

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

20 July 2021

**Hummingbird Resources plc**  
(‘Hummingbird’ or the ‘Company’)  
**Q2 2021 Operational and Trading Update**

Hummingbird Resources plc (AIM: HUM) is pleased to provide an operational and trading update for the second quarter of 2021 ('Q2 2021').

**Q2 2021 Highlights**

- **Gold poured:** 24,494 ounces ('oz') of gold poured in Q2 2021 (Q1 2021: 22,781 oz)
- **Gold sold:** 24,790 oz of gold sold in Q2 2021 at an average realised price of US\$1,802 per oz
- **Gold inventory:** 1,972 oz gold inventory at 30 June 2021, valued at ~US\$3.4 million
- **All in Sustaining Cost ('AISC'):** US\$1,386 per oz for Q2 2021 (Q1 2021: US\$1,494 per oz)
- **Cost and productivity improvement initiatives commenced:** Cost reduction and productivity improvement programmes initiated at the Yanfolila mine. These are focused on both short and longer term improvements from each department and aim to deliver lower AISC and increase overall productivity
- **Net cash (inc. gold inventory value):** US\$12.4 million (Q1 2021: US\$4.9 million) with ~ US\$4.7 million of final debt repayments made, taking the Company into a debt free position
- **Outlook:** Maintaining 2021 production guidance of 100,000 - 110,000 oz of gold, with an AISC of US\$1,250 - 1,350 per oz of gold. Full year production is expected to be weighted towards the second half of the year in line with Hummingbird's guidance expectations at the start of the year
- **Yanfolila exploration update:** Material progress continued with ~US\$3.5 million spent on Yanfolila exploration during the quarter, with ~32,500 metres ('m') of the 44,600 m forecast for the year drilled to date (vs ~21,000 m drilled in 2020). Two drilling releases during the quarter highlighting, in particular, significant results at the Sanioumale East ('SE') deposit:
  - Results continue to provide further confidence that the Company will build on the 2020 SE deposit JORC compliant mineral resource base of 204,000 ounces ('oz')
  - Multiple assays are awaiting results from the labs in Bamako and the Company anticipates being able to release more drilling results during Q3

- The Company remains on track to release an updated - reserve statement later this year. In future, the Company is looking to release a joint resource and reserve update annually from H1 2022
- **Kouroussa, Guinea:** Mining licences awarded in May 2021. Detailed capex estimates are being finalised to then enable the Company to complete key work streams, including agreement on a financing strategy for construction of the mine. The Company anticipates updating the market shortly with further details on development plans and capital cost estimates
- **Dugbe, Liberia:** Earn-in partner, Pasofino Gold Ltd ('Pasofino'), released results of an independent preliminary economic assessment ('PEA') for Dugbe highlighting strong project pre-tax NPV5% economics ranging from US\$825 - US\$1,153 million (dependent on gold price). Ongoing positive drilling results also continued during the quarter at Dugbe's two key deposits Dugbe F and Tuzon, showing upside potential to the PEA economics
- **Health and Safety:** Sadly, in late June, one of Hummingbird's subcontractors suffered an employee fatality while operating at Yanfolila. The Company's emergency protocols were actioned, via its onsite medical teams, and a detailed investigation has now been completed with the local and government authorities. The fatality was an isolated incident, however the Company stood down the contractor pending further investigations. Support is continuing to be given to the family and counselling has been offered to the Company's employees as well as to people employed by the contractor. The Company's Total Recordable Injury Frequency Rate ('TRIFR') is 1.02 (Q1 2021: 0.42)
- **ESG:** Key infrastructure for two new locally supported village market gardens was completed taking the total Company supported market gardens to 10. Progress continued at the Company's supported village nursery's with ~10,000 trees ready to plant in the coming months as part of the Company's rehabilitation programmes. Strict Covid-19 protocols remain in place, and vaccinations of site employees has begun with a limited number of Covid-19 cases recorded during the quarter

