

30 April 2018

Hummingbird Resources plc / Ticker: HUM / Index: AIM / Sector: Mining

**Hummingbird Resources plc**  
("Hummingbird" or the "Company")

**Q1 2018 Production Results and Operational Update**  
**Yanfolila Gold Mine is in Commercial Production**

Hummingbird Resources (AIM: HUM), the African gold producer, is pleased to announce its Q1 2018 production results for the quarter ended 31 March 2018, which was designated a ramp-up period; and an update on operations. The Company is also pleased to report its maiden guidance for 2018 and that the mine is now in full commercial production.

**Q1 2018 highlights**

- Successful on schedule transition from construction, through ramp up, to full scale operations at Yanfolila with mine and plant operating at name plate capacity by end Q1 with commercial production declared from 1 April 2018
- 18,785 ounces of gold poured at an average grade of 2.96 g/t
  - 9,912 ounces poured at an average grade of 3.39g/t in March
- Gold sold totalled 11,941 ounces at an average price of US\$1,332 per ounce
- Total ore processed of 238,628 tonnes with the plant operating at an average of over 95% capacity through March
- Achieved Lost Time Injury Frequency Rate ('LTIFR') of 1.66 in Q1 2018 with further improvement seen since end of the period. LTIFR through construction of 3.37 (per 1,000,000 hours), lower than the Australian construction industry average of 4.0 LTIFR.
- Cash in the bank of US\$28m as at 31 March 2018 (note: Capex payments being completed in Q1; Yanfolila was delivered on budget)

**Post period highlights**

- 8,648 ounces gold poured from 1<sup>st</sup> April - 24<sup>th</sup> April 2018
- Production guidance for 2018 of 105,000 -115,000 ounces gold (including Q1 ramp-up)

- Appointment of Attie Roux (ex Endeavour Mining COO) and Ernie Nutter (ex Director of Capital International Asset Management) as Non-Executive Directors ('NED's') of the Company and members of the Company's Technical Advisory Committee ('TAC')

**Dan Betts, CEO of Hummingbird, commented:**

"Yanfolila had a strong start to the year with the ramp up phase going to plan and with a significant increase in performance throughout the quarter. The process plant is operating to design specification and the grade and recoveries of gold we are seeing are solid and consistent with expectations. Progress has been strong and I am pleased that we are able to declare commercial production from 1 April 2018 with the plant having operated at over 95% of nameplate for the month of March and continuing to operate at 100% throughout April.

The focus remains on continually refining and improving Yanfolila into a consistent low cost operation. Additionally, one of our immediate priorities this year is to aggressively explore and develop the near mine resources to look to convert opportunities and resources into reserves and an extended mine life. We have committed to spend up to 15% of our free cash flow into this activity which is anticipated to be in the region of US\$8m. Colin Porter has recently joined the company as exploration manager to head up this activity.

I am also delighted to announce the appointment to the Board of Attie Roux and Ernie Nutter - both of whom have an abundance of relevant experience. Attie has recently acted as Chief Operating Officer for Endeavour Mining, overseeing the growth of the company from a single mine business to the multi-mine mid-tier West African producer it is today. Ernie has had a long and distinguished career as head of global mining research for RBC and latterly research director and portfolio manager for Capital International Asset managers. I am looking forward to working with them both and bringing their skills to bear on Hummingbird as we look towards the next chapter of Hummingbird's evolution into a profitable, responsible gold miner with discipline and excellence at its core, whilst looking to grow on its entrepreneurial foundations."

