



## Unaudited Interim Financial Results for the three and six month periods to 30 June 2019 and Management's Discussion and Analysis

Serabi (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, today releases its unaudited interim financial results for the three and six month periods ending 30 June 2019 and at the same time has published its Management's Discussion and Analysis for the same period.

### FINANCIAL HIGHLIGHTS

- EBITDA for the second quarter of US\$3.3 million up 23% on the same quarter in 2018.
- EBITDA for the year to date of US\$7.6 million up 35% on the same period in 2018.
- Profit before tax of US\$3.4 million for the year to date with earnings per share of 2.92 cents.
- Cash holdings at the end of June 2019 of US\$12.4 million an increase of US\$3.1 million since the end of 2018.
- AISC for the year to date of US\$1,085 per ounce with a Cash Cost of US\$860 per ounce.
- Operational cash flow for the second quarter of US\$3.0 million (US\$2.3 million after mine development costs), compared with US\$1.4 million (US\$0.3 million after mine development costs) for the same period in 2018.
- Operational cash flow for the year to date of US\$9.4 million (US\$7.9 million after mine development costs), compared with US\$4.5 million (US\$2.5 million after mine development costs) for the same period in 2018.
- Higher level of capital expenditure for the second quarter reflects US\$0.8 million for the ore sorter.

### Key Financial Information

	6 months to 30 June 2019 US\$	3 months to 30 June 2019 US\$	6 months to 30 June 2018 US\$	3 months to 30 June 2018 US\$
Revenue	29,585,739	12,459,699	25,700,634	11,873,783
Cost of sales	(19,164,989)	(7,803,002)	(17,272,887)	(7,783,786)
Gross operating profit	10,420,750	4,656,697	8,427,747	4,089,997
Administration and share based payments	(2,803,500)	(1,378,996)	(2,780,485)	(1,422,883)
EBITDA	7,617,250	3,277,701	5,647,262	2,667,114
Depreciation and amortisation charges	(4,250,501)	(1,960,956)	(4,490,900)	(2,498,047)
Operating profit / (loss) before finance and tax	3,366,749	1,316,745	1,156,362	169,067
Profit / (loss) after tax	1,719,640	169,678	(482,634)	(493,420)
Earnings per ordinary share (basic)	2.92c	0.29c	(1.10c)	(0.94c)
Average gold price received	US\$1,287	US\$1,292	US\$1,309	US\$1,296
			As at 30 June 2019 US\$	As at 31 December 2018 US\$
Cash and cash equivalents			12,366,683	9,216,048
Net assets			71,452,748	69,110,287

### Cash Cost and All-In Sustaining Cost ("AISC")

	6 months to 30 June 2019	6 months to 30 June 2018	12 months to 31 Dec 2018
Gold production for cash cost and AISC purposes	19,691 ozs	18,751 ozs	37,108 ozs



Total Cash Cost of production (per ounce)  
Total AISC of production (per ounce)

US\$860	US\$861	US\$821
US\$1,085	US\$1,121	US\$1,093

## OPERATIONAL AND DEVELOPMENT HIGHLIGHTS

- Second quarter gold production of 9,527 ounces of gold, resulting in total production for the year to date of approximately 19,700 ounces, a five per cent improvement over the same period in 2018.
- Total ore mined for the quarter of 44,784 tonnes at 6.72 grams per tonne ("g/t") of gold.
- 43,711 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 6.72 g/t of gold.
- 2,419 metres of horizontal development completed during the quarter, a 30% increase on our Q1 figure
- Commencement of Company's Preliminary Economic Assessment (PEA) on the Coringa Gold Project, following last quarter's updated mineral resource estimate. Results of the study are expected before the end of August 2019.
- The Company maintains its 2019 production guidance 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 FOR THE 2018 CALENDAR YEAR							
		Qtr 1	Qtr 2	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
		2019	2019	2019	2018	2018	2018	2018	2018
Gold production <sup>(1) (2)</sup>	Ounces	10,164	9,527	19,691	9,188	9,563	8,101	10,256	37,108
Mined ore – Total	Tonnes	42,609	44,784	87,393	39,669	36,071	42,725	44,257	162,722
	Gold grade (g/t)	7.47	6.72	7.08	7.49	8.12	6.23	7.45	7.29
Milled ore	Tonnes	43,451	43,711	87,162	43,145	38,155	41,405	45,548	168,253
	Gold grade (g/t)	7.69	6.72	7.21	7.04	7.71	6.11	7.39	7.06
Horizontal development – Total	Metres	1,868	2,419	4,287	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 10,892 tonnes of flotation tails at a grade of 4.38 g/t (2018 full year: 16,466 tonnes at 3.71g/t)
- (3) The table may not sum due to rounding.



