



Coringa PEA Confirms Positive Economics

Serabi Gold plc (AIM: SRB, TSX: SBI), the Brazilian focused gold mining and development company, is pleased to announce the results of a Preliminary Economic Assessment (the “PEA”) for its 100%-owned Coringa Gold Project (“Coringa” or “the Project”), located in Para State, Brazil. The PEA was completed by Global Resource Engineering (“GRE”), Serabi’s independent engineering consultant, who has offices located in Denver, Colorado, USA.

The Directors believe that the PEA results fully support their intention to develop a high grade, underground mining operation and the Board intends to assess the financing options available and complete the permitting and licencing processes necessary for development of the Project. The Board expects based on the current expected time-line for the award of licences, that construction could be commenced at the end of the second quarter of 2020, with first gold production being achieved approximately nine months later.

Highlights of the Coringa PEA are as follows

- In accordance with normal practice the Base Case prepared by GRE has been calculated using the three year trailing average gold price which approximates to US\$1,275 per ounce compared with the London PM fix on 5 September 2019 of \$1,546 per ounce.

Table 1 - Summary of PEA Results

Gold Price (per ounce)	Units	BASE CASE \$1,275	\$1,350	\$1,450
Pre tax NPV (5%)	US\$m	\$55.7	\$71.3	\$92.2
Pre tax NPV (10%)	US\$m	\$37.2	\$49.4	\$65.8
Post tax NPV (5%)	US\$m	\$47.3	\$61.3	\$79.6
Post tax NPV (10%)	US\$m	\$30.7	\$41.7	\$56.1
Post tax IRR	%	31%	37%	46%
Project after tax cash flow	US\$m	\$71.6	\$90.1	\$114.0
Average annual free cash flow	US\$m	\$11.5	\$13.7	\$16.6
Average gross revenue	US\$m	\$43.4	\$46.0	\$49.4

- The Base Case project payback is estimated to occur within 2.25 years of first gold production;



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- Average Life of Mine ("LOM") All-In Sustaining Cost ("AISC") of US\$852¹ per ounce including royalties and refining costs using the Base Case gold price;
- Average gold grade of 8.34 g/t gold producing a total gold production of 288,000 ounces;
- Typical annual production once the project is in full operation averages 38,000 ounces per year²
- Initial capital requirement of US\$24.7 million prior to sustained positive cash-flow;
- Sustaining capital expenditures of US\$9.2 million to be funded from project cash-flow;
- Indicated mineral resource inventory of 125,000 ounces of gold, supported by a further Inferred Resources of 178,000 ounces of gold from a total geological resource of 195,000 indicated ounces of gold and 346,000 inferred ounces of gold, to be produced by underground open stoping using a cut-off grade of 6.00 g/t gold;
- Total Life of Mine of approximately 9 years;
- The Base Case includes a 20 per cent contingency on both operating and capital costs;
- Subject to permitting approvals and project financing, management expects that mine development start-up could occur at the end of Q2 2020, with initial processing of ROM feed set to commence approximately nine months later.

This technical report is a preliminary economic assessment and partially utilises inferred mineral resources. Inferred mineral resources are considered too speculative, geologically, to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Commenting on the announcement, Serabi's CEO, Mike Hodgson stated:

"Serabi is focussed on developing and growing our business and building a strong gold production base in Brazil. The publication of these very encouraging results of the Coringa PEA is a major milestone in achieving this objective. The PEA supports an initial 9 to 10 year mine life and, after the initial ramp up, mine production is projected to initially average around 38,000 ounces per annum once the ramp up is complete. This will add to our existing annual 40,000 ounce production from our Palito operations.

"The Base Case has been produced using a 3 year trailing average gold price of US\$1,275 per ounce and still produces a very healthy IRR of 31% and a NPV, using a 10% discount rate, of US\$31million. Looking at a scenario using a gold price of US\$1,450 per ounce, the IRR improves to 46% and the NPV (at 10%) to US\$56 million.

