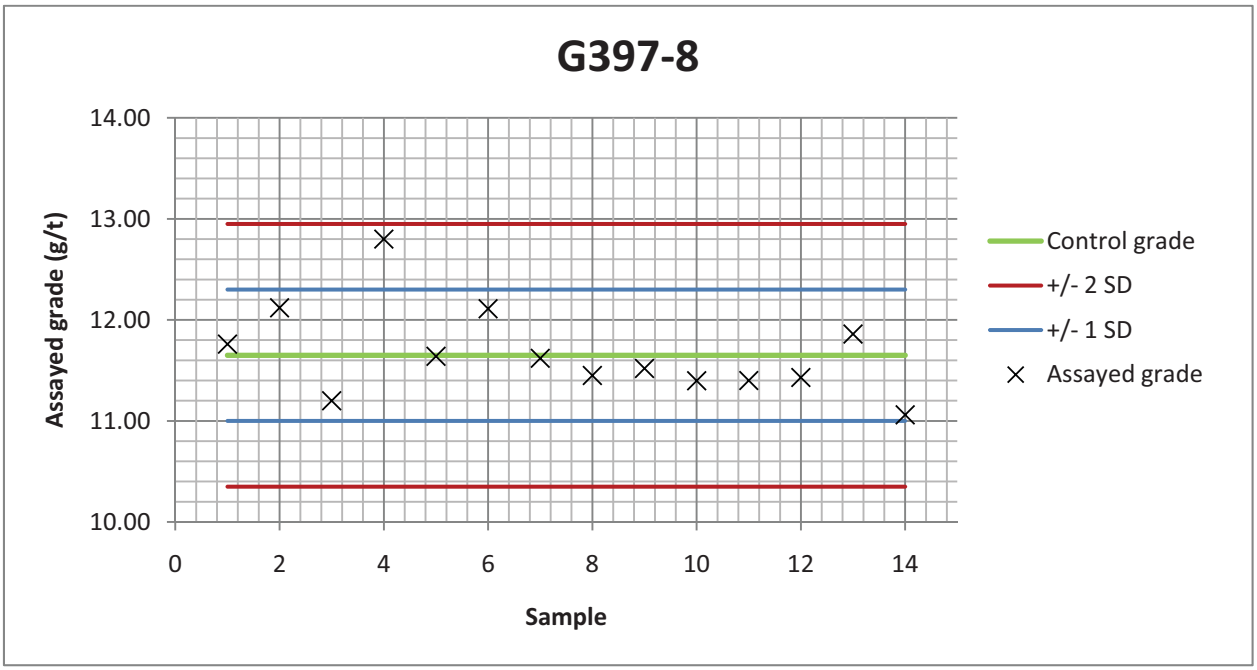
The error plot for CRM G302-5 shows that 69.23% of the CRM samples lie within an acceptable ±2 standard deviations of the expected control grade of 1.66 ppm Au, with two major, successive outliers; B584878 (1.29 ppm Au) and B584918 (1.33 ppm Au). In addition, all assayed CRM's under-report.



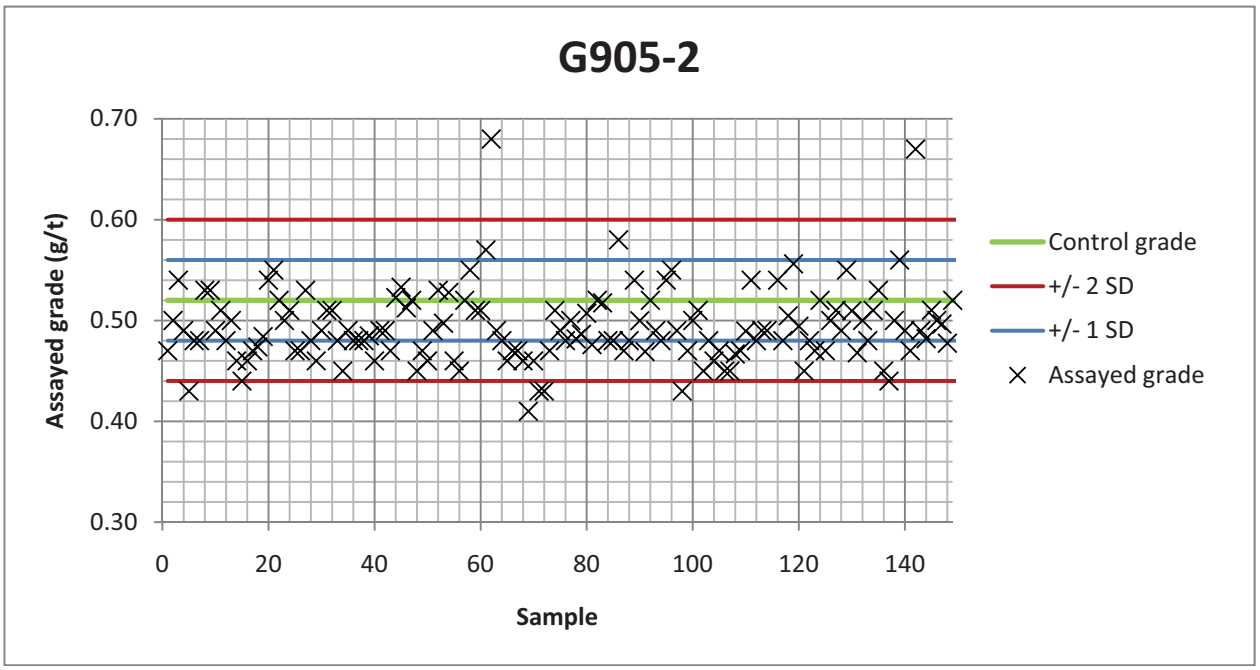
The error plot for CRM G306-3 shows that 91.67% of the assayed samples lie within ±2 standard deviations of the expected control grade of 8.66 ppm Au. Five outliers occur, samples B592198 (9.38 ppm Au), B579468 (9.5 ppm Au), B585278 (7.93 ppm Au), B590118 (7.87 ppm Au) and B592078 (7.69 ppm Au). The plot also shows apparent cyclicity potentially due to analytical drift. As no two successive CRM assays are outside of ± 2 standard deviations, these results are considered acceptable.



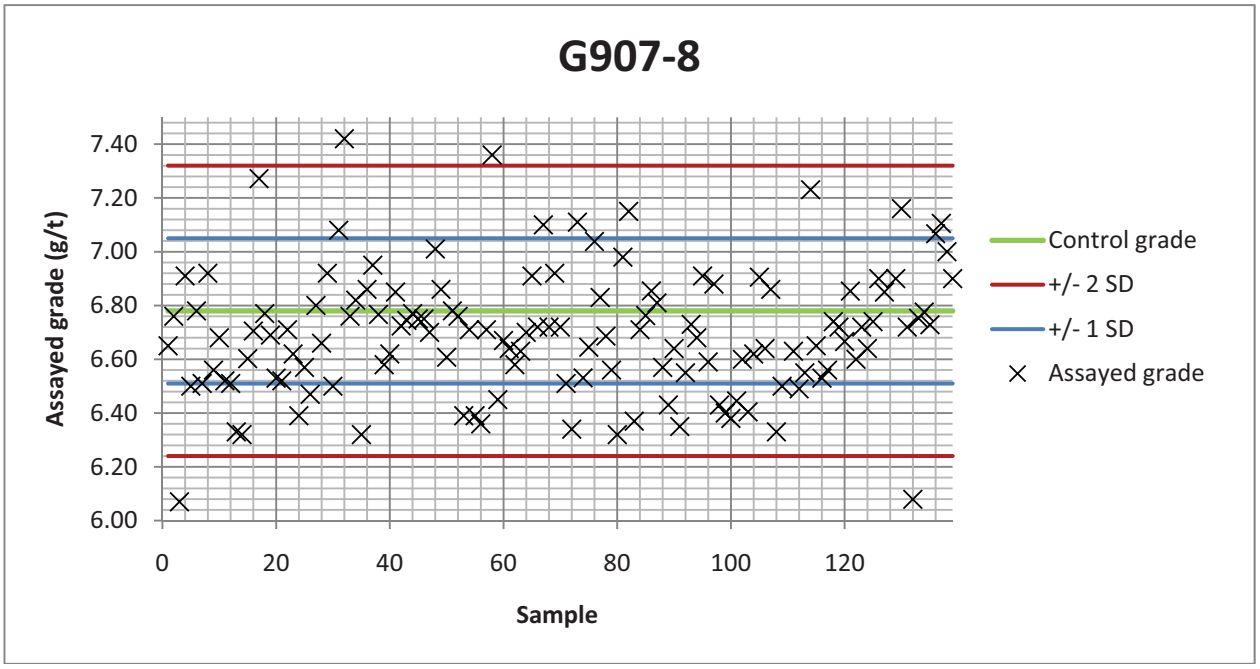
The plot for CRM G397-8 shows that all assayed CRM falls within an acceptable ±2 standard deviations of the expected grade of 11.65 ppm Au.



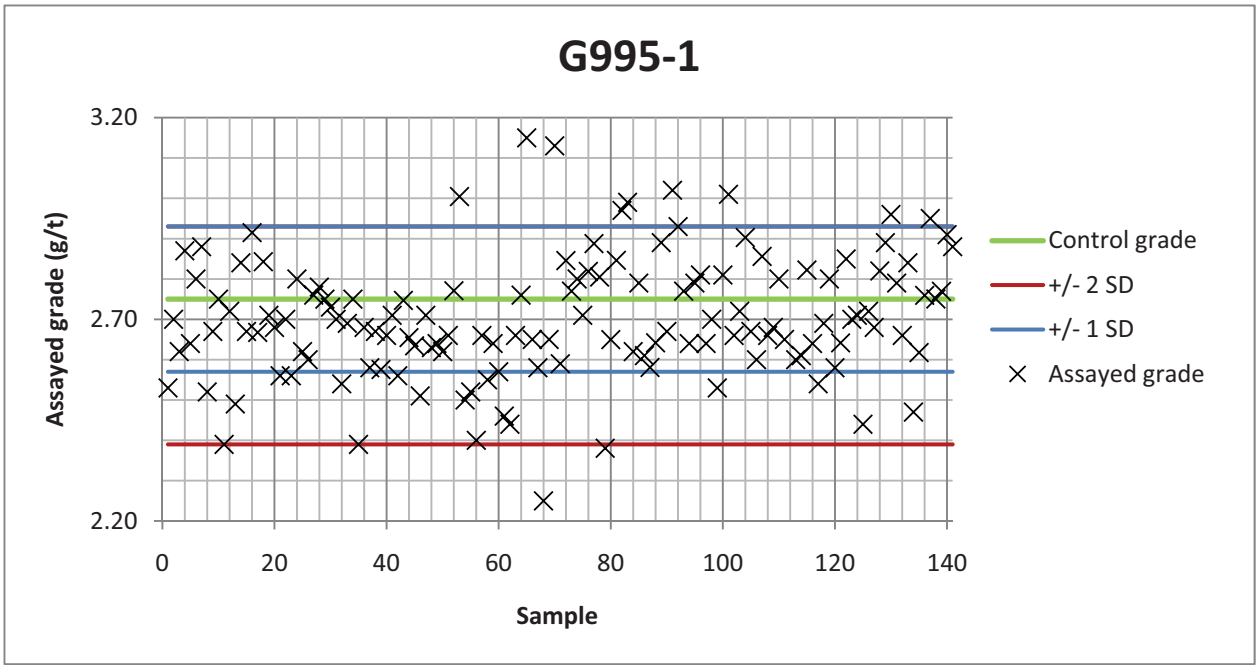
The plot for CRM G905-2 shows that 95.30% of the assayed samples plot within ±2 standard deviations of the expected grade of 0.52 ppm Au. There are seven outliers, samples B584698 (0.43 ppm Au), B589378 (0.68 ppm Au), B589938 (0.68 ppm Au), B590178 (0.41 ppm Au), B590178 (0.43 ppm Au), B595018 (0.43 ppm Au) and B597098 (0.43 ppm Au). The results also appear to be cyclical in nature, potentially due to analytical drift and also show a clear trend for underreporting grades.



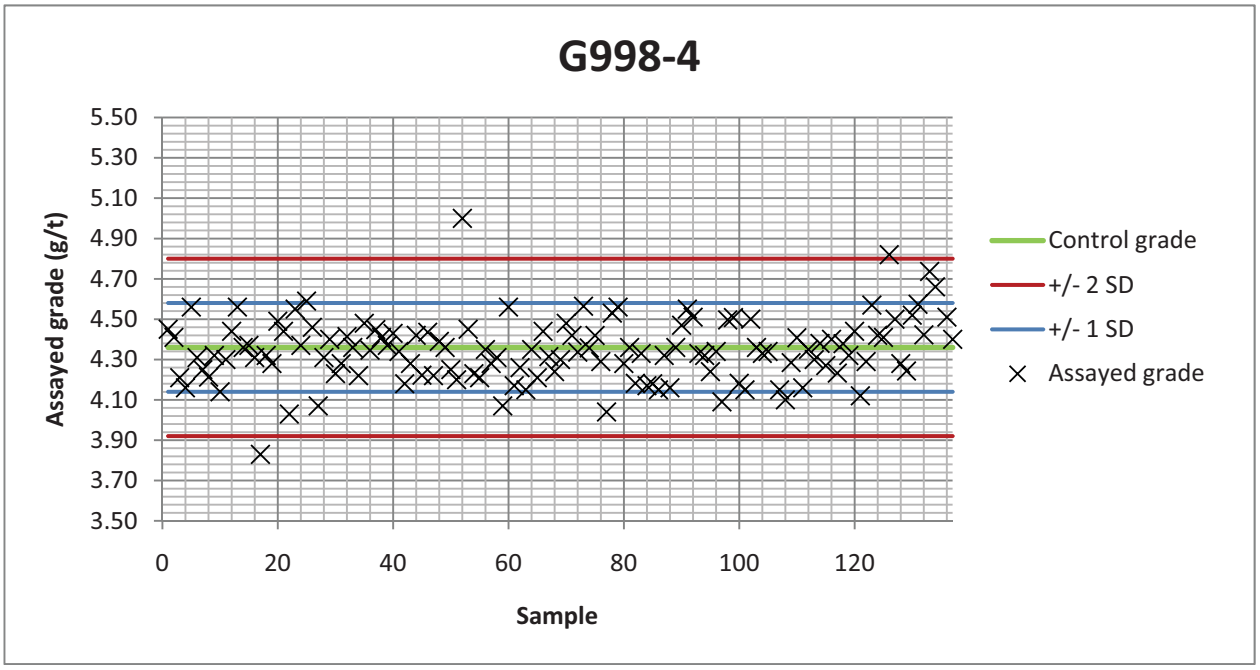
The plot for CRM G907-8 shows that 97.08% of assayed CRM plot within two standard deviations of the control grade of 6.78 ppm Au. Four outliers occur, samples B584998 (6.07 ppm Au), B587178 (7.42 ppm Au), B589278 (7.36 ppm Au) and B606638 (6.08 ppm Au). None of these outliers are successive and as such these results are considered acceptable.



