

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

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

Q4 2018 Production Results and Operational Update

Hummingbird Resources (AIM:HUM), the African gold producer, provides an operational update and announces preliminary production results for the fourth quarter ("Q4") and twelve months ended 31 December 2018 at its Yanfolila Gold Mine in Mali.

Operational Overview

- 91,620 ounces ('oz') of gold poured in FY 2018, at the top end of the revised guidance of 87,000 - 92,000 oz
- 17,895 oz of gold poured in Q4 2018 at an AISC of US\$1,677
- Good start to operations in 2019 with production in January on track to produce circa 10,000 oz
- Komana East pit wall remediation progressing well and completion is due in the coming weeks
- Second ball mill construction at Yanfolila remains on budget and on schedule for completion in Q3 2019
- Improving safety record at site with the TRIFR dropping from 11.63 in Q1 2018 to 3.64 in Q4 2018
- Guidance for 2019 of 110-125,000 oz production at US\$800-850/oz AISC

Corporate Overview at end of Q4 2018

- Cash of US\$21m (US\$20m at end of Q3), including US\$9.5m drawn under new loan for second ball mill
- Debt of US\$61m (US\$58m at end of Q3)

Dan Betts, CEO of Hummingbird, commented:

"The Group has been through an operationally challenging quarter, but I am pleased to report that we have made significant headway on the ground in resolving the issues we faced. January's production figures are in line with 2019's production guidance and mine plan and we are making positive progress with the construction of a second ball mill, which is due for completion in Q3 2019. This will increase throughput and, along with our exploration campaign, the long-term value of Yanfolila.

Over the course of Q1 we look forward to receiving the remaining drilling results from the 2018 exploration campaign and working with the team to understand how to release the expected potential of these results in our Life of Mine planning."

Yanfolila Gold Mine

	Q4 '18	Q3 '18	Q2 '18	Q1 '18*	FY '18
Gold Poured (Ounces)	17,895	22,206	33,101	18,418	91,620
Ore mined (Tonnes)	340,867	212,742	282,153	295,228	1,130,990
Ore processed (Tonnes)	333,734	232,518	287,605	238,628	1,092,485
Avg grade mill feed (g/t)	1.91	2.99	3.43	2.96	2.77
Recovery (%)	94.22	96.42	95.17	96.10	95.48
Gold Sales (Ounces)	20,850	20,029	38,726	11,941	91,546
AISC (US\$/oz)	1,677**	1,006	790	-	1,087
Average gold sale price (US\$/oz)	1,221	1,217	1,307	1,332	1,271

*ramp-up quarter

** impacted by Komana East pit wall remediation

The Company met FY revised guidance with 91,620 ounces of gold poured. Both the mining and processing divisions at site performed well over the quarter. In Q4 the Company is pleased to report that there was a significant increase in mining rates following a review by our contract miner and an increase in mining fleet on site. The reduction in average grade of the mill feed in Q4 compared to Q3 is due to more low-grade stock piles being processed than in the original 2018 mine plan as the mining fleet was focused on remediation work.

Guidance

2019 production guidance of 110,000-125,000 oz of gold is reiterated. Previously a 'target' was given for the AISC of US\$800/oz for 2019. The overall budget of the remediation work remains the same but more of the costs are falling in Q1 2019 than anticipated with the Q4 AISC being lower than forecast (\$1,677/oz vs a forecast of US\$1,800/oz). This has led the Company to update its 'target' with a full AISC guidance for the year of US\$800-850/oz.

Yanfolila Second Ball Mill Construction

The Group is pleased to announce that the construction of a second ball mill at the Yanfolila Mine in Mali is progressing to plan with approximately a third of the project having been completed to date and within budget. Excavation earthworks for the mill raft commenced at the end of 2018 and are ongoing with civil works underway. The project is due to be completed in Q3 2019.

Currently the Yanfolila crushing circuit is a two-stage operation, incorporating both primary and secondary crushing circuits designed to treat mainly oxides and a blend of oxide and transition ores. The second ball mill will increase throughput capacity from 1Mtpa to 1.24Mtpa, when operating with 100% fresh material, and as such offers a good return on investment in the Company's view. US\$9.5m of additional debt was drawn from Coris Bank in Q4 to part-finance the US\$13m capex for the construction of the second ball mill.

Health and Safety

For the full year 2018, the Company beat its internal safety performance target. To build upon continually reducing malaria incidence rates, the Company has donated bed nets into the national bed net distribution programme and has assisted in survey and outreach programmes. The Company has continued to run a nurse shadowing programme where community nurses shadow one of the Company's contracted UK doctors.

Safety Performance Results

	LTIFR*	TRIFR**
	12 month avg	12 month avg
Q1 2018	3.29	11.63
Q2 2018	2.50	10.19
Q3 2018	2.37	5.59
Q4 2018	1.80	3.64

*Lost Time Injury Frequency Rate

**Total Recordable Injury Frequency Rate

Environment and Community

Several community projects continue including the completion of the new clinic in Bougoudale and the poultry project, which has delivered 3,000 kg of chicken meat for sale in H2 2018 and has plans to self-finance an expansion of the future.