**Conference Call**

Hummingbird Resources will be hosting an analyst and investor call today at 10:00am. Participants can dial-in with the following details:

UK Toll Free Number: 08003589473

UK Toll Number: +44 3333000804

PIN: 46995905#

**Yanfolila Gold Mine**

	<b>Q1 2018</b>	Jan 2018	Feb 2018	Mar 2018
Gold Poured (Ounces)	<b>18,785</b>	2,131	6,742	9,912
Ore mined (Tonnes)	<b>259,228</b>	79,391	93,839	121,998
Ore processed (Tonnes)	<b>238,629</b>	67,730	78,293	92,606
Avg grade mill feed (g/t)	<b>2.96</b>	2.18	3.11	3.39
Recovery (%)	<b>96.1</b>	96.1	96.4	95.8

### **Process Plant**

During Q1 2018, the plant was ramped up to full design capacity. The design feed rate to the plant was achieved and sustained in February. While the plant feed was initially lower grade to avoid gold loss in the event of any start-up problems, the feed grade to the plant was also brought up to be in line with the life of mine average grade through February. Gold recoveries from the CIL circuit have been excellent right from the initial start-up with recoveries exceeding the design figures consistently at over 95%.

While the plant is still being fed predominately oxide ore, the secondary crusher circuit was successfully commissioned and also ramped up to design capacity in February. To facilitate the start-up of this circuit, a batch of harder laterite ore was put through the plant.

The ramp-up of the entire plant has been successful and is due to the flexible design and the experience of the construction team - both in-house and in SENET our engineering contractor. The Company is pleased to report that Yanfolila has a 95% Malian work force with the supervisors and control room operators having been recruited from similar gold operations within Mali, adding important local experience. The plant operators are from local villages, which is in line with the Company's objective to provide local employment. Through onsite training and good supervision, these teams are now operating the plant effectively, and have validated our plan to hire locally. Additionally, we are very pleased to report that 25% of our plant operators are women, against an industry average of around 8%, and we will continually look to maintain and expand this policy of local hiring and where possible attempting to get as close to a gender balance as possible given our industry and operating location.

### **Mining**

Operations focussed mainly in the south and centre of the Komana East ("KE") pit. KE southern section was mined down to the 350RL and is currently being grade control drilled. Work has also commenced at the North of KE, allowing for higher daily production. Better grade reconciliation results were achieved from the southern end of the pit, which allowed for higher-grade ore delivery to the ROM pad.

The ROM pad extension was completed successfully and now has an extended capacity of 330,000 tonnes. This will allow the appropriate management of ore stockpiles and blending to the process plant through the wet season in Q3 of this year.

Safety remains an integral part of the business and the Company achieved through construction a Lost Time Injury Frequency Rate ('LTIFR') of 3.37 (per 1,000,000 hours) lower than the Australian construction industry average of 4.0 LTIFR. Since reaching full operations there has been a further improvement on the LTIFR of 1.66 in Q1 2018.

### **Exploration**

The 2018 exploration strategy aims to bring as much of the approximately 1.5Moz of Resources, not currently in Reserves, into the Life of Mine plan. The focus is on prioritising those areas that have the greatest impact to the mine life, as well as

discovering extensional Resources within the licence area to ensure a healthy pipeline of ore Reserves.

<http://hummingbirdresources.co.uk/operations/yanfolila-gold-mine/#&gid=1&pid=1>

The link above shows a map of Hummingbird Resources' exploration acreage that will be part of the 2018 exploration strategy: Komana West ("KW"); Guirin West ("GW"); Gonka ("GK"); Sanioumale West ("SW"); Sanioumale East ("SE"). Red circles show how most of the acreage sits within a 25km trucking radius to the Yanfolila process plant.

The five brownfield deposits sit along gold-bearing splays off the regional Sankarani Shear Zone, a major regional structure. Exploration will focus on conducting various programs of targeted infill and extensional drilling at each of these deposits.

#### *Komana East Underground*

An initial desktop study is being completed by external consultants DRA Global to target high-grades at depth beneath the current Komana East pit shell. The initial feedback of the study looks positive based on the current Indicated and Inferred Resources. As part of the 2018 exploration strategy, Hummingbird Resources will be drilling deep holes to target and convert the current Inferred Resources to Indicated category. The benefits of this drilling will be to add mine life and to improve the grade profile of operation towards the end of the current mine life.

