



Issue of the 2019 Financial Results and Update on Operations

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, announces that it had intended to issue its audited Financial Statements for the calendar year 2019 (“2019 Financial Statements”), the Management Discussion and Analysis for the 3 month and 12 month periods to 31 December 2019 (“2019 MD&A”) and the Annual Information Form (“2019 AIF”) on or before 30 March 2020 in line with its normal reporting calendar. The Company intends to rely on exemptions recently granted by Canadian securities regulatory authorities that allow it to delay the issue of the 2019 Financial Statements, the 2019 MD&A and the 2019 AIF. Without the exemptions, the Company would be required to issue and file its 2019 Annual Financial Statements, 2019 MD&A and 2019 AIF by 30 March 2020. In response to the global Coronavirus (Covid-19) pandemic, securities regulatory authorities in Canada have granted blanket exemptions allowing companies an additional 45 days in which to complete their regulatory filings. The Company intends to rely on the exemptions to provide its Board of Directors and its auditors adequate time to assess the longer-term impacts of the economic and other uncertainties created by the global Coronavirus (Covid-19) pandemic. The Company and its auditors are making every effort to issue and file the 2019 Annual Financial Statements, 2019 MD&A and 2019 AIF at the earliest opportunity and currently expects to file no later than 14 April 2020.

Until such time as the 2019 Financial Statements, the 2019 MD&A and the 2019 AIF are filed, the Company’s management and other insiders will observe a trading blackout consistent with the principles contained in Canadian National Policy 11-207 – *Failure to File Cease Orders and Revocations in Multiple Jurisdictions* in addition to close period restrictions imposed by the UK’s Market Abuse Regulations (“MAR”).

In common with all business sectors at this time, there is significant uncertainty regarding the underlying basis for some of the assumptions and judgments that the Company and its management are required to make in connection with the preparation of the financial statements. In this regard the Company advises that as a consequence of the uncertainties caused by Coronavirus, it has agreed with Greenstone Resources II LP (“Greenstone”) to extend the period for the satisfaction of all the conditions necessary for the completion of the subscription for and issue to Greenstone of US\$12 million Convertible Loan Notes (the “Loan Notes”) that was announced on 22 January 2020 and was approved by shareholders of the Company on 26 February 2020. Both Greenstone and the Company fully expect that the subscription for and issue of the Loan Notes will be completed at a later date and at that time the Company will be in a position to complete the payment of the final acquisition payment of US\$12 million owed to Anfield Gold Ltd, a subsidiary of Equinox Gold Ltd, for the purchase of Chapleau Resources Ltd and its Coringa Gold project (the “Deferred Consideration”).

It had been intended that, concurrent with the subscription by Greenstone for the Loan Notes, the existing secured loan owed by the Company to Sprott Resource Lending Partnership (“Sprott”) would be settled in full from the existing cash holdings of the Company. As of today’s date, the principal owed to Sprott (excluding interest) is US\$4.65 million with an amount of US\$1.16 million due to be paid on 31 March 2020. The net proceeds from the issue of the Loan Notes are intended to be used to settle Deferred Consideration.

The Company is projecting to have cash holdings of approximately US\$8.5 million at the end of March after payment of the next installment of the loan repayment to Sprott.

The Company continues to enjoy the full support of its major shareholders, Fratelli Investments Limited and Greenstone, and also the support of its secured lender, Sprott. The existing loan agreement with Sprott provides for the Company to pay down the remaining debt in four equal installments at the end of each calendar month with the next installment falling due on 31 March 2020. The Company fully expects to be able to settle each of these installments as and when they fall due in accordance with the Sprott loan agreement and remains in compliance with the terms and conditions of this secured loan.

Discussions with Equinox are on-going. The Deferred Consideration is currently due to be paid on 31 March 2020.



Effects of the Coronavirus on Current Operations

No Company staff member has yet reported that they have contracted or are displaying potential symptoms of the Coronavirus.

The Board and management are continuing to assess and find ways to mitigate the potential effects of Coronavirus on its day to day operations. However, at this time the Board is anticipating that the Company will not be able to achieve the production levels over the coming few months that management had originally anticipated. The health and wellbeing of our employees, contractors and local communities are of paramount importance during these uncertain and worrying times. Whilst a number of Serabi's operational staff reside in nearby communities, the location of Serabi's current operations require a significant number of its personnel (including those resident in the State of Para) to live at site during their work roster, returning to their homes at the end of each roster period. The nature of a work camp arrangement presents challenges of ensuring, with shared facilities, that personnel can practice social distancing during periods when they are on site but not on a work shift. As a result, the Board anticipates that operations, while continuing, may have to be undertaken by a lower than normal number of personnel.

The Board and management are also continuing to monitor and react to the actions and decisions being taken by the government of Brazil and individual state Governors that may impact on the movement (both nationally and internationally) of personnel and goods or may provide financial assistance to protect the jobs and the economy, which remains heavily reliant on the mining sector and the export earnings that it generates.

Management is evaluating a number of operational scenarios. In the meantime, there has been no interruption to gold production and this is expected to continue. However, rates of production may be below those originally anticipated in the event that it is not possible to maintain a full workforce complement over the coming months as the Company balances its obligation to provide a safe working and living environment for its staff, with an operational plan that ensures the long term sustainability of the business. Capital investment and exploration programmes and all other non-essential expenditures have been temporarily suspended to conserve cash resources.

First quarter update

During February, the Company experienced a mechanical failure of one of the three ball mills, which resulted in a lower than anticipated level of gold production for that month. Repairs have been completed and the plant is currently again running at capacity. Commissioning of the ore sorter has been completed and it is now operating in line with specifications and the Company's expectations. Management had expected that with the successful commissioning of the ore sorter, the shortfall in production from the first quarter could be recovered over the remaining three quarters of the year. However, the potential restrictions that may arise from the current situation now make that unlikely.

Gold production for the first three months of 2020 is expected to be approximately 8,500 to 9,000 ounces. The cash position of the Company at the end of March will be very similar to the Company's internal forecasts as a result of the benefits derived from the improved gold price that has prevailed during the first quarter combined with the weaker exchange rate of the Brazilian Real against the US Dollar for the same period.

2020 Guidance

Given the current uncertainties the Company is suspending its 2020 production guidance until it is in a better position to quantify the impact.

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.



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

www.serabigold.com

BEAUMONT CORNISH Limited

Nominated Adviser & Financial Adviser

Roland Cornish t +44 (0)20 7628 3396
Michael Cornish t +44 (0)20 7628 3396

PEEL HUNT LLP

UK Broker

Ross Allister t +44 (0)20 7418 8900
James Bavister t +44 (0)20 7418 8900

Copies of this announcement are available from the Company's website at 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 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

SERABI GOLD PLC

Mercury House, 117 Waterloo Road, London SE1 8UL
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e contact@serabigold.com 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