

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

26th October 2020

### **Hummingbird Resources plc**

("Hummingbird" or the "Company")

## **Q3 2020 Corporate and Operational Update**

Hummingbird Resources plc (AIM: HUM) is pleased to provide the following operational and trading update for the third quarter of 2020 ("Q3 2020").

### **Corporate Highlights**

- **Balance Sheet & Deleveraging:** Cash of ~US\$9 million at 30 September 2020 (US\$6 million Q2 2020). Total bank debt of US\$19 million, having been reduced by ~US\$7 million during the quarter, bringing net-debt down to ~US\$10 million. During the quarter ~US\$5 million was spent on other items including: exploration programmes, expansionary capex; and preliminary pre-development costs at the Kouroussa Gold Project in Guinea ("Kouroussa")
- **Gold Inventory:** 4,600 ounces ("oz") gold inventory on hand at 30 September 2020 valued at US\$9 million which if included in the net-debt calculation as per above, reduces **net debt to ~US\$1 million**
- **Exploration and drilling:** As outlined in the exploration and drilling release on 8<sup>th</sup> October, see [here](#), Hummingbird is seeing further positive results, giving the Company confidence of the overall resource and life of mine potential at Yanfolila. These results can be seen in more detail below but include **drill hole 16m @ 9.64 g/t from 47m depth** from our Sanioumale East ("SE") deposit
- **Continued development of Kouroussa:** In line with the Company's stated strategy to be a multi asset and multi jurisdiction producer, work continues at pace with pre-development work plans at Kouroussa progressing well. Hummingbird is awaiting the award of the mining license to then begin development works which are expected early 2021
- **Progress at Dugbe Gold Project ("Dugbe Project"):** Joint venture partner Pasofino Gold Limited ("Pasofino") (TSX: VEIN) gained funding during the quarter and have now begun works to carry out and fund a definitive feasibility study ("DFS") and exploration works to earn-in its 49% stake in the project once these agreed milestones have been met. Pasofino is targeting two new exploration targets which is very encouraging. Recent progress updates from Pasofino can be found [here](#). At the time of this release Pasofino's market capitalisation on the TSX was C\$25.3 million.

## Production Highlights

- **Production:** 24,722 oz of gold poured in Q3 2020 (24,054 oz in Q2 2020)
- **All in Sustaining Cash Cost ("AISC"):** US\$1,283 per oz for Q3 2020 (US\$983 per oz AISC for Q2 2020)
- **Gold Sales:** 23,794 oz of gold sold in Q3 2020 at an average realised price of US\$1,919 per oz
- **TRIFR:** Total Recordable Injury Frequency Rate ("TRIFR") at 0.91, meeting the Company's target of having a TRIFR lower than 2.5
- **Management changes:** The Company made several managerial changes during the quarter to improve group operational performance, reporting lines and efficiencies. Edrich Welthagen was promoted to General Manager ("GM") at the Yanfolila Mine from Mine Manager. Additionally, Shaun Bunn SVP of Projects Delivery and John Meneghini, SVP Operations are reporting directly to the Executive Committee on an interim basis

## Post Period Highlights and Outlook

- **Production:** 2020 production guidance maintained at 110,000 - 125,000 oz. Now into the dry season, expectations are for a better quarter with realistic expectations for the full year to be at the lower end of guidance
- **AISC:** Extreme rainfall, the ongoing Covid pandemic and the temporary closure of the Mali border (now reopened) due to the coup caused logistical issues which had a negative impact on costs. Although some of these issues have been resolved, there will be an impact on full year cost guidance of US\$995 oz
- **Deleveraging:** Debt reduction continues as planned and the Company remains on track for current bank loans to be fully repaid by 1H 2021
- **Exploration & Drilling success continues:** Post quarter exploration and drilling results continue to be encouraging. New results from Sanioumale West ("SW" in reserves) and the initial results from SE (not in reserves) are very positive like the SW 15m @ 3.72 g/t from 47m depth hole and the **SE 16m @ 9.64 g/t from 47m depth hole**. See more details below
- **Kouroussa:** Hummingbird's pre-development plans are continuing. A key piece of work amongst other things being looked at is the Front-End Engineering Design analysis ("FEED") which is expected to be nearing completion by year end. The Company will give a more detailed update in early 2021
- **2021 budgeting analysis:** Hummingbird's 2021 corporate budget plans are being developed which it is excited about, this includes plans on: exploration & drilling for both Yanfolila and Kouroussa, Mine plans; Kouroussa development plans and operational efficiency improvements

## Dan Betts, CEO of Hummingbird, commented:

*"Despite a more difficult quarter impacted by some of the heaviest rains on record hitting site, compounding the already difficult logistical challenges imposed upon us through a combination of managing COVID-19 issues and the temporary closure of borders due to the military coup in Mali, we are now in the dry season, borders are back open and we are looking to have a strong finish to the year in terms of production. Importantly we continue to rapidly deleverage the Company's balance sheet with net debt (including gold on hand) approaching zero at the time of*