Copies of the Financial Statements and the MD&A can be accessed from the Company's website using the following links

- Financial Statements - <https://bit.ly/31EWvDx>
- MD&A - <https://bit.ly/2KMI3Dt>

**Mike Hodgson, CEO of Serabi commented:**

"This second quarter has again been very pleasing from an operational perspective. As we reported in our second quarter operational update on 22 July, we were very close to achieving our third successive quarter of producing more than 10,000 ounces. The financial performance for this second quarter represents a significant improvement the same quarter in 2018 when gold production levels were very similar and notwithstanding that in the same quarter in 2018, the average gold price that we achieved was in fact slightly higher than we received in the second quarter of 2019.

"Cash generated during the second quarter from the operations, after allowing for on-going mine development costs, was US\$2.3 million which was US\$2.0 million more than for the same quarter in 2018. Whilst below the level achieved during the first quarter of 2019, it should be remembered that during the first two months of 2019 the cash position received a significant boost through the sales generated from the inventory held at the end of December 2018. The Group's cash holdings have nonetheless increased slightly compared to the position at the end of March 2019, which is after the purchase in the period of US\$1.1 million of plant and equipment, including US\$800,000 relating to the final purchase payment for the ore-sorter and the importation taxes that were levied in Brazil.

"With the slightly lower level of production during this second quarter, compared to the first quarter of 2019, our AISC has crept up slightly but still represents an improvement compared with 2018 and, with the recent improvements in the gold price, the Board expects to continue to enjoy a good operating margin for the rest of the year. Compared with the same period in 2018 total operating costs for the quarter of US\$7.8 million are comparable with the same quarter in 2018, but the margin improvement has been driven by the increased level of sales made during the quarter which at 9,667 ounces were eight per cent higher than the same period in 2018.

"This gold price improvement has however impacted on the financial expenses for the period. The implied value of gold call options that the Company granted to its secured lender in July 2017 has increased and resulted in a revaluation charge of US\$427,000 for the six months to 30 June 2019. In all other respects our cost profile quarter on quarter is remaining fairly steady.

"We announced earlier this month the expected timetable for our consultants to complete their work on the Preliminary Economic Assessment on Coringa ("PEA"). As we had previously advised, in the wake of the concerns regarding mine tailings dams we have taken the decision to switch to a dry stacking solution and dispense with a conventional tailings dam. Our consultants Global Resource Engineering ("GRE") have assisted with the test-work, design, equipment specifications and location of the dry stacked tailings solution and the revisions necessary in the process design flow sheet. This has impacted on the ability to progress the PEA at the pace that we had previously hoped, but in all other respects the Coringa project continues to be advancing and steady progress is being made in securing the permits and licences that will put us in a position to commence the project development.

"Our current operations continue to perform well and July was another very good month of production keeping us on track to meet our annual production guidance."



