



## AGM Statement

---

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, advises that at 2.00 pm today (UK time), it will be holding its Annual General Meeting.

The following is the text of the statement that will be made by Mr. Clive Line the Finance Director of the Company. Highlights of the statement are:

- Palito production capacity for the second half of the year to be significantly enhanced.
- Second ball mill to be operational in July.
- Carbon in Pulp ("CIP") plant to be commissioned in July and first gold production expected in September.
- 45,000 tonnes of stockpiled tailings available to be processed through the CIP plant in the second half of 2014.
- First on-lode development ore from Sao Chico expected early 2015.

"Twelve months ago the Company was embarking on the early stages development of the Palito Mine and in the process of completing the acquisition of Kenai Resources Ltd. Through that acquisition, the Company acquired ownership of the Sao Chico high grade gold project.

As we sit here today, we have now completed almost six months of gold production at Palito, have significantly enhanced the Sao Chico project through the completion of a 6,070 metre drill programme undertaken in 2013 and have started mine development at Sao Chico with a view to commencing initial development ore production in Q1 2015. Our focus on high-grade, small volume projects with low capital costs has allowed us to quickly transition projects into production.

Operations at Palito continue to progress well. After the initial three month commissioning phase when we saw a steady ramp up in plant throughputs, in line with our plans, we have for the last three months been achieving process rates close to our long term objectives. The Board expects that the targets established for commercial production will have been met at the end of this quarter.

We expect that production in the second half of the year will be significantly higher than in the first six months. A second ball mill was acquired earlier this quarter and is expected to be operational for the start of July. Whilst in the long term this mill has been purchased to allow the Company to establish a second process line for ore from the Sao Chico mine, in the short term the additional capacity will allow the Company to run-down the ore stockpile that it has established and which at the end of May was approximately 18,500 tonnes.

The Company also expects to start commissioning its Carbon in Pulp ("CIP") plant early in July and expects to produce its first gold from CIP early in September 2014. This should boost overall gold recovery from the current 75% levels to approximately 91%-92%. In addition, the Company has been stockpiling the tailings produced from the current flotation and gravity recovery circuits and will reprocess these through the CIP plant resulting in a further boost to gold production over the final six months of the year. The volume of stockpiled tailings is expected to be over 45,000 tonnes with a grade of over 2.00 grammes per tonne. The processing of these tailings is expected to continue into the second quarter of 2015.

Progress in the mine has been excellent and six stopes are now in various stages of development and contributing to ore production which until now has primarily been sourced from on-lode development. We consider that the



**PRESS RELEASE 24 JUNE 2014**  
SERABI GOLD plc ("Serabi" or "the Company")



mine development is now sufficiently advanced that we can maintain in the future the optimal cycle of mine and stope development and production to keep the plant feed volumes and grade at planned levels.

At Sao Chico, work started in March on an initial cut back to gain access to the bedrock in order to establish the mine portal. Heavy rains have hampered progress of this work which had initially been scheduled for completion in July. I am pleased to report that whilst the rains continued for a month or so longer than normal, June has been mostly dry and we have started making good progress again.

Whilst we had hoped that we might be able to start some development mining in the final quarter of the year, the delay in establishing the portal and starting the process of ramping down to the first planned development level, 30 metres below surface, means that we do not anticipate commencing mining of development ore until early in the first quarter of 2015.

We have achieved a great deal in a short space of time and this would not have been possible without an excellent and dedicated local workforce. Our senior management in Brazil is very committed to establishing Serabi as an efficient gold producer in the Tapajos region and whilst our focus remains primarily on bedding down the Palito and Sao Chico projects we are always looking at further opportunities to enhance our production potential.

Before closing I would like to acknowledge again the support and commitment of our major shareholder, Fratelli Investments. Without their financial assistance and belief in our vision, Serabi would not have been able to make the progress that it has over the past two years. The Board and employees of Serabi are extremely grateful for their unwavering support."

## Enquiries

---

### **SERABI GOLD plc**

**Michael Hodgson**  
Chief Executive

t +44 (0)20 7246 6830  
m +44 (0)7799 473621

**Clive Line**  
Finance Director

t +44 (0)20 7246 6830  
m +44 (0)7710 151692

e [contact@serabigold.com](mailto:contact@serabigold.com)

[www.serabigold.com](http://www.serabigold.com)

### **PEEL HUNT LLP**

**UK Broker**

Matthew Armit  
Ross Allister

t +44 (0)20 7418 9000  
t +44 (0)20 7418 9000

### **BEAUMONT CORNISH Limited**

**Nominated Adviser & Financial Adviser**

Roland Cornish  
Michael Cornish

t +44 (0)20 7628 3396  
t +44 (0)20 7628 3396

### **Blytheweigh**

**UK Public Relations**

Tim Blyth

Halimah Hussain

t +44 (0)20 7138 3204  
m +44 7816 924626  
t +44 (0)20 7138 3203  
m +44 7725 978141

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

#### **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.

#### **SERABI GOLD PLC**

2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR  
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e [contact@serabimining.com](mailto:contact@serabimining.com) [www.serabigold.com](http://www.serabigold.com)  
Registered Office 66 Lincoln's Inn Fields, London, WC2A 3LH Company Number 5131528

This document is not intended to and does not amount to an invitation or inducement to subscribe for shares in Serabi Gold plc



**PRESS RELEASE 24 JUNE 2014**  
SERABI GOLD plc (“Serabi” or “the Company”)

**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 25 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.*

