



Step out drilling at Sao Chico significantly extends resource beyond current mine limits

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold exploration and development company is pleased to announce the results from its ongoing surface and underground exploration diamond drilling programme being undertaken on the Sao Chico orebody at its Palito Complex.

Highlights

- A 9,600 metre 'step out' surface diamond drill programme commenced in early Q4 to test the east and west continuity of the Sao Chico orebody. In addition, an underground drilling services contractor is undertaking an 8,000 metre underground drilling programme to test the depth continuity.
- The drilling completed to date indicates payable strike continuity of mineralisation for 200 metres to both the east and west of current mining limits.
 - Key intercepts to the west include intersections grading 21.03 grammes per tonne ("g/t") and 15.39 g/t (holes 19-SCUD-219 and 248 respectively).
 - Key intercepts to the east include intersections of 16.61 g/t and 27.35 g/t (holes 19-SC-143 and 142 respectively).
- Underground drilling also confirms extension of current Sao Chico ore-body for a further 100 metres below the lowest level of current development, level -48mRL, which is itself some 250 vertical metres below surface.
 - Key intercepts at depth include intersections of 34.42 g/t and 114.49 g/t from holes 19-SCUD-284 and 19-SCUD-274 respectively.
- Drilling has also commenced on the geophysical anomalies that lie immediately to the west of the Sao Chico orebody. A 6,000 metre Reverse Circulation ("RC") drilling programme began in early December to test the anomalies first highlighted in a news release issued in 28 November 2018.

Mike Hodgson, CEO of Serabi, commented:

"This is clearly excellent news for the Company. We are embarking on an aggressive surface and underground drilling programme mostly focusing in and around the Sao Chico orebody to assess its long-term potential. We have always seen the strong potential in and around Sao Chico and exploration success here is key to our next expansion plans should they be justified. These early drill results immediately extending the resource beyond the current mining limits have returned some excellent intersections over minable widths in all directions. Our initial plan is to drill over an area, beyond the current mine workings, of up to 300 metres to the east, 500 metres to the west, and approximately 250 metres at depth.

"The Company has completed approximately 20 per cent of the planned programmes, which are expected to be concluded by the end of June. Our objective is that the drill programme will provide enough new information to allow us to commission the preparation of an updated geological resource and mineral reserve for the Sao Chico orebody during Q3 2020.

"The recent start-up of the RC drilling into the large terrestrial geophysical anomalies just two kilometres to the west of the Sao Chico orebody is also very exciting. These anomalies, which we originally confirmed in November 2018, are quite spectacular when compared to the equivalent geophysical anomaly that overlies the Sao Chico orebody, which has produced approximately 75,000 ounces of gold to date. Strong exploration success here could lead to an expansion in production from the Sao Chico orebodies in the longer term. This programme should take



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approximately six months to complete although drilling will need to be suspended approximately every two months to allow for the processing of results.

"In the near term, operations have continued to perform well over the last quarter of 2019, and I was at site in December for the initial testing of our ore sorter. Further calibration work will be undertaken this quarter with the manufacturer at site this month. With the ore sorter being tested during this first quarter, we expect the first quarter's gold production to be at similar levels to 2019, with the enhanced production impact being realised from the second quarter onwards. With this in mind, we anticipate 2020 production guidance of 45,000-46,000 ounces.

"To end, I am pleased to say that the fourth quarter's production was strong and with final production statistics currently being reconciled, I anticipate providing the final quarter and the full year operational update very shortly."

An interview with Mike Hodgson discussing this update on the exploration and operational activities of Serabi can be accessed using the following link.

<https://www.brrmedia.co.uk/event/164611>

SURFACE DRILLING ACTIVITIES

The Company is currently conducting step-out drill traverses, from surface and underground to the east, west and at depth in and around the Sao Chico mining limits. Results to date have established the continuation of payable mineralisation in all three directions.

