

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

22 October 2021

**Hummingbird Resources plc**  
(‘Hummingbird’ or the ‘Company’)  
**Q3 2021 Operational and Trading Update**

Hummingbird Resources plc (AIM: HUM) announces its operational and trading update for the third quarter of 2021 ("Q3 2021").

**Q3 2021 updates:**

- **Gold poured:** 22,102 ounces ("oz") of gold poured in Q3 2021 (Q2 2021: 24,494 oz)
- **Gold sold:** 22,255 oz of gold sold in Q3 2021 at an average realised price of US\$1,782 per oz (Q2 2021: 24,790 oz at an average realised price of US\$1,802)
- **Gold inventory:** 2,769 oz gold inventory at 30 September 2021, valued at ~US\$4.8 million
- **All in Sustaining Cost ('AISC'):** US\$1,520 per oz for Q3 2021 (Q2 2021: US\$1,386 per oz), the increase being due to lower production quarter on quarter ("QoQ")
- **Quarter production:** Production was impacted by mining contractor excavator equipment availability in September. Mitigation measures are being implemented with our mining contractor to bring mining volumes back to contracted levels
- **Investment profile and balance sheet in Q3:** Lower cash balance in Q2 versus Q3 driven by:
  - Lower gold production QoQ
  - Continued investment in exploration and expansion capex developing future deposits of ~US\$8.0 million, split ~US\$4.4million at Yanfolila, Mali and ~US\$3.6million at Kouroussa, Guinea
  - VAT payments of ~US\$5.6 million and working capital movements, resulting in a net-debt, including gold inventory, of ~US\$1.0 million
- **Exploration update:**
  - Yanfolila, Mali: ~6,750 metres ('m') was drilled during the quarter, mainly on Sainamoule East ("SE") and Sainamoule West ("SW") extensions, in addition to greenfield drilling at the Kama and BBC deposits
  - Kouroussa, Guinea: ~12,800 m was drilled during the quarter, with the focus of the drill programme to convert resources to reserves
  - Both regions remain on schedule to complete their 2021 drilling campaigns by year end of ~44,000 m at Yanfolila and ~24,000 m at Kouroussa

**Outlook:**

- **Yanfolila, Mali:** Due to lower contracted volumes of material being mined than was anticipated in the mine plan for Q3, our current model for full year production is forecast to be at the lower end of the guidance range of 100,000 - 110,000 oz, and AISC at the upper end of the guidance range of US\$1,250 - 1,350 per oz of gold. The Company notes that, all other things being equal, meeting this forecast is based on the mitigation measures, as described above, being successfully implemented by our mining contractor, bringing mining volumes back to contracted levels
- **Company reserve update:** An updated Company reserve statement is scheduled to be released later in the current quarter, including a maiden reserve for Kouroussa. This will be followed by a subsequent Company resources and reserve update, based on the 2021 drilling campaigns, to be released in Q2 2022
- **Kouroussa, Guinea:** On 12 October, the Company announced details of the financing, capex estimates and timelines for Kouroussa. Construction of Kouroussa is scheduled to commence this current quarter, with first gold pour scheduled for the end of Q2 2023
  - Kouroussa is forecast to be a high-grade, low-cost mine that will produce between 120,000 and 140,000 oz for the first three years of production and average 100,000 oz over the life of mine ("LOM"), at an AISC in the range of US\$900-US\$1,000 per oz
- **Dugbe, Liberia:** Earn-in partner, Pasofino Gold Ltd ("Pasofino"), released drilling results during the quarter which continued to highlight the significant gold endowment scale of the Dugbe project, with Pasofino expected to release an updated Mineral Resource Estimate ("MRE") shortly

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

*"The third quarter saw Hummingbird balance the need for investment and further optimisation in its current production at Yanfolila, whilst building a broader and sustainable platform for growth through its development of the high grade/low cost Kouroussa mine in Guinea. Beyond the challenges faced during the quarter from underperformance by our contract miner, the Company has seen a number of operational improvements across the board as we continue to build our business. Of significance since the quarter end, was the signing of a group financing facility with Coris Bank to support our next stage of growth with the construction of the Kouroussa gold mine. We look forward to updating the market over the coming months with further developments as we execute on our growth strategy."*

**Operational Summary**

**Yanfolila, Mali**

	Unit	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Gold poured</b>	oz	22,102	24,494	22,781	22,012	24,722	24,054
<b>Ore mined</b>	t	392,005	443,490	364,114	382,289	268,726	334,094
<b>Ore processed</b>	t	326,020	391,652	345,374	359,208	352,348	337,926
<b>Avg. grade mill feed</b>	g/t	2.27	2.14	2.16	2.03	2.27	2.36
<b>Recovery</b>	%	91.95%	91.88%	92.97%	93.47%	95.18%	94.78%
<b>Gold inventory</b>	oz	2,769	1,972	2,596	1,980	4,634	4,339

- Gold poured of 22,102 oz was down ~9.8% on Q2 2020 levels, impacted by mining contractor excavator equipment availability in September
- Mitigation measures are being implemented with our mining contractor in order to bring mining volumes back to contracted levels including:
  - Additional maintenance on existing excavators in order to bring them back to full productivity

