



## A strong start with over 10,000 ounces produced in the first quarter of 2019

Serabi Gold plc (AIM: SRB, TSX: SBI), the Brazilian focused gold mining and development company, is pleased to provide the results and a review of its first quarter operational and exploration activities in the Tapajos region of Para State, Northern Brazil.

### OPERATIONAL and DEVELOPMENT HIGHLIGHTS

- First quarter gold production of 10,164 ounces of gold, maintaining the momentum from the end of 2018.
- Second successive quarter of production above 10,000 ounces for the first time.
- Mine tonnage totalled 42,609 tonnes at 7.47 grams per tonne ("g/t") of gold.
- 43,451 tonnes of run of mine ("ROM") ore were processed through the plant from the combined Palito and Sao Chico orebodies, with an average grade of 7.69 g/t of gold.
- 1,868 metres of horizontal development completed during the quarter.
- Completion and announcement of the Company's updated mineral resource estimate for its Coringa gold project ("Coringa"):
  - the new mineral resource estimate represents a 37% increase over the previously disclosed estimation (as of May 3, 2017).
  - an Indicated Resource for Coringa of 216,000 ounces of contained gold (845,000 tonnes at an average in-situ grade of 7.95 g/t).
  - an additional Inferred Resource of 298,000 ounces of contained gold (1,436,000 tonnes at an average in-situ grade of 6.46 g/t).
- Production guidance for 2019 is maintained in the range of 40,000-44,000 ounces representing a significant improvement on 2018 production of 37,108 ounces.

### Key Operational Information

		SUMMARY PRODUCTION STATISTICS TO DATE FOR 2019 AND 2018					
		Qtr 1	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
		2019	2018	2018	2018	2018	2018
Gold production <sup>(1) (2)</sup>	Ounces	<b>10,164</b>	9,188	9,563	8,101	10,256	37,108
Mined ore – Total	Tonnes	<b>42,609</b>	39,669	36,071	42,725	44,257	162,722
	Gold grade (g/t)	<b>7.47</b>	7.49	8.12	6.23	7.45	7.29
Milled ore	Tonnes	<b>43,451</b>	43,145	38,155	41,405	45,548	168,253
	Gold grade (g/t)	<b>7.69</b>	7.04	7.71	6.11	7.39	7.06
Horizontal development – Total	Metres	<b>1,868</b>	2,353	2,744	2,814	2,460	10,371



- (1) Gold production figures are subject to amendment pending final agreed assays of the gold content of the copper/gold concentrate and gold doré that is delivered to the refineries.
- (2) Gold production totals for 2019 include treatment of 3,136 tonnes of flotation tails at a grade of 4.00 g/t (2018 full year: 16,466 tonnes at 3.71g/t)
- (3) The table may not sum due to rounding.

**Mike Hodgson, CEO, said:**

“With production for the first quarter of 10,164 ounces of gold, this has been another excellent quarter and continues the momentum of the fourth quarter of 2018 when we also produced over 10,000 ounces in the quarter. This is the first time that the operations have achieved two successive quarters with gold production above 10,000 ounces and puts the Company in a strong position to meet its 2019 production guidance and significantly improve on the 2018 production level of 37,108 ounces of gold.

“Mine output remains very steady, with performance very much in line with 2018. The plant continued to perform very well during the quarter, processing over 43,000 tonnes of hard rock ore with mill feed grades of 7.69g/t being 8% higher than the 2018 average.

“Development and production of the Palito orebody remains focussed on the Pipocas, Senna, Zonta and Mogno veins, whilst lateral ore development of the Sao Chico orebody is now being advanced on both the -19mRL and the -33mRL levels.

