



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

26 October 2023

Hummingbird Resources plc

("Hummingbird", the "Group", or the "Company")

Q3-2023 Operational and Trading Update

Yanfolila well positioned to meet FY-2023 guidance & Kouroussa ramping up for a full year of commercial production from FY-2024.

Hummingbird (AIM: HUM) is pleased to provide a Group operational and trading update for the third quarter ending 30 September 2023 ("Q3-2023").

Operational update

Yanfolila Mine, Mali

- Yanfolila produced 18,399 ounces ("oz") of gold in Q3-2023, an increase of c.9% on the previous year (Q3-2022: 16,827 oz), with a total of 69,546 oz produced as of the end of September 2023.
- AISC on gold produced at Yanfolila totalled US\$1,651 per oz in Q3-2023, a decrease of c.24% on Q3-2022 (US\$2,161 per oz), with an average AISC of US\$1,298 per oz to the end of September 2023.
- 18,550 oz of gold sold at an average realised price of US\$1,918 per oz (Q3-2022: 16,917 oz sold at US\$1,713 per oz). As of the end of September 2023, the Company held 1,834 oz of gold inventory.

Kouroussa Mine, Guinea

- In Q3-2023, Kouroussa produced 1,047 oz of gold, and another 614 oz shortly after. The Company's updated production expectations for H2-2023 is c.10,000 oz, and on track for a full year of commercial production from FY-2024.
- Through Q3-2023, the processing plant's overall performance continued to improve, with availability reaching c.82%. The plant is on track to operate on a consistent 24-hour basis during Q4-2023.
- Mining volumes at Kouroussa have encountered challenges during ramp-up, primarily stemming from seasonal weather, equipment commissioning, and the recruitment and training of local and national Guinean personnel. The Company is actively resolving these issues, with improvements being seen and expected to accelerate during Q4-2023.

Corporate update

- In Q3-2023, the Group achieved a Loss Time Injury Frequency Rate ("LTIFR") of 0.80 per million hours worked, and Kouroussa surpassed 1 million operational hours Loss Time Injury ("LTI") free since the start of plant commissioning.
- In Q3-2023, the Group achieved an adjusted EBITDA of c.US\$1.2 million, vs a loss of US\$8.9 million in Q3-2022, resulting in a cumulative adjusted EBITDA of c.US\$34.3 million as of the end September 2023.
- Per the Interim Results, a Group refinancing and funding package was agreed to provide additional cash liquidity and capital support. With both mines on track for full commercial production and increased cash flow generation from FY-2024, material balance sheet deleveraging is set to commence next year with scheduled repayments of c.US\$77 million in FY-2024, c.US\$61 million in FY-2025, and the remainder c.US\$15 million payable by the end of FY-2028.

Outlook

- With 69,546 oz produced as at the end of September 2023 at Yanfolila, the Company is well on track to meet its FY-2023 production guidance of 80,000 - 90,000 oz, with AISC remaining under US\$1,500 per oz.
- The Company remains focused on being a c.200,000 oz per annum gold producer and will provide formal FY-2024 Group production and AISC guidance at the Q4-2023 operational and trading update, expected at the end of January 2024.

Investor Presentation

The Company's senior management team will be holding an investor presentation today at 15:30 BST via the Investor Meet Company platform.

The event will cover the release and provide an opportunity for Q&A. The Company invites attendees to pre-send questions to the Company via IR@hummingbirdresources.co.uk.

Webcast link: <https://www.investormeetcompany.com/hummingbird-resources-plc/register-investor>

Dan Betts, CEO of Hummingbird, commented:

"Being the wet season, Q3 is traditionally the most challenging period to operate in as we have learned over the years. However, during the quarter Yanfolila performed in line with our expectations and with over 69 Koz of gold produced through to the end of September, we are well positioned to comfortably meet our FY-2023 Production and AISC guidance.

At Kouroussa, we have focussed on ramping up the operation across all disciplines and are proud to have achieved over 1 million LTI free hours since commissioning the plant in Q2-2023. We expected challenges during the six-month ramp up period; however, our plant has exceeded expectations, regularly meeting nameplate capacity in Q3-2023. During the quarter we encountered hurdles in increasing mining volumes and ramping up the recruitment and training of local and national Guineans. We're actively addressing these challenges, targeting increased operational performance in Q4-2023, setting the mine up for full commercial production from FY-2024 and are committed to building and operating a mine the people of Guinea can be proud of.

Further, the refinancing and funding package agreed with our long-term finance partners Coris Bank provides increased financial flexibility for Hummingbird, with material deleveraging projected to begin in FY-2024. Importantly, we remain on track to deliver c.200,000oz per year, establishing ourselves as a mid-tier, multi-asset, multi-jurisdiction gold producer."