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

*"Q2 saw steady improvements in terms of gold ounces poured and lower AISC at Yanfolila when compared to Q1 2021. Additionally, the Company has achieved a major milestone by paying off the final debt used to fund Yanfolila, which will now better allow the mine to generate cash flows to fund our future growth plans. The Company also continued to invest heavily in exploration and whilst we have received and released some outstanding drill results, we are still due a significant number of results back from the labs which we are keenly anticipating, with the expectation of adding further mine life to Yanfolila."*

*"Operational performance is central to our objectives this year, and under the leadership of our new COO, we are implementing a number of processes and protocols aimed at cost reduction and productivity improvements across the business."*

*"Advancement at Kouroussa continued at pace. During the quarter we were awarded the mining licence for the project which is a major step forward. Our Chief Strategy & ESG officer and I visited Guinea during the quarter where we met government officials"*

and other stakeholders, following the visit, we remain encouraged by the local and federal governments' support and commitment to the project.

"We are nearing a finalised capex number for Kouroussa, with our dedicated project team progressing workstreams with construction and engineering companies. Once capex numbers are complete, we can then finalise financing requirements, complete other key work streams and begin construction. Importantly the project economics of Kouroussa remain robust and in line with our expectations when we acquired the project after months of rigorous de-risking. Most excitingly of all though, and a key reason for the addition of Kouroussa to our portfolio, is the significant exploration upside potential which we are already engaged in unlocking through developing comprehensive exploration plans. We will provide more details once finalised capex estimate numbers are complete.

"At Dugbe, our joint venture partners Pasofino, released a detailed PEA showcasing material project economics with the Pasofino team progressing an ongoing drilling campaign which will feed into the delivery of a DFS. We will update the market on key updates on Dugbe's progress to deliver value for our shareholders on one of the largest undeveloped gold projects in West Africa.

"Lastly, on a sombre note, I am truly saddened to report that one of our subcontractors reported an employee fatality at Yanfolila in late June. Our emergency procedures were actioned swiftly, the subcontractor was stood down and a detailed investigation completed with our senior site management team and government officials. The safety of our employees, contractors and local stakeholders remains our number one priority."

## Operational Summary

	Unit	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Gold poured	oz	24,494	22,781	22,012	24,722	24,054	30,282
Ore mined	t	443,490	364,114	382,289	268,726	334,094	446,183
Ore processed	t	391,652	345,374	359,208	352,348	337,926	339,159
Avg. grade mill feed	g/t	2.14	2.16	2.03	2.27	2.36	2.98
Recovery	%	91.88%	92.97%	93.47%	95.18%	94.78%	93.19%
Gold inventory *	oz	1,972	2,596	1,980	4,634	4,339	11,000

\* Q1 2020 gold inventory was high due to COVID-19 impacting gold shipments during that quarter

- Gold poured of 24,494 oz is an improvement on Q1 2020 levels and, encouragingly, the Company saw a month-on-month incremental improvement in gold ounces poured
- Wet weather protocols, procedures and mitigation strategies are in place given Hummingbird's experience last year of the extreme weather events that occurred in Q3 2020
- Mill through put and processing rates for the quarter improved from Q1 levels, with a good recovery rate of ~92%

- Average grade mill feed was flat, with expectations of incremental improvements in the second half of 2021

### Financial Summary

	Unit	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Gold sales	oz	24,790	22,019	24,285	23,794	31,520	24,575
Avg. gold sale price	\$/oz	\$1,802	\$1,788	\$1,862	\$1,919	\$1,663	\$1,568
ASIC on gold sold	\$/oz	\$1,386	\$1,494	\$1,496	\$1,283	\$983	\$875
Net cash / (debt)	\$'m	\$9.0	\$0.5	(\$2.1)	(\$9.7)	(\$20.3)	(\$25.1)
Net cash / (debt) inc gold inventory value	\$'m	\$12.4	\$4.9	\$1.5	(\$0.9)	(\$12.5)	(\$7.3)
Debt repayments	\$'m	\$4.7	\$8.6	\$6.6	\$8.3	\$8.4	\$6.0

