



## Operational Update at Sao Chico

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Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, following the release of its second quarter operational results on 14 August is pleased to announce an operational update on its wholly owned Sao Chico Gold project in the Tapajos region of Para State, Northern Brazil.

### HIGHLIGHTS

- Development work at Sao Chico is now progressing well.
- An approximately 20 metre deep 'cutback' has been excavated in the unconsolidated saprolite surface material.
- The excavated soil has been used to remediate much of the historical artisanal workings adjacent to the planned underground mine.
- With hard granodiorite bedrock exposed, hard rock blasting is now underway.
- Five additional veins 'outside the current geological resource' discovered during the cutback excavation.
- Dedicated mining fleet already at site and ready to be deployed.
- Initial camp for workforce close to completion.

**The following link can be used to see the latest operational update video at Sao Chico from Serabi's CEO, Mike Hodgson.**

<http://www.brrmedia.co.uk/event/125374?popup=true>

The mine portal is now being established in the bedrock and is scheduled for completion before the end of September. To date extraction of softer saprolite material has been by 'free digging' and in the last month the Company has secured arrangements to be able to commence blasting.

With underground development and a surface drill programme planned to be underway during the fourth quarter of this year, the Company intends to provide shareholders with an updated geological resource for Sao Chico by the end of the first quarter of 2015.

### Mike Hodgson CEO said

*"Whilst we have endured an exceptionally heavy and prolonged rainy season during the first 5 months of this year, I am pleased to say that Sao Chico is now progressing very well and we are doing all we can to recover the consequential two month delay. The ground has dried out well and the cutback, the excavation from which the mine portal underground originates, is close to completion.*

*"I am delighted to say that this week we commenced hard rock blasting, which is a new milestone, and we anticipate having the portal established and the underground ramp underway by the end of September, with a view to reaching the first mineralised veins in November.*



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*"The first mining equipment dedicated for Sao Chico is already at site, and ready for use. From the resource perspective, we hope to be in a position to issue an updated geological resource by the end of the first quarter of 2015. This will be achieved with a surface drilling programme, which we plan to start in the fourth quarter of this year, supplemented by geological data obtained from the development of underground workings over the coming months. The potential in the immediate area around the current Sao Chico resource continues to look very promising. In establishing the cutback we have identified five new vein structures parallel to, and slightly to the north of, the current geological resource.*

*With the second ball-mill now operating at Palito, some 25kilometres away, we remain on course to see the first development ore from Sao Chico being delivered to the Palito process plant before the end of 2014".*

## Enquiries

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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.

#### 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.*

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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.

"grade" is the concentration of mineral within the host rock typically quoted as grams 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.

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

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

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