



Serabi reports highest quarter gold production for 2019, and exceeds 40,000 ounces annual gold production for the first time

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

OPERATIONAL and DEVELOPMENT HIGHLIGHTS

- Fourth quarter gold production of 10,223 ounces of gold, resulting in total annual gold production within guidance for the year of 40,101 ounces, a seven per cent improvement over 2018.
- Total ore mined for the quarter of 44,092 tonnes at 6.69 grams per tonne ("g/t") of gold.
- 44,794 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 6.81 g/t of gold.
- 2,908 metres of horizontal development completed during the quarter.
- Year-end cash holdings of US\$14.3 million.
- The installation of the ore sorter, to be sited between the crushing and the milling sections, entered its final stages by the end of the year, with electrical and mechanical testing undertaken.
- Permitting at Coringa continued to progress with the date for the public hearing being set for 6 February 2020. Assuming public and stakeholder support, this is the final step for the company before receipt of the Licencia Previa (the Preliminary License).
- Step out drilling campaign at Sao Chico significantly extends resource beyond current mine limits.
- The Company anticipates full year production for 2020 will be between 45,000 and 46,000 ounces.

Key Operational Information

		SUMMARY PRODUCTION STATISTICS FOR 2019 AND FOR 2018									
		Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Total
		2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
Gold production (1) (2)	Ounces	10,164	9,527	10,187	10,233	40,101	9,188	9,563	8,101	10,256	37,108
Mined ore – Total	Tonnes	42,609	44,784	44,757	44,092	176,243	39,669	36,071	42,725	44,257	162,722
	Gold grade (g/t)	7.47	6.72	7.14	6.69	7.00	7.49	8.12	6.23	7.45	7.29
Milled ore	Tonnes	43,451	43,711	45,378	44,794	177,335	43,145	38,155	41,405	45,548	168,253
	Gold grade (g/t)	7.69	6.72	6.84	6.81	7.02	7.04	7.71	6.11	7.39	7.06
Horizontal development – Total	Metres	1,868	2,419	2,433	2,908	9,628	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 29,976 tonnes of flotation tails at a grade of 4.52 g/t (2018 full year: 16,466 tonnes at 3.71g/t)

(3) The table may not sum due to rounding.



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Mike Hodgson, CEO of Serabi, commented:

"This was another excellent quarter, with over 10,000 ounces produced and resulting in the Company having annual production in excess of 40,000 ounces of gold for the first time in our operational history. We have now produced more than 10,000 ounces in five of the last six quarters, demonstrating strong operational consistency.

"Mining and plant throughput rates and grades have remained consistent throughout the year, but the respective eight per cent and five per cent improvements, compared with 2018, have allowed the operation to exceed 40,000 ounces of gold for the first time. With the plant operating at full capacity the increased production and the operational consistency throughout the year is extremely satisfying. The year on year production improvement was helped by the processing of approximately 30,000 tonnes of stockpiled gold bearing flotation tailings, with this material have gold grades averaging over 4.5g/t.

"With the operation being plant constrained, every hour counts, hence we focus strongly on the quality of the ore feed and maximising plant availability. With the process plant running so well, we look forward to the commissioning of the ore sorter during this quarter. This will 'screen out' waste rock ahead of the milling section and liberate much needed capacity, allowing us to achieve improved levels of gold production in 2020 without needing to expand the milling capacity.

"Development and production from the Palito orebody continued to focus on the Chico da Santa sector, which hosts the narrow but very high grade Jatoba, Mogno and Ipe veins, though during the fourth quarter the Company recommenced the development of the G3 vein. This is being developed on the 130mRLI, to access an area successfully drilled from surface during 2019. The G3 vein was very much the 'backbone' of Palito historical production between 2004 and 2008 and again between 2013 and 2016. The G3 vein is generally wider than many of the others within the Palito ore body and exhibits exceptional copper and gold grades. I therefore have high expectations of this development and anticipate the contribution that the G3 vein will make to production in 2020.

"At the Sao Chico orebody, as was reported in the last quarter, development continued on both the deepest level, -48mRL, and higher up the orebody on level +186mRL. Production has remained very steady, with grades consistently in the 7.7 to 8.0 g/t range. However, the highlight of the quarter has been the initial results of the combined surface and underground drilling over the Sao Chico orebody as was reported on 6 January 2020. This drilling has demonstrated the extension or mineralisation for at least 200 metres to both east and west of the current mine workings. The drilling is expected to continue to extend further these ore limits whilst also testing the continuation of the orebody at depth.

"The fourth quarter also saw the Company commence a Reverse Circulation (RC) drilling programme which will take in the near-minesite geophysical anomalies of Abelha, Besouro, Cicada and Cinderella, all of which lie within a 10-kilometre radius of Sao Chico. The drilling was only started in December, so initial results are not yet available, but I am hopeful of positive news. These anomalies do lie outside the area of the current mining license, but in anticipation of exploration success, an application for a new mining license enveloping these anomalies has already been submitted to the mining authority, the ANM. As was reported in the news release of 6 January 2020, we are very excited about the potential for these anomalies to provide resource growth and increased mining opportunities around Sao Chico. These anomalies each exhibit geophysical signatures substantially better than anything else encountered around the Sao Chico deposit, and all are or have seen surface mining activity, leading us to believe that we will encounter sulphide bearing gold mineralisation at depth.