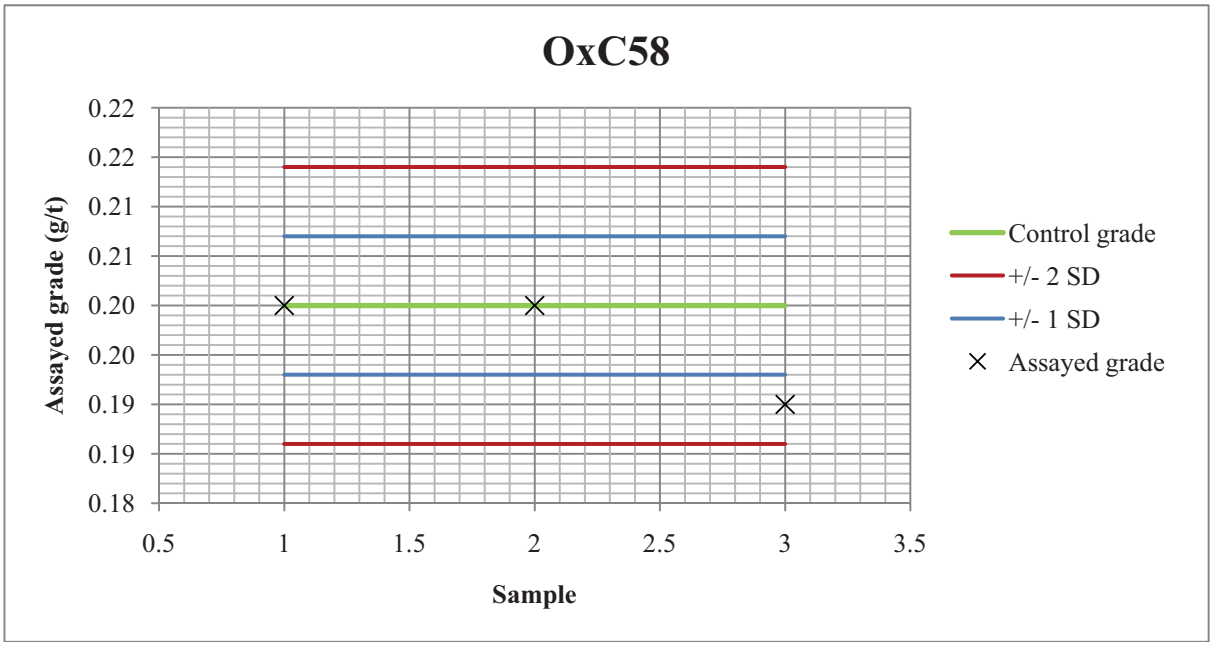
The plot for CRM G995-1 shows that 97.14% of the assayed CRM falls within two standard deviations of the expected control grade of 2.75 ppm Au, with four outliers, samples B589718 (3.15 ppm Au), B589958 (2.25 ppm Au), B595038 (3.13 ppm Au) and B595758 (2.38 ppm Au). The plot also shows potential cyclicity within the results which may be a result of analytical drift.



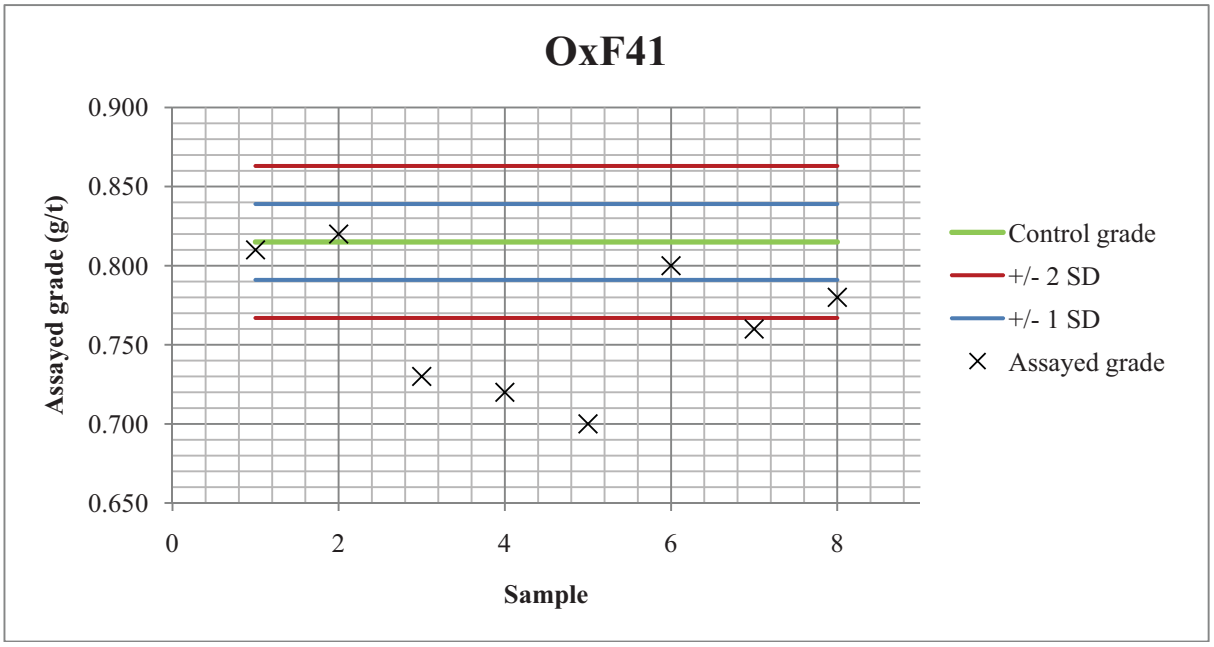
The plot for CRM G998-4 shows that 97.78% of assayed samples plot within two standard deviations of the expected grade of 4.36 ppm Au, with three outliers being present. These are B586438 (3.83 ppm Au), B589258 (5 ppm Au) and B606378 (4.82 ppm Au).



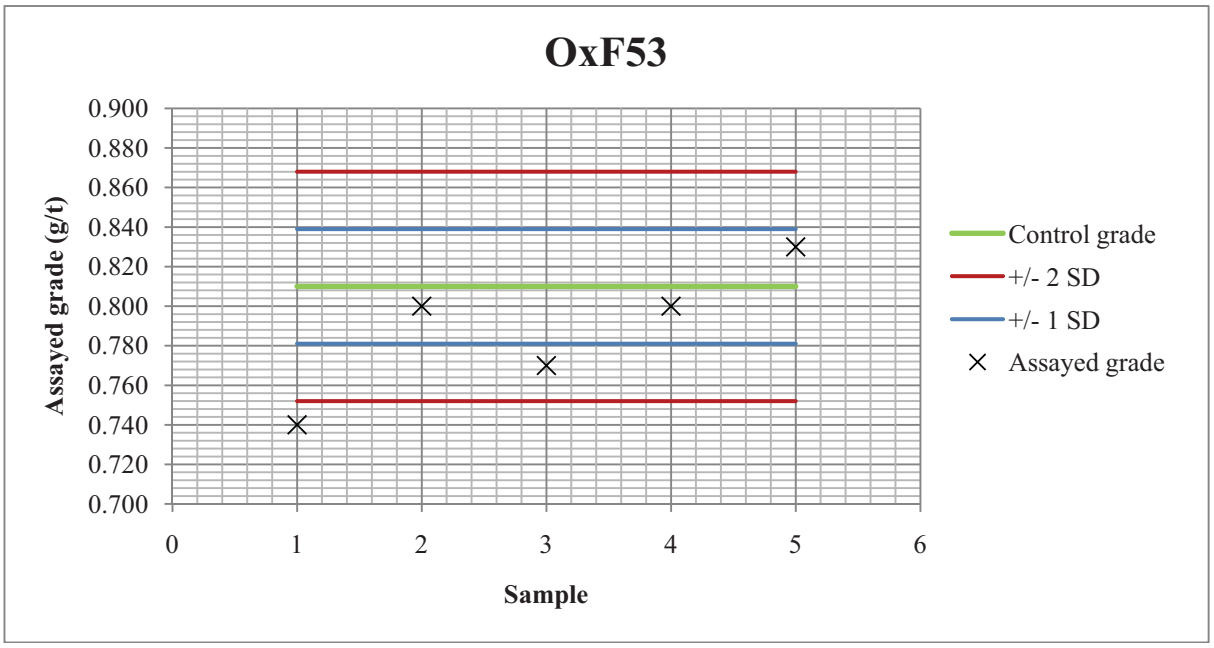
The plot for CRM OxC58 shows that all three assayed samples plot within two standard deviations of the expected control grade of 0.2 ppm Au.



The plot for CRM OxF41 shows that 50% of the assayed samples plot within two standard deviations of the expected grade of 0.815 ppm Au, with four outliers, three of which are consecutive. These are samples B584362 (0.73 ppm Au), B584389 (0.72 ppm Au), B584417 (0.70 ppm Au) and B584473 (0.76 ppm Au).



The results for CRM OxF53 show that 60% of the assayed CRM falls within two standard deviations of the expected grade of 0.81 ppm Au. One outlier, sample 1668 (0.74 ppm Au) occurs.



PART VI

HISTORICAL FINANCIAL INFORMATION

FINANCIAL INFORMATION ON HUMMINGBIRD RESOURCES PLC AND ITS SUBSIDIARIES FOR THE THREE YEARS ENDED 31 MAY 2010

The historical financial information for Hummingbird Resources plc (the "Company") and its subsidiaries (the "Group") is set out in Section B of this Part VI. This financial information comprises information for the Group for the three years ended 31 May 2010.

The Directors are required to prepare the financial information in a form consistent with that which will be adopted in the next published annual financial statements of the Company having regard to the accounting standards and policies and legislation applicable to such annual financial statements. In accordance with the legislation applicable within the United Kingdom, the financial information is required to give a true and fair view of the state of affairs of the Group for that period.

In preparing that financial information, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial information 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. The Directors 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.

Section A of this Part VI sets out a report from Baker Tilly Corporate Finance LLP, the Reporting Accountant, required by Paragraph 20.1 of Annex I of the AIM Rules and given for the purpose of complying with that paragraph and for no other purpose.

Section A – Accountants' Report on Hummingbird Resources plc

The following is the full text of a report on Hummingbird Resources plc from Baker Tilly Corporate Finance LLP, the Reporting Accountants, to the Directors of Hummingbird Resources plc.

BAKER TILLY
2 Whitehall Quay
Leeds LS1 4HG
www.bakertilly.co.uk

The Directors
Hummingbird Resources plc
49-63 Spencer Street
Hockley
Birmingham
B18 6DE

8 December 2010

Dear Sirs

Hummingbird Resources plc (the "Company") and its Subsidiaries (the "Group")

We report on the financial information set out in Part VI, Section B. This financial information has been prepared for inclusion in the Admission Document dated 8 December 2010 ("**Admission Document**") of Hummingbird Resources plc on the basis of the accounting policies set out in note 3.

This report is made solely for the purposes of paragraph 20.1 of Annex I of the Prospectus Rules as if they had been applied by part (a) of Schedule Two to the AIM Rules. Our audit work has been undertaken so that we might state those matters we are required to state in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than a person as and to the extent provided by paragraph 20.1 of Annex I of the Prospectus Rules as if it had been applied by part (a) of Schedule Two to the AIM Rules, for our audit work, for this report, or for the opinions we have formed or consenting to its inclusion in the Admission Document.

Responsibilities

As described on page 190 the directors of the Company (the "**Directors**") are responsible for preparing the financial information on the basis of preparation set out in note 3 to the Historical Financial Information and in accordance with International Financial Reporting Standards as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view, for the purposes of the Admission Document, and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the Group as at the dates stated and of its losses, changes in equity and cash flows for the periods then ended in accordance with the basis of preparation set out in note 3 and in accordance with International Financial Reporting Standards as adopted by the European Union as described in note 3.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in any jurisdictions other than the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those other standards and practices.

Declaration

For the purposes of part (a) of Schedule Two to the AIM Rules we are responsible for this report as part of the Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with item 1.2 of Annex I and item 1.2 of Annex III of Part 3.1.1 of the Prospectus Rules as if it had been applied by part (a) of Schedule Two to the AIM Rules.

