



SERABI GOLD

Tailings Management Facilities – First issued 31 May 2019

The following information regarding the tailings management facilities where Serabi Gold plc has any interest (whether through subsidiaries, partnerships, joint ventures both incorporated and unincorporated and any other enterprises of whatever legal form), has been prepared in response to a questionnaire received on 16 April, 2019 from the Church of England Pensions Board and Swedish Council on Ethics for the AP Funds and backed by the UN-supported Principles for Responsible Investment (PRI). The communication issued was on behalf of 96 investors in the mining sector, who together represent over \$10.3 trillion in assets under management.

“Tailings Facility” Name/identifier

The Group’s Palito Mine Complex operates with four cellular tailings settlement ponds, two of which (referred to as Ponds 16 and 17) are in active use and two of which (referred to as Ponds 14 and 15) are currently inactive, completely dry and used purely as areas for the stacking of dry tailings.

Ponds 16 and 17 are cycled and whilst one is being used to receive tailings from the process plant, the other is being dried and the dried material excavated allowing the tailings pond to be reused.

Location

The mine location is centred on latitude 6.31°S and 55.79°W

Ownership

The mine and tailings management facility (“TMF”) is operated by Serabi Mineracao SA, a wholly owned subsidiary of Serabi Gold plc

Status

The mine is currently active with Ponds 16 and 17 in active use and Ponds 14 and 15 currently inactive and being used as stacking areas for the storage for dried tailings.

Date of initial operation

The current tailings management facility initially formed part of an early operation which commenced in late 2003 and was suspended at the end of 2009. Processing operations commenced again in December 2013 although at that time the operation



was producing inert tailings which have subsequently been recovered and reprocessed.

The current TMF only started to be used from September 2014 concurrent with the commissioning and operation of a Carbon in Pulp (“CIP”) plant.

Is the Dam currently operated or closed as per currently approved design?

Ponds 16 and 17 are currently being operated in accordance with their approved design and were independently inspected and approved and licenced in September 2018 in accordance with Brazilian legislation.

Raising method

Downstream

Current Maximum Height

8 metres

Current Tailings Storage Impoundment Volume

300,000m³

Planned Tailings Storage Impoundment Volume in 5 years time

As the Ponds are being excavated and emptied on a regular basis there is no planned increase over the next five years in the planned tailings storage impoundment volume.

Most recent Independent Expert Review

The last formal independent review was completed on 30 September 2018 and the dams approved for use as of that date.

Do you have full and complete relevant engineering records including design, construction, operation, maintenance, and/or closure?

YES

What is your hazard categorisation of this facility, based on the consequence of failure?

LOW

What guideline do you follow for the classification system?

UN Economic Commission for Europe – Safety Guidelines and Good Practices 2014



Has this facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an independent engineer (even if later certified as stable by the same or a different firm).

NO

(Yes or No) We note that this will depend on factors including local legislation that are not necessarily tied to best practice. As such, and because remedial action may have been taken, a “Yes” answer may not indicate heightened risk.

Do you have internal/in house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?

BOTH We have in- house engineering capability to undertake initial design and stability studies and these are supplemented by independent accredited engineering capability to meet legislative requirements.

Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions? If so, when did this assessment take place?

Not specifically, however, the regular visits from the state Environmental Agency (SEMAS), the last being May 7-10, 2019, consider dam stability, toxicity, and any environmental impact to local communities, ecosystems etc.

Is there a) a closure plan in place for this dam, and b) does it include long term monitoring?

Yes – a closure plan has been prepared and is in place

Yes – the closure plan includes provision for long term monitoring.

Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change, e.g. over the next two years?

The current design which was reviewed and amended during 2018 resulting in changes to the construction. The current design is based on 1in 100 year climatic events using the most recent regional meteorological data

Any other relevant information and supporting documentation.

The current TMF layout and operation was also reviewed by SRK Consulting (US) Inc. as part of the preparation of a report entitled NI 43-101 Technical Report Palito Mining



Complex, Brazil issued on 25 January 2018. A copy of this report is available on the Companies website at www.serabigold.com

Please state if you have omitted any other exposure to tailings facilities through any joint ventures you may have.

Serabi is not involved with any other tailings facilities through joint ventures or otherwise.