#### *Komana West*

KW has a 2.5+km strike length and is due to start being mined later this year. There is exploration potential to the North and South of the current pit design, with possible underground potential also. Further work will be carried out to quantify this upside in more detail.

#### *Gonka*

An exciting deposit on strike, 5km south of the Komana East pit, made up of a basalt and mafic dyke-hosted gold deposit with higher grades at depth. All resources for this deposit are Inferred and targeted to be converted into Measured and Indicated categories with the drilling planned for 2018. This deposit has the potential to improve the operation's production profile by improving the process plant feed grade in the middle years of the plant's scheduled mine life.

#### *Sanioumale East*

A basalt and mafic dyke-hosted gold deposit similar to the Komana East and Gonka deposits. It has a 2.0+km strike length and an open mineral resource at depth, with only the weathered zone being historically drilled, leaving the fresh rock beneath open to drilling and additional Reserves.

#### *Sanioumale West*

A more complex deposit, this sediment hosted gold deposit has an ore body geometry that is favourable for good pit economics. This deposit is similar to Sanioumale East; the mineral resource is open at depth, as only the weathered zone was historically drilled, leaving the fresh rock open to drilling and additional reserves. A notable intersection showing potential for underground development is 14m @ 4.21g/t from 138m depth.

#### *Guirin West*

A sediment-hosted gold deposit 1.5km to the west of the Komana East open pit and closer to the process plant. Given its strategic location close to the Komana East haul road, the Life of Mine planning requirements may fast-track this deposit to top priority as a source of high-grade oxide material. Infill drilling is required to convert the current resource into Indicated and Measured reserves, which is part of the 2018 exploration plan.

The Company aims to delineate an additional circa. 400kcozs of Indicated and Inferred Resources into Reserves, equivalent to a targeted circa. \$22/reserve ounce. Drilling is due to commence by June 2018.

There is a recently published Exploration Presentation which can be found on the Mali Exploration page of our website: [www.hummingbirdresources.co.uk](http://www.hummingbirdresources.co.uk).

## **Community**

The first quarter of 2018 has seen significant progress with the development and implementation of the Local Sustainable Development Plan. This plan has five focus areas including WASH (water, sanitation and hygiene), education, community health, food security and local economic development. The 2018 plan aims to invest directly in these areas, and maximise impact by partnering with organisations already active in these areas.

The Bougoudale water supply system, which aims to bring tapped water to 4,000 people, has now reached completion and work in the WASH is now focussed on rolling similar projects out to other communities near the mine. Contractor selection is well advanced and we look forward to implementing similar projects in Kenieba and Komana, as well as drilling a new borehole in Kona this year.

Construction of a new community health care centre started in March 2018. A new borehole for this facility has been successfully drilled and equipped already.

Construction will be completed in Q2 2018 and will transform the medical service provision within the local community expanding facilities and services available. Our medical team has continued to assist in teaching and skills transfer for local medical professionals.

Work is advancing well in the fields of food security and local economic development. Soap making organisations that we helped found in 2017 are now receiving record profits. We are excited to further support these groups later this year to upgrade infrastructure and production capability. Our partnership with Swisscontact, an NGO active in these areas, is well advanced to implement two new market garden projects and also three modern poultry projects. The market gardens are targeting 100 women beneficiaries each, whilst the poultry projects are aimed at youth groups. Construction of infrastructure is underway and we look forward to starting these projects in Q2 2018. Swisscontact will take a lead role in training and monitoring with the Company providing financial and logistical backing to the projects

## **Liberia**

Hummingbird has over 2,000km<sup>2</sup> of exploration ground in southeast Liberia. This offers a huge upside potential for future gold discoveries in a still largely unexplored, yet highly prospective, region of the Birimian gold province.

At the end of 2013, the Company published the results of the interpretation of the 17,000 line km airborne magnetics and radiometrics data collected earlier that year. The interpretation, conducted by Southern Geoscience in Australia, resulted in over 140 targets to be followed up with systematic exploration. A further, more detailed review of the interpreted anomalies and historic Hummingbird data has enabled us to define a plan for future exploration programmes, prioritising targets and activities.

