

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

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## **Hummingbird Resources plc**

("Hummingbird" or the "Company")

### **Q1 2022 Operational and Trading Update**

Hummingbird Resources plc (AIM: HUM) provides an operational update for the first quarter of 2022 ("Q1 2022").

An interview with COO Anthony Köcken discussing the operational and trading update can be viewed [here](#).

#### **Q1 2022 updates:**

- **Quarter production:** As forecast at the start of that year, Q1 2022 production was a lower production quarter at 15,548 ounces ("oz") of gold (Q4 2021: 18,181oz), driven primarily by the planned essential maintenance work on the processing plant, and the gradual improvement in mining rates as extra excavators were added during the later end of the quarter, in particular. With additional excavators now operating on site, daily mining volume rates have continued to increase.
- **All-in Sustaining Cost ("AISC"):** Increased AISC of US\$2,235 per oz for Q1 2022 (Q4 2021: US\$1,803 per oz) primarily due to the lower quarterly production, with a lower AISC profile forecast for the remainder of the year, in line with forecast production improvements as detailed above
- **Gold sold:** 15,179 oz of gold sold in Q1 2022 at an average realised price of US\$1,837 per oz (Q4 2021: 18,489 oz at an average realised price of US\$1,782). The Company held 2,557 oz of gold inventory at 31 March 2022, valued at ~US\$5.0 million
- **Kouroussa, Guinea:** As previously announced, official construction began at Kouroussa in January and is rapidly advancing, with civil works now underway. The project remains on schedule for first gold pour by the end of Q2 2023

#### **Outlook:**

- **Guidance:** The Company maintains its 2022 guidance of 87,000 - 97,000 oz of gold, with an AISC of US\$1,300 - US\$1,450 per oz of gold with forecast improving trends in production and AISC as detailed above
- **Company reserve update:** An updated Company Resources and Reserve statement, to include the 2021 drilling campaigns at Yanfolila and Kouroussa, remains on schedule to be released later in Q2 2022
- **Dugbe, Liberia:** Earn-in partner, Pasofino Gold Ltd ("Pasofino"), remains on track to release details of the Definitive Feasibility Study ("DFS") on the Dugbe gold mine in Liberia in Q2 2022. Once finalised this will be a significant milestone

for the project and will complete its journey from being a pure exploration asset to a proven project with economic fundamentals of strategic value to Hummingbird

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

*"Significant work has been completed in Q1 to deliver more consistent and elevated future production at Yanfolila, including integrating additional excavators on site to improve mining volume rates, something that we are already starting to see. As guided at the start of the year, Q1 production was lower, with improvements expected from here.*

*Alongside the work at Yanfolila, we continue to make strong progress at Kouroussa, with construction officially starting in the new year and rapidly advancing, with major civil works now underway. At Dugbe, the DFS is being finalised via our earn-in partner Pasofino, with details expected to be released soon.*

*We continued to receive the final results from our 2021 group-wide drilling campaign during the quarter for both Yanfolila and particularly Kouroussa where we have continued to intersect many significant intercepts. These results are now being incorporated into our updated Company Resources and Reserves statement, which is expected to be released later this quarter.*

*As a Company, we remain focused on the year ahead as we look to drive operational and productivity improvements at Yanfolila, remain diligent in terms of timeframe, cost, and quality delivery at Kouroussa towards first gold pour at the end of Q2 2023 and show a pathway to delivering shareholder value from Dugbe with a DFS to be issued soon."*

**Operational Summary**

	Unit	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Gold poured	oz	15,548	18,181	22,102	24,494	22,781
Mined BCMs	bcms	2,164,253	1,920,311	2,095,935	2,672,788	2,865,292
Ore mined	t	502,800	445,808	392,005	443,490	364,114
Ore processed	t	298,925	341,936	326,020	391,652	345,374
Avg. grade mill feed	g/t	1.71	1.79	2.27	2.14	2.16
Recovery	%	95.39%	92.38%	91.95%	91.88%	92.97%
Gold inventory - incl SMO	oz	2,557	2,246	2,769	1,972	2,596