“We remain focussed on improving efficiencies and growing production especially in light of the exciting potential that the 2018 exploration results have identified, in particular around the Sao Chico deposit. Whilst to expand production we could look to simply add additional milling capacity, the old adage ‘tonnes cost, grade pays’ is an expression we live by. Therefore, the first step to producing more ounces out of our existing infrastructure is the installation of an ore sorter, which will help screen out waste rock from crushed mill feed ahead of the plant, improving grade and therefore ounces. I am pleased to report that the ore sorter is now in transit to Brazil and will be commissioned in the second half of the year. Whilst we are not forecasting production benefits from the ore sorter in 2019, we are planning for its impact to be significant in 2020.

“I also previously advised that to improve gold production we took delivery towards the end of 2018 of a ‘scrubber’, an item of equipment that will allow us to feed and process, more easily, the stockpile of historic flotation tailings. This equipment has now been commissioned and after some minor adjustments, we should begin to realise the full benefits in this second quarter.

“Whilst the operational performance of the quarter has been noteworthy, the other significant news for the Company was the 37 per percent increase in the total geological resource at Coringa. Following the exploration drilling campaign that was started in the fourth quarter of 2018, total mineral resources now exceed 500,000 ounces at over 7.0 g/t of gold, a substantial improvement on the previous estimate of 370,000 ounces issued in May 2017. Following on from this updated geological resource modelling, we are preparing a Preliminary Economic Assessment (“PEA”), the results of which the Company expects to announce before the end of June 2019.

“In parallel, we are continuing to progress the permitting of the Coringa project. Following the award of the trial mining licence for the project during the second quarter of 2018, we have cleared the surface areas to expose the initial mine portal and are awaiting the award of blasting licenses to begin underground development.

“As was reported at the end of March 2019 and in light of recent events involving tailings dams in Brazil, we are permitting the Coringa project with the intention of installing a filtration plant allowing for the dry stacking of tails and eliminating the need for a conventional tailings dam. The state environmental agency, SEMAS, have already approved the original environmental impact assessment (“EIA”) on the basis of a conventional dam and we are working with them on this amendment and to



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arrange the necessary public hearings, which we hope will be held in the coming quarter, following which we will hope to receive the Preliminary Licence ("Licencia Previa") during the second half of the year.

"With an excellent start to the year, I anticipate continued production success throughout 2019. Further, with the new updated resource at Coringa and the forthcoming PEA, we look forward to further positive progress on licencing and permitting and I look forward to reporting further positive news in the coming months".

### Production Results

Total production for the first quarter of 2019 was 10,164 ounces of gold, generated from the processing of 43,451 tonnes of ore at overall average grades of 7.69 g/t of gold. This processed ore was sourced from hard rock mined ore from the Palito and Sao Chico orebodies, supplemented by the processing of 3,136 tonnes of surface stockpiled flotation tailings grading approximately 4.0 g/t gold. Mined tonnage for the quarter totalled 42,609 tonnes with a grade of 7.47 g/t of gold.

On 31 March 2019, there were coarse ore stocks of approximately 6,600 tonnes of ore with an average grade of 2.67 g/t of gold, and approximately 30,000 tonnes of flotation tails with an average grade of 3.00 g/t of gold. These stockpiles are being consumed, albeit not as quickly as forecast, and for now the operation remains plant constrained.

A total of 1,868 metres of horizontal development has been completed during the quarter, of which approximately 926 metres was ore development. The balance is the ramp, cross cuts and stope preparation development.

### 2019 Production Guidance

The Company confirms its guidance for 2019 gold production, which is forecast to be in the range of 40,000-44,000 ounces.

**This announcement is inside information for the purposes of Article 7 of Regulation 596/2014.**

**The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.**

### Enquiries

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Copies of this announcement are available from the Company's website at [www.serabigold.com](http://www.serabigold.com).

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

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## GLOSSARY OF TERMS

The following is a glossary of technical terms:

"Au" means gold.

"assay" in economic geology, means to analyze 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

"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.

"scrubber" is a machine for cleaning ore and removing impurities such as clays, coatings or other deleterious materials.

"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.

### 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.

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