

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

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

Q4 2022 and 2023 Outlook

Closing out the 2022 year with strong production of +28koz, meeting revised full year guidance and on track at Kouroussa, Guinea for first gold pour at the end of Q2 2023

Hummingbird Resources plc (AIM: HUM) provides an operational update for the fourth quarter of 2022 ("Q4 2022") and its outlook for FY2023.

Operational update

Yanfolila, Mali

- **Production:** Strong Q4 2022 gold production of 28,264 ounces ("oz"), +67% from Q3 2022
 - Full year 2022 production of 80,635 oz, meeting revised guidance
- **All-in Sustaining Cost ("AISC"):** Materially improved quarterly AISC of US\$1,248 per oz for Q4 2022 (Q3 2022 US\$2,161 per oz)
 - Full year 2022 AISC of US\$1,782 per oz, meeting revised guidance
- **Gold sold:** 27,860 oz of gold sold in Q4 2022 at an average realised price of US\$1,726 per oz (Q3 2022: 16,917 oz of gold sold at an average realised price of US\$1,713 per oz). The Company held 2,057 oz of gold inventory on 31 December 2022, valued at c.US\$3.7 million

Kouroussa, Guinea

- Kouroussa remains on track for first gold pour at the end of Q2 2023
- Critical path construction and operational readiness items are nearing completion
- 2 million lost time injury ("LTI") free hours achieved, a key safety achievement for the Kouroussa construction team, with this positive safety trend continuing

Dugbe, Liberia

- As reported in the Q3 2022 operational update, the Company is currently conducting a strategic review of its options to best realise the maximum value of the Dugbe project for all stakeholders. This process is ongoing with our joint venture partner, Pasofino Gold Limited ("Pasofino")

Corporate

- Improved Group EBITDA of c.US\$11 million for Q4 2022
- **ESG:** The Company achieved full World Gold Council ("WGC") Responsible Gold Mining Principles ("RGMP") compliance during the quarter as detailed in 15 November 2022 RNS

2023 Outlook

- The Company provides a 2023 guidance update for Yanfolila, Mali and, once Kouroussa, Guinea is in production and ramping up, the Company will provide a more detailed Group wide guidance update for the full year

- Expectations are that once Kouroussa is fully operational, the mine will add a material uplift to the Group's production profile for FY2023 and beyond
- FY2023 production guidance for Yanfolila, Mali of 80,000 - 90,000 oz, with full year AISC of under US\$1,500 per oz

Dan Betts, CEO of Hummingbird, commented:

"Following the initiation of restructuring the Company's contract mining operations as detailed last quarter, Hummingbird finished the year in a substantially stronger position, with Yanfolila producing its best quarterly production for several years, of over 28koz, an improved AISC profile generating positive cashflows, with similar trends continuing for this current quarter.

Kouroussa's construction continued to make material advances and remains on target for first gold pour at the end of Q2 2023, despite a challenging macro environment. Kouroussa is a high-grade mine, with LOM upside through further drilling which we are reviewing for 2H 2023, that will provide strong cash flow generation, taking the Company to be a +200,000 oz gold producer, which we will give more detailed guidance on once in production and ramping up.

Further, during the quarter we achieved full WGC RGMP compliance, a key milestone in terms of the Company's implementation of leading industry standard ESG policies and procedures.

For 2023 we will achieve our strategic goal of being a multi-asset, multi-jurisdiction gold producer. With Yanfolila operational performance improving, and Kouroussa set to come online the end of Q2 2023, the Company is at a pivotal juncture for exponential growth, with expectations for improved cash flow generation and a stronger balance sheet this year."

Operational Update

	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Gold poured	oz	15,548	20,013	16,827	28,264	80,653
Mined BCMS	bcms	2,164,253	2,726,205	1,539,947	1,303,770	7,734,175
Ore mined	t	502,800	511,449	361,755	529,496	1,905,500
Ore processed	t	298,925	357,837	290,756	382,683	1,330,202
Avg. grade mill feed	g/t	1.71	1.87	1.90	2.45	2.00
Recovery	%	95.39%	94.82%	92.84%	94.28%	94.33%
Gold inventory - incl SMD	oz	2,557	2,418	2,187	2,057	2,057

Further operational and post period updates on:

Yanfolila, Mali

- Q4 2022 production of 28,264 oz was a +67% improvement from the 16,827 oz in Q3 2022, and 80,653 oz for FY 2022, meeting revised guidance
 - As noted in our Q3 2022 release, to stabilise production, the Company intervened with our contract miner in securing additional key equipment to site, including grade control and production rigs, coupled with onsite leadership changes
 - These measures have been broadly successful, with the Company being able to better achieve its mine plan schedule, move into the higher-grade Komana East ("KE") deposit, resulting in a strong production quarter, with a similar quarter-on quarter production profile expected for this quarter, Q1 2023
- Mill feed grade for Q4 2022 averaged 2.45 grammes per tonne ("g/t"), a material improvement from the previous quarters, with a FY 2022 average mill feed grade of 2.00 g/t
 - With operational and production improvements as highlighted above, better access to the higher-grade ore deposit at KE was achieved, leading to the improved grade profile
- Ore processed totalled 382,683 tonnes ("t"), a +30% improvement from Q3 2022 levels, as the key target deposit for the quarter, being KE, was mined, leading to higher-grade and more tonnage ore feed processed at the mill
- Mined bank cubic meters ("BCM") totalled 1,303,770 in Q4 2022 and 7,734,175 for FY 2022
 - The BCM movement in Q4 2022 was lower than Q3 2022, as the key target mine area for the quarter, being KE, required less overall BCM movement and more drill rig exposure to access the higher-grade ore feed to the mill. This resulted in an improvement in ore processed at the mill as noted above compared to Q3 2022 levels
- Processing plant recovery rates for Q4 2022 were 94.28%, returning to the average 1H 2022 rates

- As noted in our Q3 2022 update, the Komana East underground ("KEUG") deposit is in our 2023 Yanfolila mine plan with first underground gold production expected by the end of Q4 2023, for a full year of production scheduled for FY 2024. With a +278,000 oz Reserve, at 3.94 g/t, and increased mine life potential with further drilling, the KEUG will be a key deposit to underpin Yanfolila's future production profile
- The Company has initiated a detailed cost control and reduction programme at Yanfolila, Mali with a focus to reduce AISC for FY2023 and beyond versus FY2022 levels
- Per the highlights above, FY2023 production guidance for Yanfolila, Mali of 80,000 - 90,000 oz, with a full year AISC of under US\$1,500 per oz

Kouroussa, Guinea:

Kouroussa is a high-grade, low-cost mine, which has a current Reserve of 647,000 oz at 4.15 g/t with upside potential to extend life of mine ("LOM") with further drilling, which is being reviewed for 2H 2023. As previously announced, the mine is estimated to produce an average of between 120,000 oz and 140,000 oz for the first three years of production and average 100,000 oz over the initial LOM.

As noted in the highlights above, Kouroussa remains on track for first gold pour at end of Q2 2023, with a more detailed Group wide production guidance update to be released once the mine is in production and ramping up.

Key operational and construction updates that occurred for the quarter include:

- All process plant earthworks completed
- Civil works for the Oxide ore crushing ROM wall, SAG mill, and Reclaim Tunnel have been completed, Carbon Plant civil works near completion and Gold Room civil works have commenced
- All Pre-Leach, CIL and Detoxification tanks constructed, reagents make-up building erected
- Plant store and Workshop infrastructure buildings completed and mine administration building roofing installation in progress
- All mine camp accommodation units near completion, camp messing and entertainment building under construction
- TSF construction progress aligned with the planned process plant commissioning date

Installation and delivery of key items

- Mechanical installation commenced for Mineral Sizer and SAG mill, all SAG mill base plates are installed and signed off. SAG mill fixed and floating bearing installation commenced
- CIL and Detox Agitator shafts and blades, delivered to site and installed
- Air services building, compressors and air receivers installed
- All crushing circuit mechanicals delivered to site - Apron Feeder, Vibrating Grizzly Feeder, Jaw Crusher and Mineral Sizer. Conveyor mechanical equipment delivered to site
- SAG mill base plates, fasteners, bearings, trommel screen, feed chute, shell cans and liners delivered to site
- Carbon safety screen installed

Operational Readiness update

- A General Manager with significant operational experience joined during Q4 2022 and is implementing detailed operational readiness programs towards first gold pour
- Long lead items for the project have been ordered, with the last remaining key equipment delivery items due early this quarter, Q1 2023