Yours faithfully

Baker Tilly Corporate Finance LLP
Regulated by the Institute of Chartered Accountants in England and Wales

Baker Tilly Corporate Finance LLP is a limited liability partnership registered in England and Wales, registered no. OC325347. A list of the names of members is open to inspection at the registered office 2 Bloomsbury Street London WC1B 3ST

Section B: Historical Financial Information of Hummingbird Resources plc

Consolidated Income Statement
for the three years ended 31 May 2010

	Notes	*2008*	*2009*	*2010*
		$	*$*	*$*
Continuing operations				
Administrative expenses		(531,041)	(321,483)	(1,286,780)
Operating loss	6	(531,041)	(321,483)	(1,286,780)
Finance income	9	4,152	6,707	7,196
Finance expense	10	—	—	(9,574)
Loss before tax		(526,889)	(314,776)	(1,289,158)
Tax	11	—	—	—
Loss for the year attributable to equity holders of the parent company		(526,889)	(314,776)	(1,289,158)
Loss per ordinary share				
Basic and diluted	12	(1.26)	(0.63)	(2.10)

Consolidated Statement of Comprehensive Income
for the three years ended 31 May 2010

	2008	*2009*	*2010*
	$	*$*	*$*
Loss for the year	(526,889)	(314,776)	(1,289,158)
Other comprehensive income			
Exchange translation differences on foreign operations	4,721	(614,578)	618,662
Total comprehensive loss for the year attributable to equity holders of the parent company before and after tax	(522,168)	(929,354)	(670,496)

Consolidated Balance Sheet
for the three years ended 31 May 2010

	Notes	*2008* $	*2009* $	*2010* $
Assets				
Non-current assets				
Intangible exploration and evaluation assets	13	2,509,284	3,943,796	6,801,277
Property, plant and equipment	14	148,058	277,756	645,406
		2,657,342	4,221,552	7,446,683
Current assets				
Trade and other receivables	16	162,555	228,854	241,771
Cash and cash equivalents	16	241,735	490,228	7,569,083
		404,290	719,082	7,810,854
Total assets		3,061,632	4,940,634	15,257,537
Liabilities				
Current liabilities				
Trade and other payables	18	(82,333)	(103,702)	(974,753)
Total liabilities		(82,333)	(103,702)	(974,753)
Net assets		2,979,299	4,836,932	14,282,784
Equity				
Share capital	19	8,431	9,825	13,351
Share premium account		3,880,402	6,665,995	16,691,511
Retained earnings		(905,450)	(1,220,226)	(2,422,078)
Cumulative translation reserve		(4,084)	(618,662)	—
Equity attributable to equity holders of the parent company		2,979,299	4,836,932	14,282,784

Consolidated Cash Flow Statement
for the three years ended 31 May 2010

	2008	*2009*	*2010*
	$	*$*	*$*
Operating activities			
Operating loss before tax	(526,889)	(314,776)	(1,289,158)
Adjustments for:			
Finance income	(4,152)	(6,707)	(7,196)
Finance expense	—	—	9,574
Depreciation of property, plant and equipment	12,906	15,060	22,790
Share based payments	—	—	67,000
Effect of foreign exchange rate changes	9,639	(372,670)	5,320
Operating cash flow before movements in working capital	(508,496)	(679,093)	(1,191,670)
Increase in receivables	(64,306)	(66,299)	(12,194)
Increase in payables	36,586	21,369	113,180
Net cash outflow from operating activities	(536,216)	(724,023)	(1,090,684)
Investing activities			
Purchases of intangible exploration and evaluation assets	(1,271,416)	(1,577,097)	(1,910,403)
Purchases of property, plant and equipment	(106,679)	(230,340)	(579,647)
Interest received	4,152	6,707	6,473
Net cash used in investing activities	(1,373,943)	(1,800,730)	(2,483,577)
Financing activities			
Proceeds from issue of shares	1,238,578	2,786,987	10,623,210
Loans issued	—	—	80,000
Loans repaid	—	—	(40,000)
Interest paid	—	—	(4,774)
Net cash from financing activities	1,238,578	2,786,987	10,658,436
Net increase in cash and cash equivalents	(671,581)	262,234	7,084,175
Effect of foreign exchange rate changes	34	(13,741)	(5,320)
Cash and cash equivalents at beginning of year	913,282	241,735	490,228
Cash and cash equivalents at end of year	241,735	490,228	7,569,083

Consolidated Statement of Changes in Equity
for the three years ended 31 May 2010

	Share capital *$*	*Share premium account* *$*	*Retained earnings* *$*	*Cumulative translation reserve* *$*	*Total* *$*
As at 1 June 2007	7,568	2,642,687	(378,561)	(8,805)	2,262,889
Issue of equity shares	863	1,237,715	—	—	1,238,578
Total comprehensive (loss)/gain for the year	—	—	(526,889)	4,721	(522,168)
As at 1 June 2008	8,431	3,880,402	(905,450)	(4,084)	2,979,299
Issue of equity shares	1,394	2,785,593	—	—	2,786,987
Total comprehensive loss for the year	—	—	(314,776)	(614,578)	(929,354)
As at 1 June 2009	9,825	6,665,995	(1,220,226)	(618,662)	4,836,932
Exchange translation differences arising on change in functional currency	(1,530)	(704,438)	87,306	—	(618,662)
Issue of equity shares	5,056	11,059,957	—	—	11,065,013
Total comprehensive (loss)/gain for the year	—	—	(1,289,158)	618,662	(670,496)
Expenses of issue of equity shares	—	(330,003)	—	—	(330,003)
As at 31 May 2010	13,351	16,691,511	(2,422,078)	—	14,282,784

Notes to the Historical Financial Information

1 General information

Hummingbird Resources plc (the 'Company'), was incorporated in Great Britain and was re-registered as a public limited company on 3 December 2010. The address of the registered office is 49-63 Spencer Street, Hockley, Birmingham, West Midlands, B18 6DE.

The nature of operations and principal activity of the Company and its subsidiaries (the 'Group') is the exploration, evaluation and development of mineral exploration targets, principally gold, focused primarily in Liberia.

2 Adoption of new and revised Standards

In the year ended 31 May 2010, the following new and revised Standards have been adopted and have affected the amounts reported in the historical financial information.

Standards affecting presentation and disclosure

IAS1 (revised 2007) Presentation of Financial Statements – In the year ended 31 May 2010 the Group has adopted *IAS1 (revised 2007),* which introduces a statement of comprehensive income which presents all items of income and expenses which are not recognised in the income statement. This has resulted in the Company presenting these statements separately for 2010 and 2009.

IFRS 8 Operating Segments – IFRS 8 requires segment information to be based on managements internal reporting structure and accounting principles. The adoption of this standard has not led to any changes to the disclosures made by the Group as the Directors consider there to be only one business segment and the management reporting structure is currently based on this principal.

At the date of authorisation of the historical financial information, the following Standards and Interpretations which have not been applied in the historical financial information were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 1 (amended)/IAS 27 (amended)	*Cost of an investment in a subsidiary, jointly controlled entity or associate*
IFRS 1 (amended)	*First time adoption of IFRS- IFRS 7 Disclosures for first time adopters*
IFRS 1 (amended)	*Additional exemptions for first time adopters*
IFRS 2 (amended)	*Group cash-settled share-based payment transactions*
IFRS 3 (revised 2008)	*Business combinations*
IFRS 9	*Financial Instruments*
IAS 24 (revised 2009)	*Related party disclosures*
IAS 27 (revised 2008)	*Consolidation and separate financial statements*
IAS 28 (revised 2008)	*Investments in associates*
IAS 31 (revised 2008)	*Investments in joint ventures*
IAS 32 (amended)	*Classification of rights issue*
IAS 39 (amended)	*Financial instruments: recognition and measurement*
IFRIC 14 (amended)	*Prepayment of a minimum funding requirement*
IFRIC 17	*Distributions of non-cash assets to owners*
IFRIC 18	*Transfers of assets from customers*
IFRIC 19	*Extinguishing financial liabilities with equity instruments*

The Directors do not expect that the adoption of these Standards or Interpretations in future periods will have a material impact on the historical financial information of the Company or the Group.

3 Significant accounting policies

Basis of accounting

The historical financial information has been prepared by the Directors in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB') and as adopted by the European Union ('EU').

The historical financial information has been prepared on the historical cost convention basis, except for share-based payments which have been measured at the fair value of the services received, and using accounting policies consistent with IFRS. The principal accounting policies adopted are set out below.

With effect from 1 June 2009, the Company's functional currency changed from pounds sterling ('£') to the United States dollar ('US$'). This change was made as, due to significant balances being denominated in US$, the Directors considered the US$ to most faithfully represent the economic effects of the underlying transactions, events and conditions in the Company. Concurrent with this change in functional currency, the Group adopted the US$ as its presentation currency and consequently the financial information for the years ended 31 May 2008 and 2009 has been re-presented in US$.

In accordance with International Accounting Standards, this change in functional currency has been accounted for prospectively by translating all items using the US$:£ exchange spot rate at the date of change, being US$1.6194:£1.

For the purposes of changing the Group's presentation currency, the comparatives for the years ended 31 May 2008 and 2009 were translated, for all balance sheet items except equity, using US$:£ exchange spot rate at that date, being, 2008 US$1.9792:£1 and 2009 US$1.6194:£1, for the income statement using the average US$:£ exchange rate during the year being, 2008 US$2.0058:£1 and 2009 US$1.64325:£1. All equity items are stated at historical cost. Resulting exchange differences have been taken to the cumulative translation reserve.

The Group financial information is presented in US$. Foreign operations are included in accordance with the policies set out in note 3.

Going concern

The Group is dependent upon the financial support received from its investors and other related parties until its revenues from primary business activities are sufficient to satisfy its obligations and fully finance its exploration and development programme. The Group's management, having received irrevocable undertakings from Placees in respect of the Placing, considers that sufficient additional funding has been raised from the proposed Placing which will enable the Group to meet its obligations for the foreseeable future and continue as a going concern.

Accordingly, the historical financial information has been prepared on the assumption that the Group will continue as a going concern and does not include any adjustments that may be required if the Group were unable to continue realising its assets and discharging its liabilities in the ordinary course of business.

Basis of consolidation

The historical financial information incorporates the financial information 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 information of subsidiaries to bring accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests share of changes in equity since the

date of the combination. Losses applicable to the non-controlling interest 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 non-controlling interest has a binding obligation and is able to make an additional investment to cover the losses.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Rentals payable 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 information, the results and financial position of each Group company are expressed in US$, which is the functional currency of the Company, and the presentation currency for the consolidated financial information.

For the purpose of presenting the consolidated financial information, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

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 historical financial information 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 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 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.

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.

Tangible assets used in E&E activities (such as the Group's vehicles, drilling rigs, seismic equipment and other property, plant and equipment) are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset. Such intangible 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.

E&E costs are not amortised prior to the conclusion of appraisal activities.

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.

Intangible E&E assets that relate to E&E activities that are determined not to have resulted in the discovery of commercial reserves remain capitalised as intangible E&E assets at cost less accumulated amortisation, subject to meeting a pool-wide impairment test in accordance with the accounting policy for impairment of E&E assets set out below. Such E&E assets are amortised on a unit-of-production basis over the life of the commercial reserves of the pool to which they relate.

Impairment of E&E assets

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

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

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

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

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

Financial instruments

Recognition of financial assets and financial liabilities

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

Derecognition of financial assets and financial liabilities

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

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

Trade and other receivables

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

Cash and cash equivalents

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

Trade and other payables

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

Provisions

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

Rehabilitation

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

Share-based payments

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

The Group issues equity-settled share-based payments to certain parties in return for services or goods. The goods or services received and the corresponding increase in equity are measured directly at the fair value of the goods or services received at the grant date. The fair value of the services or goods received is recognised as an expense except in so far as it relates to the costs of issuing or acquiring its own equity instruments. The costs of an equity transaction are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that would otherwise have been avoided.

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 historical financial information:

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.* If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. 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. The carrying amount of exploration and evaluation assets at the balance sheet date was $6,801,277 (2009: $3,943,796, 2008: $2,509,284) and no impairment was identified or recognised.

Provisions for liabilities

As a result of exploration activities the Group is required to make provision for rehabilitation. Significant uncertainty exists as to the amount of rehabilitation obligations which may be incurred due to the impact of possible changes in environmental legislation. Due to the early stage of exploration activity no significant damage has been caused and, therefore, no provision has been recognised at 31 May 2010 (2009: $nil, 2008: $nil).

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.

Following the adoption of IFRS 8 *Operating Segments* 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 Loss for the year

The loss for the year has been arrived at after charging/(crediting):

	2008	*2009*	*2010*
	$	*$*	*$*
Depreciation of property, plant and equipment (note 14)	12,906	15,060	22,790
Property lease payments	31,700	55,100	61,696
Staff costs (note 8)	79,840	219,721	342,413
Net foreign exchange gains	(7,403)	(476,321)	(17,284)
Share based payments	—	—	67,000

In addition to the depreciation of property, plant and equipment of $22,790 (2009: $15,060, 2008: $12,906), depreciation of $189,207 (2009: $85,582, 2008: $32,085) was capitalised to intangible exploration and evaluation assets being depreciation of tangible assets used in exploration and evaluation activities.

7 Auditors' remuneration

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

	2008	*2009*	*2010*
	$	*$*	*$*
Audit fees			
Fees payable to the Company's auditors for the audit of the Company's annual accounts	—	28,757	36,700
Total audit fees	—	28,757	36,700
Non-audit fees			
Tax services	—	12,324	4,627
Total non-audit fees	—	12,324	4,627

8 Staff costs

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

	2008	*2009*	*2010*
	Number	*Number*	*Number*
Directors	4	6	5
Other employees	13	32	50
	17	38	55
	$	*$*	*$*
Their aggregate remuneration comprised:			
Wages and salaries	172,802	447,291	711,180
Social security costs	11,375	31,059	34,553
	184,177	478,350	745,733

Within wages and salaries, $238,284 (2009: $248,980, 2008: $104,970) relates to amounts paid to Directors for services rendered. Included within wages and salaries, is $403,320 (2009: $258,629, 2008: $104,337) capitalised to intangible exploration and evaluation assets.

9 Finance income

	2008	*2009*	*2010*
	$	*$*	*$*
Interest on bank deposits	4,152	6,707	7,196

10 Finance expense

	2008	*2009*	*2010*
	$	*$*	*$*
Loan interest	—	—	9,574

11 Tax

	2008 $	2009 $	2010 $
Current tax			
UK corporation tax	—	—	—
Overseas taxation	—	—	—
	—	—	—
Deferred tax (note 17)			
UK corporation tax	—	—	—
Overseas taxation	—	—	—
	—	—	—

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

	2008 $	2009 $	2010 $
Loss before tax	(526,889)	(314,776)	(1,289,158)
Tax credit at the rate of tax (28%)	(147,528)	(88,137)	(360,965)
Tax effect of non-deductible expenses	—	118	412
Deferred tax asset not recognised	143,651	87,664	360,553
Short term timing differences	3,877	355	—
Tax expense and effective tax rate for the year	—	—	—

12 Loss per ordinary share

Basic loss per ordinary share is calculated by dividing the consolidated net loss for the year attributable to ordinary equity holders of the parent company by the weighted average number of ordinary shares outstanding during the year. The calculation of the basic and diluted loss per share is based on the following data:

	2008 $	2009 $	2010 $
Losses			
Loss for the purposes of basic loss per share being consolidated net loss attributable to equity holders of the parent company	(526,889)	(314,776)	(1,289,158)

	2008 Number	2009 Number	2010 Number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic loss per share	416,748	496,784	612,745

	2008 $	2009 $	2010 $
Loss per ordinary share			
Basic and diluted	(1.26)	(0.63)	(2.10)

There were no potential ordinary shares during the current or prior years.

13 Intangible exploration and evaluation assets

	$
Cost	
At 1 June 2007	1,210,735
Additions	1,303,501
Exchange differences	(4,952)
At 1 June 2008	2,509,284
Additions	1,662,679
Exchange differences	(228,167)
At 1 June 2009	3,943,796
Additions	2,857,481
At 31 May 2010	6,801,277

Additions to intangible exploration and evaluation assets during the year ended 31 May 2010 include $189,207 (2009: $85,582, 2008: $32,085) of capitalised depreciation of tangible assets used in exploration and evaluation activities.

