



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

23 December 2024

Hummingbird Resources plc

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

Operational and Financial Position Update

Hummingbird Resources plc (AIM: HUM) provides an update regarding its operations and financial position.

Kouroussa Gold Mine ("Kouroussa")

Since the announcement on 25 November 2024 that Kouroussa had achieved commercial production, the operation has continued to struggle to achieve production forecasts.

The table below summarises the key performance metrics that were forecast for December at Kouroussa compared to what is estimated will be achieved given the current operating performance:

	Unit	Forecast ¹⁾	Current Estimate	% Variance
		December 2024	December 2024	
Total BCM Mined	BCM	950,910	583,695	(39%)
Mill Uptime	%	93%	76.20%	(18%)
Mill Tonnes	t	76,209	96,896	27%
Mill Feed Grade	g/t	4.31	1.92	(56%)
Recovery	%	95%	94.8%	0%
Gold Poured	oz	10,049	5,662	(44%)

¹⁾ Monthly forecast underpinning the production guidance provided in Q3-2024 Operational and Trading Update on 6 November 2024

As a result of the underperformance Kouroussa will generate c. 11.2 million less revenue than planned on gold sold in December. As a result, the mine is not at the stage to generate enough cash to fund the much-needed capex to complete the finalisation of the mine build as was envisaged in the original design, procure critical spares and make necessary sustaining capital investments.

Yanfolila Gold Mine ("Yanfolila")

Yanfolila continued to generate losses in December. The table below summarises the key performance metrics that were planned for December at Yanfolila compared to what is estimated will be achieved given the current operating performance:

	Unit	Forecast ¹⁾	Current Estimate	% Variance
		December 2024	December 2024	
Total BCM Mined	BCM	441,750	128,824	(71%)
Mill Uptime	%	96.2%	95.5%	(1%)
Mill Tonnes	T	122,952	120,233	(2%)
Mill Feed Grade	g/t	1.66	0.88	(47%)
Recovery	%	92%	92.4%	0%
Gold Poured	oz	6,021	3,149	(48%)

¹⁾ Monthly forecast underpinning the production guidance provided in Q3-2024 Operational and Trading Update on 6 November 2024

Yanfolila will struggle to break even for the foreseeable future, even before taking into consideration the substantial investment required to replace its end of life mining fleet, conducting drilling essential to extending mine life and addressing overdue creditor payments, which in many cases are significantly more than 90 days overdue. The Company and its Malian subsidiary, Société des Mines De Komana SA ("SMK"), have been engaged in constructive discussions with the Government of Mali Commission to address outstanding audit findings and clarify the application of the 2023 Mining Code to the Yanfolila Gold Mine. The Company expects to finalise an agreement with the Government of Mali shortly, thereby crystallising additional near-term payment obligations.

Reduced Production Guidance

In light of these ongoing challenges, the Company will not achieve the bottom end of most recently updated production guidance of 100,000 oz - 115,000 oz at an AISC of 2,100 per ounce that was announced in the Q3-2024 Operational and Trading Update on 6 November 2024. The Company now estimates it will produce 95,000 - 100,000 oz for the 2024 year, at an AISC of c. 2,200/oz as compared to the original guidance provided at the start of the year of 165,000 - 200,000 oz.

Financial Position Update

As a result of the operating performance noted above, and as communicated to the market over the last number of weeks, the Company is in severe financial distress and, despite the provision of approximately 30m of overdue debt repayment waivers by Coris Bank, Hummingbird will be unable to continue trading as a going concern without further external funding being provided, with such further funding if provided by CIG SA being contingent on shareholders voting in favour of the proposed resolutions at the General Meeting to take place at 10:00 GMT on Monday 23 December 2024.

	Unit	Q2 2024 (Unaudited)	Q3 2024 (Unaudited)	30 November 2024 (Unaudited)
Bank and CIG Debt	US m	153.9	154.6	160.5
Cash Position	US m	0.4	(3.9)	1.8
Trade and Other Payables	US m	134.0	152.0	155.8
Gold Inventory Value	US m	3.4	4.3	3.9
Net Bank debt and Payables	US m	(284.1)	(306.2)	(310.6)
Quarterly Gold Production	Oz	19,854	26,376	20,259 ²⁾

²⁾ As at 30 November 2024, for the full quarter production is now forecast to be 29,070 oz.

Since November, the Group's financial position has continued to decline, and without additional inflows, the Company is expected to breach its liquidity headroom by year-end. As a result, of the current challenges, Hummingbird estimates that it requires very material additional financing to address significant operational issues across both mines, alleviate material creditor obligations, improve operational performance and maintain business continuity.

Without the Resolutions being passed at the upcoming General Meeting, and immediate substantial financial support being received thereafter, the Board will likely be forced to place the Company into administration or pursue alternative insolvency processes. In such circumstances, shareholders are unlikely to receive any meaningful return on their investment, and secured creditors may exercise their security rights over the Company's assets.

Geoff Eyre, Interim CEO of Hummingbird Resources, commented:

"Recent independent assessments have highlighted significant operational challenges at both the Kouroussa and Yanfolila sites, which continue to perform very poorly. Kouroussa requires fundamental improvements in mining, processing and site infrastructure which will take a significant amount of time and money to deliver. Yanfolila's future viability depends on substantial exploration investment and successful extension of its mine life.

The Company faces immediate financial pressures that require urgent recapitalisation. Whilst the Board has explored multiple options, the transaction presented to shareholders represents the only viable path forward. If not for the forbearance of lenders and other creditors, the Company would have run out of financial runway many months ago.

The Board recommend that all shareholders vote in favour of the resolutions at the forthcoming shareholder meeting to provide the Company with the opportunity to repay creditors in full in due course and provide some value return to shareholders."

****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. Furthermore, 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 or contact:

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