



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

31 January 2024

## Hummingbird Resources plc

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

### Q4-2023 Operational and Trading Update & FY-2024 Outlook

***FY-2023 Guidance met, and strong FY-2024 outlook positions the Company for significant deleveraging and growth.***

Hummingbird (AIM: HUM) is pleased to announce a Group operational and trading update for the fourth quarter ending 31 December 2023 ("Q4-2023") and provide operation and AISC guidance for FY-2024.

#### Operational update

##### Yanfolila Mine, Mali

- Yanfolila produced 14,419 ounces of gold ("oz") in Q4-2023, with a total of 83,965 oz produced in FY-2023, meeting the Company's FY-2023 production guidance of 80,000 – 90,000 oz.
- AISC on gold produced at Yanfolila totalled US\$1,701 per oz in Q4-2023, leading to a FY-2023 AISC of US\$1,361 per oz (FY-2022: US\$1,782 per oz), meeting FY-2023 AISC guidance of under US\$1,500/oz.
- During the quarter, 12,952 oz of gold were sold at an average realised price of US\$1,946 per oz. At the end of FY-2023, 2,908 oz were held in inventory valued at c.US\$6.0 million.

##### Kouroussa Mine, Guinea

- Kouroussa produced a total of 6,068 oz through H2-2023 following first gold production in June 2023.
- As previously announced, the ramp-up of Kouroussa encountered challenges, primarily due to slower-than-expected mining fleet mobilisation and commissioning, as well as delays in the recruitment and training of local and national of mining personnel.
- During Q4-2023, mining productivity increased and advanced towards the higher-grade regions of the Koekoe deposit. The processing plant continued to perform well and consistently operated at nameplate capacity, running on a 24-hour basis through the quarter.
- As announced on 21 December 2023, the ramp-up of production at Kouroussa was impacted by a fire at Guinea's main fuel depot, leading to the suspension of mining operations. As announced on 25 January 2024, following delivery of fuel to the Kouroussa Gold Mine, mining operations restarted and are expected to ramp up to full capacity levels over the coming weeks. The Company remains on target to achieve commercial production within Q1-2024.

#### Corporate update

- FY-2023 Lost Time Injury Frequency Rate ("LTIFR ") for the group was 0.60 per million hours worked, below the 1.20 LTIFR target.
- Group adjusted EBITDA of c.US\$0.2 million for Q4-2023, resulting in a cumulative adjusted EBITDA for FY-2023 of c.US\$34.5 million.
- The Company's near-term revenue protection scheme has been finalised with 60,000 oz protected across the first three quarters of FY-2024 through forward pricing and cost collars, with an average floor price of US\$2,000 per oz and upside of up to US\$2,150.

- In Q4-2023 the Company announced a placement and open offer, raising gross proceeds of US\$28.1 million, of which US\$5.5 million was received by the Company pre year end, to strengthen the balance sheet and advance growth initiatives. All resolutions were duly passed at the General Meeting on 10 January 2024.

## FY-2024 Outlook

- Group production guidance for FY-2024 of 165,000 – 200,000 oz at an AISC below US\$1,500, which is weighted towards H2-2024 and is split as follows.
  - Yanfolila: 75,000 – 85,000 oz at AISC below US\$1,500 oz.
  - Kouroussa: 90,000 – 115,000 oz at AISC below US\$1,500 per oz.
- The Company remains focused on material balance sheet deleveraging, which will commence in Q1-2024 with scheduled debt 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.
- In line with the exploration strategy outlined in Q4-2023, the Company expects to spend c.US\$5 million on exploration across both Yanfolila and Kouroussa, targeting near mine resource and LOM growth.

## Investor Presentation

The Company's senior management team will be holding an investor presentation on 2 February 2024 at 14:30 GMT 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](mailto:IR@hummingbirdresources.co.uk).