14 Property, plant and equipment

	Development assets – vehicles $	*Development assets – other* $	*Other* $	*Total* $
Cost				
At 1 June 2007	59,637	—	32,790	92,427
Additions	55,674	40,705	10,300	106,679
At 1 June 2008	115,311	40,705	43,090	199,106
Additions	81,000	142,416	6,924	230,340
At 1 June 2009	196,311	183,121	50,014	429,446
Additions	291,284	244,152	44,211	579,647
At 31 May 2010	487,595	427,273	94,225	1,009,093
Accumulated depreciation				
At 1 June 2007	6,043	—	14	6,057
Charge for the year	25,238	6,847	12,906	44,991
At 1 June 2008	31,281	6,847	12,920	51,048
Charge for the year	56,270	29,312	15,060	100,642
At 1 June 2009	87,551	36,159	27,980	151,690
Charge for the year	102,245	86,962	22,790	211,997
At 31 May 2010	189,796	123,121	50,770	363,687
Carrying amount				
At 31 May 2010	297,799	304,152	43,455	645,406
At 31 May 2009	108,760	146,962	22,034	277,756
At 31 May 2008	84,030	33,858	30,170	148,058

15 Subsidiaries

The Company had investments in the following subsidiary undertakings as at 31 May 2010, 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	England and Wales	100	Exploration
Indirectly held			
Deveton Mining Company	Liberia	80	Exploration
Sinoe Exploration Limited	Liberia	90	Exploration
Hummingbird Security Limited	Liberia	100	Security

Golden Grebe Mining Limited was incorporated on 18 September 2008.

Sinoe Exploration Limited was incorporated on 26 January 2009.

16 Other financial assets

Trade and other receivables

	2008	*2009*	*2010*
	$	*$*	*$*
Other receivables	—	2,141	4,814
VAT recoverable	12,603	13,152	28,753
Prepayments	149,952	213,561	208,204
	162,555	228,854	241,771

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 2010 of $7,569,083 (2009: $490,228, 2008: $241,735) comprise cash held by the Group.

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 Directors consider that the carrying amount of these assets approximates their fair value.

17 Deferred tax

Differences between IFRS and statutory tax rules (in the United Kingdom and elsewhere) 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 2010, the Group has unrecognised deferred tax assets of $530,698 (2009: $181,225, 2008: $132,769) in respect of UK and overseas tax losses and $nil (2009: $350, 2008: $nil) in respect of other short term timing differences. No deferred tax asset has been recognised in respect of this amount due to the unpredictability of future profit streams.

18 Other financial liabilities

Trade and other payables

	2008	*2009*	*2010*
	$	*$*	*$*
Trade payables	32,265	30,491	879,992
Other taxes and social security	25,762	10,051	10,051
Other payables	—	1,247	1,038
Accruals	21,306	61,913	83,672
	82,333	103,702	974,753

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. Included in trade payables is $757,872 (2009: $nil, 2008: $nil) in respect of capitalised exploration and evaluation expenditure. The average credit period taken for trade purchases is 47 days (2009: 48 days, 2008: 27 days). The Group has financial risk management policies to ensure that all payables are paid within the credit timeframe.

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

19 Share capital

Authorised and issued equity share capital

	2008		*2009*		*2010*	
	Number	*$*	*Number*	*$*	*Number*	*$*
Authorised						
Ordinary shares of £0.01 each	5,000,000	98,960	5,000,000	80,970	5,000,000	72,265
Issued and fully paid						
Ordinary shares of £0.01 each	426,171	8,431	512,221	9,825	828,362	13,351

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

Issued equity share capital

	Ordinary Shares of £0.01 Number
At 1 June 2007	382,561
Allotment of shares	43,610
At 1 June 2008	426,171
Allotment of shares	86,050
At 1 June 2009	512,221
Allotment of shares	316,141
At 31 May 2010	828,362

20 Share based payments

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 directly at the fair value of the services received based on the market price for those services.

The Group recognised an expense in the year ended 31 May 2010 related to equity-settled share based payment transactions of $67,000 (2009: $nil, 2008: $nil).

The Group recognised $100,000 (2009: $nil, 2008: $nil) 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.

21 Operating lease arrangements

	2008	*2009*	*2010*
	$	*$*	*$*
The group as lessee			
Minimum lease payments under operating leases recognised as an expense in the year	31,700	55,100	61,696

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:

	2008	*2009*	*2010*
	$	*$*	*$*
Within one year	55,100	54,200	60,600
In the second to fifth years inclusive	198,300	164,100	132,500
After five years	100,000	80,000	60,000
	353,400	298,300	253,100

Operating lease payments represent rentals payable by the Group for properties located in Liberia.

22 Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern, while maximising the return to shareholders.

The capital resources of the Group consist of cash and cash equivalents arising from equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

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 historical financial information.

Categories of financial instruments

	2008	*2009*	*2010*
	$	*$*	*$*
Financial assets			
Cash and cash equivalents	241,735	490,228	7,569,083
Other receivables	—	2,141	4,091
	241,735	492,369	7,573,174
Financial liabilities			
Trade payables	35,265	30,491	879,992
Other payables	—	1,247	1,038
	35,265	31,738	881,030

Financial risk management objectives

Management provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risks reports which analyse exposures by degree and magnitude of risks. These risks include foreign currency risk, credit risk, liquidity risk and cash flow interest rate risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

As the Group has no committed borrowings, the Group is not exposed to any risks associated with fluctuations in interest rates on loans. A five per cent fluctuation in interest rates applied to cash balances held at the 2010 balance sheet date would impact the Group by approximately $378,454 over a twelve month period.

Foreign exchange risk and foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The Group to date has elected not to hedge its exposure to the risk of changes in foreign currency exchange rates.

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

	Liabilities			*Assets*		
	2008	*2009*	*2010*	*2008*	*2009*	*2010*
	$	*$*	*$*	*$*	*$*	*$*
US dollars (USD)	35,265	—	—	94,944	81,308	—
Sterling (GBP)	—	—	216,504	—	—	44,162

Foreign currency sensitivity analysis

The Group is exposed primarily to movements in GBP against the USD. Sensitivity analyses have been performed to indicate how the profit or loss would have been affected by changes in the exchange rate between the USD and GBP. The analysis is based on a weakening and strengthening of the USD 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 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 USD strengthens ten per cent against the GBP. For a ten per cent weakening of the USD 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 USD against the GBP.

	2008	*2009*	*2010*
	$	*$*	*$*
Income statement	219,823	309,909	17,235

The Group's sensitivity to foreign currency has decreased due to the fact that the majority of the Group's monetary financial instruments are now held in USD, which is the functional currency for all Group companies.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant credit risk exposure on trade receivables.

The Group makes allowances for impairment of receivables where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

The credit risk on liquid funds (cash) is considered to be limited because the counterparties are financial institutions with high and good credit ratings assigned by international credit-rating agencies.

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

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows.

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.

23 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.

Trading transactions

During the year ended 31 May 2010, Group companies entered into the following transactions with related parties who are not members of the Group:

	Purchase of services			*Amounts payable*		
	2008	*2009*	*2010*	*2008*	*2009*	*2010*
	$	*$*	*$*	*$*	*$*	*$*
Stephen Betts & Sons Limited	112,826	49,298	47,870	17,442	—	7,227

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

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

Other transactions

During the year ended 31 May 2010 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 year ended 31 May 2010 by the issue of equity shares.

Directors' transactions

During the year ended 31 May 2010 the Group received an interest bearing loan of $40,000 from a Director of the Company. This loan was repaid in full during the year ended 31 May 2010 and total interest of $4,774 was paid to that Director.

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*.

	2008	*2009*	*2010*
	$	*$*	*$*
Short-term employee benefits	149,266	281,849	340,348

24 Events after the reporting date

Award of licences

On 7 October 2010, the Company was awarded an additional exploration licence in close proximity to the original Dugbe licence area.

Share issues

Subsequent to 31 May 2010 the Company issued 8,295 ordinary shares for cash raising gross proceeds of $290,325. The ordinary shares in the Company were issued at an average price per share of $35.00.

On 5 November 2010 the Company issued 10,000 ordinary shares for cash at nominal value to Ian Cockerill and subsequently transferred to Giant Sable Corporation which hold the shares on behalf of his family trust.

Grant of share options

On 26 October 2010 the Company granted 78,000 share options with an exercise price of £21.875.

Bonus issue, reduction in capital and re-registration

On 23 November 2010 the Company's authorised share capital was increased to £400,000 divided into 40,000,000 ordinary shares of 1 pence each.

Following this on 23 November 2010 the Company through a bonus issue out of share premium, issued 37,252,908 ordinary shares of 1 pence each credited as fully paid to and among all shareholders in the proportion of 44 new shares for every existing share held.

On 23 November 2010 the share capital of the Company was reduced through the reduction of the share premium account from $16.7m to $5m.

On 3 December 2010 the Company was re-registered as a public limited company under the Companies Act 2006 with the name 'Hummingbird Resources plc'.

PART VII

ADDITIONAL INFORMATION

1 Responsibility

1.1 The Directors, whose names appear on page 6 of this document, and the Company accept responsibility, both individually and collectively, for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1.2 ACA Howe, the Competent Person, accepts responsibility for its report set out in Part V of this document. To the best of the knowledge of ACA Howe (which has taken all reasonable care to ensure that such is the case), the information contained in such report is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company

2.1 The Company was incorporated and registered on 31 May 2005 in England and Wales under the Companies Act 1985 with registration number 5467327 under the name Hamsard 2843 Limited as a private limited company. The Company changed its name to Hummingbird Resources Limited on 3 November 2005. The Company re-registered as a public company on 3 December 2010.

2.2 The liability of the members of the Company is limited by shares.

2.3 The registered office of the Company is 49-63 Spencer Street, Hockley, Birmingham, West Midlands B18 6DE. The principal place of business of the Company is 94 Jermyn Street, London, SW1Y 6JE. The Group also trades from Hummingbird House, Sophie Area, Congo Town, Monrovia, Liberia.

2.4 The Company's main activity is that of a holding company. The Group's main activity is that of mineral exploration in Liberia.

2.5 The Company currently has seven subsidiaries, the details of which are set out below:

Name	*Country of Incorporation*	*Principal activity*	*Percentage owned*
Golden Grebe Mining Limited	England and Wales	Holding Company	100 per cent. by the Company
Sinoe Exploration Limited	Liberia	Exploration	90 per cent. by Golden Grebe 10 per cent.by Kwa Exploration
Hummingbird Resources (Liberia) Inc	Liberia	Exploration	100 per cent. by the Company
Deveton Mining Company	Liberia	Exploration	80 per cent. by Hummingbird (Liberia) 20 per cent. by Deveton
Afro Minerals, Inc	Liberia	Exploration	80 per cent. by the Company, 20 per cent. by Geotess
Iron Bird Resources Inc	Liberia	Exploration	100 per cent. by the Company
Hummingbird Security Limited	Liberia	Security	100 per cent. by Hummingbird Liberia

3 Share Capital

3.1 The capital history of the Company from the date of the Company's incorporation to the date of this document is as follows:

3.1.1 At the date of incorporation, the authorised share capital of the Company was £100, divided into 100 ordinary shares of £1.00 each, of which 1 share of £1.00 was in issue fully paid to the subscribers of the Company's Memorandum, being Hammonds Directors Limited.

3.1.2 On 31 October 2005, the Shareholders resolved to subdivide each ordinary share of £1.00 each in the capital of the Company into 100 ordinary shares of £0.01 each and to increase the share capital of the Company to £50,000 by the creation of 4,990,000 ordinary shares of £0.01 each in the capital of the Company. The authorised share capital of the Company from that date was £50,000 divided into 5,000,000 ordinary shares of £0.01 each.

3.1.3 On 23 November 2010 the Shareholders resolved, *inter alia*,:

3.1.3.1 to increase the share capital of the Company from £50,000 to £400,000 by the creation of 35,000,000 Ordinary Shares so that the authorised share capital of the Company was £400,000 divided into 40,000,000 Ordinary Shares;

3.1.3.2 in order to enable the Company to re-register as a public limited company to reduce the share premium account from $16.7 million to $5 million and approve a bonus issue (the "Bonus Issue") whereby £372,529.08 of the monies standing to the credit of the Company's share premium account would be applied in paying up in full an aggregate of 37,252,908 Ordinary Shares, to be issued credited as fully paid up at par to and among such Shareholders in the proportion of 44 Ordinary Shares for every Ordinary Share then held by each Shareholder;

3.1.3.3 to authorise the directors to allot up to 25,000,000 Ordinary Shares in the capital of the Company;

3.1.3.4 to empower the directors to disapply pre-emption rights in connection with the Placing, certain pre-emptive offers to deal with legal or practical problems and otherwise up to 5 per cent. of the Enlarged Share Capital;

3.1.3.5 to delete all the provisions of the Company's memorandum of association and adopt new articles of association of the Company which have no requirement for the Company to have an authorised share capital.

3.2 Since incorporation the following allotment and issues of Ordinary Shares have been made:

Issue Date			*Money*	*Shares*	*Shares in issue*
Start date	*End date*	*Price*	*raised*	*issued*	*post raise*
		£	£		
Incorporation shares		0.01	1	100	100
31-Oct-05	31-Oct-05	0.01	1,000	100,000	100,100
31-Oct-05	31-Oct-05	0.22	21,978	99,900	200,000
13-Jan-06	24-Mar-06	0.50	4,000	8,000	208,000
13-Jan-06	24-Mar-06	3.05	321,775	105,500	313,500
20-Apr-07	19-Dec-07	14.35	1,616,829	112,671	426,171
22-Jul-08	16-Feb-09	20.00	1,721,000	86,050	512,221
25-Oct-09	17-Feb-10	$35	(a)	4,771	516,992
25-Oct-09	30-Apr-10	$35	6,918,133 (b)	311,370	828,362
02-Jun-10	18-Aug-10	$35	239,643	8,295	836,657
5 November 2010		0.01	100 (c)	10 000	846,657
23 November 2010		44 for 1 bonus issue		37,252,908	38,099,565
TOTALS			10,844,458		38,099,565

Notes

(a) These shares were issued at a price of $35 per share for non cash consideration of services.

(b) Included within this share issue is l,280 shares issued at $35 per share to satisfy a loan.

(c) These shares were issued to Ian Cockerill and subsequently transferred to Giant Sable Corporation who hold the Shares on behalf of Mr Cockerill's family trust.

3.3 Save as referred to in paragraphs 8 below of this Part VII, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, and there are in issue no convertible securities.

3.4 There are no shares not representing share capital and there are no Ordinary Shares in the Company held by or on behalf of the Company or by any of the Subsidiary Undertakings.

3.5 The Placing will result in the issue of 15,256,000 New Ordinary Shares. The Company's issued share capital is at the date of this document and is expected to be immediately following Admission as follows:

	As at the date of this document		*As at Admission*	
	Nominal Value (£)	*Number of Ordinary Shares in issue*	*Nominal Value (£)*	*Number of Ordinary Shares in issue*
Issued	380,995.65	38,099,565	533,555.65	53,355,565

3.6 The Company has no authorised share capital.

3.7 There is no class of shares in the capital of the Company other than Ordinary Shares.

3.8 The Company's share capital consists of Ordinary Shares with equal voting rights (subject to the Articles). No major Shareholder of the Company has any different voting rights from the other Shareholders.