"The Coringa PEA also does not reflect the longer term growth potential of Coringa nor does it factor in how the increased level of gold production might change the investment case for Serabi as a whole. The Base Case economic analysis indicates an AISC of US\$852 per ounce which includes a 20% cost contingency on the operating and sustaining capital costs. Our existing operation, which currently carries all the corporate costs, has an average AISC of approximately US\$1,085 over the last two years. The effect of bringing Coringa into production could, on this basis, bring Serabi's overall AISC to approximately US\$970 per ounce not allowing for any improvement in the current AISC that could be generated by increased production from the Palito Complex.

"The overall capital requirement for the development of the project is estimated at approximately US\$25 million and also includes a 20% cost contingency. With Coringa located in relatively close proximity to our existing Palito Complex operations we have been able to provide GRE with significant cost data based on actual operational experience of the past few years. This does mean that from a cost perspective the data used in compiling this PEA is significantly more robust than might normally be the case with similar studies and I have every confidence that we will be able to achieve or even improve on the capital and operational costs estimates that GRE have forecast.

"We have, for the purpose of this study, prioritised minimising the initial capital requirements of the Project, but this does result in slower rates of production initially and a longer ramp up period. Over the coming months we will be looking to optimise the mine plan to achieve full production rates quicker without any significant change in the overall capital requirement.

"We have already approached a variety of financing groups who have indicated interest in providing debt or other similar financing options to advance the project and they are awaiting the results of the PEA to start to assess the level of finance that could be made available. We will be vigorously pursuing these options over the coming months. At the same time we are continuing the

¹ Calculated when the Project has achieved sustained positive cash flow and excludes the initial capital requirements.

² For the first five full years of production



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make progress with the project licencing requirements which are necessary to allow development to commence in earnest and will be required as a condition of financing.”

An interview with Mike Hodgson discussing the Coringa PEA can be accessed using the following link:

<https://www.brrmedia.co.uk/event/164268>

Further Information

The Coringa project consists of the Coringa gold deposit and currently comprises three discrete ore bodies which are included in the mine plan. Other potential ore bodies have been identified and subject to further evaluation could extend the current life of the project. In addition, the Coringa deposit is hosted within a seven kilometre zone of past artisanal mining activity comprising a series of shallow pits which exploited the soft, near-surface oxidised ore but were abandoned at about 20 to 25 metre depths when the artisanal miners encountered the underlying hard rock sulphide ore.

The PEA anticipates that the project development will begin with the initial establishment of mine portals providing access to the Galena & Mae de Leite (“GAMDL”) and Meio & Como Quieto (“MCQ”) sectors of the deposit with access to the Serra sector being undertaken later in the mine life. Run of mine (“ROM”) feed extracted from the initial development of the GAMDL and MCQ sectors will be stockpiled until there is sufficient ROM feed being generated on a daily basis to justify starting up the processing plant. GRE have anticipated that an initial period of up to 9 months will be required until first gold production and revenue can be generated during which time the process plant, a substantial portion of which has already been acquired and refurbished, will be assembled and commissioned.

The full NI 43-101 compliant Technical Report, supporting the economic results and including the updated mineral resource statement is being prepared by GRE and is required to be published with 45 days of this announcement. A further news release will be made when it becomes available and copies will be available from the Company’s website and on SEDAR.

Table 2 - Coringa Gold Project - Base Case Metrics

	Unit	Amount
Gold Price	US\$/oz	\$1,275
Cut-off grade	g/t of gold	6.00
Run of Mine (ROM) Material to process	tonnes	1,130,298
Mining Method		Open Stopping
Throughput at 100% capacity ⁽¹⁾	tonnes per annum	170,000
Mining recovery	%	95%
Process Gold recovery	%	95%
Total gold production (recovered)	ounces	288,046
Mine Life	years	9
Initial Capital Expenditures	US\$M	\$24.7
Sustaining capital expenditures	US\$M	\$9.2
Mine closure costs	US\$M	\$1.0
Cash Operating Costs (inc. Royalty + TC/RCs)	US\$/oz	US\$816
All In Sustaining Cost (inc. Royalty + TC/RCs)	US\$/oz	US\$852
Exchange Rate	R\$: US\$	3.80
Royalties	%	4.75%
Profits Tax Rate	%	15.25%