Targets occurring in the closest proximity to the Dugbe Gold Project are structural, either on or parallel to the North-East striking Tuzon deposit, on structures intersecting the Dugbe Shear Zone from the West, or on the Dugbe Shear Zone itself. Prospect-scale mapping over the target areas, complete soil coverage and re-evaluation of all gold-in-soil data with follow-up trenching will identify drill targets.

Regional targets defined by the geophysics are either folds interacting with faults, intrusives or other folds, intersecting faults or interpreted dilation zones. Few are associated with artisanal activity. Follow-up exploration, particularly to those areas

with the stream sediment anomalies, is to be conducted with reconnaissance mapping and soil geochemistry.

Hummingbird is also a proud sponsor of the Sinoe County football team who have made it into the knock out stages of the County Championships.

### **Hummingbird SMO Coin**

It is intended that the Hummingbird Single Mine Origin ('SMO') Coin will be available to purchase before the end of June 2018. Further details will be announced about the launch of the coins and the SMO brand in due course.

### **Appointment of New Non-Executive Directors**

Mr Adriaan (Attie) Roux is a Metallurgical Engineer with over 42 years Operational, Technical and Executive Management experience in the Mining Industry. He was until recently the COO of Endeavour Mining and was instrumental in the development and growth of Endeavour. He has been internal director of a number of Companies in AngloGold Ashanti and Endeavour. He is a Registered Professional with the SA Council for Natural Scientific Professions. Mr Roux will also serve as Chairman of the TAC.

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

At the Company's AGM, later this year, it is intended that both Matt Idiens (co-founder) and Dave Pelham will retire from the Board of Directors. They have both given over a decade of service to the Company and helped guide Hummingbird from private explorer to listed producer. Their knowledge and experience have been invaluable and the Company is extremely grateful for the time and effort they have given. Dave Pelham will remain one of the Company's representatives on the board of Cora Gold Ltd.

### ***Additional Information on the Appointment of Mr Roux and Mr Nutter***

*The following additional information is provided in accordance with paragraph (g) of Schedule Two of the AIM Rules for Companies*

#### **Adriaan Almero Roux (aged 60)**

##### **Current Directorships**

Foodfac CC

Silhioutte Unit 25 CC

##### **Past Directorships**

Endeavour Mining Corporation (formerly known as Adamus Resources Limited)

Agbaou Gold Operations SA

Segala Mining Corporation SA

Riverstone Karma SA

Hounde Gold Operations SA

Societe des Mines d'Ity SA

Mr Roux is interested in nil ordinary shares in the capital of the Company.

**George Ernest Nutter (aged 54)**

**Current Directorships**

**Past Directorships**

4079639 Canada Inc.

1835803 Canada Inc.

Capital International Asset Management  
(Canada) Inc.

Capital Guardian (Canada) Inc.

Mr Nutter is interested in nil ordinary shares in the capital of the Company.

*There is no other information that is required to be disclosed pursuant to paragraph (g) of Schedule Two to the AIM Rules for Companies.*

**Share Issue**

Further to the Company's announcement on 13 June 2017, 6,197,353 new ordinary shares in the Company ("New Ordinary Shares") have been issued in payment for the Company acquiring an additional 5% stake and 1% royalty in the Yanfolila Gold Project, which takes the Company's interest in the Project to 80%.

Application has been made for the 6,197,353 New Ordinary Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 1<sup>st</sup> May 2018.

Following the issue of the New Ordinary Shares, the Company's total issued share capital will consist of 350,938,603 ordinary shares with voting rights. The Company does not hold any ordinary shares in treasury and accordingly 350,938,603 may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, Hummingbird under the Financial Conduct Authority's Disclosure and Transparency Rules.

**Awards under the Hummingbird Incentive Plan - Performance Orientated 2018 ("HIPPO2018")**

In recognition of the critical importance of delivering efficient production from Yanfolila in the first period of operations and to retain and incentivise key team members, and in addition to cash bonuses, the Company has granted share options over the Company's ordinary shares to certain group employees and directors of the Company under the rules of HIPPO2018.