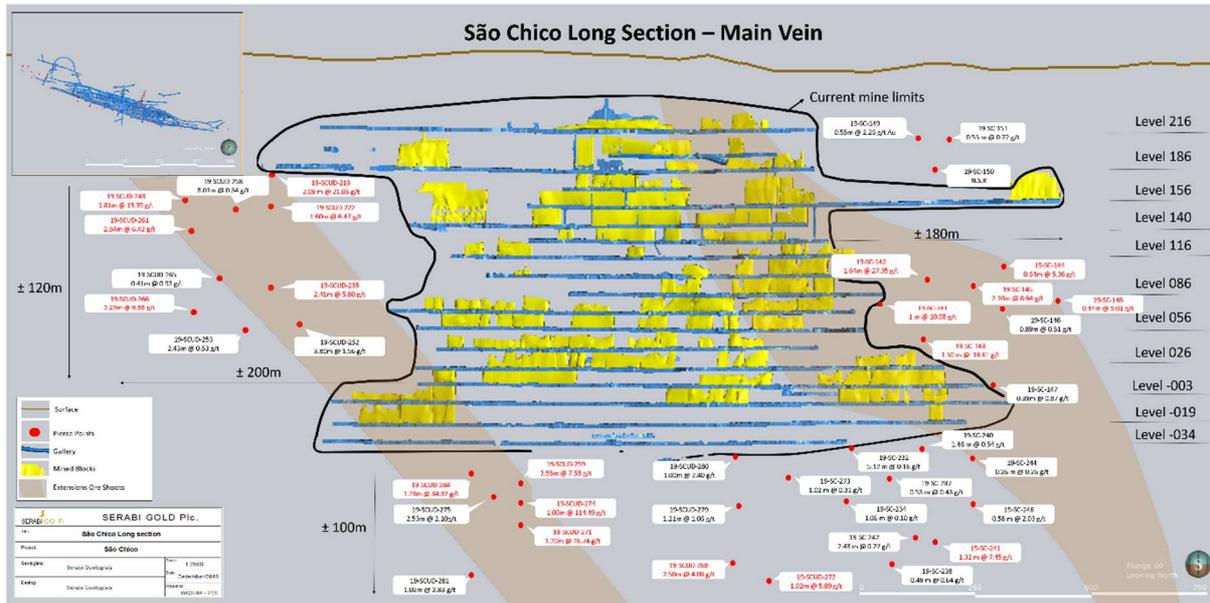


Image illustrating a long section of the orebody with location of drilling intercepts and key results
(A copy of this image is available using the following link (<https://bit.ly/2SXaXWe>))

“At Coringa, further permitting progress has been made. The revised Environmental Impact Assessment (EIA) submitted for the Coringa project, received provisional approval on 12 November 2019. The amendment incorporated the replacement of conventional tailings management facility with dry tailings technology (a filtration plant allowing for the dry stacking of tails).

“The next step in the award of the Preliminary Licence (“Licencia Previa”) will now be a public hearing, which will be attended by members of the public and other stakeholders. This public hearing has now been set for 6 February 2020. We are also pleased to report that late December, the Company received formal notification from the National Indian Foundation (FUNAI) that they supported the development of the project. FUNAI is the Brazilian government body that establishes and carries out policies relating to indigenous peoples. It is obviously very good news to have this support.

“Finishing the year with over 40,000 ounces of gold production, and at the same time building our cash position to over \$14 million has been very pleasing. We have also agreed with Equinox Gold Corp to extend the final payment of the deferred consideration due in respect of Coringa to 31 March 2020, as announced in December 2019.

“With recent continued strengthening of the gold prices, beneficial exchange rates and the ore sorter poised to contribute, I am positive about the outlook for 2020. The Company anticipates that 2020 production will show further growth and be in the region of 45,000-46,000 ounces

“With drilling continuing at Sao Chico and more permitting progress with Coringa, I look forward to reporting further positive news in the coming months.”

Production Results

Total production for the fourth quarter of 2019 was 10,223 ounces of gold, generated from the processing of 44,794 tonnes of ore at overall average grades of 6.81 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 9,423 tonnes of surface stockpiled flotation tailings grading approximately 5.38 g/t gold. Mined tonnage for the quarter totalled 44,092 tonnes with a grade of 6.69 g/t of gold.



On 31 December 2019, there were coarse ore stocks of approximately 1,600 tonnes of ore with an average grade of 6.30 g/t of gold, and a significant stockpile of flotation tails with an estimated average grade of 3.00 g/t of gold. These stockpiles are being slowly consumed, used as a ‘top-up’ to mined ROM to keep the plant full. The stockpile of flotation tailings is considered to be sufficient to continue to process this material at current rates for a significant part of 2020.

A total of 2,908 metres of horizontal development has been completed during the quarter, of which 1,468 metres was ore development. The balance is the ramp, cross cuts and stope preparation development.

2020 Production Guidance

The Company anticipates full year production for 2020 will be between 45,000 and 46,000 ounces.

Enquiries

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

GLOSSARY OF TERMS

The following is a glossary of technical terms:

“Au” means gold.

“assay” in economic geology, means to analyse 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.

“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.

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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



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“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.

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