**SERABI GOLD PLC**  
**Condensed Consolidated Statements of Comprehensive Income**

(expressed in US\$)	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2019 <b>(unaudited)</b>	2018 (unaudited)	2019 <b>(unaudited)</b>	2018 (unaudited)
<b>CONTINUING OPERATIONS</b>					
Revenue		12,459,699	11,873,783	29,585,739	25,700,634
Cost of sales		(7,803,002)	(7,983,786)	(19,664,989)	(17,472,887)
Release of inventory impairment provision		–	200,000	500,000	200,000
Depreciation and amortisation charges		(1,960,956)	(2,498,047)	(4,250,501)	(4,490,900)
<b>Gross profit</b>		<b>2,695,741</b>	1,591,950	<b>6,170,249</b>	3,936,847
Administration expenses		(1,415,133)	(1,357,814)	(2,798,964)	(2,689,238)
Share-based payments		(65,486)	(78,278)	(130,971)	(155,571)
Gain on sales of assets disposal		101,623	13,209	126,435	64,324
<b>Operating profit</b>		<b>1,316,745</b>	169,067	<b>3,366,749</b>	1,156,362
Foreign exchange (loss) / gain		(51,486)	(498,543)	(66,103)	(555,633)
Finance expense	2	(849,336)	(109,145)	(1,123,599)	(699,518)
Finance income	2	159,600	–	161,817	34
<b>Profit / (loss) before taxation</b>		<b>575,523</b>	(438,621)	<b>2,338,864</b>	(98,755)
Income tax expense	3	(405,845)	(54,799)	(619,224)	(383,879)
<b>Profit / (loss) after taxation</b>		<b>169,678</b>	(493,420)	<b>1,719,640</b>	(482,634)

**Other comprehensive income (net of tax)**

**Items that may be reclassified subsequently to profit or loss**

Exchange differences on translating foreign operations		1,053,943	(8,925,573)	491,850	(9,260,004)
<b>Total comprehensive profit /(loss) for the period operations attributable to the owners of the parent</b>		<b>1,223,621</b>	(9,418,993)	<b>2,211,490</b>	(9,742,638)

Profit / (loss) per ordinary share (basic) <sup>(1)</sup>	4	<b>0.29c</b>	(0.94c)	<b>2.92c</b>	(1.10c)
Profit / (loss) per ordinary share (diluted) <sup>(1)</sup>	4	<b>0.28c</b>	(0.94c)	<b>2.85c</b>	(1.10c)

(1) All revenue and expenses arise from continuing operations.



**SERABI GOLD PLC**  
**Condensed Consolidated Balance Sheets**

	As at 30 June 2019 (unaudited)	As at 30 June 2018 (unaudited)	As at 31 December 2018 (audited)
(expressed in US\$)			
<b>Non-current assets</b>			
Deferred exploration costs	29,591,753	24,490,001	27,707,795
Property, plant and equipment	41,228,338	42,049,417	42,342,102
Taxes receivable	1,556,125	1,556,129	1,555,170
Deferred taxation	2,008,732	2,276,588	2,162,180
<b>Total non-current assets</b>	<b>74,384,948</b>	<b>70,372,135</b>	<b>73,767,247</b>
<b>Current assets</b>			
Inventories	6,898,033	5,827,745	8,511,474
Trade and other receivables	1,291,505	1,596,978	758,209
Prepayments and accrued income	4,706,018	3,398,201	4,166,916
Cash and cash equivalents	12,366,683	21,052,325	9,216,048
<b>Total current assets</b>	<b>25,262,239</b>	<b>31,875,249</b>	<b>22,652,647</b>
<b>Current liabilities</b>			
Trade and other payables	7,389,818	5,050,232	6,273,321
Interest bearing liabilities	6,282,184	5,774,122	4,302,798
Acquisition payment outstanding	11,530,027	–	10,997,757
Derivative financial liabilities	681,765	346,992	390,976
Accruals	335,142	350,878	372,327
<b>Total current liabilities</b>	<b>26,059,336</b>	<b>11,522,224</b>	<b>22,337,179</b>
<b>Net current assets</b>	<b>(797,097)</b>	<b>20,353,025</b>	<b>315,468</b>
<b>Total assets less current liabilities</b>	<b>73,587,851</b>	<b>90,725,160</b>	<b>74,082,715</b>
<b>Non-current liabilities</b>			
Trade and other payables	562,627	2,233,353	955,521
Provisions	1,572,476	1,857,564	1,543,811
Acquisition payment outstanding	–	10,481,843	–
Interest bearing liabilities	–	1,686,704	2,473,096
<b>Total non-current liabilities</b>	<b>2,135,103</b>	<b>16,259,464</b>	<b>4,972,428</b>
<b>Net assets</b>	<b>71,452,748</b>	<b>74,465,696</b>	<b>69,110,287</b>
<b>Equity</b>			
Share capital	8,882,803	8,863,755	8,882,803
Share premium reserve	21,752,430	21,681,478	21,752,430
Option reserve	1,106,017	1,189,318	1,363,367
Other reserves	5,590,190	5,066,796	4,763,819
Translation reserve	(40,315,273)	(40,459,572)	(40,807,123)
Retained surplus	74,436,581	78,123,921	73,154,991
<b>Equity shareholders' funds</b>	<b>71,452,748</b>	<b>74,465,696</b>	<b>69,110,287</b>