Operational update

Yanfolila, Mali: Q3-2023 operational summary

	Unit	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Year to Q3-2023
Gold poured	oz	16,827	28,264	27,262	23,885	18,399	69,546
Mined BCMs	BCMs	1,539,947	1,303,770	1,557,793	592,360	1,775,723	3,925,876
Ore mined	t	361,755	529,496	647,869	262,911	171,959	1,082,740
Ore processed	t	290,756	382,683	366,622	364,459	339,333	1,070,414
Avg. grade mill feed	g/t	1.90	2.45	2.41	2.21	1.79	2.15
Recovery	%	92.84%	94.28%	94.41%	94.06%	92.93%	93.79%
Gold inventory incl SMO	oz	2,187	2,057	2,810	1,831	1,834	1,834

Note: Ore mined includes high grade, low grade, and marginal material. Ore processed is a blend based on preferential feed of high grade and low grade, with marginal ore added as an incremental feed source.

- As of the end of Q3-2023, the Yanfolila operation recorded a rolling 12-month average LTIFR of 0.9 per million hours worked, which is well below the Company's target rate of less than 1.20 per million hours worked.
- During Q3-2023, gold production totalled 18,399 oz. With a total of 69,546 oz produced for the first nine months of FY-2023, Yanfolila is well positioned to meet FY-2023 production guidance.
- Mined BCMs increased on previous levels at 1,775,723 tonnes following the commencement of mining at the Sanioumale East ("SE") open pit deposit.
- Ore processed totalled 339,333 tonnes, with additional ore feed alongside SE provided by other deposits including Sanioumale West ("SW") and Komana West ("KW").
- Q3-2023 saw a reduction in average grade mill feed at 1.79 grammes a tonne ("g/t") and processing plant recovery of 92.9%. The change in grade and recovery rate was driven by the shift in mining to SE and other open pits, and the blending of marginal Run of Mine ("ROM") stockpiles with higher grade mined material.
- The development of the Komana East Underground ("KEUG") Mine has continued with the Company targeting production from FY-2024 onwards.

Yanfolila ESG:

- During the quarter, Hummingbird held an official handover and opening ceremony for the new SE village. This village has been built with the guidance of West African specialist consultants, Environmental and Social Development Company ("ESDCO") and provides housing and infrastructure for over 40 families.
- Throughout the quarter, the Company continued its commitment to collaborating with local communities in the Yanfolila region, actively seeking opportunities to engage in and support local community initiatives. These initiatives include projects focused on enhancing and restoring local school infrastructure, as well as the advancement of livelihood projects within the community (including market gardens, bee keeping store and equipment, and a poultry house).

Kouroussa, Guinea: Q3-2023 operational summary

- At the end of Q3-2023, the Kouroussa operation achieved a rolling 12-month LTIFR of 0.5 per million hours worked. Additionally, Kouroussa surpassed the significant milestone of 1 million operational hours LTI free following the commissioning of the plant.
- During the quarter, Kouroussa poured 1,047 oz of gold and completed its first gold shipment, with a further 614 oz poured shortly after the end of period.
- The processing plant has continued to improve during its ramp up with the plant availability through Q3-2023 at c.82%. Furthermore, during the quarter, the plant performed to the 1 million tonnes per annum ("Mtpa") nameplate design and ran on a 24-hour basis across several days. The plant remains on-track to operate on a consistent 24-hour basis during Q4-2023.
- Mining volumes at Kouroussa have been impeded by challenges associated with the ramping up of operations during the regional wet season, commissioning of mining equipment, and the ramp up of recruitment and training of local and national Guinean personnel. The Company is actively resolving these issues, with improvements being seen and expected to accelerate during Q4-2023.
- During the quarter, the mining activities centred on overburden removal, resulting in lower-grade material on the ROM pad being fed to the mill. However, as mentioned above, with anticipated improvements in mining productivity during Q4-2023, the Company expects higher-grade sections of the ore body to be accessed, leading to increased gold production rates through the quarter towards full commercial production from FY-2024.

Kouroussa ESG:

- During the quarter, the Company has been working with local communities in the surrounding regions to the mine to ensure the operation meets the rigorous local employment requirements and expectations. Community engagement remains an ongoing key focus for the Company, including the prioritising of employment opportunities at the mine for Guinean locals and nationals.

- Through FY-2023 the Company has completed several social responsibility projects in the Kouroussa region including: the construction of sanitation infrastructure; implementation of community livelihood projects (including poultry farms, soap making and market gardens initiatives); development of local water infrastructure; and provision of educational equipment for local schools.
- Additionally, during the quarter the Company conducted an onsite worker awareness campaign against malaria led by the Kouroussa medical team.

Dugbe, Liberia

- The strategic review of options to best realise the maximum value of Dugbe for all stakeholders remains ongoing with our joint venture partner Pasofino Gold Limited ("Pasofino"), with no material updates in Q3-2023.
- Post the quarter, the Company notes the recent exploration release from Pasofino, which highlights further zones of mineralization at the Dugbe Tuzon deposit.