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

## Dan Betts, CEO of Hummingbird, commented:

*“FY-2023 posed significant challenges for Hummingbird as it evolved into a multi-asset, multi-jurisdictional gold company, welcoming Kouroussa into our portfolio and maintained our dedication to responsible mining practices and community engagement. Yanfolila demonstrated its resilience by producing nearly 84 koz of gold at an AISC of US\$1,361/oz, meeting our FY-2023 guidance. Additionally, FY-2023 saw the commencement of the Komana East underground mine development. This project is crucial in the future of Yanfolila, and we are focused on delivering commercial production later this year for a full year of production from FY-2025.*

*In the face of challenging conditions at Kouroussa, with delays in the mobilisation and commissioning of the mining fleet and the suspension of mining operations due to a fire at Guinea's main fuel depot, we successfully completed construction on schedule and within budget and produced 6,068 ounces in H2 2023. During the mining shutdown, our team has used this time diligently to further optimise the ramp-up process and with fuel deliveries now occurring, all equipment onsite and operations restarting, our focus remains on reaching commercial production in Q1-2024.*

*Looking to FY-2024, our primary focus is on delivery, and we have set our guidance in the range of 165,000 to 200,000 ounces, targeting Group AISCs at below US\$1,500. This broad range reflects the ramping up of Kouroussa, and we anticipate refining this guidance later in the year once we have reached consistent commercial production levels. In the upcoming fiscal year, our strategic objectives include achieving the substantial increase in our Group production profile, significantly reducing our net debt position, executing on exploration programs to further extend LOM at both producing assets, and delivering substantial value to our stakeholders through responsible mining practices and strategic growth initiatives.”*

## Yanfolila, Mali: Q4-2023 operational summary

	Unit	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	FY-2023
<b>Gold poured</b>	oz	28,264	27,262	23,885	18,399	14,419	83,965
<b>Mined BCMs</b>	BCMs	1,303,770	1,557,793	592,360	1,775,723	1,878,181	5,804,057
<b>Ore mined</b>	t	529,496	647,869	262,911	171,959	266,361	1,349,101

<b>Ore processed</b>	t	382,683	366,622	364,459	339,333	312,045	1,382,459
<b>Avg. mill feed grade</b>	g/t	2.45	2.41	2.21	1.79	1.66	2.03
<b>Recovery</b>	%	94.28%	94.41%	94.06%	92.93%	91.05%	93.10%
<b>Total Gold inventory</b>	oz	2,057	2,810	1,831	1,834	2,908	2,908

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.

- At the close of Q4-2023, Yanfolila maintained a rolling 12-month average LTIFR of 0.70 per million hours worked against our target rate of less than 1.20 per million hours worked.
- In Q4-2023, Yanfolila's gold production reached 14,419 ounces, contributing to a total of 83,965 ounces for FY-2023, successfully meeting guidance for FY-2023 gold production. Mining volumes rose to 1,878,181 BCMs, mainly driven by the mining at the Sanioumale East ("SE") open pit deposit.
- Ore processed in Q4-2023 totalled 312,045 tonnes, experiencing a slight decline from Q3-2023 due to increased maintenance on the mill in late November, affecting processing volumes.
- Q4-2023 saw a reduction in average mill feed grade on Q3-2023 at 1.66 grammes a tonne ("g/t") and processing plant recovery of 91.05%. The reductions over the quarter were driven by the shift in mining to SE and the blending of marginal Run of Mine ("ROM") stockpiles with higher grade material, whilst grades returned to Q3-2023 levels in December.
- The ongoing development of the high grade Komana East Underground ("KEUG") Mine progressed well, with approximately 164.5 meters of advance by the end of FY-2023. The Company, which is developing the project internally, anticipates initial developmental ore in H1-2024 and reaching commercial production later in the year.