This step out drilling is significant in that it further highlights the potential in the Sao Chico area for new discoveries within the Serabi's tenement portfolio.

Significant grade intersections include

Hole	Target	East (UTM- WGS84)	West (UTM- WGS84)	RL	Depth (m)	Dip/Azm (°/°UTM)	From (m)	To (m)	Apparent Width (m)	Real Width (m)	Gold Grade (Au g/t)
19-SC-141	Highway	614,209.21	9,290,370.41	249.04	220.84	-54/201	195.20	195.67	0.47		3.34
							214.35	215.35	1.00	10.08	
19-SC-142	Highway	614,242.82	9,290,379.70	235.62	214.79	-45/201 <i>incl.</i>	194.36	196.00	1.64		27.35
							195.13	196.00	0.87	50.94	
19-SC-143	Highway	614,243.04	9,290,380.17	235.59	256.19	-55/201	225.60	227.10	1.50		16.61
19-SC-144	Highway	614,294.54	9,290,360.95	232.09	192.80	-45/198	168.31	168.95	0.64		5.36
19-SC-145	Highway	614,280.86	9,290,365.13	231.99	220.95	-48/200 <i>incl.</i>	159.00	161.10	2.10		8.64
							159.75	160.50	0.75	23.46	
19-SC-146	Highway	614,294.54	9,290,360.95	232.09	227.02	-52/198	157.50	158.00	0.50		6.24
19-SC-147	Highway	614,280.98	9,290,365.65	232.00	282.04	-62/200	226.00	226.39	0.39		0.87
19-SC-148	Highway	614,279.03	9,290,088.69	308.61	336.50	-55/010	278.00	278.44	0.44		5.01
19-SC-149	Highway	614,210.93	9,290,326.53	260.10	115.09	-45/202	67.60	68.20	0.60		0.52
							77.70	78.25	0.55	2.26	
19-SC-151	Highway	614,212.04	9,290,326.89	260.12	120.40	-45/162	72.00	73.00	1.00		0.83
							83.50	84.05	0.55	0.72	
							97.09	99.00	1.91	0.52	
19-SCUD-219	Main vein	613,688.02	9,290,479.49	189.94	85.12	-10/193	66.20	68.30	2.10	2.09	21.03
19-SCUD-222	Main vein	613,688.06	9,290,479.52	188.00	101.50	-41/192	92.70	95.60	2.90	2.38	5.31