- Maximising existing excavator fleet availability
- Reviewing regional options for additional excavator capabilities
- Average grade mill feed was up on Q2 levels by ~6% averaging 2.27 g/t versus 2.14 g/t in Q2. As per the mine plan, the operation is moving into some of the higher-grade parts of the ore bodies for the year in Q4. With mitigation measures as detailed above being implemented successfully, expectations are that mined ore tonnes from our contract miner will return to contracted levels, where these high-grade ore zones will be increasingly mined
- Mill recovery rates for the quarter were flat at ~92% versus Q2 levels
- Yanfolila optimisation strategy progress: During the quarter, progress was made in: drill and blast; dilution control; geological review processes; and security upgrades

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

On 12 October, the Company announced details of the financing, capex estimates and timelines for Kouroussa. Construction of Kouroussa is scheduled to commence this current quarter, with first gold pour scheduled for the end of Q2 2023

- Kouroussa is forecast to be a high-grade, low-cost mine that will produce between 120,000 and 140,000 ounces ("oz") for the first three years of production and average 100,000 oz over the life of mine ("LOM")
- LOM for a minimum of seven years, forecast to produce at an average AISC in the range of US\$900-US\$1,000 per oz throughout the LOM, with material upside potential through further exploration drilling which is currently being planned
- Total Project capex of US\$97.5 million for a one million tonne per annum ("Mtpa") processing plant and establishment costs, with an additional budget of US\$10 million for pre-production mining cost and US\$7.5 million for contingencies
- The Project is funded through internal cash flows and a group financing facility from Coris Bank International ("Coris Bank") of US\$100 million at a fixed interest rate of 8.5% over four years
- Industry leading project economics at a gold price of \$1,750 per oz:
  - IRR 71%
  - NPV US\$210 million
  - Cumulative free cash of US\$314 million
  - Capex payback period of approximately two years post commencement of production

#### **Dugbe, Liberia**

- Earn-in partner, Pasofino Gold Ltd ("Pasofino"), released several drilling results during the quarter on the key Tuzon and Dugbe F deposits. The results continue to highlight the significant gold endowment scale of the Dugbe project
- The next key update on Dugbe to be released by Pasofino is an updated Mineral Resource Estimate ("MRE") due shortly, with a definitively feasibility study ("DFS") scheduled to be finalised by Q2 2022

#### **Financial Summary**

	Unit	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
<b>Gold sales</b>	oz	22,255	24,790	22,019	24,285	23,794	31,520
<b>Avg. gold sale price</b>	\$/oz	1,782	1,802	1,788	1,862	1,919	1,663
<b>Operating cash costs</b>	\$'000	33,472	33,986	31,588	35,634	30,045	30,652

<b>AISC on gold sold</b>	\$/oz	1,520	1,386	1,494	1,496	1,283	983
<b>Net (debt) / cash</b>	\$'m	(5.9)	9.0	0.5	(2.1)	(9.7)	(20.3)
<b>Net (debt) / cash inc gold inventory value</b>	\$'m	(1.0)	12.4	4.9	1.5	(0.9)	(12.5)
<b>Debt repayments</b>	\$'m	-	4.7	8.6	6.6	8.3	8.4
<b>Debt repayments (movement in loan)</b>	\$'m	-	4.6	8.7	5.7	6.9	7.6

- Q3 ASIC of US\$1,520 per oz was higher than Q2 levels of US\$1,386 per oz, primarily driven by lower gold ounces poured during the quarter
- With Q4 production forecast to rise per our mine plan, AISC costs are expected to fall in this current quarter in line with the higher end of our full year guidance expectations as detailed in the above highlights
- A lower cash balance in Q2 versus Q3 as detailed in the above highlights. The net-debt position is funded via a long standing overdraft facility in place with Coris Bank

#### **Environmental, Social and Governance ("ESG") quarterly key updates**

- **World Gold Council ("WGC") and responsible gold mining principles ("RGMPs"):** Key focus of the corporate and onsite ESG teams for the quarter has been to finalise the WGC RGMP's year two independent limited assurance audit, which is in the final stages of being completed. A material amount of work is now being done with our ESG teams and independent ESG consultant identifying work streams required to close identified gaps in order to receive our September 2022 WGC RGMP assurance audit certification
- **Kouroussa environmental and social impact assessment ("ESIA"):** An updated ESIA study was completed to ensure Kouroussa delivers on leading ESG industry standards and the WGC RGMPs
- **Covid-19:** Our ongoing mitigation strategies continued to be implemented at Yanfolila and Kouroussa, with a small number of Covid-19 cases being reported and contained during the quarter. Ongoing employee vaccination programmes continued
- **Hummingbird Tree Initiative:** Planting of ~10,000 trees from the Company's locally supported village nursesey programmes was ~95% completed during the quarter at Yanfolila and scheduled to be finalised this month, as part of the Company's yearly ~20-hectare rehabilitation programme

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

For further information 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 multi-asset, multi-jurisdiction gold production, development and exploration Company and member of the World Gold Council ('WGC'). Our vision is to continue to grow our asset base, producing profitable ounces, while central to all we do being our Environmental, Social & Governance ('ESG') policies and practices. The Company currently has two core gold projects, the Yanfolila Gold Mine in Mali and the recently acquired Kouroussa Gold 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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