(1) Five years following initial ramp up

Coringa Updated Mineral Resource

The following table sets out the Company’s Canadian Securities Administrators National Instrument 43-101 (“NI 43-101”) compliant indicated mineral resources of 195,000 ounces and inferred mineral resources of 346,000 ounces estimated as at 31 August 2019. This resource estimate is an update on the estimation issued by the Company on 4 March 2019 and takes account of updated and additional drilling results and the results of a re-logging and re-sampling programme that was completed on historic Coringa drill holes in the first half of 2019 as announced by the Company on 20 June 2019.



Table 3 - Coringa Mine declared mineral resources

Classification	Quantity	Grade	Contained Metal
	000't	Gold g/t	Gold 000'oz
Indicated Resources	735	8.24	195
Inferred Resources	1,645	6.54	346

- (1) *Mineral Resources have been rounded. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. Mineral Resources are reported inclusive of Mineral Reserves. All figures are rounded to reflect the relative accuracy of the estimates. Mineral Resources are reported within classification domains inclusive of in-situ dilution at a cut-off grade of 2.0g/t gold assuming an underground extraction scenario, a gold price of US\$1,500/troy oz, an operating cost of \$100/t, metallurgical recovery of 95%.*
- (2) *Serabi is the operator and owns 100% of the Coringa gold project such that gross and net attributable mineral resources are the same. The mineral resource estimate was prepared by Global Resource Engineering in accordance with the standard of CIM and Canadian National Instrument 43-101, with an effective date of 31 August 2019 by Mr Kevin Gunesch and Dr Hamid Samari, who are both Qualified Persons under the Canadian National Instrument 43-101.*

Mineral Resources considered in the PEA

The PEA is based on a previous technical report produced by GRE and dated 18 April, 2019. The PEA and the new technical report that GRE will produce supersedes the previous Feasibility Study Report produced by MTB Project Management Professionals Inc. dated 8 September, 2017.

The following tables are provided to illustrate the utilisation of the NI 43-101 compliant mineral resources within the mine plan assumed in the PEA and used to derive the average mined grade. Of the total 1,130 ktonnes of ROM feed to be delivered to the plant 334 ktonnes (30%) will be derived from the Indicated Resources and 473 ktonnes (42%) will be derived from the Inferred Resource. An additional 323 ktonnes (28%) of dilution at a grade of 0gpt is also included.

Table 4 - Reconciliation of mineral inventory with the PEA mine plan

Category	Geological Inventory in PEA Mining Inventory		
	Tonnes	Au g/t	Contained Gold Ounces
Indicated	334,000	11.65	125,000
Inferred	473,000	11.70	178,000
Dilution	323,000	0	0
Category	Geological Inventory in PEA Mining Inventory in Pillars		
	Tonnes	Au g/t	Contained Gold Ounces
Indicated	9,000	13.71	4,000
Inferred	10,000	12.18	4,000
Category	Geological Inventory not scheduled in PEA (low grade/isolated areas/remnants)		
	Tonnes	Au g/t	Contained Gold Ounces
Indicated	392,000	5.23	66,000
Inferred	1,162,000	4.39	164,000



