

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

5th August 2020

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

**Q2 2020 Production Results and Operational Update**

Hummingbird Resources plc ("Hummingbird" or the "Company") (AIM: HUM) is pleased to provide the following operational and trading update for the second quarter of 2020 ("Q2 2020").

**Yanfolila Operational Highlights**

- **24,054 ounces ("oz")** of gold poured in Q2 2020 (27,466 oz in Q2 2019)
- **US\$983 per oz all in sustaining cost ("AISC")** for Q2 2020 (US\$998 per oz AISC for Q2 2019)
- **31,520 oz** of gold sold in Q2 2020 at an average price of US\$1,663 per oz
- 2020 exploration programme over 75% complete with over 12,000 metres of drilling completed
- Total Recordable Injury Frequency Rate ("TRIFR") at 2.3, meeting the Company's target of having a TRIFR lower than 2.5

**Corporate Highlights**

- Cash of US\$6 million at 30 June 2020 (US\$9 million at 31 December 2019)
- 4,000 oz gold inventory on hand at 30 June 2020 (2,900 oz at 31 December 2019) worth approximately US\$8 million
- Bank debt of US\$26 million at 30 June 2020, reduced by US\$14 million since the 2019 year end (US\$40 million at 31 December 2019)
- SPA signed to acquire the Kouroussa Gold Project in Guinea
- Earn in agreement with ARX Resources Limited ("ARX") to advance the Dugbe Gold Project

**Post Period Highlights and Outlook**

- 2020 guidance maintained of 110,000 - 125,000 oz at an ASIC of up to US\$995 per oz as previously announced
- On track for targeted net cash position in H2 2020, with the current bank loans fully repaid by end of H1 2021
- Yanfolila predicted to generate in excess of US\$60 million of EBITDA in H2 2020 (US\$120m annualised) at current gold prices
- Exploration programme targeting improved mine plan on track

- Approval for the Change of Control of the Kouroussa project received from the Government of Guinea
- Dugbe earn in non-refundable deposit of US\$2 million received from ARX with necessary consents/waivers received from Anglo Pacific Group Plc and the Government of Liberia
- ARX acquired (subject to final regulatory approval) by Pasofino Gold Limited, quoted on the TSX Venture Exchange (TSXV: VEIN) in a share for share exchange
  - VEIN pro-forma market cap of approximately US\$75 million representing a substantial indicative valuation for the Dugbe Project.

## **Q2 2020 Exploration Drilling Highlights at Yanfolila**

Further significant near mine drill intersections have been received during the quarter, adding considerable confidence to the Company's underground extension programme, its resource programme and its greenfield exploration programme.

### ***Komana East Underground "KEUG" Deposit***

- 5.7m @ 16.42 g/t from 263m depth (KEUGDD012)
- 7m @ 4.58 g/t from 272m depth (KEUGDD012)
- 4.3m @ 4.02 g/t from 248m depth (KEUGDD005)
- 6m @ 5.44 g/t from 336m depth (KEUGGT004)

Image of drill intersects at Komana East Underground Deposit

[http://www.rns-pdf.londonstockexchange.com/rns/1966V\\_1-2020-8-5.pdf](http://www.rns-pdf.londonstockexchange.com/rns/1966V_1-2020-8-5.pdf)

### ***Bolobi Coura "BBC" Deposit***

- 6m @ 2.97 g/t from 1m depth (KBCRC0024)

### ***Sanioumale West "SW" Deposit***

- 15m @ 2.57 g/t from 10m depth (SNWRC0310)
- 15m @ 9.92 g/t from 28m depth (SNWRC0310)
- 4m @ 2.71 g/t from 55m depth (SNWRC0303)
- 16m @ 2.23 g/t from 41m depth (SNWRC0317)
- 3m @ 4.57 g/t from 48m depth (SNWRC0320)
- 6m @ 2.54 g/t from 13m depth (SNWRC0321)

Image of drill intersects at Sanioumale West Deposit

[http://www.rns-pdf.londonstockexchange.com/rns/1966V\\_1-2020-8-5.pdf](http://www.rns-pdf.londonstockexchange.com/rns/1966V_1-2020-8-5.pdf)

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

"The COVID-19 pandemic has presented us all with a very challenging and dynamic operating environment over the last few months, which previously caused us to advise that we anticipated cost pressure across the board whilst we moved towards a more stable operating situation. While that proved to be the case in Q2, with logistical, mechanical and mining challenges all exacerbated by restricted movements and quarantine periods, I am pleased to say that the team has continued to perform well in these trying times and that we have established a stable footing enabling us have a robust outlook for the second half of the year.

