

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

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

**Quarterly Review  
Commencement of Pre-Production Mining due in Q3**

Hummingbird Resources (AIM: HUM) is pleased to announce a review of activities during Q2 2017, including the advancement of mine construction at the Yanfolila Gold Project in Mali ("Yanfolila" or "the Project").

**Highlights:**

**Operational**

- Continued advancement of the 1.2Mtpa Yanfolila mine ahead of targeted first gold pour by the end of 2017
- Construction remains on schedule and on budget with several aspects of development now completed:

<b>Area</b>	<b>Progress completed</b>
Process Design	100%
Detailed Engineering	100%
Procurement and Delivery	88%
Construction	56%
Committed Capex	73%
Commissioning	0%

- Arrival of ball mill to site - significant milestone achieved in mine development which de-risks the delivery of Yanfolila's critical path
- African Mining Services ("AMS") contract fleet on site and assisting with Tailings Storage Facility ("TSF") construction alongside Malian civil contractor Inter Mining Services ahead of AMS commencing pre-production mining in Q3 2017
- 90% of Capex committed on the process plant construction

## **Corporate**

- Increased ownership in the Project to 80% from 75% following the Company's acquisition from La Petite Mine d'Or SARL ("LPMDO") of its 5% interest in the Project for US\$1 million
- Hummingbird also successfully negotiated the acquisition of the 1% royalty LPMDO had over the Project for a further US\$1 million
- Total consideration of US\$2 million to be paid in shares on 31 March 2018
- US\$60 million debt facility entered into with Coris Bank International Group in April 2017
- US\$35 million balance drawn from debt facility with Coris Bank International - facility is now fully drawn down having drawn an initial US\$25 million in April 2017
- Company's cash balance on 17 July 2017 was approximately US\$70 million

Please click on the following link to see recent pictures and videos of construction: <http://hummingbirdresources.co.uk/gallery/>. This will continue to be updated regularly.

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

"The construction of the Yanfolila Gold Project continues at pace. We currently have over 700 people on site and the construction team has recently completed 500,000 Lost Time Incident ("LTI") free hours which is a significant achievement.

"The Project remains on time and on budget and the team remains highly motivated as we enter the final phases of construction and mobilisation for mining begins.

"During Q2 we acquired a further 5% interest in Yanfolila and bought out a 1% royalty on the Project for a settlement of US\$2m of Hummingbird shares to be settled in March 2018. This will allow us to retain more of the cashflows from Yanfolila for the benefit of shareholders. Based on our Reserves alone this is estimated to add at least US\$10 million to the cashflows attributable to Hummingbird.

"Additionally, we entered into a loan agreement with Coris Bank International who are a supportive and knowledgeable lender. We have subsequently drawn the whole US\$60 million loan in order to bring any financing risk to an

absolute minimum. At a US\$1,250 gold price we anticipate, based on the final Project study, free cashflows of around US\$70 million in our first full year of production. We are very excited about keeping the market and our shareholders abreast of developments over this very busy Q3 period."

#### **Further Information:**

##### ***Construction Update***

Progress continues to be made across all areas of construction at the Yanfolila Gold Project.

Construction of the CIL tanks are now complete. The completion of the CIL tanks has allowed other work fronts to progress rapidly, for example the tank agitators and tank-top steel are also now installed, again opening up more mechanical work fronts. The ball mill arrived on site on time and preparation is in place for its installation. This was the longest lead item on the Project and its arrival materially de-risked the construction timeline. Construction of the crushing circuit is ongoing with the conveyor system starting to arrive on site. Pre-assembly of the arrived conveyor sections has started and their erection is expected to start imminently.

A significant portion of the rest of the plant and equipment is now on site and installation of this equipment has started.

AMS has mobilised to site and is currently working on the TSF before commencing pre-production mining. Initial pre-production mining is due to start in Q3 2017.

A second round of grade control drilling was completed at the Komana East pit in advance of mining. 2,057m of drilling was completed over 11 days. This drilling was targeting zones where the mineralisation was not closed off either in the hanging wall or footwall of the main mineralisation.

Aggreko, the appointed power provider, will be mobilising to site in Q3 2017 to provide around 6MW of power from the commencement of commissioning. Construction power is currently provided through a 1.6MW generator. As previously announced Zen continue to provide fuel on site and the main fuel facility is currently being built to allow for greater fuel storage capacity.