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Hole	Target	East (UTM- WGS84)	West (UTM- WGS84)	RL	Depth (m)	Dip/Azm (°/°UTM)	From (m)	To (m)	Apparent Width (m)	Real Width (m)	Gold Grade (Au g/t)
19-SCUD-241	Main vein	614,150.37	9,290,369.44	6.74	216.85	-41/163	202.72	206.27	3.55	1.32	7.45
19-SCUD-248	Main vein	613,684.93	9,290,501.59	190.03	128.90	-23/234	102.42	106.80	4.38	1.81	15.39
19-SCUD-252	Main vein	613,687.53	9,290,501.61	189.41	230.65	-57/171	183.45	193.70	10.25	3.80	1.53
19-SCUD-253	Main vein	613,686.70	9,290,501.65	189.46	231.40	-62/203	209.00	212.95	3.95	2.43	0.53
19-SCUD-255	Main vein	613,686.62	9,290,501.46	189.48	191.90	-59/199	168.22	174.51	6.29	2.41	5.80
19-SCUD-258	Main vein	613,685.85	9,290,500.89	-29.09	130.75	-29/130	99.92	108.35	8.43	8.01	0.34
19-SCUD-259	Main vein	613,879.99	9,290,368.65	-23.00	100.30	-43/217	62.15	73.45	11.30	8.90	4.24
19-SCUD-261	Main vein	613,685.19	9,290,501.50	189.54	173.25	-34/228	127.52	131.90	4.38	2.54	6.42
19-SCUD-265	Main vein	613,685.16	9,290,501.34	189.16	228.60	-58/240	166.00	166.70	0.70	0.41	0.93
19-SCUD-266	Main vein	613,685.71	9,290,501.04	189.80	250.15	-58/240	201.60	206.52	4.92	3.29	6.88
19-SCUD-268	Main vein	614,081.56	9,290,366.32	6.42	207.25	-46/208	190.25	195.70	5.45	2.12	1.88
19-SCUD-271	Main vein	613,880.37	9,290,368.63	-22.83	100.00	-54/220	72.80	75.65	2.85	1.22	23.24
19-SCUD-272	Main vein	614,082.32	9,290,366.24	6.40	207.05	-53/187	196.46	199.55	3.09	1.02	5.89
19-SCUD-274	Main vein	613,870.16	9,290,377.97	-22.56	91.50	-51/202	76.40	77.68	1.28	1.00	114.49
19-SCUD-275	Main vein	613,864.92	9,290,383.72	-22.24	103.00	-52/218	72.01	75.43	3.42	2.33	2.10
19-SCUD-278	Main vein	613,864.80	9,290,383.92	-22.23	104.60	-42/239	67.41	70.08	2.67	1.00	3.85
19-SCUD-279	Main vein	614,081.49	9,290,366.20	6.52	198.55	-52/218	166.03	169.25	3.22	1.21	1.06
19-SCUD-280	Main vein	614,081.47	9,290,366.12	6.76	150.56	-30/207	130.68	132.57	1.89	0.91	2.40
19-SCUD-281	Main vein	613,860.64	9,290,388.88	-21.54	187.20	-59/230	123.61	126.49	2.88	1.02	2.83
19-SCUD-284	Main vein	613,790.84	9,290,344.82	-32.26	55.20	-54/057	35.74	44.91	9.17	1.23	34.32

Note: Reported intercepts are calculated based on a minimum weighted average grade of 0.3g/t Au using a 0.5g/t Au weighted average lower cut and a maximum internal waste interval of 1.2m based on Palito Laboratory reported analyses. All assays were completed by Palito Laboratory using a 30gm DIBK aqua regia charge with an AAS analysis. Palito Assays are not certified analyses (please refer to the footnote at the end of this release for further details).