\* Ore mined includes high grade, low grade, and marginal material. Ore processed is a blend based on preferential feed of high-grade and low grade, with marginal ore added as an incremental feed source

- Q1 2022 production of 15,548 oz was a low production quarter, however, as detailed in the Company's Q4 2021 operational update and 2022 outlook release, the quarter was forecast to be a lower production quarter versus the remaining quarters of 2022 due to the completion of planned essential maintenance on the processing plant and the gradual implementation of extra excavator fleet to improve daily mining volume rates
- Additional excavators are now on site and operating, which has led to increased daily mining volume rates. Further, we note additional maintenance programmes were undertaken during the quarter to improve the overall fleet performance of our contract miner, with some positive productivity improvements starting to be seen on the existing fleet
- Grade mill feed for Q1 2022 averaged 1.71 g/t versus 1.79 g/t averages in Q4 2021

- The Q1 2022 grade profile was again relatively low primarily due to lower grade sections of the orebody accessed during the period and a run of mine ("ROM") pad not fully optimised to allow for more consistent better grade ore feed into the mill, resulting in lower grades being processed for the quarter
- With improved mining rates and practices taking place, the quantity and quality of ore on our ROM pad is scheduled to improve, with expectations to then allow for better mill grade feed to be processed
- Further, we are also looking to increase throughput at the mill in Q2 before the wet season, in particular utilising increasing oxide stockpiles from mining at the Sanioumale West ("SW") deposit, which is now taking place
- Mined bank cubic meters ("BCMs") totalled 2,164,253 in Q1 2022 versus Q4 2021 in 1,920,311 being a c.12% improvement as the additional excavator fleet became operational, especially in the later end of the quarter
- Processing plan recovery rates for Q1 2022 improved versus previous quarters, at 95.39%
- The Company continues to finalise the analysis of the optimal Yanfolila underground development route to then put into the future mine plans and will provide more updates once our analysis is completed
- During the quarter, the Company received and analysed a further c.12,000 m of assays from the Sanioumale East ("SE") deposit showing continuing high-grade intercepts being received, and c.3,179 m of assays from the first round of drill testing done at greenfield deposit BBC, which showed the potential to establish new resources at this deposit

### ***Kouroussa, Guinea***

During the quarter, significant progress was made on constructing the Company's second producing gold mine, Kouroussa, with the scheduled timeline remaining on track to achieve the first gold pour by the end of Q2 2023. Key updates included:

- The commencement of civil works on-site and near completion of the processing plant and camp site accommodation earth works
- The construction of several key components of the processing plant, including the fabrication of the CIL tanks and the finalisation of their foundation works
- The ordering of several long lead items, including apron feeders, jaw crusher, SAG mill, cyclone cluster, and agitators
- Excavation of the Tailing Storage Facility ("TSF") pond area commenced
- The temporary construction camp was completed and operational. The main site operations camp was cleared, and base layers were installed ahead of foundation works
- The arrival of key equipment, tooling, machinery, personnel, and consumables to the site continued during the quarter, with operational readiness planning and preparations underway
- The power and mining contractor contracts negotiations are nearing finalisation and expected to be awarded soon
- In Q1 2022, the Company released a further c.8,767m of infill drilling results at Kouroussa's key deposit Koekoe, with multiple high-grade intercepts received,

further strengthening the Company's knowledge base and confidence in the Kouroussa asset

- Future exploration review studies are underway on near-mine targets, with the expectation that further exploration drilling campaigns to be initiated in the future with the focus to increase Kouroussa's overall Resources and Reserves base
- Community engagement remains a key feature of all workstreams

### ***Dugbe, Liberia***

The Company's earn-in partner at Dugbe, Pasofino, provided a positive progress update on the DFS, which is scheduled to be released in Q2 2022.