The interim financial information has not been audited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. Whilst the financial information included in this announcement has been compiled in accordance with International Financial Reporting Standards ("IFRS") this announcement itself does not contain sufficient financial information to comply with IFRS. The Group statutory accounts for the year ended 31 December 2018 prepared under IFRS as adopted in the EU and with IFRS and their interpretations adopted by the International Accounting Standards Board have been filed with the Registrar of Companies following their adoption by shareholders at the 2019 Annual General Meeting. The auditor's report on these accounts was unqualified. The auditor's report did not contain a statement under Section 498 (2) or 498 (3) of the Companies Act 2006.



**SERABI GOLD PLC**  
**Condensed Consolidated Statements of Changes in Shareholders' Equity**

(expressed in US\$)

(unaudited)	Share capital	Share premium	Share option reserve	Other reserves <sup>(1)</sup>	Translation reserve	Retained Earnings	Total equity
<b>Equity shareholders' funds at 31 December 2017</b>	<b>5,540,960</b>	<b>1,722,222</b>	<b>1,425,024</b>	<b>4,015,369</b>	<b>(31,199,568)</b>	<b>79,266,705</b>	<b>60,770,712</b>
Foreign currency adjustments	—	—	—	—	(9,260,004)	—	(9,260,004)
Profit for the period	—	—	—	—	—	(482,634)	(482,634)
Total comprehensive income for the period	—	—	—	—	(9,260,004)	(482,634)	(9,742,638)
Transfer to taxation reserve	—	—	—	1,051,427	—	(1,051,427)	—
Shares issued in period	3,322,795	19,959,256	—	—	—	—	23,282,051
Share options lapsed in period	—	—	(391,277)	—	—	391,277	—
Share option expense	—	—	155,571	—	—	—	155,571
<b>Equity shareholders' funds at 30 June 2018</b>	<b>8,863,755</b>	<b>21,681,478</b>	<b>1,189,318</b>	<b>5,066,796</b>	<b>(40,459,572)</b>	<b>78,123,921</b>	<b>74,465,696</b>
Foreign currency adjustments	—	—	—	—	(347,551)	—	(347,551)
Loss for the period	—	—	—	—	—	(4,968,930)	(4,968,930)
Total comprehensive income for the period	—	—	—	—	(347,551)	(4,968,930)	(5,316,481)
Transfer to taxation reserve	—	—	—	(302,977)	—	—	(302,977)
Shares issued in period	19,048	70,952	—	—	—	—	90,000
Share option expense	—	—	174,049	—	—	—	174,049
<b>Equity shareholders' funds at 31 December 2018</b>	<b>8,882,803</b>	<b>21,752,430</b>	<b>1,363,367</b>	<b>4,763,819</b>	<b>(40,807,123)</b>	<b>73,154,991</b>	<b>69,110,287</b>
Foreign currency adjustments	—	—	—	—	491,850	—	491,850
Profit for the period	—	—	—	—	—	1,719,640	1,719,640
Total comprehensive income for the period	—	—	—	—	491,850	1,719,640	2,211,490
Transfer to taxation reserve	—	—	—	826,371	—	(826,371)	—
Share options lapsed in period	—	—	(388,321)	—	—	388,321	—
Share option expense	—	—	130,971	—	—	—	130,971
<b>Equity shareholders' funds at 30 June 2019</b>	<b>8,882,803</b>	<b>21,752,430</b>	<b>1,106,017</b>	<b>5,590,190</b>	<b>(40,315,273)</b>	<b>74,436,581</b>	<b>71,452,748</b>