Exploration Summary

- During the quarter, updated 2023 Company Reserves and Resources statements were released, noting Group Reserves of 4.03 million ounces ("Moz") and Group Resources of 6.95 Moz.
- The Company is currently finalising exploration plans for FY-2024. Details on the Group's exploration plans, including updates on the completed extension drilling, is anticipated before year end.

Financial update

	Unit	Q3-2022	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Year to Q3-2023
Yanfolila Gold Mine, Mali							
Gold sales	oz	16,917	27,860	26,380	24,770	18,550	69,700
Avg. gold sale price	\$/oz	\$1,713	\$1,726	\$1,878	\$1,981	\$1,918	\$1,925
Operating cash costs	\$'000	\$36,179	\$34,581	\$28,998	\$29,996	\$30,543	\$89,537
AISC on gold sold	\$/oz	\$2,161	\$1,248	\$1,109	\$1,234	\$1,651	\$1,298
Group Financial Performance							
Adjusted EBITDA	\$m	(\$8,885)	\$11,152	\$17,575	\$15,503	\$1,189	\$34,266
Net (debt) / cash	\$m	(\$84.6)	(\$128.7)	(\$110.8)	(\$122.8)	(\$123.0)	(\$123.0)
Net (debt) / cash inc gold inventory value	\$m	(\$81.0)	(\$125.0)	(\$105.2)	(\$119.3)	(\$119.5)	(\$119.5)

- Q3-2023 AISC on gold produced at Yanfolila totalled US\$1,651 per oz, a decrease of c.24% on the previous year (Q3-2022: US\$2,161 per oz) and an increase of 34% on the previous quarter (Q2-2023: US\$1,234 per oz). The increase in AISC was primarily driven by the reduction of gold production during the regional Q3-2023 wet season and increased mining activity of more open pits, including SE.
- During the quarter, a total of 18,550 oz of gold was sold at an average realised price of US\$1,918 per oz (Q3-2022: 16,917 oz sold at an average realised price of US\$1,713 per oz) with the Company's gold sales currently remaining unhedged and fully exposed to the stronger current gold price.
- Group adjusted EBITDA of c.US\$1.12 million for Q3-2023, vs a loss of US\$8.89 million in Q3-2022, resulting in total adjusted EBITDA as of the end of September 2023 of c.US\$34.3 million.
- During the quarter, the Company agreed a Group refinancing and funding package with Coris Bank International ("Coris Bank") for c.US\$55 million including:
 - Refinancing c.US\$35 million of existing loans with Coris Bank, to provide additional cash liquidity as Kouroussa ramps up towards a full year of commercial production from FY-2024; and

- An additional c.US\$20 million to provide increased capital support for the Group, including the continual development of underground mining operations at the Yanfolila Mine in Mali.
- The Company's revised deleveraging schedule to begin in FY-2024, versus Q3-2023, with c.US\$77 million due in FY-2024, c.US\$61 million scheduled for FY-2025, with the remainder c.US\$15 million payable up to the end of FY-2028.
- As of the end of the quarter, the Company held a net debt position of c.US\$123.0 million at the end of Q3-2023 (c.US\$119.5 million including gold inventory value). For the quarter end:
 - Gross debt of c.US\$138.0 million.
 - Cash at bank of c.US\$15.1 million.
 - Gold inventory value of c.US\$3.4 million.

****ENDS****

Notes to Editors:

Hummingbird Resources plc (AIM: HUM) is a leading multi-asset, multi-jurisdiction gold producing 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 once at commercial production. Further, the Company has a 51% controlling interest in the Dugbe Gold Project in Liberia that is being developed by joint venture partners, Pasofino Gold Limited. The final feasibility results on Dugbe demonstrate 2.76Moz in Reserves and strong economics such as a 3.5-year capex payback period once in production, and a 14-year life of mine at a low AISC profile. The Company's vision is to continue to grow our asset base, producing profitable ounces, while adhering to the highest international standards of Environmental, Social & Governance ("ESG") policies and practices.

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

Daniel Betts, CEO Thomas Hill, FD Edward Montgomery, CD	Hummingbird Resources plc	Tel: +44 (0) 20 7409 6660 IR@hummingbirdresources.co.uk
James Spinney Ritchie Balmer	Strand Hanson Limited Nominated Adviser	Tel: +44 (0) 20 7409 3494
James Asensio Gordon Hamilton	Canaccord Genuity Limited Broker	Tel: +44 (0) 20 7523 8000
Bobby Morse Oonagh Reidy George Pope	Buchanan Financial PR/IR	Tel: +44 (0) 20 7466 5000 Email: HUM@buchanan.uk.com