- Q2 ASIC of US\$1,386 per oz improved from Q1 levels of US\$1,494 per oz driven a large part by improvements in ounces of gold ounces poured
- Improvements in Yanfolila's production predictability and ASIC profile remain a key focus, with a cost efficiency and productivity improvement campaign initiated across the key divisions at site
- An important milestone for the Company was achieved during the quarter, with the final payment of debt made of ~US\$4.7 million to fund Yanfolila, taking the Company into a debt free position. Further, Hummingbird's net cash (including gold inventories) position improved to ~US\$12.4 million versus ~US\$4.9 million in Q1
- Lastly, ~US\$2.5 million was realised from the sale of the Company's remaining holding in AIM quoted, Cora Gold Limited. Funds will be primarily used for Hummingbird's continued exploration programmes to extend mine life

### Exploration Summary

- Drilling at SE highlighted ongoing significant drill results for the deposit, with final drilling expected to take place during Q3 to finalise the year's planned ~15,000 m drilling at SE. Some key holes from the two releases during the quarter included:
  - ~40 m at 5.33 g/t near surface (SNERC0425)
  - 38 m at 5.39 g/t gold from 58 m depth (SNERCO421)
- Drilling also continued at the Sanioumale West, Diaban, Kama and Bolobi Coura ('BBC') deposits
- Final drilling at Komana East Underground ('KEUG') took place with economic analysis, portal hole access, and mine scheduling taking place as part of the Pre-Feasibility Study ('PFS') being undertaken to evaluate KEUG into the Company's future mine plans
- Hummingbird is awaiting multiple assays results with a backlog at the Bamako labs impacting the Company's ability to report ongoing drilling results. However, further

results are expected to be received and announced in Q3 2021

## Development Summary

### Kouroussa, Guinea

- As per the highlights, the Company anticipates updating the market shortly with further details on development plans and capital cost estimates

### Dugbe, Liberia

- Pasofino released during the quarter an independent PEA on Dugbe which highlighted the strong economics of the project including:
  - Pre-tax NPV<sub>5%</sub> of US\$825 million (US\$627 million post-tax), 34% IRR (31% post-tax) at a gold price of US\$1,600/oz
  - Pre-tax NPV<sub>5%</sub> of US\$1,153 million (US\$874 million post-tax), at a gold price of US\$1,800/oz
  - Fast capital payback of c.2.9 years from start of production
  - LOM Cash flow of US\$627 million
  - LOM AISC of US\$893/oz and US\$821/oz cash cost

## ESG Summary

- Covid-19: Limited cases were reported during the quarter. Employee vaccinations begun, with the Company's ongoing strict on-site testing, quarantine procedures and overall hygiene protocols performing well in mitigating and capturing virus spread
- Hummingbird Tree Initiative: The Company's locally supported village nursesey programmes continued to progress, with the Yanfolila forestry department assisting Hummingbird's local market gardens in terms of training in tree procurement, with over 10,000 trees ready to be used in the coming months for the Company's annual 20-hectare rehabilitation programme
- Market gardens: Key infrastructure for two locally supported village market gardens was completed taking the total Company supported market gardens to 10
- SE resettlement: Progress continued during the quarter with workshops, technical services and risk assessments taking place
- World Gold Council ('WGC') Responsible Gold Mining Principles ('RGMPs'): Company GAP analysis was completed. This is now being evaluated internally and with external ESG consultants to prioritise and address areas where gaps have been identified in the Company's policies and procedures

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

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

Daniel Betts, CEO	Hummingbird Resources plc	Tel: +44 (0) 20 7409 6660
Thomas Hill, FD		

Edward Montgomery, CSO & ESG		
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
Tim Blythe Megan Ray Rachael Brooks	<b>Blytheweigh</b> Financial PR/IR	Tel: +44 (0) 20 7138 3205

**Notes to Editors:**

Hummingbird Resources (AIM: HUM) is a leading multi-asset, multi-jurisdiction gold production, development and exploration company and member of the World Gold Council ('WGC'). Hummingbird's vision is to continue to grow its asset base, producing profitable ounces, while continuing to focus on its Environmental, Social & Governance ('ESG') policies and practices. The Company currently has two core gold projects, the producing Yanfolila Gold Mine in Mali, and the Kouroussa gold development project in Guinea. 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.

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