3.9 No Ordinary Shares are issued other than as fully paid.

3.10 The share capital reconciliation to the number of Ordinary Shares outstanding at the beginning of the Company's last financial year and as at the end of the Company's last financial year is as follows:

	As at 1 June 2009	*As at 31 May 2010*
Issued Ordinary Shares	512,221	828,362

3.11 If the Company shall be wound up the Company's property shall on the winding up be applied in satisfaction of the Company's liabilities *pari passu* and, subject to that application, shall be distributed among the members according to their rights and interests in the Company.

3.12 On Admission Shareholders who do not participate in the Placing will suffer a dilution of 28.6 per cent. of their interests in the Company.

4 Directors

4.1 Other than their directorships of the Company, the current directorships and partnerships of the Directors and directorships and partnerships held by them over the previous five years are as follows:

Director	*Current Directorships/Partnerships*	*Previous Directorships/Partnerships*
Daniel Edward Betts	Stephen Betts and Sons Limited	Betts Technical Alloys Limited
	Venus Capital Resources Limited	Bemarco Limited
	GRST Management Limited	Sierra Leone Agriculture Limited
	Black Swan Resources Limited	Chaka Resources Ltd
	Golden Grebe Mining Limited	Minera Condor Limited
	Iron Bird Resources Inc	Ares Resources Limited
	Afro Minerals Inc	The Close Film Sale and
	Sinoe Exploration Ltd	Leaseback (2004/5) LLP

Director	*Current Directorships/Partnerships*	*Previous Directorships/Partnerships*
	Hummingbird Resources (Liberia) Inc Deveton Mining Company Hummingbird Security Limited	Venus Capital LLP Sierra Leone Agriculture SA Namibia Agriculture SA
Stephen Alexander Betts	Betts Technical Alloys Limited Charles Booth Limited Betts Metal Sales Limited Stephen Betts And Sons Limited Ormill Limited	The Close Film Sale and Leaseback (2004/5) LLP
Ian David Cockerill	Petmin Limited Orica Limited Peterstow Holdings Ltd I Pulse Inc	Gold Fields Limited Anglo Coal Holdings Limited
William Cook	GRST Management Limited Deveton Mining Company Afro Minerals Inc Iron Bird Resources Inc Sinoe Exploration Ltd Hummingbird Resources (Liberia) Inc Hummingbird Security Limited	
Matthew Charles Idiens	Vane Minerals Plc Vane Minerals (UK) Limited Golden Grebe Mining Limited Seamwell Energy Limited Seamwell International Limited Minerales VANE S.A. de C.V. Sinoe Exploration Ltd Hummingbird Resources (Liberia) Inc Four Corners Energy LLC Deveton Mining Company Hummingbird Security Limited	SL Minerals Limited Njahili Resources Limited
David Almgren Pelham	GRST Management Limited	
Roderick James Hollas Smith	Cominco Group Limited Cominco SA Cominco Resources Limited Whitemire Holdings Pty Limited	Windimurra Vanadium Limited Precious Metals Australia Limited

4.2 The business address of each of the Directors is c/o Hummingbird Resources plc, 49-63 Spencer Street, Hockley, Birmingham, West Midlands B18 6DE.

4.3 As at the date of this document save as described below, none of the Directors has:

4.3.1 any unspent convictions in relation to indictable offences; or

4.3.2 been declared bankrupt or made any individual voluntary arrangement; or

4.3.3 been a director of a company at the time of or within the twelve months preceding any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, voluntary arrangement or any composition or arrangement with creditors generally or any class of creditors; or

4.3.4 been a partner or in a partnership at the time of or within the twelve months preceding the partnership being subject to a compulsory liquidation, administration or partnership voluntary arrangement; or

4.3.5 had any asset subject to receivership or been a partner of any partnership at the time of or within the twelve months preceding any asset of such partnership being subject to a receivership; or

4.3.6 been subject to any public criticism by statutory or regulatory authorities (including recognised professional bodies), nor disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

4.4 Matthew Charles Idiens was a former director of Njahili Resources Limited which was put into administration 23 April 2009. Mr Idiens ceased to be a director on 27 October 2008. It is Mr Idiens understanding that the Company's assets were sold out of administration and that the disposal included an arrangement for the Company's creditors.

5 Directors' and Other Interests

5.1 The interests of the Directors (all of which are beneficial, unless otherwise stated), and (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) the interests of persons connected with the Directors within the meaning of sections 252 to 255 and 820 to 825 of the 2006 Act, all of which are beneficial, in the Ordinary Share capital of the Company as at 8 December 2010 (being the latest practicable date prior to publication of this document) and as at Admission will be as follows:

	As at the date of this document		*As at Admission*	
	Number of Ordinary Shares	*Percentage of issued Ordinary Share Capital*	*Number of Ordinary Shares*	*Percentage of issued Enlarged Share Capital*
Ian David Cockerill[1]	450,000	1.18%	498,268	0.93%
Daniel Edward Betts[2]	4,872,600	12.79%	4,491,648	8.42%
William Cook[3]	281,250	0.74%	293,050	0.55%
David Almgren Pelham	0	0	0	0%
Stephen Alexander Betts[4]	4,872,600	12.79%	4,491,648	8.42%
Matthew Charles Idiens[5]	3,710,655	9.74%	3,291,607	6.17%
Roderick James Hollas Smith[6]	41,130	0.11%	41,130	0.08%

1 As at the date of Admission, Giant Sable Corporation will be the legal owner of 460,128 Ordinary Shares of which 452,943 Ordinary Shares are held on behalf of Mr Cockerill's family trust, in which Mr Cockerill has a beneficial interest, and 7,185 Ordinary Shares, are held on behalf of certain of Mr Cockerill's family members. Mr Cockerill has an interest in these shares as a connected party. UK Offshore Gold Trust, Mr Cockerill's family trust in which he has a beneficial interest, will be the legal owner of 38,089 Ordinary Shares.

2 As at the date of Admission, Daniel Betts will be the legal owner of 4,119,048 Ordinary Shares. He also has a beneficial interest in the following shareholdings as a connected party: Stephen Betts (67,500 Ordinary Shares), Caroline Betts (67,500 Ordinary Shares), Stephen Betts & Sons Limited (57,600 Ordinary Shares) and The Trustees of the Stephen Betts & Sons Limited (Self Administered) Pension Scheme (180,000 Ordinary Shares).

3 As at the date of Admission, William Cook will be the legal owner of 284,200 Ordinary Shares. He also has a beneficial interest in the following shareholdings as a connected party: Maria Magro (2,950 Ordinary Shares) and Caroline Cook (5,900 Ordinary Shares).

4 As at the date of Admission, Stephen Betts will be the legal owner of 67,500 Ordinary Shares. He also has a beneficial interest in the following shareholdings as a connected party: Daniel Betts (4,119,048 Ordinary Shares), Caroline Betts (67,500 Ordinary Shares), Stephen Betts & Sons Limited (57,600 Ordinary Shares) and The Trustees of the Stephen Betts & Sons Limited (Self Administered) Pension Scheme (180,000 Ordinary Shares).

5 As at the date of Admission, Cheviot Capital Nominees Limited will be the legal owner of all 3,291,607 Ordinary Shares held on behalf of Matthew Idiens.

6 As at the date of Admission, R&H Trust Co (Guernsey) Limited will be the legal owner of 41,130 Ordinary Shares held on behalf of Roderick Smith.

5.2 Save as disclosed above, the Directors are not aware of any interests of persons connected with them.

5.3 The Directors are not required to hold any Ordinary Shares under the Articles.

5.4 Other than as set out below, the Company is not aware of any person, other than the Directors and persons connected with them as set out at 5.1 above, who as at 8 December 2010 (being the latest practicable date prior to publication of this document) and immediately following Admission will, directly or indirectly, be interested in 3 per cent. or more of the voting rights of the Company which is notifiable under the Disclosure Rules or otherwise in the UK:

	As at the date of this document		*As at Admission*	
	Number of Ordinary Shares	*Percentage of issued Ordinary Share Capital*	*Number of Ordinary Shares*	*Percentage of issued Enlarged Share Capital*
Ruth Hubert	3,987,630	10.47%	3,987,630	7.47%
Mark Hillery	3,429,090	9.00%	3,429,090	6.43%
Lynchwood Nominees Limited	2,806,425	7.37%	2,806,425	5.26%
Nutraco Nominees Limited	1,928,565	5.06%	3,478,565	6.52%
The Bank of New York (Nominees) Limited	1,928,520	5.06%	0	0.00%
African Lion 3 Limited	1,287,000	3.38%	1,287,000	2.41%
Resource Capital Funds	1,285,740	3.38%	2,667,778	5.00%
Vidacos Nominees Limited	1,285,695	3.38%	1,285,740	2.41%
JP Morgan Asset Management UK Limited	0	0%	4,260,000	7.98%
State Street Nominees Limited	0	0%	1,650,000	3.09%

5.5 Other than the protections afforded to Shareholders in the Company under the City Code (details of which are set out in Part I of this document) there are no controls in place to ensure that any shareholder having a controlling interest in the Company does not abuse that interest.

5.6 Neither the Directors nor the Company are aware of any arrangements in place which may result in a change in control of the Company.

5.7 Save as disclosed in this document, none of the Directors has any interest, beneficial or non-beneficial, in the share or loan capital of the Company.

5.8 Save as disclosed in this document, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or leased to, the Group and no contract or arrangement exists in which any Director is materially interested and which is significant in relation to the business of the Group.

5.9 There are no outstanding loans granted by the Company to any Director, nor are there any guarantees provided by the Company for their benefit.

5.10 No Director or any member of a Director's family has a related financial product referenced to the Ordinary Shares.

6 Selling Shareholders

6.1 The Selling Shareholders have agreed to sell the Sale Shares to Placees. The details of the Sale Shares to be sold by the Selling Shareholders pursuant to the Placing is as follows:-

Name of Selling Shareholder	*Number of Sale Shares*	*Number of Ordinary Shares to be held following Admission*
Daniel Betts	380,952	4,119,048
Matthew Idiens	419,048	3,291,607
The Bank of New York (Nominees) Limited	1,928,520	0

7 Directors' Service Contracts and Letters Of Appointment

7.1 ***Executive Directors***

7.1.1 **Daniel Betts** was appointed as a director of the Company on 30 October 2005, but did not enter into a service agreement with the Company until 1 January 2008 for his employment as the Company's Managing Director at which point he became entitled to an annual salary of £30,000. This agreement was amended on 23 November 2010 and current annual salary is £80,000 with a discretionary bonus and terminable on 12 months notice. His service agreement provides for the payment of one year's gross basic salary on a change of control (as defined) and contains certain restrictions relating to confidentiality, intellectual property, conflicts and post termination restrictions on poaching staff for 12 months and against competing for 6 months.

7.1.2 **David Pelham** was appointed as a director of the Company on 1 April 2008, but did not enter into a service agreement with the Company until 23 November 2010, for his employment as the Company's Technical Director. This agreement was amended on 23 November 2010 and his current annual salary is £70,000 based on a four day working week (with a maximum salary of £100,000 for a five day working week) with a discretionary bonus and terminable on 12 months notice. His service agreement provides for the payment of one year's gross basic salary on a change of control (as defined) and contains certain restrictions relating to confidentiality, intellectual property, conflicts and post termination restrictions on poaching staff for 12 months and against competing for 6 months. He is entitled to a discovery bonus based on $0.10 cents per proved/probable resource ounce.

7.1.3 **William Cook** was appointed as a director of the Company on 14 April 2009 and entered into a service agreement with the Company dated 4 April 2009 for his employment as the Company's Operations Director. This agreement was amended on 23 November and his current annual salary is £70,000 with a discretionary bonus and terminable on 12 months notice. His service agreement provides for the payment of one year's gross basic salary on a change of control (as defined) and contains certain restrictions relating to confidentiality, intellectual property, conflicts and post termination restrictions on poaching staff for 12 months and against competing for 6 months.

7.2 ***Non-Executive Directors***

7.2.1 **Roderick Smith** was appointed as a non-executive director of the Company on 1 August 2010 and the Company confirmed the terms of his appointment by a letter of appointment dated 1 August 2010 (amended on 23 November 2010) with an annual fee of £30,000 and an additional payment of £2,000 for membership of a Board committee, or £2,500 for chairing a Board committee. His appointment is terminable on one month's notice. The agreement contains certain restrictions relating to confidentiality and conflicts with the Company.

7.2.2 **Ian Cockerill** was appointed as a non-executive chairman of the Company on 8 October 2009 and the Company confirmed the terms of his appointment with a letter of appointment dated 23 November 2010, effective from 8 October 2009, with an annual fee of £35,000 and an additional payment of £2,000 for membership of a Board committee, or £2,500 for chairing a Board committee. His appointment is terminable on one month's notice. The agreement contains certain restrictions relating to confidentiality and conflicts with the Company.

7.2.3 **Stephen Betts** was appointed as an executive director of the Company on 28 April 2006, but did not enter into a service agreement until 2 January 2008, at which point he became entitled to an annual salary of £30,000 and a discretionary bonus, the agreement being terminable on 12 months' notice. With effect from Admission Mr Betts position as an executive director was terminated and he was appointed as a non-executive director of the Company under a conditional letter of appointment pursuant to which he will receive an annual fee of £30,000 for his services and an additional payment of £2,000 for membership of a Board committee or £2,500 for chairing a Board committee. He is also

entitled to a discretionary bonus and his appointment will terminate on one months' notice. The appointment letter contains certain restrictions relating to confidentiality and conflicts with the Company.

7.2.4 **Matthew Idiens** was appointed as an executive director of the Company on 31 October 2005, but did not enter into a service agreement until 1 January 2008, at which point he became entitled to an annual salary of £30,000 and a discretionary bonus, the agreement being terminable on 12 months' notice. With effect from Admission Mr Idiens position as an executive director was terminated and he was appointed as a non-executive director of the Company under a letter of appointment pursuant to which he receive an annual fee of £30,000 for his services and an additional payment of £2,000 for membership of a Board committee, or £2,500 for chairing a Board committee. He is also entitled to a discretionary bonus and his appointment will terminate on one months notice. The appointment letter contains certain restrictions relating to confidentiality and conflicts with the Company.

7.3 There are no Directors' service contracts, or contracts in the nature of services, with the Company, other than those which expire or are terminable without payment of compensation on no more than 12 months' notice.

7.4 The aggregate remuneration payable and benefits in kind to be granted to the Directors in the last financial period ending 31 May 2010 was US$340,348 and the aggregate remuneration payable and benefits in kind to be granted to the Directors in the current financial period ending 31 May 2011 under the arrangements in force at the date of this document is estimated to be $550,000.