#### Yanfolila ESG:

- Across FY-2023, the Company placed a large focus on investing within the local communities, with several initiatives completed including.
  - **SE village resettlement:** In Q2-2023, the Company successfully completed the SE village resettlement, on budget and ahead of schedule. This completion enabled the Company to initiate operations on the SE deposit earlier than originally planned. The resettlement effort saw over forty families relocated successfully and was completed under the guidance of West African specialist consultants Environmental and Social Development Company ("ESDCO").
  - **Educational infrastructure enhancement:** Under its educational program, the Company undertook the construction and rehabilitation of school infrastructure. This encompassed the construction of three classrooms and the refurbishment of teachers' housing and classrooms, contributing to the improvement of educational facilities.
  - **Water infrastructure construction:** The Company continued to invest in the construction of water infrastructure, aiming to enhance water access for approximately 1,000 people in the local region.
  - **Economic development training initiatives:** The Company implemented training initiatives focused on economic development, covering diverse areas such as market gardens, poultry and fish farming, and the establishment of workshops for honey and Shea butter production. These initiatives are designed to empower the local community economically and foster sustainable development.
  - **Community health initiatives:** Hummingbird actively combated malaria through education, training, intra-domiciliary spraying, and the distribution of mosquito nets, emphasising a comprehensive approach to disease prevention.

#### Kouroussa, Guinea: Q4-2023 operational summary

- In 2023, Kouroussa achieved a LTIFR of 0.40 across 2,449,755 hours worked, well below the targeted objective of 1.20, and surpassed several safety milestones.

- At the end of FY-2023, Kouroussa had produced a total of 6,068 oz, above updated expectations of c.5,000 oz. This was achieved through processing existing low-grade stockpiles and additional selective mining activity in late December 2023.
- As previously noted, Kouroussa encountered challenges during the ramp-up of production, particularly experiencing lower-than-planned mining productivity rates due, delays in mining equipment mobilisation and commissioning, the slower-than-expected recruitment and training of local and national personnel and impacts of seasonal weather conditions. This resulted in reduced volumes and a delay in mining the high-grade material at the initial key deposit, Koekoe.
- During November and into December, mining productivity saw an upward trend, approaching the targeted BCM movement rates and progressing towards the higher-grade regions of the Koekoe deposit.
- As previously announced, a fire at the primary fuel depot in Conakry, Guinea, led to the temporary suspension of mining operations at Kouroussa, with the processing plant remaining in operation, processing existing stockpiles and limited material mined. As announced on 25 January 2024, fuel had been successfully delivered to the Kouroussa Gold Mine in recent days, leading to the resumption of mining operations on-site. The company plans to gradually increase production to reach full capacity levels in the coming weeks.
- Throughout the suspension of mining operations, the company has undertaken several initiatives to enhance ramp-up performance. These initiatives include grade control drilling and dewatering of the operation. Additionally, extra training has been conducted for employees at the Kouroussa Mine. The Company maintains its focus on achieving full commercial production within Q1-2024.

## Kouroussa ESG:

- Throughout FY-2023, the Company successfully implemented social responsibility initiatives as well as engaging in various local initiatives, underscoring efforts the Company's commitment to strong community engagement and development. These included:
  - **Investment in Local Communities:** The Company committed resources to support local communities, encompassing the maintenance of local religious buildings and investment in the regional educational system. Notably, 500 school kits were distributed to local schools, and first aid training was provided to both regional students and local youth.
  - **Sustainability and Healthcare Focus:** Demonstrating a commitment to sustainability and healthcare, the Company continued its investment in local water infrastructure. This involved drilling six boreholes to supply fresh water to six local communities. Additionally, ongoing training and certification in health impact assessment were provided to contribute to community well-being.
  - **Environmental Responsibility at Kouroussa Mine:** The Company remains steadfast in its commitment to environmentally responsible operations. The in-house environmental team conducted comprehensive monitoring of air, noise, dust, vibration, and water quality. Furthermore, efforts towards the ongoing reforestation of the urban forest of Kouroussa align with the Company's participation in the conservation of the regional ecosystem.
  - **Community Engagement Programs:** The Company sustained its engagement with local communities through diverse programs. Initiatives included the establishment of women's market gardens across the region, fostering economic empowerment. Furthermore, a vocational three-year training program was initiated to equip local youths with skills relevant to mining-related trades, contributing to their long-term development.