"At Yanfolila, production for the quarter was below our initial expectations, largely due to re-sequencing of certain parts of the mine plan, and a reduced throughput strategy aimed at safeguarding the plant in the light of uncertainty over logistics for spares and specialist personnel, as well as the start of the rainy season. We anticipate a recovery in production in H2 2020 and we are therefore confident in maintaining our guidance for the year.

"I am extremely proud of the team at site, some of whom have now pulled extraordinary 150 plus day shifts through this crisis and have gone above and beyond in order to maintain operations.

"Looking beyond current operations at Yanfolila is very exciting. We are receiving some extremely positive results from our drill programmes, and whilst it will take some months to model all the data the indications are promising.

"Additionally the acquisition of Kouroussa gathers momentum as we have now received the change of control approval from the Government of Guinea and are preparing to commence works as soon as practical following the anticipated granting of the necessary exploitation licence.

"At Dugbe, our earn in partners have been working quickly to develop infrastructure plans ahead of an aggressive exploration programme, planned to both increase resources and complete a DFS at the project. ARX's recent transaction with Pasofino Gold (quoted on the TSX Venture Exchange) should provide it with enhanced access to the necessary capital and gives Hummingbird a substantial indicative valuation of the project. We look forward to providing updates as tangible progress is made and value is further demonstrated at the project."

## COVID-19 Update

- Risk mitigation is in place, including a COVID-19 task force lead by a COVID-19 Committee which is overseeing the implementation and continued development of robust response and contingency plans at Yanfolila to minimise any potential impact.
- A small number of positive cases have been recorded to date, all of which were either asymptomatic or presented only very mild symptoms. All individuals have fully recovered and returned to work.
- Rotation of national and expatriate staff has recommenced, and morale is positive on site.
- Supply chains and logistics for people, supplies and parts remain stressed.
- During H1 2020 the Company has increased inventories of parts, consumables, reagents and stockpiles.
- Coris Bank International continue to be a supportive business partner, with their overdraft facility being partially drawn as a precautionary measure in order to assist liquidity.
- Hummingbird is continuing to support the local health authorities and communities.

## Yanfolila mine production figures since Q1 2019

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Gold poured (Ounces)	<b>24,054</b>	30,282	33,892	30,484	27,466	23,807

Ore mined (Tonnes)	<b>334,094</b>	446,183	680,178	400,823	390,552	262,317
Ore processed (Tonnes)	<b>337,926</b>	339,159	367,788	308,269	296,264	281,337
Avg. grade mill feed (g/t) *	<b>2.36</b>	2.98	2.91	3.23	2.86	2.46
Recovery (%)	<b>94.78%</b>	93.19	93.10	93.48	94.23	93.88
Gold sales (Ounces)	<b>31,520</b>	24,575	31,278	30,373	27,701	23,333
AISC (US\$/oz)	<b>983</b>	875	839	849	998	1,297
Average gold sale price (US\$/oz)	<b>1,663</b>	1,568	1,452	1,422	1,311	1,296

\* Represents gold in circuit ("GIC") calculated head grade for Q2 2020. Previously quoted as assay head grade. GIC calculated head grade now used to provide more accurate information.

The Company is pleased to report that full year production guidance is maintained despite the COVID-19 related challenges posed during the quarter, which is a testament to the dedication and hard work of the team. The Company continues to work closely with the Government and its key contractors, who all remain on-site, as we collectively address the daily challenges resulting from wider disruption.

The installation of the airstrip at Yanfolila is expected to be completed in Q3 2020 and will allow greater optionality in the movement of gold, people, spares, and supplies.