8 Management Incentive Scheme

8.1 The Company has an established Share Option Scheme under which EMI options ("**Options**") have been granted to certain eligible employees. The Company has also granted a number of unapproved options to non-executive directors or consultants outside of, but subject to the terms of, the Share Option Scheme.

8.2 The following options the terms and aggregate amount of which were agreed at a board meeting on 17 June 2010, have been granted and remain outstanding:

Name	*Number of Options*	*Date of Grant*	*Exercise Price*	*Expiry*
Robert Monro	135,000	26/10/10	£0.486	26/10/20
David Pelham	225,000	26/10/10	£0.486	26/10/20
Stephen Betts	337,500	26/10/10	£0.486	26/10/20
Gemma Cryan	45,000	26/10/10	£0.486	26/10/20
Roderick Smith	270,000	26/10/10	£0.486	26/10/20
William Cook	675,000	26/10/10	£0.486	26/10/20
Daniel Betts	1,125,000	26/10/10	£0.486	26/10/20
Matthew Idiens	450,000	26/10/10	£0.486	26/10/20
Thomas Hill	67,500	26/10/10	£0.486	26/10/20
Charles Betts	45,000	26/10/10	£0.486	26/10/20
Stacey Hollinshead	45,000	26/10/10	£0.486	26/10/20
Danae Voormeij	90,000	26/10/10	£0.486	26/10/20
Total number of Options	3,510,000			

8.3 A number of the options are intended to qualify for EMI status, however to the extent that they do not, they will be unapproved share options.

8.4 A bonus issue of shares was made on 23 November 2010. Please refer to the details at paragraph 3.1.3.2 of this Part VII. In accordance with the rules of the Share Option Scheme the number of options and exercise price were adjusted following the Bonus Issue.

8.5 The Share Option Scheme is to be closed so no further options may be granted under the Share Option Scheme.

8.6 A summary of the principal terms of the Share Option Scheme are set out below:

8.6.1 *Operation of the Share Option Scheme*

The Board of Directors of the Company are responsible for the administration and operation of the Share Option Scheme.

8.6.2 *Grant of Options*

Options are not transferable or assignable (other than to the personal representatives of the option holder on death).

8.6.3 *Exercise Price*

The Company determines the exercise price of the options subject, in the case of a subscription option, to the exercise price not being less than the nominal value of a share.

8.6.4 *Exercise of Options*

Options are generally exercisable on the earlier of:

- Takeover (see below);
- Flotation (being the admission of a majority of the Ordinary Share Capital of the Company to the Official List and admission to trading on the London Stock Exchange, AIM , any market maintained by PLUS Markets plc or their successors, or other recognised stock exchange as defined in section 1005 of the Income Tax Act 2007) (see Admission below);
- Sale (being an unconditional agreement being entered into for the sale of the whole of the share capital or the whole of the business and assets of the Company);
- Such time or times set out in the option agreement; or
- Such other time as the Company may specify;

Option holders have up to ten years (or such shorter period as may be specified) to exercise their options after they have vested after which they will lapse and cease to be exercisable. No options may be exercised after the tenth anniversary of the date of grant.

The Board has notified option holders that options are not exercisable on Admission and may only be exercised subject to the Rules on any date that falls twelve months and fourteen days after the date of Admission and prior to the expiry date.

8.6.5 *Cessation of employment or office*

If an option holder leaves employment for any reason (other than death) then in exceptional circumstances and to the extent the Board in its absolute discretion permit, the option holder's options may vest and be exercised within 40 days of the date of cessation of employment.

If an option holder dies in service their personal representatives may, to the extent the Board in its absolute discretion permit, exercise the option within one year of the date of death of the option holder.

8.6.6 *Takeover*

In the event of a change of control of the Company the options will vest and generally be exercisable within the period of 40 days of the date when the person making the offer has obtained control of the Company and to the extent that the options are not exercised within this period shall lapse and cease to be exercisable.

8.6.7 *Admission*

In the event of an Admission, options may be exercised in respect of vested shares (as defined in the Share Option Scheme) at any time after the Admission unless the Board determine and notify to the option holders prior to Admission one or more periods during which the options can be exercised following Admission. Any such periods must be at least 7 days long and the first period shall begin within the period of 14 days beginning with the date twelve months from the date of Admission. At least one third of the 'vested shares' must be exercisable in each specified period.

8.6.8 *Variation of capital*

On a variation of the capital of the Company, or in the event of a demerger, payment of a special dividend, reorganisation, reconstruction of the Company or similar event, the Company may make such adjustment to the Options as it considers reasonable. 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.

8.6.9 *Alterations to the Share Option Scheme*

The Company may, at any time, amend the Share Option Scheme in any respect provided that no such alteration or addition shall take effect so as to affect the liabilities of any person other than the Company in relation to any option granted by such person without the prior consent in writing of such person.

8.6.10 *Allotment and transfer of Shares*

Options granted under the Share Option Scheme may be satisfied by a new issue of ordinary shares or by the transfer of ordinary shares from existing shareholders.

Shares allotted or transferred under the Share Option Scheme rank equally with all other ordinary shares of the Company for the time being in issue (except for rights attaching to such shares by reference to a record date prior to the date of such allotment or transfer).

9 Accounting

The Company's accounting reference date is 31 May in each year. The Company's next accounting reference period will end on 31 May 2011.

10 Taxation

10.1 ***General***

10.1.1 The following is a summary based on current tax legislation at the date of this document and relates to the tax position of Shareholders who are resident and ordinarily resident in the United Kingdom for tax purposes. It is a general guide to the UK tax treatment on the acquisition, ownership and disposal of the Ordinary Shares for persons who are beneficial owners of the Ordinary Shares.

10.1.2 The tax position of certain shareholders who are subject to special rules, such as employees and or optionholders, dealers in securities, broker-dealers, insurance companies and collective investment schemes is not considered.

10.1.3 This summary of the tax legislation should not be construed as constituting advice. If the shareholder is in any doubt as to their tax position or is subject to tax in a jurisdiction other than the UK they should consult their professional adviser without delay.

10.2 ***Taxation of chargeable gains***

10.2.1 The following paragraphs apply to non-employee Shareholders. Employee Shareholders may be subject to an alternative regime and should consult their professional advisor.

10.2.2 For the purposes of UK tax on chargeable gains, the issue of Ordinary Shares will be regarded as an acquisition of a new holding in the share capital of the Company.

10.2.3 To the extent that a Shareholder acquires Ordinary Shares allotted to him, the Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will constitute the base cost of a Shareholder's holding.

10.2.4 If Shareholders dispose of all or some of their Ordinary Shares, a liability to tax on chargeable gains may, depending on their circumstances and subject to any available exemptions or reliefs, arise.

10.3 ***Income tax***

10.3.1 The following paragraphs apply to non-employee Shareholders. Employee Shareholders may be subject to an alternative regime and should consult their professional advisor.

10.3.2 Under current UK taxation legislation, no withholding tax will be deducted from dividends paid by the Company.

10.3.3 A UK resident individual should be entitled to a non-refundable tax credit (1/9th of the amount of the dividend which is 10 per cent. of the sum of the dividend and tax credit) in respect of a dividend received from the Company, which would be available to offset against any income tax liability arising on the dividend. An individual Shareholder whose income is within the basic rate tax band will be subject to income tax at the rate of 10 per cent. on their dividend income, so that such Shareholders will have no further income tax liability in respect of the dividend. An individual liable to higher rate income tax of 40 per cent. is taxed at 32.5 per cent. on dividend income and an individual liable to the additional higher rate of income tax of 50 per cent. (broadly, an individual with taxable income in excess of £150,000) is taxed at 42.5 per cent. on dividend income. A higher rate tax payer may set the tax credit against their income tax liability on the dividends and so will have further income tax to pay of 22.5 per cent. and 32.5 per cent. respectively.

10.3.4 Shareholders with the charge to UK corporation tax will not normally be subject to UK corporation tax on dividends received from the Company. Such Shareholders should consult their own professional advisers for confirmation of their tax position.

10.4 ***Inheritance tax***

10.4.1 The inheritance tax status of individual Shareholders' Ordinary Shares will depend upon their personal circumstances. Shareholders should consult with their professional advisers if they are concerned with the potential inheritance tax implications of their shares in the Company.

10.5 ***Stamp Duty and Stamp Duty Reserve Tax***

10.5.1 The paragraphs below are intended as a general guide. Certain categories of person are not liable to stamp duty or stamp duty reserve tax ("**SDRT**"), and others may be liable at a higher rate or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

10.5.2 No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.

Shares held outside the CREST system

10.5.3 The conveyance or transfer on sale of the Ordinary Shares will usually be subject to stamp duty on the instrument or transfer, generally at the rate of 0.5 per cent. of the amount or value of the consideration. Stamp duty is charged in multiples of £5 and is rounded up. An obligation to account for SDRT at the rate of 0.5 per cent. of the amount or value of the consideration will also arise if an unconditional agreement to transfer the ordinary shares is not completed by a duly stamped instrument of transfer before the accountable date for SDRT purposes. The accountable date is the seventh day of the month following

the month in which the agreement for the transfer is made. Payment of the stamp duty will cancel the liability to account for SDRT. It is the purchaser who is in general liable to account for stamp duty or SDRT.

Shares held within the CREST system

10.5.4 The transfer of the Ordinary Shares in uncertificated form in the CREST system will generally attract a liability to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration. The SDRT is payable on the fourteenth day following the date of the unconditional agreement for the transfer of the ordinary shares.

11 Memorandum

11.1 The subscriber to the Memorandum was Hammonds Directors Limited. The subscriber share was transferred to Matthew Charles Idiens on 31 October 2005.

11.2 Pursuant to a resolution of the Shareholders of the Company dated 23 November 2010 the objects of the Company, previously contained in the Memorandum and Articles of Association, were removed.

12 Articles of Association

The articles contain, amongst other things, provisions to the following effects:

12.1 ***Voting Rights***

12.1.1 Subject to the provisions of the 2006 Act and to any rights or restrictions as to voting attached to any share or class of share in the Articles, at any general meeting on a show of hands every member who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by a duly authorised representative or by proxy (not being himself a member) has one vote, and on a poll every member present in person or by proxy or (being a corporation) by a duly authorised representative has one vote for each Ordinary Share of which he is the holder.

12.1.2 No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting, or, at any separate meeting of the holders of any class of shares, unless all calls or other sums presently payable by him in respect of shares in the Company have been paid and/or where he is not permitted to vote in accordance with paragraph 12.1.3 below (Disclosure of interests in Shares).

12.1.3 Nothing in the Articles confers on major shareholders in the Company any voting rights, which are different to those conferred on the holders of Ordinary Shares as described in paragraph 12.1.1 above.

12.2 ***Transfer of Shares***

12.2.1 Transfer of shares may be effected by transfer in writing in any usual or common form or in any other form acceptable to the directors. The instrument of transfer, if any, shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register of members in respect thereof.

12.2.2 The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of shares which:

- which are not fully paid;
- which are held in certificated form, unless the instrument of transfer is duly stamped, is deposited at the office or such other place as the Directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

- which are held in certificated form, unless the instrument of transfer is in respect of only one class of share;
- in the event that the proposed transfer is in favour of more than four transferees; and
- which are held in uncertificated form, in the circumstances set out in the Regulations.

12.2.3 If the Board refuses to register a transfer it must, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferor and the transferee.

12.3 ***Requirement to disclose interests in shares***

12.3.1 Pursuant to Rule 5 of the Disclosure Rules, holders of three per cent. or more of the voting rights of the Company's share capital are required to notify their interest in writing to the Company.

12.3.2 Pursuant to section 793 of the 2006 Act, the Company may by notice in writing require a person whom the Company knows or has reasonable cause to believe to be or, at any time during the three years immediately preceding the date on which the notice is issued, to have been interested in shares comprised in the Company's issued share capital, to confirm that fact or (as the case may be) to indicate whether or not it is the case, and where that person holds, or has during that time held an interest in shares to comprised, to give such further information as may be required in accordance with sections 793(3), (4) and/or (6) of the 2006 Act.

12.3.3 If a member, or any other person appearing to be interested in shares held by that member, has been issued with a notice pursuant to section 793 of the 2006 Act and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within the prescribed period from the date of notice, the following sanctions shall apply:

- the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll or to exercise any other right conferred by membership in relation to any such meeting or poll; and
- where the default shares represent at least 0.25 per cent. in nominal value of their class the defaulting member shall not be entitled to:
- receive dividends any dividend or other money payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it and the member shall not be entitled to elect in the case of a scrip dividend to receive shares instead of that dividend; and
- to transfer or agree to transfer any of such shares, or any rights therein.

12.3.4 The above restrictions shall continue until either the default is remedied or the shares are registered in the name of the purchaser or offeror (or that of his nominee) pursuant to an arm's length transfer. Any dividends withheld pursuant to shall be paid to the member as soon as practicable after the above restrictions lapse.

12.4 ***Dividends***

12.4.1 Subject to the provisions of the 2006 Act and of the Articles and to any special rights attaching to any shares, the Company may by ordinary resolution declare dividends, but no such dividends shall exceed the amount recommended by the Board. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up or credited as paid up (otherwise than in advance of calls) on the shares during any portion or portions of the period in respect of which the dividend is paid. Interim dividends may be paid

provided that they appear to the Board to be justified by the profits available for distribution and the position of the Company. The Board may, with the prior authority of an ordinary resolution of the Company, offer the holders of Ordinary Shares the right to elect to receive Ordinary Shares credited as fully paid instead of cash in respect of all or part of any dividend.

12.4.2 Any dividend unclaimed after a period of 12 years from its due date of payment shall be forfeited and cease to remain owing by the Company and shall thereafter belong to the Company absolutely.

12.4.3 Where, in respect of any shares, any registered holder or any other person appearing to be interested in shares of the Company fails to comply with any notice given by the Company under section 793 of 2006 Act, then, provided that the shares concerned represent at least 0.25 per cent. in nominal amount of the issued shares of the relevant class, the Company may withhold dividends on such shares.

12.5 ***General meetings***

12.5.1 An annual general meeting shall (in addition to any other general meetings held) be called in accordance with the notice requirements in the 2006 Act. Notice may be given by any means or combination of means permitted by law. Subject to a member's right to requisition a general meeting pursuant to section 303 of the 2006 Act, general meetings of the Company are convened at the discretion of the board.

12.5.2 The directors may whenever they think fit, and shall on requisition in accordance with the 2006 Act, proceed to convene a general meeting for a date not later than seven weeks after receipt of the requisition.

12.5.3 a meeting of the Company is deemed to have been duly called if such shorter period of notice is so agreed:

- in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote at it; or
- in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority who together hold not less than 95 per cent., in nominal value of the shares giving a right to attend and vote at the meeting (excluding any shares in the Company held as treasury shares).

