



Mine development underway at Coringa

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to announce the start-up of mining development at the Company’s wholly owned gold project at Coringa. Coringa is located 200km south of Serabi’s current gold operation at Palito and represents a strategically important asset for Serabi that will upon reaching full production double the Group gold production.

HIGHLIGHTS

- The Mine portal to reach the Serra zone, one of three main zones at Coringa began in late July, with the first blasts into hard rock now well underway
- The Company anticipates intersecting the Serra orebody in mid-October
- The development of Coringa is a significant milestone for Serabi with favourable economics. The Company’s 2019 Preliminary Economic Assessment (previously published October 2019) highlighted:
 - low initial capital of US\$25m
 - average annual production of 38koz for the first 5 full years of production of the 9 year mine life at an average grade of 8.34g/t Au
 - All-In Sustaining Cost (AISC) of US\$852/oz
- 400 metres of ore development is planned to further support the geological resource which to date is based on drillholes and surface artisanal mining
- Exposure of the orebody through development could identify potential mining and processing improvements to the project and future operation:
 - The project economics are currently based on selective mining. The Company currently utilises a more mechanised long-hole open stoping at the Sao Chico deposit and is having good success with this mining method on the more regular veins at Palito. There is therefore strong potential that this mining method could be effectively deployed at Coringa
 - The use of ore sorting technology at Palito has been very successful. The Coringa drill core suggests the presence of the same strong contrast between ore and waste rock. The Company plans to take development ore from Coringa to Palito and run tests to assess the applicability of this technology
- The Company has prepared a short video showing the progress achieved to date and can be viewed using the following link - <https://bit.ly/2XrvZQW>

Mike Hodgson, CEO of Serabi, commented:

“This is a very important milestone for the Company in achieving our mid-term objective of becoming a 100,000 ounce gold producer. We acquired Coringa in December 2017, and since that time we have built on the Bankable Feasibility Study undertaken by Equinox in 2017, with an enlarged mineral resource supporting a new Preliminary Economic Assessment in 2019, as well as receiving the Preliminary License in October 2020. With permits in place to commence the mining operation, I am delighted to see mine development underway, and look forward to intersecting the first ore zone early next quarter and we anticipate that the improved understanding arising from this underground ore development will deliver further economic benefits to the project.”



“All studies to date have considered the tried and tested selective mining approach that we have largely used at Palito to date. However, over the past six months we have trialled very controlled long hole open stoping in certain areas of the Palito mine, combined with cable bolting, and the results have been excellent. If we can extend this to Coringa, it could have major benefits, reducing costs and bringing production efficiencies.

“Coringa has all the indications that it will be like Palito and ore sorting could be a real possibility. The fact we have our own sorter at Palito means we can undertake our own test work and find the optimal settings and processing criteria. Ore sorting has significant benefits as it means rejecting waste before the plant, resulting in a higher grade lower volume feed to the plant, and, as Coringa will have filtration and dry stacking of tailings instead of a tailings dam, reduced levels of tailings.

“I look forward to providing a further update after we have intersected the first vein in the Serra orebody.”

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

The person who arranged for the release of this announcement on behalf of the Company was Clive Line, Director.

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

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GLOSSARY OF TERMS

The following is a glossary of technical terms:

| | |
|-----------------|--|
| “Ag” | means silver. |
| “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. |
| “CIM” | means the Canadian Institute of Mining, Metallurgy and Petroleum. |
| “chalcopyrite” | is a sulphide of copper and iron. |
| “Cu” | means copper. |
| “cut-off grade” | the lowest grade of mineralised material that qualifies as ore in a given deposit; rock of the lowest assay included in an ore estimate. |

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|---------------------------------------|---|
| “ dacite porphyry intrusive ” | a silica-rich igneous rock with larger phenocrysts (crystals) within a fine-grained matrix |
| “ deposit ” | is a mineralised body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved. |
| “ electromagnetics ” | is a geophysical technique tool measuring the magnetic field generated by subjecting the sub-surface to electrical currents. |
| “ garimpo ” | is a local artisanal mining operation |
| “ garimpeiro ” | is a local artisanal miner. |
| “ geochemical ” | refers to geological information using measurements derived from chemical analysis. |
| “ geophysical ” | refers to geological information using measurements derived from the use of magnetic and electrical readings. |
| “ geophysical techniques ” | include the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarisation and other techniques; geophysical surveys can be undertaken from the ground or from the air. |
| “ gossan ” | is an iron-bearing weathered product that overlies a sulphide deposit. |
| “ grade ” | is the concentration of mineral within the host rock typically quoted as grams per tonne (g/t), parts per million (ppm) or parts per billion (ppb). |
| “ g/t ” | means grams per tonne. |
| “ granodiorite ” | is an igneous intrusive rock similar to granite. |
| “ hectare ” or a “ ha ” | is a unit of measurement equal to 10,000 square metres. |
| “ igneous ” | is a rock that has solidified from molten material or magma. |
| “ IP ” | refers to induced polarisation, a geophysical technique whereby an electric current is induced into the sub-surface and the conductivity of the sub-surface is recorded. |
| “ intrusive ” | is a body of rock that invades older rocks. |
| “ mineralisation ” | the concentration of metals and their chemical compounds within a body of rock. |
| “ mineralised ” | refers to rock which contains minerals e.g. iron, copper, gold. |
| “ Mo-Bi-As-Te-W-Sn ” | Molybdenum-Bismuth-Arsenic-Tellurium-Tungsten-Tin |
| “ monzogranite ” | a biotite rich granite, often part of the later-stage emplacement of a larger granite body. |
| “ mt ” | means million tonnes. |
| “ ore ” | means a metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be mined at a profit. |
| “ oxides ” | are near surface bed-rock which has been weathered and oxidised by long term exposure to the effects of water and air. |
| “ ppm ” | means parts per million. |
| “ saprolite ” | is a weathered or decomposed clay-rich rock. |
| “ sulphide ” | refers to minerals consisting of a chemical combination of sulphur with a metal. |
| “ vein ” | is a generic term to describe an occurrence of mineralised rock within an area of non-mineralised rock. |
| “ VTEM ” | refers to versa time domain electromagnetic, a particular variant of time-domain electromagnetic geophysical survey to prospect for conductive bodies below surface. |

Assay Results

Assay results reported within this release are those provided by the Company's own on-site laboratory facilities at Palito and have not yet been independently verified. Serabi closely monitors the performance of its own facility against results from independent laboratory analysis for quality control purpose. As a matter of normal practice, the Company sends duplicate samples derived from a variety of the Company's activities to

accredited laboratory facilities for independent verification. Since mid-2019, over 10,000 exploration drill core samples have been assayed at both the Palito laboratory and certified external laboratory, in most cases the ALS laboratory in Belo Horizonte, Brazil. When comparing significant assays with grades exceeding 1 g/t gold, comparison between Palito versus external results record an average over-estimation by the Palito laboratory of 6.7% over this period. Based on the results of this work, the Company's management are

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

satisfied that the Company's own facility shows sufficiently good correlation with independent laboratory facilities for exploration drill samples. The Company would expect that in the preparation of any future independent Reserve/Resource statement undertaken in compliance with a recognised standard, the independent authors of such a statement would not use Palito assay results without sufficient duplicates from an appropriately certificated laboratory.

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

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