(1) Other reserves comprise a merger reserve of US\$361,461 and a taxation reserve of US\$5,228,729 (31 December 2018: merger reserve of US\$361,461 and a taxation reserve of US\$4,402,358).



**SERABI GOLD PLC**  
**Condensed Consolidated Cash Flow Statements**

	For the three months ended 30 June		For the six months ended 30 June	
	2019 (unaudited)	2018 (unaudited)	2019 (unaudited)	2018 (unaudited)
(expressed in US\$)				
<b>Operating activities</b>				
Post tax (loss) / profit for period	169,678	(493,420)	1,719,640	(482,634)
Depreciation – plant, equipment and mining properties	1,960,956	2,498,047	4,250,501	4,490,900
Net financial expense	741,222	607,688	1,027,885	1,165,117
Provision for impairment of inventory	—	(200,000)	(500,000)	(200,000)
Provision for taxation	405,845	54,799	619,224	383,879
Share-based payments	65,486	78,278	130,971	245,571
Foreign exchange (loss) / gain	(404,652)	222,774	(382,801)	154,350
<b>Changes in working capital</b>				
(Increase)/decrease in inventories	(572,470)	(619,967)	2,165,340	117,146
(Increase) in receivables, prepayments and accrued income	(376,417)	(1,003,947)	(1,113,022)	(1,503,295)
Increase/(decrease) in payables, accruals and provisions	979,894	242,933	1,518,388	113,080
<b>Net cash inflow from operations</b>	<b>2,969,542</b>	<b>1,387,185</b>	<b>9,436,126</b>	<b>4,484,114</b>
<b>Investing activities</b>				
Acquisition payments	(120,988)	(4,740,928)	(1,156,075)	(4,740,928)
Capitalised mine development costs	(654,253)	(1,064,966)	(1,492,563)	(2,030,489)
Purchase of property, plant and equipment and projects in construction	(1,071,564)	(892,233)	(1,461,292)	(1,317,926)
Geological exploration expenditure	(208,062)	(1,443,384)	(796,524)	(2,011,802)
Pre-operational project costs	(403,580)	(496,049)	(843,522)	(1,289,479)
Proceeds from sale of assets	118,039	13,209	153,081	64,324
Interest received	—	—	2,217	34
<b>Net cash outflow on investing activities</b>	<b>(2,340,408)</b>	<b>(8,624,351)</b>	<b>(5,594,678)</b>	<b>(11,326,266)</b>
<b>Financing activities</b>				
Issue of ordinary share capital	—	23,807,346	—	23,807,346
Costs associated with issue of share capital	—	(566,518)	—	(566,518)
Drawdown secured loan	—	—	—	3,000,000
Repayment of secured loan	(195,043)	(666,667)	(195,043)	(1,000,000)
Payment of finance lease liabilities	(81,573)	(143,063)	(267,178)	(426,210)
Interest paid and other finance costs	(151,137)	(234,166)	(303,933)	(386,587)
<b>Net cash (outflow) / inflow from financing activities</b>	<b>(427,753)</b>	<b>22,196,932</b>	<b>(766,154)</b>	<b>24,428,031</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>201,381</b>	<b>14,959,766</b>	<b>3,075,294</b>	<b>17,585,879</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,133,712</b>	<b>6,695,526</b>	<b>9,216,048</b>	<b>4,093,866</b>
Exchange difference on cash	31,590	(602,967)	75,341	(627,420)
<b>Cash and cash equivalents at end of period</b>	<b>12,366,683</b>	<b>21,052,325</b>	<b>12,366,683</b>	<b>21,052,325</b>