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- (1) *Geological inventory is reported at a cut-off grade of 2.0 g/t, an assumed gold price of US\$1,500 per tonne, an assumed metallurgical recovery of 95% and an assumed operating cost of US\$100 per tonne.*
- (2) *The geological inventory as set out in the above tables has been derived from the NI 43-101 compliant Mineral Resources estimated by Mr Kevin Gunesch, PE and Mr Hamid Samari, QP MMSA who are both qualified persons under NI 43-101.*
- (3) *The Coringa Gold Project is wholly owned by Chapleau Exploracao Mineral Ltda, an indirectly held, wholly owned subsidiary of the Company. The gross geological inventory detailed above is therefore also the net geological inventory attributable to the Company. Chapleau Exploracao Mineral Ltda is the operator of the Coringa Gold Project.*
- (4) *Numbers may not add up due to rounding.*
- (5) *The provisions of NI 43-101 require that Inferred Resources may not be aggregated with other categories of mineral resources. Accordingly, it is not permitted to provide in these tables the overall total tonnage or weighted average grade for ore comprising each of the Mining Inventory, the Mining Inventory in Pillars and Material Not Scheduled in the PEA.*

GRE believes that the resource estimates shown in the table above meets the CIM standards for a resource estimate based on CIM Standards of Mineral Resources and Reserves Definitions and Guidelines adopted by the CIM council 10 May, 2014.

Mine

The Coringa gold project will be owner-operated. The selective open stoping that is planned is already employed at Serabi's neighbouring Palito Complex operation in the Tapajos, where the relevant skills and track record in narrow vein mining are well established.

Based on the mine schedule, the mine plan delivers some 1,130,000 tonnes of run-of-mine ("ROM") feed during a nine year period at an average gold grade of 8.34 g/t, which includes a 2 year ramp up in production.

Metallurgy and Processing

The Coringa project will utilise a process plant which is located at site, awaiting assembly. The plant has been previously operated, in Brazil, on a continuous basis producing gold bullion. The plant has a total milling capacity of approximately 580 tonnes per day ("tpd") using two ball mills.

The process flow-sheet comprises a crushing circuit, a milling circuit, a gravity concentration circuit, as well as a Carbon in Leach ("CIL") plant. Feed passes through the gravity circuit where a portion of gold is concentrated, leached and recovered by electrowinning. Gold not recovered by gravity, passes through the CIL circuit.

The tailings from the CIL circuit flow to a filter press which extracts the majority of the fluid content of the slurry material. The fluids are passed back and re-used in the process plant whilst the resulting de-watered tailings are transported for long term storage in a dry storage tailings facility.

Infrastructure

Power Supply – the Coringa mine-site is located close to the paved BR163 highway along which route a mains grid power line exists. However, to expedite the start-up of operations the PEA anticipates that power for the project will be generated by on-site diesel generators.

Water Supply - the site has an adequate supply of water and will recycle process water from the drying of the process tailings and utilise small dams to provide adequate water storage for all mining and processing needs.

Camp - A full mining camp has already been constructed at Coringa. Serabi contracts its own security service and there is a guard house at the entrance to the mine.

Access - the mine is accessed by unsealed road directly from the BR163 highway which links the city of Cuiaba in the state of Mato Grosso to the city of Santarem in the state of Para. Coringa is approximately 70 kilometres southeast of the city of Novo Progresso and approximately 200 kilometres to the south of Serabi's existing gold production operations in the Tapajos region. A commercial airstrip, suitable for light planes, is located at Novo Progresso.



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Capital and Operating Expenditures

Capital expenditure

A breakdown of initial, sustaining and total capital expenditure is tabulated below:

Table 5 - Projected capital expenditure requirements

Category	Initial Capital	Sustaining Capital	Total Capital
	(US\$)	(US\$)	(US\$)
Mine Equipment	\$1,852,000	\$4,091,000	\$5,943,000
Mine Infrastructure	\$6,449,000	\$2,993,000	\$9,442,000
Site Facilities	\$2,262,000	\$1,211,000	\$3,473,000
Process Plant	\$9,353,000	\$ –	\$9,353,000
Permitting	\$300,000	\$ –	\$300,000
Exploration and Engineering Studies	\$500,000	\$ –	\$500,000
Closure Cost	\$ –	\$1,000,000	\$1,000,000
Working Capital - Recapture at End	\$1,775,000	-\$1,775,000	\$ –
Contingency	\$3,983,200	\$1,659,000	\$5,642,200
Net Pre-production income	\$(1,790,636)	\$ –	\$(1,790,636)
TOTAL	\$24,683,564	\$9,179,000	\$33,862,564

