

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

3 February 2021

Hummingbird Resources plc
("Hummingbird" or the "Company")
Q4 2020 production and 2021 outlook

Hummingbird Resources plc (AIM: HUM) is pleased to provide the following corporate and trading update for the fourth quarter of 2020 ("Q4 2020") and its 2021 outlook. To view the RNS with illustrative maps please use this link: http://www.rns-pdf.londonstockexchange.com/rns/8342N_1-2021-2-3.pdf

Q4 2020 Highlights:

- The Company recorded a net cash positive position of ~US\$1.5 million at 31 December 2020*
- Current bank loans scheduled to be fully repaid in Q2 2021
- Cash of ~US\$11 million (~US\$9 million Q3 2020). Total bank debt of ~US\$13 million, reduced by ~US\$6 million during the quarter, and gold inventory value of approximately US\$4 million
- Continued impressive Total Recordable Injury Frequency Rate ("TRIFR") of 0.82, exceeding the Company's target of a TRIFR lower than 2.5 for 2020
- ~US\$2 million received from the Government of Mali as part payment for their acquisition of an additional 10% stake in Yanfolila, as announced on 2 February 2017
- 22,012 ounces ("oz") of gold poured (24,722oz in Q3 2020).
 - Full year 2020 production of 101,069oz of gold
- All in Sustaining Cash Cost ("AISC") on gold sold of US\$1,496 per oz (US\$1,283 per oz AISC in Q3 2020).
 - Full year 2020 AISC of US\$1,147 per oz
- 24,285oz of gold sold in Q4 2020 at an average realised price of US\$1,862 per oz

Exploration Highlights:

- 2020 drilling programme, of ~21,000 metres ("m"), completed at Yanfolila. For further details please see announcement dated [8 October 2020](#) and [23 December](#)

[2020.](#)

- **Komana East Underground ('KEUG')** - over 4,535m drilled from 14 holes in 2020 and infill drilling ongoing during Q1 2021
 - Drilling has successfully confirmed continuity and gives confidence for the potential of an underground mine beneath current operating pit Komana East ("KE") at >3 grammes per tonne ("g/t"). See 2021 outlook section for KEUG development plans
 - Key hole of 3.5m at 5.41g/t from 195.6m depth (KEUGDD014) showed northwards extension potential which is currently being followed up for further drilling
 - KEUG plans are anticipated to be released later in the year with proposed design and portal locations ahead of commencing development in late 2021
- **Sanioumale East ("SE")** - initial drilling in 2020 showed exciting potential for an open pit deposit not currently included in the mine plan, with drilling ongoing in 2021
 - Ongoing drilling to determine potential for extensions outside the existing mineral resource. Current SE mineral resources of ~62,000oz pre 2020 drilling
 - Notable hole of 16m at 9.64g/t from 47m (SNERC0317), indicative of high-grade shoots, with more drilling required to follow up
 - Further, recently assayed SE drill holes post Q4 2020 as detailed below showing wide, high grade and shallow to deep intercepts. Key holes of note include:
 - SNERC0379 10m at 5.75g/t from 137m
 - SNERC0382 29m at 2.40g/t from 71m*
 - SNERC0402 42m at 4.07g/t from 80m*
 - SNERC0403 24m at 2.95g/t from 92m*
 - SNERC0403 33m at 3.40g/t from 149m
 - SNERC0405 8m at 5.98g/t from 150m
 - SNERC0405 6m at 7.93g/t from 101m
 - SNERC0406 10m at 3.55g/t from 26m
 - SNERC0406 10m at 3.61g/t from 46m
 - SNERC0410 14m at 2.27g/t from 77m
 - * denotes ending in mineralisation
 - As a result of these recent results, drilling of SE is ongoing and expected to be a key focus of exploration in 2021
- **Sanioumale West ('SW')** - over 13,000m drilled as part of the infill and resource expansion programme for the deposit, which has given confidence to the known mineral resources and shown potential for expansion
 - SW mineral resources stand at ~138,000oz pre 2020 drilling, with drilling planned this year to follow up on high grade zones