*writing. This is a major milestone and a significant achievement for the Company. Our 2020 exploration programme has led to some stellar drill intersections particular at the Sanioumale West and East deposits and we are excited to model these and see the potential impact on the life of mine at Yanfolila. We continue to make solid progress at Kouroussa ahead of commencing construction of our second mine, which, when built, will see the Company as a circa 220,000 oz producer. Additionally, our important environmental and social governance initiatives continue to provide significant benefits for our local stakeholders."*

### **Yanfolila Operational Highlights**

To view the RNS with illustrative graphics please use this link: <http://www.rns-pdf.londonstockexchange.com/rns/1241D 1-2020-10-25.pdf>. Also, to view the Company's updated Q3 2020 Corporation presentation please visit the website at [www.hummingbirdresources.co.uk/investors/reports-presentations/](http://www.hummingbirdresources.co.uk/investors/reports-presentations/)

### **Environmental, Social & Governance ("ESG") Highlights**

- No environmental incidents reported
- TRIFR for the period was 0.91 against a benchmark of 2.5
- World Gold Council ("WGC"), Responsible Gold Mining Principles ("RGMP") internal committee was set up last quarter and is making solid progress with the ongoing GAP analysis on current work practices and policies in order to meet the WGC RGMP requirements for membership
- Hummingbird continues to manage its COVID 19 risks. Cases so far and new cases reported have showed mild or A-symptomatic symptoms and all previous case individuals have now fully recovered
- Tailing Storage Facility ("TSF") capital work improvements costing ~US\$2 million for 2021 have been approved. Works to begin early Q1 2021 for completion before next year's wet season
- The Company have on order and is awaiting the delivery of a new medical COVID-19 testing machine, expected soon. This will allow the Company to rapidly test employees to assist in the overall management of the virus on-site and the surrounding areas
- **Community projects update:**
  - **Reforestation** - The 2020 goal of reforesting 20 hectares of land on and around the mine site is 100% completed. Hummingbird is committed to building on this commitment to further its reforestation programmes for 2021 and beyond
  - **Schools** - The sponsorship of 11 teacher salaries continues at eight local schools in the neighbouring communities (Yallankro-Soloba and Sere Moussa ani Samou). Recent highlights include Teachers and Pupil sanitisation and hand washing kits for COVID-19
  - **Soap Manufacturing** - The sponsorship of local soap manufacturing continues to be successful. In particular increased soap usage from the Yanfolila mine being used to compact COVID-19 spread
  - **Market Gardens** - Hummingbird now sponsors 10 garden markets, with 675 local workers with produce sold at local markets and the Yanfolila mine site

- **Poultry Farms** - The Company sponsors four local poultry farms which now have 40 full time employees. During the quarter the Soloba farm had record production of 541Kg. Plans for the future include developing two poultry farms at the Tiemba and Donsosso villages
- **Honey Initiative** - The Company currently sponsor Beehive manufacturing education with the aim to divert local artisanal miners towards sustainable employment. During the quarter Hummingbird conducted the training of 15 people and currently have 75 bee hives operating
- **Water** - During the quarter the Company rehabilitated five manual pumps, increased capacity of a water tower and constructed 14 latrines in the surrounding local communities
- **Malaria spraying** - The ongoing malaria spraying programme continues in conjunction with a number of the Company's key contractors supporting these initiatives

#### **Other Items**

- Post the quarter end, Hummingbird reached an agreement with Bunker Hill Mining Corporation ("Bunker Hill") to settle it's US\$2.1 million outstanding convertible loan to the Company by converting the entire loan into common shares of Bunker Hill
- The Company is extending certain share options that would normally expire on the 26 October 2020 due to close period restrictions in order that the holders have an opportunity to exercise them at the first available opportunity. This relates to 1,660,000 share options exercisable at 22p

#### **Exploration & Drilling Post Quarter Details**

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

- 15m @ 3.72 g/t from 47m depth (SNWRC0450)
- 12m @ 2.54 g/t from 10m depth (SNWRC0451)
- 15m @ 3.45 g/t from 9m depth (SNWRC0461)
- 2m @ 44.39 g/t from 24m depth (SNWRC0469)

##### **Sanioumale East "SE" Deposit**

- **16m @ 9.64 g/t from 47m depth (SNERC0317)**
- 7m @ 3.72 g/t from 45m depth (SNERC0308)
- 9m @ 1.90 g/t from 36m depth (SNERC0315)
- 4m @ 4.09 g/t from 65m depth (SNERC0317)
- 5m @ 3.85 g/t from 101m depth (SNERC0329)

Photos below are from Sanioumale East RC drilling.

#### **Yanfolila Mineral Resources Map**

**\*\*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 (previously ARX Resources 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.

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