Operating expenditure

The average operating cash costs, once sustained positive cash flow has been achieved, are tabulated below:

Category	US\$ / oz	US\$ / tonne
Mining Ore	\$362	\$92
Process Plant	\$213	\$54
G&A	\$40	\$10
Op. Cash Costs	\$615	\$156
Refining Costs	\$18	\$5
Royalties	\$60	\$15
Contingency	\$123	\$31
Total Cash Costs	\$816	\$207
Capital	\$36	\$9
Total Cash Costs	\$852	\$216

Financial Analysis

The cash flow model that has been generated by GRE is based on the mine production and processing schedule, associated gold grades, metallurgical recoveries and capital and operating costs summarised in Table 2 above. The economic analysis assumes delivery of gold doré bars to a refinery located in Brazil for onward sale to gold traders. GRE has assumed that overall transportation, treatment, refining and insurance charges will be approximately US\$18 per ounce. In addition, account has been taken of royalty payments totalling 4.75% including an existing net smelter royalty in favour of Sandstorm Gold Ltd. of 2.5%, a government royalty of 1.5% and a royalty potentially payable to the landowners of 0.75%.

The Base Case economic analysis assumes a gold price of US\$1,275 per ounce.



The table below summarises the sensitivity of the Project's Net Present Value ("NPV") to variations in gold price, and, for each gold price scenario, the impact of a +/-10% sensitivity for capital and operating costs. The gold price Base Case of US\$1,275 per ounce has been highlighted in the table.

Table 6 - Project sensitivities

	Metal Price	Capital Expenditure		NPV (post tax)	NPV (post tax)	IRR (post tax)
				10%	5%	
	USD/oz (gold)	Initial	Sustaining	USD	USD	
		USD	USD			
Sensitivity to Gold Price						
	\$1,450	\$19,286,000	\$9,179,000	\$56,070,000	\$79,647,000	45.8%
	\$1,350	\$22,370,000	\$9,179,000	\$41,683,000	\$61,327,000	37.4%
	\$1,275	\$24,684,000	\$9,179,000	\$30,696,000	\$47,278,000	30.7%
	\$1,200	\$27,020,000	\$9,179,000	\$19,680,000	\$33,196,000	23.8%
Sensitivity to Opex at varying gold prices						
10% increase in opex	\$1,450	\$22,385,000	\$9,179,000	\$45,916,000	\$66,933,000	39.2%
10% increase in opex	\$1,350	\$25,475,000	\$9,179,000	\$31,259,000	\$48,194,000	30.6%
10% increase in opex	\$1,275	\$27,814,000	\$9,179,000	\$20,241,000	\$34,109,000	23.8%
10% increase in opex	\$1,200	\$30,192,000	\$9,179,000	\$9,183,000	\$19,975,000	16.5%
10% decrease in opex	\$1,450	\$16,186,000	\$9,179,000	\$66,134,000	\$92,245,000	52.7%
10% decrease in opex	\$1,350	\$19,271,000	\$9,179,000	\$52,011,000	\$74,309,000	44.2%
10% decrease in opex	\$1,275	\$21,584,000	\$9,179,000	\$41,113,000	\$60,405,000	37.7%
10% decrease in opex	\$1,200	\$23,898,000	\$9,179,000	\$30,126,000	\$46,356,000	30.9%
Sensitivity to Capex at varying gold prices						
10% increase in capex	\$1,450	\$21,277,000	\$10,009,000	\$53,791,000	\$77,130,000	43.1%
10% increase in capex	\$1,350	\$24,362,000	\$10,009,000	\$39,404,000	\$58,810,000	34.9%
10% increase in capex	\$1,275	\$26,675,000	\$10,009,000	\$28,416,000	\$44,761,000	28.5%
10% increase in capex	\$1,200	\$29,012,000	\$10,009,000	\$17,401,000	\$30,679,000	21.7%
10% decrease in capex	\$1,450	\$17,294,000	\$8,350,000	\$58,349,000	\$82,164,000	48.8%
10% decrease in capex	\$1,350	\$20,379,000	\$8,350,000	\$43,962,000	\$63,844,000	40.0%
10% decrease in capex	\$1,275	\$22,692,000	\$8,350,000	\$32,975,000	\$49,795,000	33.2%
10% decrease in capex	\$1,200	\$25,029,000	\$8,350,000	\$21,959,000	\$35,713,000	26.0%