Environmental and Social Impact Assessment ('ESIA') is underway for permitting additional pits within the project area in line with the Company's exploration plans.

Remediation work

During the quarter, significant progress has been made on the pit wall remediation and the work is near completion. This has had an ongoing impact on operations, which led to a reduced production forecast for the FY 2018. The Company has resumed full capacity production in Q1 2019. The overall budget for the remediation work remains the same but slightly more of the costs than expected will fall in Q1 2019, which has led to the lower than forecast AISC for Q4 2018. However, this is fully incorporated in the 2019 guidance of US\$800-850/oz.

The Company encountered a significant logistical issue in Q4 since a public bridge on the main road to site was put under a strict weight limit. The bridge remained in use in accordance with the restrictions by the Company throughout the Q4 period and presently, however, to overcome the weight limit issue, the Company mobilised a military barge to transport heavy equipment and other large loads across the river. Work on a new bridge by a Government contractor, is progressing well and the Company understands the project is due to be completed at the end of Q2 2019.

Exploration

To see results of the programme please refer to press releases during the quarter on the Company's website. The remaining drilling results from the 2018 exploration campaign are expected to be released during the current quarter.

Dugbe Gold Project

The Company re-signed the Mineral Development Agreement ('MDA') with the incumbent Government of Liberia in January 2019. We are now awaiting The Liberian Government to follow due process and inform the Company that it has been passed into law.

Dugbe is Liberia's largest gold deposit with 4.2Moz of gold in Resources and the Company has an additional +2,000km² of highly prospective ground under licence in the country.

Changes to Hummingbird Incentive Plan

The Company announced on 30 April 2018 that it had implemented the Hummingbird Incentive Plan - Performance Orientated 2018 ("HIPPO2018") incentive scheme to retain and incentivise key team members to deliver efficient production from Yanfolila in its first year of operations.

The production and all-in sustaining costs ("AISC") targets for 2018 were not met and no discretionary performance awards will be made in respect of 2018.

In recognition of the critical importance of the recovery plan as announced on 29 November 2018 and to retain and incentivise key team members, the Company has amended the targets for the HIPPO2018 incentive scheme to align these with the Company's key objectives for 2019, without any increase to dilution.

Name	Position	Total number of options granted in 2018 under HIPPO2018	Options lapsed	New options granted	Options Vested	Total number of options outstanding under HIPPO2018
Daniel Betts	Chief Executive Officer	1,367,188	-	-	-	1,367,188

Thomas Hill	Finance Director	879,688	-	-	-	879,688
Other Employees	n/a	3,910,943	(625,000)	595,177	-	3,910,943
Total Directors and Employees		6,314,069	(625,000)	595,177	-	6,284,246

As the core team is developed, further awards may be made under HIPPO2018 subject to a maximum dilution limit from HIPPO2018 of 5% of the issued share capital from time to time.

The options under HIPPO2018 have been granted over ordinary shares in the Company of £0.01 each ("Shares") and have an exercise price of £0.01 per Share. Subject to the performance criteria being met the respective tranche, under normal circumstances, the options shall vest 50% by 31 March 2020, 25% by 31 December 2020 and 25% by 31 December 2021 subject to continuous employment with the Company:

- (a) Production Tranche: 1/3 of the options will vest if 120,000 (or more) ounces of gold are poured between 1 January 2019 and 31 December 2019.
- (b) Cost Tranche: 1/3 of the options will vest if the Yanfolila AISC (as announced by the Company) as normalised for a US\$0.86 / litre fuel price and a US\$1,200 per ounce gold price is equal to or lower than US\$800 per ounce sold.
- (c) Performance Tranche: 1/3 of the options will vest based on the individual performance of the participant and the Company's safety performance, which is at the Board's discretion.

Once vested, any options may be exercised during a set exercise period determined by the Company and notified to the option holders. This will be a minimum of two weeks period per year when the Company is in an "open period" under MAR (either two consecutive weeks or two separate period of one week each). Unvested options will normally lapse on cessation of employment for any reason. The option holders will retain vested options following cessation of employment and will have two years from the date of cessation of employment to exercise, after which the option shall lapse.

Related Party Transaction

The modification of the terms of participation of Daniel Betts and Thomas Hill in the HIPPO2018 scheme is deemed a related party transaction pursuant to the AIM Rules for Companies. The Directors, with the exception of Daniel Betts and Thomas Hill, having consulted with Strand Hanson Limited, the Company's nominated adviser, consider that the

revised terms of the HIPPO2018 scheme are fair and reasonable insofar as shareholders are concerned.

****ENDS****

For further information, please visit www.hummingbirdresources.co.uk or contact:

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About Hummingbird Resources Plc

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 Dugbe Gold Project in Liberia. Yanfolila produced its first gold pour on time and budget in December 2017. Yanfolila held pre-production Probable Reserves of 709,800oz @ 3.14g/t, total Resources of 1.8Moz of gold and an additional 390,700oz of non-compliant exploration potential. 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 29% IRR and US\$186m NPV at a US\$1,300 gold price.

In addition to Hummingbird's production and development assets, the Company also has an exploration footprint of ~4,000km² and a 28% interest in AIM listed Cora Gold, which is

advancing a portfolio of prospects in Mali and Senegal.

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.

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