12.5.4 Every notice shall be in writing (or shall be given by electronic communication to an address being notified for that purpose to the Company) and shall specify the place, the day and the time of meeting, and in the case of special business the general nature of such business, and in the case of an annual general meeting shall specify the meeting as such. Notices shall be given in manner hereinafter mentioned to all the members, other than those who under the provisions of the Articles or the conditions of issue of the shares held by them are not entitled to receive the notice, to the directors (including the alternate directors) and to the auditors for the time being.

12.5.5 In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a member.

12.5.6 Where special notice of a resolution is required by any provision contained in the 2006 Act, the resolution is not effective unless notice of the intention to move it has been given to the Company at least 28 days (or such shorter period as the 2006 Act permit) before the meeting at which it is moved and the Company must give to its members notice of any such resolution as required by and in accordance with the provisions of the 2006 Act.

12.6 ***Directors' powers to authorise conflicts of interest***

12.6.1 The Directors may in accordance with the terms of the Articles authorise any matter which would otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties) and a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises, provided that for this purpose the Director in question and any other interested Director are not counted in the quorum at any meeting of the Board at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted.

12.6.2 If a matter, or office, employment or position, has been authorised by the Directors then:

- the Director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- the Director may absent himself from meetings of the Directors at which anything relating to that matter, or that office, employment or position, will or may be discussed; and
- the Director may make such arrangements as such Director thinks fit for Board and committee papers to be received and read by a professional adviser on behalf of that Director.

12.6.3 A Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the (subject in any such case to any limits or conditions to which such approval was subject).

12.7 ***Changes in share capital***

The Company may alter its share capital as follows:

12.7.1 it may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of larger amounts, cancel any shares which have not been taken or agreed to be taken by any person and sub-divide its shares or any of them into shares of smaller amounts;

12.7.2 subject to any consent required by law and to any rights for the time being attached to any shares, it may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserve in any manner; and

12.7.3 subject to the provisions of the 2006 Act and to any rights for the time being attached to any shares it may with the sanction of a special resolution enter into any contract for the purchase of its own shares.

12.8 ***Variation of rights***

12.8.1 Subject to the provisions of the 2006 Act and of the Articles, the special rights attached to any class of share in the Company may be varied or abrogated either with the consent in writing of the holders of not less than three quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or while the Company is or is about

to be in liquidation. The quorum for such separate general meeting of the holders of the shares of the class shall be at least two persons holding or representing by proxy at least one-third of the nominal amount paid up on the issued shares of the relevant class.

12.9 ***Constitution of board of directors***

12.9.1 Subject to the Articles, the directors shall be not less than two in number but the Company may by ordinary resolution from time to time vary the minimum number and may also fix and from time to time vary a maximum number of directors. As at the date of this document the maximum number of directors is 10.

12.10 ***Permitted interests of directors***

12.10.1 Subject to the provisions of the 2006 Act and provided that he discloses to the directors the extent and nature of any interest of his, a director is not disqualified by his office from contracting with the Company in any manner, nor is any contract in which he is interested liable to be avoided, and any director who is so interested is not liable to account to the Company for any profit realised by the contract, by reason of the director holding that office or of the fiduciary relationship thereby established.

12.10.2 Subject to the provisions of the 2006 Act and provided that he discloses to the directors the extent and nature of any interest of his, a director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director and may act in a professional capacity for the Company (other than as auditor) on such terms as to tenure of office, remuneration or otherwise as the directors may determine. A director may also hold office as a director or other officer or be otherwise interested in any other company of which the Company is a member or in which the Company is otherwise interested and shall not be liable to account to the Company for any remuneration or other benefits received by him from that company.

12.11 ***Restrictions on voting by directors***

12.11.1 A director who is in any way, whether directly or indirectly, interested or deemed by the 2006 Act to be interested in a contract, transaction or arrangement or a proposed contract, transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the directors in accordance with section 182 of the 2006 Act.

12.11.2 Save as provided below, a director (including an alternate director) shall not vote in respect of any contract or arrangement or any other proposal in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities or rights of the Company. However a director shall be entitled to vote in respect of any contract or arrangement or any other proposal in which he has any interest which is not material. A director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. A director of the Company shall be entitled to vote (and be counted in the quorum) in respect of any resolution at such meeting if his duty or interest arises only because the resolution relates to one of the following matters:

- the giving to him of any guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company;
- the giving to a third party of any guarantee, security or indemnity in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part, under a guarantee or indemnity or by the giving of security;
- any proposal concerning an offer for subscription or purchase of shares or debentures or other securities or rights of or by the Company or any of its subsidiaries or of any Company which the Company may promote or in which it may be interested in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

- any proposal concerning any other Company in which he is interested directly or indirectly and whether in any one or more of the capacities of officer, creditor, employee or holder of shares, debentures, securities or rights of that other Company, but where he is not the holder (otherwise than as a nominee for the Company or any of its subsidiaries) of or beneficially interested in one per cent. or more of the issued shares of any class of such Company or of any third Company through which his interest is derived or of the voting rights available to members of the relevant Company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- any proposal concerning the adoption, modification or operation of a superannuation fund, retirement benefits scheme, share option scheme or share incentive scheme under which he may benefit; or
- any arrangement concerning the purchase and/or maintenance of any insurance under which he may benefit.

12.11.3 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any Company in which the Company is interested, such proposals may be divided and considered in relation to each director separately and in such case each of the directors concerned (if not otherwise debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

12.11.4 The Company may by ordinary resolution suspend or relax the provisions relating to directors' interests either generally or in respect of any particular matter or ratify any transaction not duly authorised by reason of the contravention thereof.

12.12 ***Appointment and retirement of directors***

12.12.1 The directors shall have power at any time, and from time to time, to appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at any time exceed the maximum number (if any) fixed by or in accordance with the Articles. Subject to the provisions of the 2006 Act and of the Articles, any director so appointed shall hold office only until the conclusion of the next following annual general meeting, and shall be eligible for reappointment at that meeting. Any director who retires shall not be taken into account in determining the directors who are to retire by rotation at such meeting and if not re-appointed at such annual general meeting, he shall vacate office at the conclusion thereof.

12.12.2 No person other than a director retiring at the meeting shall, unless recommended by the directors for appointment, be eligible for appointment to the office of director at any general meeting unless, not less than seven nor more than forty two days before the day appointed for the meeting, there shall have been given to the Company notice in writing by some member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for appointment stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors, and also notice in writing signed by the person to be proposed of his willingness to be appointed.

12.12.3 At every annual general meeting of the Company, any Director who has been appointed by the Board since the last annual general meeting or who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire from office and may offer himself for election/re-election by the members.

12.12.4 The directors to retire at such annual general meeting shall include such of the directors referred to above who wish to retire and not offer themselves for re-election (if any) together with, to the extent that the number of such Directors is insufficient to meet the

number required to retire, such of the Directors who have been longest in office as are necessary to meet such number. As between two or more who have been in office an equal length of time, the director(s) to retire shall (in default of agreement between them) be determined by lot. The length of time a director has been in office shall be computed from his last election, re-election or appointment when he has previously vacated office. A retiring director shall be eligible for re-election.

12.12.5 The Company may from time to time by ordinary resolution increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to retire from office.

12.13 ***Remuneration of directors***

12.13.1 The maximum aggregate annual fees payable to each director for his/her services in holding office of director of the company shall be the sum of £100,000 but this limit shall not apply in respect of the salaries, bonuses or other remuneration payable by the company or any subsidiary of the company or expenses reimbursed to any executive director.

12.13.2 Any director who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, may be paid such remuneration by way of salary, lump sum, percentage of profits or otherwise as the Directors may determine. The directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with the business of the Company, or in attending and returning from meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

12.14 ***Borrowing powers***

12.14.1 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part if it, and, subject to the provisions of the 2006 Act, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

12.14.2 The Directors may secure or provide for the payment of any money to be borrowed or raised by a mortgage of or charge upon all or any part of the undertaking or property of the Company, both present and future, and upon any capital remaining unpaid upon the shares of the Company, whether called up or not, or by any other security. The Directors may confer upon any mortgagees or persons in whom any debenture or security is vested such rights and powers as they think necessary or expedient. They may vest any property of the Company in trustees for the purpose of securing any money so borrowed or raised and confer upon the trustees, or any receiver to be appointed by them, or by any debenture holder, such rights and powers as the Directors may think necessary or expedient in relation to the undertaking or property of the Company or its management or realisation or the making, receiving or enforcing of calls upon the members in respect of unpaid capital, and otherwise. The Directors may make and issue debentures to trustees for the purpose of further security and the Company may remunerate any such trustees.

12.14.3 The Directors may give security for the payment of any money payable by the Company in same manner as for the payment of money borrowed or raised.

13 Mandatory Bids, Squeeze-Out and Sell-Out Rules Relating to the Ordinary Shares

13.1 ***Mandatory Bid***

The City Code applies to the Company. Under the City Code, where:

13.1.1 any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which he is already interested, and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or

13.1.2 any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested;

such person shall, except in limited circumstances, be obliged to extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5 of the City Code, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Offers for different classes of equity share capital must be comparable; the Panel should be consulted in advance in such cases.

13.2 ***Squeeze-out***

13.2.1 Under sections 979 to 982 of the 2006 Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares, provided that no such notice may be served after the end of (a) the period of three months beginning with the day after the last day on which the offer can be accepted, or (b) if earlier, and the offer is not one to which section 943(1) of the 2006 Act applies, the period of six months beginning with the date of the offer.

13.2.2 Six weeks following service of the notice, the offeror must send a copy of it to the Company together with the consideration for the Ordinary Shares to which the notice relates, and an instrument of transfer executed on behalf of the outstanding Shareholder(s) by a person appointed by the offeror.

13.2.3 The Company will hold the consideration on trust for the outstanding Shareholders.

13.3 ***Sell-out***

13.3.1 Sections 983 to 985 of the 2006 Act also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period, or, if longer a period of three months from the date of the notice.

13.3.2 If a Shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

13.3.3 There have been no takeover bids by third parties in respect of the Company's equity, which have occurred during the last financial year or the current financial year.

14 Material Contracts

14.1 The following contracts entered into by the Company or any Subsidiary Undertaking are:

14.1.1 contracts entered into other than in the ordinary course of business of the Company or any Subsidiary Undertaking which are or may be material for the two years immediately preceding the publication of this document; and

14.1.2 contracts which are material subsisting agreements which have been entered into by the Company or any Subsidiary Undertaking at any time and which are included within, or which relate to the assets and liabilities (as defined in the AIM Note for Mining and Oil and Gas Companies) of the Company or any Subsidiary Undertaking (notwithstanding whether such agreements are (i) within the ordinary course or (ii) were entered into outside of the two years immediately preceding the date of this document).

14.2 ***The Company***

14.2.1 *Nominated Adviser and Broker Agreement*

14.2.1.1 A nominated adviser and broker agreement dated 8 December 2010 between the Company (1), the Directors (2) and the Nomad as nominated adviser and broker (3) pursuant to which the Company has appointed the Nomad to act as nominated adviser and broker to the Company. The Company has agreed to pay to the Nomad an annual fee of £50,000 plus VAT. The agreement can be terminated by either party on 30 days written notice.

14.2.2 *Joint Broker Agreement*

14.2.2.1 A broker agreement dated 8 December 2010 between the Company, the Directors and the Joint Broker pursuant to which the Company has appointed the Joint Broker to act as joint broker to the Company following Admission. The Company has agreed to pay an annual fee of £30,000 plus VAT. The agreement can be terminated by either party on one month's notice.

14.2.3 *Placing Agreement*

14.2.3.1 A placing agreement dated 8 December 2010 between the Nomad (1), the Joint Broker (2) the Company (3) the Directors (4) and two of the Selling Shareholders (Daniel Betts and Matthew Idiens) (5) pursuant to which the Nomad and the Joint Broker have agreed to use their reasonable endeavours to arrange for Placees to subscribe for and/or purchase 16,056,000 Placing Shares at the Placing Price. The agreement is conditional, *inter alia*, upon Admission taking place on or before 10 December 2010 or such later date as the Nomad, the Joint Broker and the Company may agree but in any event not later than 31 December 2010.

14.2.3.2 In consideration for the services provided by the Nomad and the Joint Broker, the Company will pay to the Nomad a corporate finance fee of £200,000. In addition, the Company will pay to the Nomad and the Joint Broker a commission to be split between the Nomad and the Joint Broker equal to 6 per cent. of the aggregate value of the New Ordinary Shares at the Placing Price, one per cent. of which shall be payable at the discretion of the Company, but excluding New Ordinary Shares subscribed for up to an aggregate of $10 million by certain existing shareholders and placees introduced by the Company for which a fee of 1 per cent. of the aggregate value of such shares at the Placing Price shall be payable.

14.2.3.3 The agreement provides for the Company to pay all expenses of and incidental to the Placing and the application for Admission, including the fees and costs of other professional advisers, all costs relating to the Placing, including printing, advertising and distribution charges, the fees of the Registrars and the fees payable to the London Stock Exchange.

14.2.3.4 The agreement contains, indemnities, undertakings and warranties given by the Company and the Directors in favour of the Nomad and the Joint Broker as to, *inter alia*, the accuracy of information contained in this document and other matters relating to the Group and its business and an indemnity from the Company in favour of the Nomad and the Joint Broker.

14.2.3.5 The agreement also contains indemnities and warranties given by Daniel Betts and Matthew Idiens in favour of the Nomad and the Joint Broker in relation to the Sale Shares.

14.2.3.6 The Nomad and the Joint Broker may terminate the agreement in specified circumstances prior to Admission, principally in the event of a material breach of the agreement or any of the warranties contained in it, or where any event of omission relating to the Group is, or will be in the reasonable opinion of the Nomad and the Joint Broker, material in the context of the Placing, or where any change of national or international, financial, monetary, economic, political or market conditions is, or will be in the reasonable opinion of the Nomad and the Joint Broker, materially adverse to the Company or the successful outcome of the Placing.

14.2.3.7 The beneficial owner of the shares currently held in the name of The Bank of New York (Nominees) Limited has also entered into the Selling Shareholders Agreement with Liberum under which they have agreed to sell 1,928,520 Ordinary Shares. The agreement is conditional, *inter alia*, upon Admission taking place on or before 10 December 2010 or such later date as the Nomad, Joint Broker and the Company may agree but in any event not later than 31 December 2010.

14.2.3.8 The Selling Shareholders have agreed to pay any stamp duty or stamp duty reserve tax arising on the transfer of the Sale Shares.