### **Financial Summary:**

	Unit	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Gold sales	oz	15,179	18,489	22,255	24,790	22,019
Avg. gold sale price	\$/oz	\$1,871	\$1,782	\$1,782	\$1,802	\$1,788
Operating cash costs	\$'000	\$32,177	\$32,486	\$33,472	\$33,986	\$31,588
AISC on gold sold	\$/oz	\$2,235	\$1,803	\$1,520	\$1,386	\$1,494
Net (debt) / cash	\$'m	(\$47.4)	(\$25.0)	(\$5.9)	\$9.0	\$0.5
Net (debt) / cash incl gold inventory value	\$'m	(\$42.4)	(\$21.0)	(\$1.0)	\$12.4	\$4.9
Debt repayments	\$'m	-	-	-	\$4.7	\$8.6

- Q1 AISC of US\$2,231 per oz was high, driven by lower ounces of gold poured during the quarter, and as noted in the key updates above, a lower ASIC profile is forecast for the remainder of the year, in line with production improvements
- Cost inflation is being felt in general, particularly in fuel and consumables. The Company has instigated a programme to analyse ways to deliver cost efficiency improvements at the Yanfolila operations to mitigate these pressures. However, the key focus is on improving Yanfolila's production profile, to then deliver an improved AISC profile
- For Kouroussa, although similar cost pressures are being felt, the bulk of the construction contract is at a fixed price, with our forecast capex as detailed on 12 October 2021 remaining on budget
- Net debt position c.US\$47.4 million end of Q1 2022 (c.US\$42.4 million including gold inventory value), with the final c.US\$30 million loan available from Coris Bank International ("Coris Bank") expected to be drawn in Q2 2022 to help facilitate the Kouroussa construction build

### **ESG Q1 2022 updates include:**

- COVID-19: Mitigation measures remained in place at our operations, and importantly the rise in cases as seen in Q4 2021 has reduced materially during the quarter
- Kouroussa community engagement: Increased overall community engagement took place during the quarter as construction advanced, with more detailed longer

term community project planning now taking place as the Company rapidly moves towards the production phase in 2023

- **Energy Efficiency:** The Company is in the final stages of negotiations of our power contract at Kouroussa, to then deliver on low carbon emission initiatives including a +7 megawatt ("Mw") solar power plant and energy saving waste heat recovery systems to be imbedded into the overall build process
- **Dugbe, Liberia:** During Q1 saw the advancement of the Environmental and Social Impact Assessment ("ESIA") study, which is expected to be finalised post the DFS

#### Notes to Editors:

Hummingbird Resources (AIM: HUM) is a multi-asset, multi-jurisdiction gold production, development and exploration Company, a member of the World Gold Council and a founding member of Single Mine Origin ([singlemineorigin.com](http://singlemineorigin.com)). The Company currently has two core gold projects, the operational Yanfolila Gold Mine in Mali, and the Kouroussa Gold Mine in Guinea, which will more than double current gold production when in production, scheduled for first gold pour end of Q2 2023. Further, the Company has a controlling interest in the Dugbe Gold Project in Liberia that is being developed by Pasofino Gold Limited through an earn-in agreement. Our vision is to continue to grow our asset base, producing profitable ounces while placing our Environmental, Social & Governance ('ESG') policies and practices at the heart of all we do.

**For further information, please visit [hummingbirdresources.co.uk](http://hummingbirdresources.co.uk) or subscribe to our investor releases via [investor email alerts](#)**

Daniel Betts, CEO Thomas Hill, FD Anthony Köcken, COO Edward Montgomery, CSO & ESG	<b>Hummingbird Resources plc</b>	Tel: +44 (0) 20 7409 6660
James Spinney Ritchie Balmer	<b>Strand Hanson Limited</b> Nominated Adviser	Tel: +44 (0) 20 7409 3494
James Asensio Thomas Diehl	<b>Canaccord Genuity Limited</b> Broker	Tel: +44 (0) 20 7523 8000
Bobby Morse Ariadna Peretz James Husband	<b>Buchanan</b> Financial PR/IR	Tel: +44 (0) 20 7466 5000 Email: <a href="mailto:HUM@buchanan.uk.com">HUM@buchanan.uk.com</a>

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