## Dugbe, Liberia

- The recent conversion of the Company's 51% interest in the Dugbe Gold Project into a 51% interest in Pasofino simplifies the ownership structure, enabling efficient decision-making and project advancement.
- In January 2024, Pasofino announced a non-brokered private placement totalling approximately US\$2.33 million, inclusive of a US\$2 million investment by Hummingbird. This investment increases Hummingbird's shareholding in Pasofino to 53%.
- Working closely with the Pasofino team, Hummingbird is outlining the next steps for the Dugbe Gold Project and will provide updates in due course.

## Exploration Summary

- As previously announced, following exploration conducted during FY-2023, the Company has developed comprehensive exploration plans for FY-2024 onwards. These plans are designed to systematically expand the Resource bases at both the Yanfolila and Kouroussa operations, with the goal to increase the Reserve bases and extend LOM at both operating assets.
- Further details on the Company exploration plans can be found - [polaris.brighterir.com/public/hummingbird/news/rns/story/r7ln1vx](https://polaris.brighterir.com/public/hummingbird/news/rns/story/r7ln1vx)

## Financial update

	Unit	Q4-2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	FY-2023
<b>Yanfolila Gold Mine, Mali</b>							
<b>Gold sales</b>	oz	27,860	26,380	24,770	18,550	12,952	82,652
<b>Avg. gold sale price</b>	\$/oz	\$1,726	\$1,878	\$1,981	\$1,918	1,946	1,928
<b>Operating cash costs</b>	\$m	\$34.6	\$29.0	\$29.0	\$30.5	\$22.0	\$111.6
<b>AISC on gold sold</b>	\$/oz	\$1,248	\$1,109	\$1,234	\$1,651	\$1,701	\$1,361
<b>Group Financial Performance</b>							
<b>Adjusted EBITDA</b>	\$m	\$11.2	\$17.6	\$15.5	\$1.2	\$0.2	\$34.5
<b>Net bank (debt) / cash</b>	\$m	(\$128.7)	(\$110.8)	(\$122.8)	(\$123.0)	(\$140.4)	(\$140.4)
<b>Net bank (debt) / cash inc gold inventory value</b>	\$m	(\$125.0)	(\$105.2)	(\$119.3)	(\$119.5)	(\$134.3)	(\$134.3)

- Q4-2023 AISC on gold sold at Yanfolila totalled US\$1,701 per oz, leading to a FY-2024 AISC of US\$1,361. The decrease in AISC during Q4-2023 was in line with the progression of the mining at the SE deposit.
- During the quarter, a total of 12,952 oz of gold was sold at an average realised price of US\$1,946 per oz.
- The Company has fully implemented its near-term revenue protection strategy over a portion of the Company's production for the first three quarters of FY-2024 in the order of 60,000 oz, with forward pricing and cost collars, with an average floor price of US\$2,000 per oz and upside of up to US\$2,150.
- Group adjusted EBITDA of c.US\$0.2 million for Q4-2023 due to reduced gold sales, resulting in total adjusted EBITDA for FY-2023 of c.US\$34.5 million.
- During the quarter, the Company announced a conditional placement, accompanied by an open offer, which closed raising a total of US\$28.1 million, with US\$5.5m received by the Company, and the balance following the subsequent approved at a General Meeting held on the 10 January 2024. The Company will use the net proceeds to strengthen the balance sheet of the business and advance multiple growth initiatives as part of the Company's growth strategy.
- As of the end of FY-2023, the Company held a net bank debt position of c.US\$140.4 million (c.US\$134.3 million including gold inventory value). For the year end:
  - Gross bank debt of c.US\$148.3 million.
  - Cash at bank of c.US\$7.9 million (inclusive of the abovementioned US\$5.5m).
  - Gold inventory value of c.US\$6.0 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](http://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 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 showcase 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. 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](http://hummingbirdresources.co.uk) or contact:

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