- Operation readiness programmes are being finalised and implemented in preparation for first gold pour end of Q2 2023 including: mine plan; grade control drilling; overall mining and power infrastructure implementation; and active recruitment for final key operational positions
- Mobilisation of mining personnel and equipment took place during the quarter, with mining ramping up in 1H 2023
- Power plant scheduled to be operational in Q1 2023, with the addition of a +7-megawatt hour ("Mwh") solar farm to be constructed and operational by year end. Once installed it is anticipated that in excess of 30% of the power will be generated through solar, with discussions ongoing to increase this to 40% in 2024, being a key part of the Company's greenhouse gas ("GHG") emission reduction strategy
- As noted on our Q3 2022 release, community engagement remains a key feature of all workstreams, with the community projects and livelihood initiatives underway, which the Company expects to expand upon in 2023 including: water supply infrastructure; local community hospital infrastructure improvements and medical supplies; market gardens; and commercial product manufacturing training such as Shea butter and honey cultivation

Dugbe, Liberia:

As noted above, the Company is currently conducting a strategic review of its options to best realise the maximum value of the Dugbe project for all stakeholders with our joint venture partner, Pasofino. The Company will provide more details once more material progress is made.

Financial Summary:

	Unit	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Gold sales	oz	15,179	20,490	16,917	27,860	80,445
Avg. gold sale price	\$/oz	\$1,871	\$1,851	\$1,713	\$1,726	\$1,782
Operating cash costs	\$'000	\$32,177	\$38,253	\$36,179	\$34,581	\$141,190
AISC on gold sold	\$/oz	\$2,235	\$1,859	\$2,161	\$1,248	\$1,782
Net (debt) / cash	\$'m	(\$47.4)	(\$64.4)	(\$84.6)	(\$113.6)	(\$113.6)
Net (debt) / cash inc gold inventory value	\$'m	(\$42.4)	(\$60.1)	(\$81.0)	(\$109.8)	(\$109.8)

- Q4 2022 AISC improved materially from Q3 2022 levels at US\$1,248 per oz, versus US\$2,161 per oz, primarily due to the improved quarterly production
 - FY 2022 AISC of US\$1,782 oz, meeting revised guidance
- Improved Group EBITDA of c.US\$11 million for Q4 2022
- Net debt position c.US\$114 million end of Q4 2022 (c.US\$110 million including gold inventory value). As detailed in the Q3 2022 release, an additional c.US\$35 million debt facility was agreed with Coris Bank International ("Coris Bank"), to secure funding requirements and ensure Kouroussa moves into production, with c.US\$15 million of the US\$35 million remaining available and expected to be drawn 1H 2023
- Of the budgeted c.US\$115 million capex for the construction of Kouroussa, c.US\$65 million has been paid as at the end of Q4 2022, with the balance to be paid over the coming quarters from Yanfolila cash flows (which have improved) and existing debt facilities, including c.US\$20 million contractor deferrals, retention incentives and working capital not expected to be paid until Kouroussa is into full production

ESG Q4 2022 updates include:

- The Company achieved full WGC RGMP compliance during the quarter as detailed on 15 November 2022. Adopting the WGC RGMPs is a key part of the Company's strategy for building a long term, sustainable mining Company and a key ESG result and highlight for 2022
- The Company continued to have strong community engagement both at Yanfolila and Kouroussa, including the development and enhancement of community projects at both sites including: water supply infrastructure; malaria prevention spraying; market gardens; training initiatives; and community healthcare support. FY 2023 ESG budgets have been finalised and the Company expects to enhance our community project works, especially at Kouroussa
- As noted above, at Kouroussa, planning and budgeting was finalised during Q4 2024 to have installed a +7Mwh solar farm to provide energy efficiencies and reduce the Company's GHG emissions at the mine. Once installed it is anticipated that in excess of 30% of the power will be generated through solar, with discussions ongoing to increase this to 40% in 2024

Notes to Editors:

Hummingbird Resources plc (AIM: HUM) is a leading multi-asset, multi-jurisdiction gold production, development and exploration Company, member of the World Gold Council and founding member of Single Mine Origin (www.singlemineorigin.com). The Company currently has two core gold projects, the operational Yanfolila Gold Mine in Mali, and the Kouroussa Gold Mine in Guinea, which will more than double current gold production when in full production, scheduled for first gold pour the end of Q2 2023. 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. The final feasibility results on Dugbe showcase 2.76Moz in Reserves and strong economics such as a 3.5-year capex payback period once in production, 14-year life of mine at a low AISC profile. 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.

For further information, please visit hummingbirdresources.co.uk or subscribe to our investor releases via [investor email alerts](#)

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