## Notes

### 1. Basis of preparation

These interim condensed consolidated financial statements are for the three and six month period ended 30 June 2019. Comparative information has been provided for the unaudited three and six month period ended 30 June 2018 and, where applicable, the audited twelve month period from 1 January 2018 to 31 December 2018. These condensed consolidated financial statements do not include all the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2018 annual report.

The condensed consolidated financial statements for the periods have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and the accounting policies are consistent with those of the annual financial statements for the year ended 31 December 2018 and those envisaged for the financial statements for the year ending 31 December 2019.

### Accounting standards, amendments and interpretations effective in 2019

The Group has not adopted any standards or interpretations in advance of the required implementation dates.

As of 1 January 2019, IFRS “16 Leases”, became effective and requires lessees to recognise all lease assets and liabilities on the balance sheet for both finance leases and operating leases. The adoption of IFRS 16 has not had any significant impact on the Group’s financial statements as the operating leases held by the Group are of low value and the majority of the existing contracts either relate to service agreements or otherwise do not result in right of use assets or lease liabilities.

These financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

#### (i) Going concern

As at 30 June 2019 the Group had cash in hand of US\$12.3 million and net assets of US\$71.5 million. The Directors have reviewed the forecast cash flow of the Group for the next 12 months. Based on this forecast, which includes planned capital and exploration programmes, the Group may not be able to generate sufficient cash flows to settle, in full, the deferred consideration of US\$12 million payable for the acquisition of Coringa which falls due in December 2019.

The Directors believe there is a reasonable prospect of the Group securing further funds as and when required in order that the Group can meet all liabilities including the deferred consideration payable for the acquisition of Coringa as and when they fall due in the next 12 months and have prepared the financial statements on a going concern basis.

As at the date of this report the outcome of raising further funds remains uncertain and this represents a material uncertainty surrounding going concern. If the Group fails to raise the necessary funds the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The matters explained indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent’s ability to continue as a going concern. These financial statements do not show the adjustments to the assets and liabilities of the Group or the Parent company if this was to occur.

#### (ii) Use of estimates and judgements

There have been no material revisions to the nature and amount of changes in estimates of amounts reported in the 2018 annual financial statements.

#### (iii) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered impairment. Prior to carrying out of impairment reviews, the significant cash generating units are assessed to determine whether they should be reviewed under the requirements of IFRS 6 - Exploration for and Evaluation of Mineral Resources or IAS 36 - Impairment of Assets. Such determination is by reference to the stage of development of the project and the level of reliability and surety of information used in calculating value in use or fair value less costs to sell. Impairment reviews performed under IFRS 6 are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise; typically when one of the following circumstances applies:

- (i) sufficient data exists that render the resource uneconomic and unlikely to be developed
- (ii) title to the asset is compromised





## PRESS RELEASE 14 AUGUST 2019

SERABI GOLD plc ("Serabi" or "the Company")



- (iii) budgeted or planned expenditure is not expected in the foreseeable future
- (iv) insufficient discovery of commercially viable resources leading to the discontinuation of activities

Impairment reviews performed under IAS 36 are carried out when there is an indication that the carrying value may be impaired. Such key indicators (though not exhaustive) to the industry include:

- (i) a significant deterioration in the spot price of gold
- (ii) a significant increase in production costs
- (iii) a significant revision to, and reduction in, the life of mine plan

If any indication of impairment exists, the recoverable amount of the asset is estimated, being the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Such impairment losses are recognised in profit or loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss for the year.