<b>Name</b>	<b>Position</b>	<b>Total number of shares subject to options granted under HIPPO2018</b>
Daniel Betts	Chief Executive Officer	1,367,188
Thomas Hill	Finance Director	879,688
Other Employees	n/a	3,910,943
<b>Total Directors and Employees</b>		<b>6,157,819</b>

As the core team is developed further awards may be made under HIPPO2018 subject to a maximum dilution limit from HIPPO2018 of 5% of issued share capital.

The options under HIPPO2018 have been granted over ordinary shares in the Company of £0.01 each ("Shares") and have an exercise price of £0.01 per Share. Subject to the performance criteria being met the respective tranche, under normal circumstances, the options shall vest 50% by 31 March 2019, 25% by 31 December 2019 and 25% by 31 December 2020 subject to continuous employment with the Company:

- (a) Production Tranche: 1/3 of the options will vest if 100,000 ounces of gold are poured between 1 April 2018 and 31 December 2018. The number of options vesting under this tranche shall be reduced proportionally at each date by 10% of the total for each 1,000 ounces produced in the period less than the targeted 100,000 ounces (i.e. if production in the period is 90,000 ounces or below then no options of this tranche will vest).
- (b) Cost Tranche: 1/3 of the options will only vest if the Yanfolila AISC (as announced by the Company) as normalised for a US\$0.6 / litre fuel price and a US\$1,250 gold price is equal to or lower than US\$750 per ounce sold.
- (c) Performance Tranche: 1/3 of the options will vest based on the individual performance of the Participant and the Company's safety performance, which is at the Board's discretion.

Once vested, any options may be exercised during a set exercise period determined by the Board and notified to the option holders. This will be a minimum of two weeks period per calendar year when the Company is in an "open period" under MAR (either two consecutive weeks or two separate period of one week each). Unvested options will normally lapse on cessation of employment for any reason. The option holders

will retain vested options following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the option shall lapse.

### **Related Party Transaction**

The participation of Daniel Betts and Thomas Hill in the HIPPO2018 scheme is deemed a related party transaction pursuant to the AIM Rules for Companies. The Directors, with the exception of Daniel Betts and Thomas Hill, having consulted with Strand Hanson Limited, the Company's nominated adviser, consider that the terms of the HIPPO2018 scheme are fair and reasonable insofar as shareholders are concerned.

**\*\*ENDS\*\***

**For further information, please visit [www.hummingbirdresources.co.uk](http://www.hummingbirdresources.co.uk) or contact:**

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James Bellman		

Gordon Poole	<b>Camarco</b>	Tel: +44 (0) 20 3 757 4980
Billy Clegg	<i>Financial PR/IR</i>	
Owen Roberts		

### **About Hummingbird Resources Plc**

#### **Notes to Editors**

Hummingbird Resources (AIM: HUM) is a leading gold production, development and exploration company. The Company has two core gold projects, the Yanfolila Gold Mine in Mali and the Dugbe Gold Project in Liberia.

Yanfolila produced its first gold pour on time and budget in December 2017 and is expected to produce approximately 107,000oz gold/year on average over the Life of Mine. Yanfolila holds Probable Reserves of 709,800oz @ 3.14g/t, total Resources of 1.8Moz of gold and an additional 390,700oz of non-compliant exploration potential.

The Dugbe Gold Project has Resources currently totalling 4.2Moz of gold and a completed NI 43-101 compliant PEA on the project showing a 29% IRR and US\$186m NPV at a US\$1,300 gold price.

In addition to Hummingbird's production and development assets, the Company also has an exploration footprint of ~4,000km<sup>2</sup> and a 34% interest in AIM listed Cora Gold, which is advancing a portfolio of prospects in Mali and Senegal.

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.*

This information is provided by RNS  
The company news service from the London Stock Exchange

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