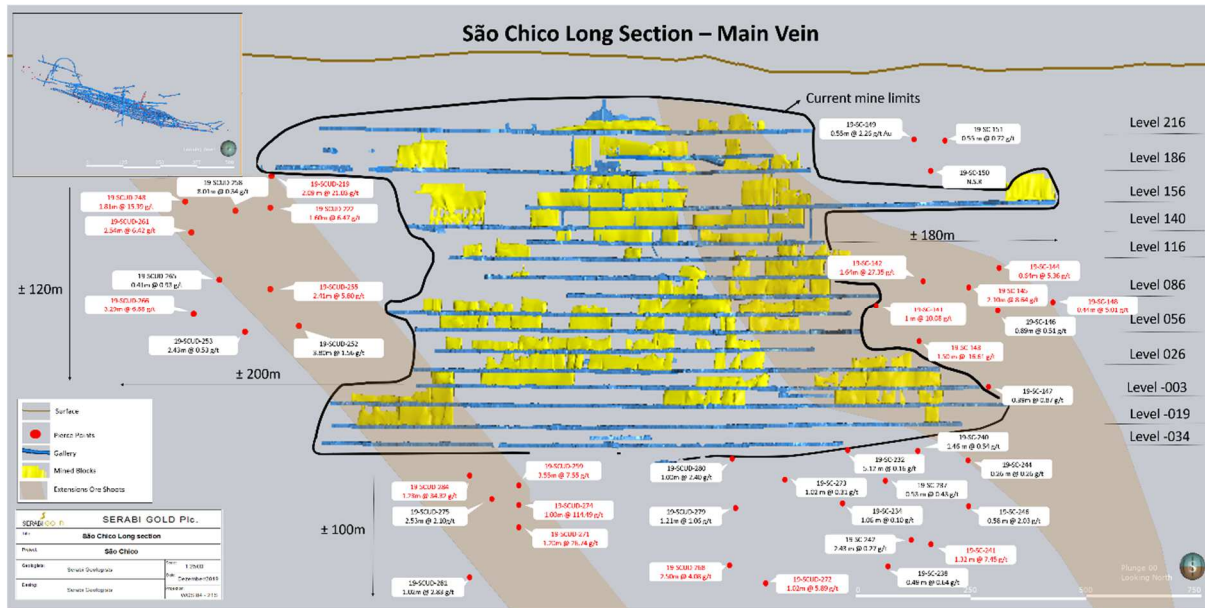


Image illustrating a long section of the orebody with location of drilling intercepts and key results
(A copy of this image is available using the following link (<https://bit.ly/2SXaXWe>))

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Copies of this announcement are available from the Company's website at www.serabigold.com.

GLOSSARY OF TERMS

The following is a glossary of technical terms:

“Au” means gold.

“assay” in economic geology, means to analyse the proportions of metal in a rock or overburden sample; to test an ore or mineral for composition, purity, weight or other properties of commercial interest.

“development” - excavations used to establish access to the mineralised rock and other workings

“DNPM” is the Departamento Nacional de Produção Mineral.

“grade” is the concentration of mineral within the host rock typically quoted as grammes per tonne (g/t), parts per million (ppm) or parts per billion (ppb).

“g/t” means grams per tonne.

“granodiorite” is an igneous intrusive rock similar to granite.

“igneous” is a rock that has solidified from molten material or magma.

“Intrusive” is a body of igneous rock that invades older rocks.

“on-lode development” - Development that is undertaken in and following the direction of the Vein

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"mRL" – depth in metres measured relative to a fixed point – in the case of Palito and Sao Chico this is sea-level. The mine entrance at Palito is at 250mRL.

"saprolite" is a weathered or decomposed clay-rich rock.

"stopping blocks" – a discrete area of mineralised rock established for planning and scheduling purposes that will be mined using one of the various stopping methods.

"vein" is a generic term to describe an occurrence of mineralised rock within an area of non-mineralised rock.

Assay Results

The assay results reported in the table within this release are those provided by the Company's own on-site laboratory facilities at Palito and have not been independently verified. Serabi closely monitors the performance of its own facility against results from independent laboratory analysis for quality control purpose. As a matter of normal practice the Company sends duplicate samples derived from a variety of the Company's activities to accredited laboratory facilities for independent verification. Based on the results of this work, the Company's management are satisfied that the Company's own facility shows good correlation with independent laboratory facilities. The Company would expect that in the preparation of any future independent Reserve/Resource statement undertaken in compliance with a recognised standard, the independent authors of such a statement would not use Palito assay results but only use assay results reported by an appropriately certificated laboratory.

Forward-looking statements

Certain statements in this announcement are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should", "envisage", "estimate", "intend", "may", "plan", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements including risks associated with vulnerability to general economic and business conditions, competition, environmental and other regulatory changes, actions by governmental authorities, the availability of capital markets, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although any forward looking statements contained in this announcement are based upon what the Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with such forward looking statements.

Qualified Persons Statement

The scientific and technical information contained within this announcement has been reviewed and approved by Michael Hodgson, a Director of the Company. Mr Hodgson is an Economic Geologist by training with over 30 years' experience in the mining industry. He holds a BSc (Hons) Geology, University of London, a MSc Mining Geology, University of Leicester and is a Fellow of the Institute of Materials, Minerals and Mining and a Chartered Engineer of the Engineering Council of UK, recognizing him as both a Qualified Person for the purposes of Canadian National Instrument 43-101 and by the AIM Guidance Note on Mining and Oil & Gas Companies dated June 2009.

Neither the Toronto Stock Exchange, nor any other securities regulatory authority, has approved or disapproved of the contents of this news release.

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