



## AGM Statement

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Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, advises that at 3:30 pm today (UK time), it will be holding its Annual General Meeting.

The following is the text of the statement that will be made by Mr. Mike Hodgson, the Chief Executive of the Company. Highlights of the statement are:

- Gold production is on budget and the Company remains on target to achieving its full year guidance of approximately 40,000 ounces of gold.
- Regional and mine site exploration programmes are underway with drill rigs operating at both Palito and Sao Chico, an airborne electromagnetic geophysical survey planned for July 2018 and crews mobilised to commence surface geophysical and geochemical surveys.
- The Company is continuing the work to secure the necessary permits and completion of studies required in advance of the development of the Coringa project.

"It has been a very exciting 12 months for Serabi. We have acquired the neighbouring Coringa gold deposit, completed a successful funding and commenced a significant mine-site and regional exploration campaign. Meanwhile, we have continued to enjoy a successful year of gold production.

"As I noted in the operational update for the first quarter of 2018, gold production from our Palito and Sao Chico Mines continues to be good. As we approach the middle of the year, we are well positioned to be on budget for the period to June 2018, putting us on target to achieving our full year guidance of approximately 40,000 ounces of gold.

"Mining and development on both orebodies continues to progress. At Sao Chico, we have now reached the minus three metre level, some 250 vertical metres from surface, and the main vein continues to show excellent widths and grades. Deep underground drilling, testing the orebody to depths of 350 metres below surface, is now underway.

"At Palito, six of the 25 veins that comprise the mineral resource and reserve are now being worked, which offers optionality in both development and production. The mine is now quite diverse, and we are mining depths as low as the minus 50 metre level on the G3 vein, whilst still developing the upper levels such as the 250 metre level on the Senna vein.

"Whilst the Senna vein is a regular, wider structure that may offer the potential for some mechanisation of the mining process at some time in the future, our focus on narrow vein mining continues. We have just taken delivery of a new mini scoop and two mini jumbos, that allows us to mine the smallest development galleries possible. I have just returned from site and after one month's operation, the quality of reducing the gallery widths, and the speed at which we can now advance is clear to see. Whilst we are still in the early days and the evaluation stage, the results so far are excellent.

"The plant continues to perform very well, treating ores from both the Palito and Sao Chico orebodies. The past 12 months has been a year of optimisation, with the Company installing a new detoxification plant, upgrading the crushing circuit and completing a new on-site laboratory. With Palito being a narrow vein, high grade orebody, the focus is always on maintaining quality and minimising dilution, which is the rationale behind smaller mining equipment. However, we can go further, and over the past 12 months we have been undertaking ore-sorting test-work, which can separate out, post crushing, waste rock from ore using either optical and/or X-Ray scanning.



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This saves on processing costs, but also liberates essential capacity in what remains a plant limited operation. This is an important development for Serabi as we feel we have significant growth opportunities in and around the Palito and Sao Chico orebodies. Liberating plant capacity will allow some of this mine site exploration success to be converted to production with minimal plant expansion capex.

"Following the successful funding in early 2018, Serabi commenced a mine site and regional exploration programme. Due to the focus on production, very little exploration has been carried out since 2012. However, we now have drill rigs operating at both Palito and Sao Chico. We will soon be mobilising crews to commence surface geophysical and geochemical surveys, following up on anomalies and, in July 2018, undertaking an airborne electromagnetic geophysical survey over some 20,000 hectares of our tenements. This will no doubt generate a substantial number of new targets for follow up exploration work.

"The other main highlight of 2017 was acquiring Coringa, an asset that we have been looking at for many years. We certainly see it as a Palito 'look-a-like' and feel we are very well placed to put the project into production at the earliest possible moment. Both of the previous owners undertook considerable work at Coringa and we feel we have acquired an asset at a great price which we can further enhance and demonstrate to the market what a good acquisition this is. We are currently working hard on permitting and concluding necessary studies.

"The gold price has clearly been favourable over recent months, particularly in Brazilian Real terms, and with the majority of our costs denominated in Reais we have been enjoying a much better economic climate than 12 months ago.

"With the operation in steady state, our strategy for the rest of the year is well set out. We hope to receive approvals to develop Coringa in the coming months, as well as beginning to see the exploration campaigns in and around Palito and Sao Chico bear fruit. Our ambitions are to see Serabi as a 100,000 ounce per annum producer within two years. We have often been described as a success in Brazil, albeit a modest story with modest production. However, we feel the organic growth and bringing Coringa on stream will begin to change this and I believe that Serabi will benefit from having greater critical mass and being able to attract wider investor support.

"Before closing I would like to acknowledge, again, the support, long term loyalty and commitment of our major shareholder, Fratelli Investments. I would also like to welcome our new cornerstone investor Greenstone Resources, who along with Fratelli, look forward to helping us build a significant Brazilian focused gold mining company. Finally, and by no means least, I would like to thank our other new and existing shareholders, our loyal, experienced management team and our workforce in Brazil. People are proud to work for Serabi and that says it all."

## 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](mailto:contact@serabigold.com)

[www.serabigold.com](http://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

### Blytheweigh

**UK Financial PR**

Tim Blythe t +44 (0)20 7138 3204  
Camilla Horsfall t +44 (0)20 7138 32

Copies of this announcement are available from the Company's website at [www.serabigold.com](http://www.serabigold.com).

### SERABI GOLD PLC

2nd Floor, 30-32 Ludgate Hill, London EC4M 7DR  
t +44 (0)20 7246 6830 f +44 (0)20 7246 6831 e [contact@serabimining.com](mailto:contact@serabimining.com) [www.serabigold.com](http://www.serabigold.com)  
Registered Office 66 Lincoln's Inn Fields, London, WC2A 3LH Company Number 5131528

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

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**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.*