NB – Initial capital expenditure includes pre-production revenue and therefore varies with the gold price assumption.



Taxation

The profits tax assessable on the project takes into account a tax incentive that was granted to the Serabi's existing operating subsidiaries, initially during 2008 and renewed in 2018, by SUDAM (Amazon Development Superintendence). This incentive consists of a reduction by 75% of the regular corporate income tax (also referred to as IRPJ) and currently levied at a rate of 25%. The incentive may only be applied for once the project is in operation and, at the present time and based on past experience, management is not aware of any reason why an application for this incentive should not be approved. The incentive is awarded for an initial term of 10 years. The CSLL tax (a social welfare tax amounting to 9%) has been assumed to apply for the duration of the project life.

Other tax incentives are available and in particular the RECAP is a special tax regime for the acquisition of goods by export companies and applies to the exemption of PIS and COFINS (Brazilian social contribution taxes) on purchases of imported machinery and equipment. In the past Serabi has been able to benefit from this tax regime and will make application in respect of the Coringa project and management is not aware of any current reason why such an application should not be approved.

Permitting

On 14 August 2017, Anfield Gold Corp ("Anfield"), the previous owners of Coringa, announced that it had received key permits required to commence construction of the Coringa project, being (1) the license of operation for exploration and trial mining, (2) the vegetation suppression permit and (3) fauna capture permit, all issued by the SEMAS. The SEMAS permits contain a list of conditions for the conservation and protection of fauna and flora.

In May 2018 trial mining licences for each of the concessions 850568/1990 and 850567/199, valid until 25 May 2020 and 25 November 2020 respectively, were issued by the DNPM permitting the commencement of mine development and limited mining production from Coringa. The trial mining licenses and the concurrent operating licence authorises mining of up to 50,000 tonnes of gold bearing mineralisation per year at Coringa. In the absence of the necessary processing permits, any gold bearing mineralisation recovered at this stage will be stockpiled for future processing. Under applicable regulations, once the mine is operational, Chapleau Exploracao Mineral Ltda ("Chapleau Brazil") may apply to the DNPM and SEMAS to increase the mining and processing limits.

On 23 May 2018, Serabi was informed, following an action brought by the Brazilian Ministério Público Federal ("MPF"), on 27 September 2017, seeking to nullify the operating license previously granted to Chapleau Brazil by SEMAS, that the court and judge who presided over the hearing on 26 April 2018, denied the MPF any action against SEMAS, the DNPM and Chapleau Brazil and also denied any right to appeal the decision, thus allowing Chapleau Brazil to proceed with advancing the project.

Progress has also been made in several other areas relating to the development of Coringa. Applications for required camp and start-up water were submitted by Anfield prior to the acquisition of Coringa by Serabi ("the Acquisition"). The Environmental Impact Assessment ("EIA") which had already been prepared and submitted by Anfield prior to the Acquisition was approved by SEMAS late in 2018. However, in light of concerns over conventional tailings dams in Brazil, following the failure of the Brumadinho dam in January 2019, Serabi, as envisaged in the PEA, intends to install a filtration plant allowing for the dry stacking of tails and eliminating the need for a conventional tailings dam. The Company is working with SEMAS on an amendment to the EIA to reflect this change in the planned process flowsheet and following the approval of SEMAS will then arrange the necessary public hearings. It is hoped that these hearings can be held during the fourth quarter of 2019, following which management hopes to receive the Preliminary Licence ("Licencia Previa") before the end of 2019.