### Yanfolila 2020 Exploration Drilling Programme - Update

With over 12,000 meters drilled to date this year, the exploration drilling programme is yielding significant drill intersections at all targets drilled. The previously stated objectives for 2020 were:

- Identifying underground high grade resources at Komana East;
- Identifying additional open pit oxide resources and reserves at Sanioumale East and West; and
- Testing new greenfield resource targets within the SMK mining licenses and nearby exploration license.

The drill programme at Komana East, targeting the potential underground resources, has been completed. 14 holes were planned and drilled totalling 4,416m. The drilling programme targeted the sparsely drilled northern end of Komana East, aimed to delineate supplementary Indicated Resources to the existing high grade 'underground viable' Indicated Resources already defined in the central and southern area beneath the existing pit.

Drill results have been received from nine of the 14 holes. In addition to the 14 resource definition holes, two holes drilled for geotechnical purposes (to support the underground mine design parameters) also intersected the main ore zone, providing additional information regarding the continuity of the ore body. A complete table of the significant drill intervals for the year to date from the Komana East underground drilling is set out below.

Hole_ID	Depth_From	Depth_To	InterceptDescription
KEGT03	350	355	5m @ 2.65 g/t
KEGT04	335	346	6m @ 5.44 g/t

KEUGDD001	183	188	5m @ 2.53 g/t
KEUGDD001	300.7	305	4.3m @ 6.51 g/t
KEUGDD002	214	220	6m @ 2.36 g/t
KEUGDD003	254.9	257.45	2.55m @ 6.16 g/t
KEUGDD003	285	288.13	3.13m @ 4.21 g/t
KEUGDD004	289	293.82	4.82m @ 10.56 g/t
KEUGDD005	248	252.3	4.3m @ 4.02 g/t
KEUGDD007	289.21	297	7.79m @ 1.65 g/t
KEUGDD012	263	268.7	5.7m @ 16.42 g/t
KEUGDD012	272	279	7m @ 4.58 g/t

The drilling to date has highlighted that the ore body in the northern end of Komana East is more continuous along strike and down dip than currently modelled, with higher grades intersected that should enable additional 'economically viable' mineral resources (via underground extraction) to be defined. From external scoping studies currently in excess of 85,000 ozs are potentially available from the southern and central portion of Komana East as part of the potential initial underground mining operation which would target accelerated access to the higher grade underground ore.

In addition to the drilling at Komana East, the Company previously released the initial drilling results from the Bolobi Coura ("BBC") Deposit, a new and early stage near mine greenfield target. BBC is located approximately 800m to the North/West of the Komana East pit, with the full Phase 1 drill program now completed at BBC. A summary table of the drill results is below.

Hole_ID	Depth From	Depth To	Intercept
KBCRC0001	31	33	2m @ 1.59 g/t
KBCRC0003	16	20	4m @ 5.81 g/t
KBCRC0003	57	61	4m @ 16.90 g/t
KBCRC0003	63	65	2m @ 0.97 g/t
KBCRC0003	69	72	3m @ 0.62 g/t
KBCRC0016	9	12	3m @ 1.05 g/t
KBCRC0024	1	7	6m @ 2.97 g/t
KBCRC0024	10	12	2m @ 0.58 g/t
KBCRC0032	0	2	2m @ 1.88 g/t
KBCRC0032	4	8	4m @ 0.66 g/t

Mineralisation at BBC has delineated **a new discovery** over a 300m strike length which is open at both ends. Further drill planning is currently underway with a Phase 2 programme being designed to close off the extents of the

gold mineralisation before further infill drilling will take place and an initial mineral resource defined.

In addition to the reconnaissance drilling at BBC, a new greenfield target, Haul Road Hill ("HRH") was drill tested. Whilst narrow intervals of ore grade mineralisation were intersected, these results are being reviewed with the geological logging to determine if further drilling is warranted at this stage, or the greenfield exploration should focus on other greenfield targets not yet drill tested.

Currently exploration drilling is focused on the Sanioumale East and West deposits. To date, over 3,500m (of the planned 11,500m) of RC drilling has been completed at Sanioumale West. The drill results achieved from the few holes received back are presented below.