14.2.4 *Lock-In Deeds*

14.2.4.1 Lock-in deeds dated 8 December 2010 have been entered into between the Company, the Nomad and the Joint Broker and each of the Directors and the senior management of the Company pursuant to which they have agreed with the Company, the Nomad and the Joint Broker that, save in certain limited circumstances allowed for under the AIM Rules, they shall not dispose of any interest in their Ordinary Shares for a period of 12 months from the date of Admission (the "**Lock-In Period**"). The lock-in deed also contains certain provisions relating to the disposal of any Ordinary Shares for the 12 month period following the Lock-in Period. The lock-in deeds will terminate if Admission does not occur by 31 December 2010.

14.2.4.2 The Company, the Nomad and the Joint Broker also entered into a separate lock-in arrangement with a significant shareholder dated 20 November 2010. The significant shareholder has agreed that, save in certain limited circumstances to dispose of any interest in their Ordinary Shares for a period of 6 months from the date of Admission. The lock-in deed will terminate if Admission does not occur by 31 December 2010.

14.2.5 *Memorandum of Understanding with Petmin Limited*

14.2.5.1 On 28 June 2010 the Company entered into a memorandum of understanding with Petmin Limited concerning their mutual interest in exploring the area under prospect licence to the Company in Liberia, known as the Mt Ginka concession (the "**Project**").

14.2.5.2 The agreement provides that Petmin Limited will provide up to a total sum of USD$2 million for further exploration in a phased approach.

14.2.5.3 At Phase 1, Petmin Limited will initially provide US$500,000 (the "**Initial Amount**") for the purposes of obtaining a globally representative bulk sample. It was envisaged that this phase would take no longer than 6 months from 28 June 2010, but this timescale is being reviewed.

14.2.5.4 Any excess funds remaining after this sampling exercise has been completed may be applied to any exploration activity that the parties deem appropriate.

14.2.5.5 Subject to the expenditure of the Initial Amount, Petmin Limited will be entitled to 15 per cent. of the Project.

14.2.5.6 At Phase 2, subject to a satisfactory outcome of Phase 1, Petmin Limited will provide a further US$1.5 million (the "**Final Amount**") which shall be used for the purposes of additional drill definition, sampling, general exploration and studies that the parties deem appropriate. It was envisaged that this phase would take approximately 12 to 18 months from 28 December 2010, but this timescale is being reviewed.

14.2.5.7 Subject to the expenditure of the Final Amount, Petmin Limited will be entitled to an additional 35 per cent. of the Project thereby resulting in ownership of the Project being shared 50:50 by the parties with all expenditures shared equally between them.

14.2.5.8 Should either party be unable to fund their share of approved expenditure, then a mutually acceptable third party or group of investors may be invited to invest in the Project. The inability of either party to fund their share of further exploration or studies will result in dilution of their shareholding on a *pro rata* basis.

14.2.5.9 The agreement provides that an exploration committee will be established to manage the Project and each party will provide a person or persons to serve on the committee. The agreement provides that the Company will have a controlling vote on the committee until such time as the Company holds less than 50 per cent. in the Project.

14.2.5.10 The agreement is not legally binding and is subject to continuing negotiation, with the intention to incorporate a joint venture vehicle, enter into a shareholders' agreement and transfer the Mt Ginka concession to that vehicle.

14.2.5.11 Ian Cockerill, a director of the Company is also a director and shareholder of Petmin Limited. Mr Cockerill therefore has a situational conflict of interests in this arrangement within the terms of the 2006 Act. This interest has been notified to the Board and authorised. Mr Cockerill did not participate in the negotiation of the Memorandum of Understanding nor was he present for any board discussions or resolutions relating thereto.

14.2.6 *Acquisition Agreement – Deveton Mining Company*

14.2.6.1 On 29 January 2007, Hummingbird Liberia purchased 70 per cent. of the entire issued share capital of Deveton from Clarence Momolu, Thomas Beyan and Robert Marshall (the "**Sellers**") (the "**Acquisition Agreement**").

14.2.6.2 The consideration for the sale shares was US$30,000 with an additional payment of US$133,978.65 being made to the Government of Liberia in respect of backdated licence fees owed by Deveton.

14.2.6.3 In accordance with the terms of the Acquisition Agreement, on 2 October 2007, Hummingbird Liberia purchased an additional 10 per cent. of Deveton for US$1 resulting in Hummingbird Liberia holding 80 per cent. of Deveton.

14.2.6.4 By a share transfer agreement dated 24 June 2009, the Sellers transferred their 20 per cent. holding back to Deveton and on 3 July 2009, the remaining 20 per cent. of Deveton was transferred from Deveton to Mr Mulbah Willie and Mr Albert Chie who currently hold 10 per cent. each in the share capital of Deveton.

14.2.6.5 The Acquisition Agreement contains a provision whereby in the event that the Group becomes listed and/or traded on a public market for securities, such as AIM, it shall have the option to purchase any remaining shares in Deveton held by the Sellers. The Group may exercise its option at any time following Admission by giving written notice to the Sellers, who must within 10 business days of receipt of such notice, serve a transfer notice on the Buyer in line with the transfer provisions in the agreement. The Company has no intention of exercising this option at this time.

14.2.6.6 Owing to an administrative error, the Sellers were not party to the Acquisition Agreement. Accordingly, the legal and beneficial title to the sale shares was always held by the Sellers and legal title to the sale shares was not validly transferred to Hummingbird Liberia although the Sellers intended this to be the case.

14.2.6.7 Accordingly, a corrected version of the Acquisition Agreement was executed by Hummingbird Liberia, the Sellers and Deveton on 30 November 2010, which took effect from 29 January 2007.

14.2.7 *Shareholders Agreement relating to Afro Minerals Inc*

14.2.7.1 The Company, Geotess and Afro entered into a shareholders' agreement on 16 June 2007 in order to regulate the relationship between the parties further to the investment by the Company and Geotess in Afro.

14.2.7.2 The Company and Geotess hold 80 per cent. and 20 per cent. respectively of the entire issued share capital of Afro.

14.2.7.3 The agreement contains a provision whereby in the event that the Company's Group becomes listed and/or traded on a public market for securities, such as AIM, it shall have the option to purchase any remaining shares in Afro held by Geotess. The Company may exercise its option at any time following Admission by giving written notice to Geotess, who must within 10 business days of receipt of such notice, serve a transfer notice on Geotess in line with the transfer provisions in the agreement. The Company has no intention of exercising this option at this time.

14.2.8 *Assignment of Exploration Licence*

14.2.8.1 On 16 June 2007, Geotess assigned its renewable three year mineral exploration licence (Kana Hills) to Afro.

14.2.8.2 The licence includes a provision for renewals or extensions of such mining exploration rights every three years.

14.2.8.3 The licence was renewed on 24 October 2009 for a period of two years ending on 24 October 2011.

14.2.8.4 In consideration of the assignment, Afro paid US$65,000 to Geotess and a further payment of US$52,326.06 to the Government of Liberia in respect of backdated licence fees owed by Geotess to the Government of Liberia. Afro also issued twenty per cent. of its share capital to Geotess, the rights and obligations of such shareholding being governed by a shareholders agreement referred to above.

14.2.8.5 The Assignment contains standard warranties from the Geotess covering good and marketable title to the licence and confirm that the terms of the licence conform in all material respects with the laws of Liberia.

14.2.9 *Assignment of Interest in Joe Village*

14.2.9.1 Hummingbird Liberia was granted licence number MEL11051 on 7 October 2010 by the Liberian Ministry of Lands, Mines and Energy (the "**Joe Village Licence**").

14.2.9.2 By an agreement dated 10 November 2010, Hummingbird Liberia agreed to transfer a 20 per cent. economic interest in the Joe Village Licence to Liberian Scientific Equipment and Supply Company Inc ("**LSESC**") pending incorporation of a new entity through which the parties can hold their respective interest in the Joe Village Licence (the "**Agreement**").

14.2.9.3 The Agreement states that Hummingbird Liberia and LSESC shall work together in good faith to incorporate a new Liberian company ("**Newco**") into which both parties shall assign their interest in the Joe Village Licence in consideration for 20 per cent. of the equity share capital in Newco being issued to LSESC and 80 per cent. of the equity share capital in Newco being issued to Hummingbird Liberia.

14.2.10 *Summary of Licence Terms*

14.2.10.1 Each of the Group's licences is granted by the Government of Liberia, through the Ministry of Lands, Mines and Energy ("**Ministry**"). Each licence entitles the holder of such licence (the "Licensee") to explore for the minerals identified in the licence and the 'effective date' of each licence is the date on which the Minister of Lands, Mines and Energy approves the licence ("**Effective Date**").

14.2.10.2 Each licence and the rights of the Licensee are subject to exploration regulations to be issued by the Minister, pursuant to the authority granted by the Liberia Minerals and Mining Law of 2000, the Liberia Revenue Code of 2000, the environmental laws and regulations of the Republic of Liberia and all other applicable laws and regulations of the Republic of Liberia.

14.2.10.3 In each case, the exploration area granted by the licence excludes areas within an exploration area excluded by Section 10 of the Minerals and Mining Law and areas subject to Class B mining licences previously granted by the Republic of Liberia.

14.2.10.4 A Licensee is required to make detailed quarterly reports of all field and sampling activities and results, and to make quarterly deposits with the Ministry of all geological information and samples gained from its exploration work, other than that portion of the samples subjected to destructive analysis or testing, in each case within specified periods after the end of a quarter.

14.2.10.5 The initial term of each licence is three years from the Effective Date, subject to the Ministry having the power to terminate a licence for non-compliance with the regulations or other applicable law. If a Licensee is in compliance with its obligations during the initial term, it will be entitled to a two year extension of its licence with respect to a portion of the identified exploration area on the terms set out in the Minerals and Mining Law of 2000 and the exploration regulations.

14.2.10.6 If a Licensee discovers exploitable deposits of the minerals in an identified licence area, as set out in each licence, and has complied with its obligations under the Mining Law, the exploration regulations and other applicable law, it will have the right to enter into an MDA and to obtain a Class A Mining Licence for the mining of such deposits in accordance with the Minerals and Mining Law and the applicable regulations of the Ministry governing the issuance of and operations under a Class A Mining Licence.

15 Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) in which Company or any Subsidiary Undertaking is involved by or against the Company or any Subsidiary Undertaking which may have or have had in the twelve months preceding the date of this document a significant effect on the Group's financial position or profitability.

16 Intellectual Property Rights

There are no patents or intellectual property rights, licences or particular contracts which are of fundamental importance to the Group's business.

17 Investments

Save as set out in this document, there are no:

17.1 investments in progress which are significant; or

17.2 future investments upon which the Company or it's management bodies have already made firm commitments.

18 Working Capital

The Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Group will, from the time the Existing Ordinary Shares and Placing Shares are admitted to AIM, be sufficient for its present requirements, that is for at least 12 months from the date of Admission.

19 Information Relating to the Placing

There is no minimum amount which, in the opinion of the Directors, must be raised by the Company pursuant to the Placing.

20 Environmental Issues

Save as otherwise set out in this document, neither the Company nor the Directors are aware of any environmental issues or risks affecting the utilisation of the property, plant or machinery of the Group.

21 Related Party Transactions

21.1 There are no related party transactions that the Company or any Subsidiary Undertaking has entered into during the period covered by the historical financial information save as set out in Part VI and this Part VII up to the date of this document.

21.2 On 1 January 2009, Stephen Betts & Sons Limited ("**SBL**"), a company which is a related party because some of the directors and shareholders of that company are Directors, entered into a management services agreement with the Company pursuant to which:

21.2.1 SBL provides to the Company the use of certain members of staff, office equipment and non-exclusive use of the premises at Spencer Street, Hockley; and

21.2.2 The Company has agreed to pay to SBL the sum of £30,000 per annum exclusive of any VAT quarterly in arrears.

21.3 During the accounting year up to 31 May 2010 the Group received an interest bearing loan of $40,000 from SBL. The loan and interest charge were US$4,800 were settled within the year by the issue of equity shares.

21.4 During the accounting year up to 31 May 2010 the Group received an interest bearing loan of US$40,000 from Matthew Idiens, who is a Director. This loan was repaid in full during the year and total interest of US$4,774 was paid to that Director.

22 General Information

22.1 The total proceeds of the Placing receivable by the Company are expected to be £25.5 million. The estimated amount of the expenses of the Placing and Admission which are all payable by the Company, is approximately £2.2 million (US$3.5 million) (including VAT). The net proceeds of the Placing receivable by the Company will be £23.3 million (US$36.5 million).

22.2 Baker Tilly Corporate Finance LLP of 2 Whitehall Quay, Leeds, LS1 4HG, United Kingdom has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

22.3 Liberum Capital Limited of Ropemaker Place, Level 12, 25 Ropemaker Street, London, EC2Y 9LY has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

22.4 Mirabaud Securities LLP of 33 Grosvenor Place, London, SW1X 7HY, United Kingdom has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

22.5 ACA Howe of 254 High Street, Berkhamsted, Hertfordshire, HP4 1AQ, United Kingdom has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

22.6 The financial information contained in this document does not constitute full statutory accounts as referred to in section 434 of the 2006 Act.

22.7 There are not, neither in respect of the Company nor any of the Subsidiary Undertakings, any significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of this document.

22.8 There are not, neither in respect of the Company nor any of the Subsidiary Undertakings, any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects for at least the current financial year of the Company.

22.9 Save as disclosed in this document, there has been no significant change in the financial or trading position of the Group since 31 May 2010.

22.10 No person, either directly or indirectly, has in the twelve months preceding Admission received, directly or indirectly, or has entered into contractual arrangements to receive directly or indirectly, from the Company on or after Admission (excluding in either case persons who are professional advisers otherwise disclosed in this document and trade suppliers) any other the following (i) fees totalling £10,000 or more; (ii) the Company's securities, where these have a value of £10,000 or more calculated by reference to the Placing Price; or (iii) any other benefit with a value of £10,000 or more at the date of Admission.

22.11 Of the Placing Price, £0.01 represents the nominal value of each Placing Share and 166p the premium.

22.12 Baker Tilly UK Audit LLP, Chartered Accountants of 2 Whitehall Quay, Leeds, LS1 4HG, United Kingdom, were auditors of the Company for the period relating to the historical financial information set out in Part VI of this document. Baker Tilly UK Audit LLP is registered to carry on audit work by the Institute of Chartered Accountants of Scotland.

22.13 To the extent information has been sourced from a third party, this information has been accurately reproduced and, as far as the Directors and the Company are aware and able to ascertain from information published by that third party, no facts have been omitted which may render the reproduced information inaccurate or misleading.

23 Publication of this document

Copies of this document shall be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from Cobbetts LLP of 70 Gray's Inn Road, London, WC1X 8BT for a period of one month from the date of Admission.

8 December 2010