Discussions for long-term land access agreements with the Instituto Nacional de Colonização e Reforma Agrária ("INCRA"), a government agency which claims ownership of the surface rights where the project is situated are ongoing and being progressed.

Historical Estimates

Historical resources estimates for the Coringa ore-body are documented in the technical reports entitled NI 43-101 Technical report, Coringa Project, Mineral Resource Estimate dated 18 April 2019, Coringa Gold Project, Brazil Feasibility Study NI 43-101 Technical Report, dated September 8, 2017 and Coringa Gold Project, Brazil NI 43-101 Technical Report, dated July 1, 2017 which are filed on the Company's website at www.serabigold.com and SEDAR at www.sedar.com.



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Qualified Persons and Quality Control

The scientific and technical information ("the Technical Information") contained in this news release pertaining to the Coringa gold project has been reviewed and approved by the following qualified persons under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") in accordance with the rules of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), which is an internationally recognised standard pursuant to the AIM Rules.

- Kevin Gunesch, PE, Global Resource Engineering
- Hamid Samari, QP-MMSA, Global Resource Engineering
- Todd Harvey QP, MMSA, Global Resource Engineering
- Larry Breckenridge PE, Global Resource Engineering

The Technical Information is extracted from information that has been compiled by Mr Gunesch, Mr Samari, Mr Harvey and Mr Breckenridge PE who have carried out the assignment on behalf of the firm Global Resource Engineering ("GRE"). Mr Gunesch, Mr Samari, Mr Harvey and Mr Breckenridge are each familiar with NI 43-101 and, by reason of education, experience and professional registration, fulfil the requirements of a Qualified Person as defined in NI 43-101 and for the purposes of the AIM Rules. Mr Gunesch, Mr Samari, Mr Harvey and Mr Breckenridge are responsible for the preparation of the Preliminary Economic Assessment. Mr Gunesch, Mr Samari, Mr Harvey and Mr Breckenridge have all consented to the publication of the Preliminary Economic Assessment and Mineral Resources estimate and the inclusion of the information contained in this announcement in the form and context in which it appears.

The PEA study was completed by GRE who is responsible for the preparation of the overall study including mine design, mine capital cost, mine operating cost, costing for the process plant replacement, refurbishment and operating, construction and operating costs for the tailings management facilities and economic models.

GRE is not an associate or affiliate neither of Serabi, nor of any associated company, or any joint-venture company. GRE's fees for this Technical Report are not dependent in whole or in part on any prior or future engagement or understanding resulting from the conclusions of this report. These fees are in accordance with standard industry fees for work of this nature, and GRE's previously provided estimates are based solely on the approximate time needed to assess the various data and reach appropriate conclusions. This report is based on information known to GRE as of 4 September 2019.

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

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

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.

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



GLOSSARY OF TERMS

The following is a glossary of technical terms:

Note: Mineral resources and reserves were estimated in conformity with the widely accepted CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines (the "Guidelines") and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101" and the definitions applicable to individual categories of reserves and resources are set out in the Guidelines. The Glossary below includes only a summary of these definitions and readers can access the full definitions at <http://web.cim.org/standards/menupage.cfm?sections=177&menu=178>

"Au" means gold.

"CIM" means Canadian Institute of Mining, Metallurgy and Petroleum.

"development" - excavations used to establish access to the mineralised rock and other workings.

"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.

"Indicated Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"Inferred Mineral Resource" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"Measured Mineral Resource" is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"Mineral Resource" is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

"Mineral Reserve" is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"Probable Mineral Reserve" is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"Proven Mineral Reserve" is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

"t" means tonnes

"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



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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.