Hole ID	Depth From	Depth To	Intercept
SNWRC0303	50	52	2m @ 2.06 g/t
SNWRC0303	55	59	4m @ 2.71 g/t
SNWRC0308	26	29	3m @ 1.42 g/t
SNWRC0310	10	25	15m @ 2.57 g/t
SNWRC0310	28	43	15m @ 9.92 g/t
SNWRC0311	35	40	5m @ 1.04 g/t
SNWRC0314	10	13	3m @ 2.25 g/t
SNWRC0314	15	20	5m @ 2.02 g/t
SNWRC0314	22	25	3m @ 0.85 g/t
SNWRC0317	17	19	2m @ 1.86 g/t
SNWRC0317	35	37	2m @ 3.05 g/t
SNWRC0317	41	57	16m @ 2.23 g/t
SNWRC0320	27	29	2m @ 1.63 g/t
SNWRC0320	33	35	2m @ 4.96 g/t
SNWRC0320	40	43	3m @ 1.05 g/t
SNWRC0320	48	51	3m @ 4.57 g/t
SNWRC0321	13	19	6m @ 2.54 g/t

On completion of the Sanioumale West drilling, the focus will shift to Sanioumale East (4,000m planned) as the Company looks to increase and upgrade the resources currently defined and convert these resources to reserves by the end of 2020.

It is anticipated that once the drilling is completed at Sanioumale East and West, the remainder of the greenfield targets will be drill tested as the Company looks to delineate further resources to supplement the mine plan and build on its mineral resource development pipeline.

(Please see the following link for a map indicating the location of the Company's greenfield exploration targets for 2020)

[http://www.rns-pdf.londonstockexchange.com/rns/1966V\\_1-2020-8-5.pdf](http://www.rns-pdf.londonstockexchange.com/rns/1966V_1-2020-8-5.pdf)

### **Debt repayment and deleveraging**

The Company had US\$26 million of debt outstanding to Coris Bank International at 30 June 2020, reduced from US\$40 million at 31 December 2019. The debt continues to be repaid on a monthly basis delivering swift deleveraging for the Company. All bank debt is due to be fully repaid by the end of H1 2021.

### **Safety**

Health and Safety remains the absolute priority for the Company, especially at the present time. The Company is proud to have achieved its TRIFR target of lower than 2.5 in the quarter.

<b>Measure</b>	<b>Q1 2020</b>	<b>Q4 2019</b>	<b>Q3 2019</b>	<b>Q2 2019</b>
TRIFR* 12 month moving average	2.30	2.82	3.35	4.14

\*Total Recordable Injury Frequency Rate. All safety frequency rates are reported per 1,000,000 hours.

### **Qualified Person sign off**

Murray Paterson has reviewed the technical information contained within this announcement in his capacity as a Qualified Person, as required under the AIM Rules for Companies. Murray Paterson is the VP Geology for the Company and is a member of good standing with the Australasian Institute of Mining and Metallurgy (MAusIMM), with 25 years' experience.

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

For further information, including an updated Corporate presentation, please visit [www.hummingbirdresources.co.uk](http://www.hummingbirdresources.co.uk) or contact:

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#### 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 recently acquired Kouroussa Gold Project in Guinea. Yanfolila produced its first gold pour on time and budget in December 2017. At 31 October 2019 Yanfolila has a 7.9Mt of Reserve ore @ 2.66 g/t for 676,000ozs gold. At 31 March 2019 Yanfolila had a total Resource base (inclusive of Reserves) of 28Mt of Ore @ 2.23 g/t for 2,005,300ozs gold. The Kouroussa Gold Project has a Resource base of 1.18Moz @ 3.08 g/t, which will be fast tracked to production, adding an additional c.100,000 oz of gold per annum to its production profile. Hummingbird also has a controlling interest in the Dugbe Gold Project that is expected to be developed by Pasofino Gold Limited through an earn-in agreement. 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 43% IRR and US\$337m NPV at a US\$1,500 gold price.*

*This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.*

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