### 2. Finance Costs

	<b>3 months ended 30 June 2019 (unaudited) US\$</b>	<b>3 months ended 30 June 2018 (unaudited) US\$</b>	<b>6 months ended 30 June 2019 (unaudited) US\$</b>	<b>6 months ended 30 June 2018 (unaudited) US\$</b>
Interest expense on secured loan	<b>(150,956)</b>	(205,479)	<b>(300,540)</b>	(357,899)
Unwinding of discount on acquisition payment	<b>(270,750)</b>	(246,137)	<b>(532,271)</b>	(483,883)
Arrangement fee for secured loan	—	—	—	(90,000)
Loss on revaluation of derivatives	<b>(427,630)</b>	—	<b>(290,788)</b>	—
Amortisation of fair value of derivatives	—	(65,000)	—	(130,000)
	<b>(849,336)</b>	(516,616)	<b>(1,123,599)</b>	(1,061,782)
Gain on revaluation of derivatives	—	407,471	—	362,264
	<b>159,000</b>	—	<b>159,000</b>	—
Interest income	—	—	<b>2,217</b>	34
Net finance expense	<b>(689,736)</b>	(109,145)	<b>(961,782)</b>	(699,484)

### 3. Taxation

The Group has recognised a deferred tax asset to the extent that the Group has reasonable certainty as to the level and timing of future profits that might be generated and against which the asset may be recovered. The Group has released the amount of US\$502,707 as a deferred tax charge during the six month period to 30 June 2019.

The Group has also incurred a tax charge in Brazil for the six month period of US\$116,517.

### 4. Earnings per share



**PRESS RELEASE 14 AUGUST 2019**  
SERABI GOLD plc ("Serabi" or "the Company")



	<b>3 months ended 30 June 2019 (unaudited)</b>	<b>3 months ended 30 June 2018 (unaudited)</b>	<b>6 months ended 30 June 2019 (unaudited)</b>	<b>6 months ended 30 June 2018 (unaudited)</b>
Profit / (loss) attributable to ordinary shareholders (US\$)	<b>169,678</b>	(493,420)	<b>1,719,640</b>	(482,634)
Weighted average ordinary shares in issue	<b>58,909,551</b>	52,529,475	<b>58,909,551</b>	43,821,118
Basic profit / (loss) per share (US cents)	<b>0.29c</b>	(0.94)	<b>2.92c</b>	(1.10)
Diluted ordinary shares in issue	60,430,473 <sup>(1)</sup>	52,529,475 <sup>(1)</sup>	<b>60,430,473<sup>(2)</sup></b>	43,821,118 <sup>(1)</sup>
Diluted profit / (loss) per share (US cents)	<b>0.28c</b>	(0.94c)	<b>2.85c</b>	(1.10c)

- (1) As the effect of dilution is to reduce the loss per share, the diluted shares in issue are the same as the basic shares in issue and the diluted loss per share is considered to be the same as the basic loss per share.
- (2) Based on 1,520,922 options vested and exercisable as at 30 June 2019.

The Company will, in compliance with Canadian regulatory requirements, post the Unaudited Interim Financial Statements and the Management Discussion and Analysis for the three month and six period ended 30 June 2019 on SEDAR at [www.sedar.com](http://www.sedar.com). These documents will also available from the Company's website – [www.serabigold.com](http://www.serabigold.com).

Serabi's Directors Report and Financial Statements for the year ended 31 December 2018 together the Chairman's Statement and the Management Discussion and Analysis, are available from the Company's website – [www.serabigold.com](http://www.serabigold.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

**This announcement is inside information for the purposes of Article 7 of Regulation 596/2014. The person who arranged the release of this statement on behalf of the Company was Clive Line, Director.**

## 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)

### BEAUMONT CORNISH Limited

**Nominated Adviser**

Roland Cornish  
Michael Cornish

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

### PEEL HUNT LLP

**UK Broker**

Ross Allister  
James Bavister

t +44 (0)20 7418 8900  
t +44 (0)20 7418 8900

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.

### 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

### 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 14 AUGUST 2019**  
SERABI GOLD plc (“Serabi” or “the Company”)

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



**SERABI GOLD**

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.*