Hiring of key personnel continues and the Company has been pleased with the quality of applicants as it builds up its capacity to move from construction into operations when commissioning starts.

### ***Interest in Yanfolila Gold Project***

When the Company acquired the Project the Government of Mali ("GoM") had a 10% free carried interest and LPMDO had a 5% interest in the Project. The GoM also had the right to acquire an additional 10% interest in the Project that it exercised in February 2017 for US\$11 million, taking its stake to 20%.

Hummingbird has agreed to take up its option with LPMDO to acquire its 5% interest in the Project for US\$1 million bringing the Company's interest in Yanfolila to 80%. In addition the Company has negotiated the acquisition of the 1% royalty LPMDO had over the Project for a further US\$1 million. The 3% royalty to the GoM over the Project remains.

The consideration of US\$2 million due to LPMDO will be satisfied through the issue of 6,197,353 ordinary 1p shares in Hummingbird which are expected to be issued on 31 March 2018.

### ***Debt Facility with Coris Bank International***

In April, the Company's subsidiary, SMK, entered into a senior secured term debt facility with Coris Bank International, one of the largest and fastest growing banks in West Africa. This new facility of up to US\$60 million replaces the funding line previously anticipated with Taurus Mining Finance Management ("Taurus") to provide the Company with sufficient working capital to complete the mine build at Yanfolila at a lower cost and without any royalty commitment, which will result in a material saving for Hummingbird over the life of the mine. Following an initial draw down of CFA15.5 billion (approximately US\$25 million) in April, the Company drew the balance of the debt facility (approximately US\$35 million) post period end in July 2017.

Additionally the Company has also extended the termination date of the subscription agreement with Lindine Inc which was entered into on 1 June 2016 to 31 December 2017 and that the amount payable shall revert to the original 22p per share. The amount of shares currently outstanding to be paid for is 8,103,425 shares.

### ***Yanfolila Exploration***

The Company re-iterates the statement it made in its Q1 Update released on 24 April 2017 that it has reviewed all of its exploration potential on its mining permit and has created an outline plan to exploit that potential. Once Yanfolila is in production, the Company is looking forward to entering into a more active exploration programme with the specific focus on achieving a 10+ year Reserve mine life in the short term. Currently Hummingbird's Resources have been converting to Reserves at around a 50% rate so the Company looks forward to

doing further work on the 1+Moz of Resources not currently in Reserves as well as other discoveries at a pre-Resource stage (noting there is no guarantee the conversion rate will remain the same). These targets include the Gonka deposit where the results of the scoping study published in early 2016 showed the potential for mining ore at grades of over 4.5g/t with a significant potential increase to the NPV.

### ***Liberia update***

The Company's 4.2 million ounce Dugbe Gold Project in Liberia ("Dugbe") offers a large-scale development opportunity for Hummingbird as demonstrated in the 2013 Preliminary Economic Assessment which showed viable economics of developing a 20 year gold mining project with initial gold production of 125,000 ounces per annum, an NPV of US\$186 million, and IRR of 29% using a US\$1,300/oz gold price. Signing a Mineral Development Agreement with the Government of Liberia in July 2015 gave the Company security of tenure for at least the next 25 years, allowing Hummingbird to focus on bringing Yanfolila to production whilst retaining access to the long-term potential of Dugbe. As Hummingbird approaches the production stage at Yanfolila and with the gold price looking increasingly favourable, the options to realise the significant latent value locked up within Dugbe should increase.

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

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

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*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.*

## **About Hummingbird Resources Plc**

### **Notes to Editors**

Hummingbird Resources (AIM: HUM) is building a leading gold production, development and exploration company. The Company has two core gold projects, the near-term production Yanfolila Gold Project in Mali and the Dugbe Gold Project in Liberia. It is currently building Yanfolila targeting first production by end of 2017, which has a Probable Reserve of 709,800oz @ 3.14g/t and total Resources of 1.8Moz of gold and an additional 390,700oz of non-compliant exploration potential. The high-grade gold project has low operating costs of US\$695/oz AISC with 132,000oz of first full year's production.

The 4.2Moz Dugbe Gold Project in Liberia provides Hummingbird with excellent development upside. An optimisation of the DFS is on-going whilst Yanfolila is brought to production in the near-term. Additionally, the Company has 4,000km<sup>2</sup> highly prospective exploration ground in Mali and Liberia and is constantly evaluating new quality assets.

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

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