- Key hole of 15m at 18.25g/t from 16m depth (SNWRC0433) providing further confidence in the mineral resource grade and overall future potential to increase the mineral resource

Kouroussa Gold Project ("Kouroussa"), Guinea, Highlights:

- Key Q4 2020 pre-development progress highlights include:
 - Process plant, flow sheet, infrastructure, and front-end engineering design ("FEED"), which are now nearing completion
 - Detailed capital cost estimates for equipment, construction and major contracts, which are currently being tendered for
 - Sterilisation drilling commenced which will be completed in the coming months to confirm infrastructure layout plans
 - Mine design and scheduling begun at two of the key deposits, Koekoe ("KK") and Kinkine ("KnK")
 - Exploration planning commenced on several high priority targets in order to increase the current resource base of ~1.18 million oz ("Moz") at over 3g/t
- The Company's initial technical assessment of Kouroussa in terms of exploration and mineral resource growth potential is showing upside potential. See maps below for more details
- Hummingbird will update the market in more detail once the mining license is awarded

Dugbe Gold Project ("Dugbe Project"), Liberia, Highlights:

- Pasofino Gold (TSX:VEIN), with a current market capitalisation of ~C\$47 million, to earn a 49% interest in the 4.2Moz Dugbe Project once a Definitive Feasibility Study ("DFS") and a defined exploration programme has been completed. Key Q4 2020 highlights include:
 - Renewed exploration programme commenced in addition to the already extensive historical drilling undertaken by Hummingbird of over 75,000m, with a key multiple gold anomaly area known as Tiehnpo commencing drilling in November
 - An additional exploration license known as the "Central License" (which is well known for its extensive artisanal workings) was acquired, bringing the total Dugbe license area to a material 2,565 square kilometres
 - Key developed infrastructure completed including: mining camp upgrade, road improvements; and multiple bridges built and repaired
 - Pasofino Gold has recently released updated drilling and exploration results on existing Dugbe F and Tuzon deposits, and on two new 'regional targets'
 - Press [here](#) for recent releases and map below for more detail

Environmental, Social & Governance ("ESG") Highlights:

- Rehabilitated six key water infrastructure bore holes at a locally supported market gardens employing ~675 locals
- Completed the 2020 tree rehabilitation programme, consisting of over 8,000 trees, and initiated development plans for the "Hummingbird Tree Initiative" to develop Company skills in tree cultivation and an onsite nursery
- Conducted extensive community and onsite training on: Covid-19, HIV, traffic safety, and site zero-harm protocols
- Initiated standard and hygiene improvement initiatives at the four Hummingbird supported poultry farms employing ~40 locals and the local healthcare clinic

2021 Outlook:

- 2021 production guidance of 100,000 - 110,000oz of gold, with AISC of US\$1,250 - 1,350/oz on gold sold
- Production profile weighted towards the second half of the year, with part of the KE pit to be mined out this period and focus to move to Komana West ("KW") pit where higher grades are lower in the orebody which are not expected to be accessed until the latter part of 2021 onwards
- Current bank loans on schedule to be fully repaid in the next quarter, Q2 2021
- Mali development capex of ~US\$7 million planned for 2021 focussing on the Gonka, SW and KEUG deposits for future production, including the haul roads to SE and SW currently under construction
- Mali exploration and mine life extension budget doubled to ~US\$10 million focussing on:
 - SE drilling and permitting to increase the confidence of current geology and expand on the existing resources of ~62,000oz
 - KEUG drilling and permitting requirements to be finalised with a view to be in production by 2022
 - It is anticipated KEUG to contribute to the base load production profile for the Company at greater than 3g/t with mine life potential looking to be extended with this year's exploration and drilling programmes
 - SW follow up drilling of high-grade zones identified in 2020 to further increase current resources of ~138,000oz
 - Initial green field exploration drilling at the Diaban target and further metallurgical work at the Kabaya South deposit
 - Updated Company mineral resources estimate ("MRE") models to be released end of Q1 and expected to be updated annually to capture progress of each years' programmes
 - See Mali mining license and deposits map below for more details
- Guinea pre-development, optimisation and exploration planning focussing on:

- Ongoing pre-development work to de-risk and optimise the project, including completion of FEED and contract tendering process
- Exploration planning for programmes to increase confidence and the extent of the current resource base of ~1.18Mozs at +3g/t. A number of high priority targets have been identified to focus on at the key deposits KK and KnK. See maps below for more details
- More updates to be provided once the mining licenses are awarded and further progress made
- Continue to focus and enhance existing ESG initiatives and community projects. See below in more detail the Company's 2021 ESG plans
- Junction Contract Mining expected to be appointed as mining contractor at Yanfolila, Mali, on similar terms to the current contractor whose contract ends this year

Dan Betts, CEO of Hummingbird, commented:

"2020 has been a challenging year in which to operate and many of these logistical challenges remain. However, Hummingbird ends the year in a solid net cash balance sheet position, with a strong internal growth pipeline including the development of Kouroussa and the exciting 2021 exploration and drilling campaign at Yanfolila ahead of us. We have a more modest 2021 production outlook which we believe is achievable and will establish a solid footing for the Company as we generate circa \$70 million of project level EBITDA at current gold prices. The Company's pre-development plans at Kouroussa continue, with our confidence of the exploration and mineral resource growth potential increasing the more work we do on the project. Additionally, we are excited about the progress at our Dugbe Gold project in Liberia with earn-in partners Pasofino. I believe the foundations are set for 2021 to be a strong year for the Company as we capitalise on the organic growth opportunities ahead of us and continue to progress towards our goal of being a multi-asset, multi-jurisdiction producing resources company."

FY2020 production

	Q4 2020	Q3 2020	Q2 2020	Q1 2020	FY 2020	FY 2019
Gold poured (Ounces)	22,012	24,722	24,054	30,282	101,069	115,649
Ore mined (Tonnes)	382,289	268,726	334,094	446,183	1,431,293	1,733,870
Ore processed (Tonnes)	359,208	352,348	337,926	339,159	1,388,641	1,253,658
Avg. grade mill feed (g/t)	2.03	2.27	2.36	2.98	2.41	2.88
Recovery (%)	93.47%	95.18%	94.78%	93.19%	94.08%	93.48
Gold sales (Ounces)	24,285	23,794	31,520	24,575	104,174	112,686
AISC (US\$/oz)	1,496	1,283	983	875	1,147	986

Average gold sale price (US\$/oz)	1,862	1,919	1,663	1,568	1,745	1,377
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- 2020 gold poured of 101,069oz
- 2020 gold sold of 104,174oz at AISC of US\$1,147/oz with an average realised full year price of US\$1,745/oz
- Q4 2020 running into Q1 2021 gold pour has been impacted by lower production from one section of KE (KE1) which will be fully mined this period. See maps below for more details on KE
- Pre-Tax Profit of US\$26 million (2019 Pre-Tax Profit of US\$9 million)
- EBITDA of US\$75 million (2019 US\$55 million)
- Adjusted EBITDA** of US\$62 million (2019 US\$46 million)

2021 ESG outlook

- No environmental incidents reported
- Continual progress to the adherence of the World Gold Council ("WGC"), Responsible Gold Mining Principles ("RGMPs"). The Company is finalising an initial GAP analysis on current work practices and policies in order to then move towards the next step of identified GAP closure
- Continue to monitor and manage vigorously Covid-19 risks through on-site testing, quarantine procedures and overall hygiene protocols
- Finalise the ~US\$2 million capex improvement to the tailing's storage facilities ("TSF") before this year's rain season begins and continue to monitor vigorously TSF in general

Community project 2021 outlook:

- 2021 focus to enhance and improve current community projects. Further, to better empower the communities and those involved to make the community projects the Company support sustainable for the longer term
- **Rehabilitation:** Plant ~8,000 trees over 20 hectares and develop the "Hummingbird Tree Initiative". Developing a Company skill base in terms of tree cultivation by creating an on-site nursery in Mali initially, to supply trees for ongoing yearly rehabilitation programmes
- **Water:** Upgrade and rehabilitate water systems at Company supported village market gardens:
 - Adding new water supply at an anticipated new market garden at the Bougoudale village
 - Upgrading three market garden water systems at the Tiemba, Komana and Fougatie villages
 - Rehabilitating three existing water supply boreholes at the Sanioumale, Tientogo and Makandiana villages
 - Adding a new water well at the Tientogo market garden

- **Community health:** The Company will support a new local community health doctor at the Bougoudale Health Centre. Hummingbird believe this will have a material positive local community health care impact, coupled with the already successful on-site health care clinic as supported by remote healthcare experts CCI (Critical Care International)
- **Schools:** Continue to support 11 teacher salaries at eight local schools and increase school infrastructure support via: Bougoudale school teacher accommodation repairs; and rehabilitation of three classrooms at the Komissana school
- **Market gardens:** Develop two new market gardens at the Bougoudale and Tientogo villages. Current market gardens support ~675 local workers with produce sold at local markets and the Yanfolila mine site. Once these additional two market gardens are developed, the Company anticipate this will support ~700-800 local workers, resulting in one of the key community project success stories
- **Poultry farms:** Develop two new local village poultry farms. The Company currently supports four local poultry farms with ~40 full time employees. Further, a key focus this year is to help the farms improve their overall standards in terms of hygiene and manufacturing capabilities as well as ways to make the farms more sustainable from a business perspective for the longer term
- **Soap manufacturing:** Continued support and enhanced training on business and how to improve the soap manufacturing process in partnership with FAFPA Mali (a national structure which sponsors development projects and training). Additionally, the Yanfolila Mali mine will continue to purchase soap products to deter the Covid-19 virus spread
- **Beehives:** Ongoing training support and sponsorship of beehive manufacturing education with the aim to divert local artisanal miners towards sustainable employment
- **Malaria spraying:** This year, we expect to continue the historically successful malaria community spraying programmes in partnership with key contractors

Yanfolila, Mali KE and KW deposit pit maps

Yanfolila, Mali mining licenses and deposit map

Kouroussa, Guinea mining licenses map (under application)

Kouroussa, Guinea mining licenses and exploration license map (under application)

Dugbe, Liberia exploration map

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 please visit www.hummingbirdresources.co.uk or contact:

Daniel Betts, CEO Thomas Hill, FD Edward Montgomery, CSO & ESG	Hummingbird Resources plc	Tel: +44 (0) 20 7409 6660
James Spinney Ritchie Balmer	Strand Hanson Limited Nominated Adviser	Tel: +44 (0) 20 7409 3494
James Asensio Thomas Diehl	Canaccord Genuity Limited Broker	Tel: +44 (0) 20 7523 8000
Tim Blythe Megan Ray Rachael Brooks	Blytheweigh 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'). Our vision is to continue to grow our asset base, producing highly 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. Construction of the Yanfolila mine, was on time and on budget in December 2017 having produced to date in excess of 321 kozs (as end of December 2020). Mineable Reserves, as at 31 October 2019 Yanfolila were 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 Mineral Resource base of 1.18Moz @ 3.08 g/t, which we are working on to be fast tracked to production, adding an additional c.100,000 oz of gold per annum to the Company's production profile. 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.

* Includes gold inventory (1,980 oz valued at approximately US\$4 million). Exclude IFRS 16 lease liabilities and quoted investments valued at approximately US\$8 million.

** Adjusted EBITDA Earnings before interest, tax, depreciation and amortisation, effect of impairment charges, foreign currency translation gains/losses and other non-recurring expense adjustments but including IFRS 16 lease payments.

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