

Improved Production for Second Quarter of 2023

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[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to report operational results for the second quarter of 2023 and provide a review of its development and exploration activities.

HIGHLIGHTS

- Second quarter gold production totalled 8,518 ounces, a 6% improvement on the first quarter in 2023.
- Mined grades were 6.94 g/t gold, the highest since the third quarter of 2021. Mined grades at Palito averaged 6.68 g/t gold.
- Coringa mine development continued to progress well with mined grades of 7.83 g/t gold. The development ore transported to Palito plant contributed over 2,000 ounces of gold production for the quarter.
- The Vale Exploration Alliance is progressing well with 7 diamond drillholes for 3,200 metres completed at the Matilda prospect. A number of other regional targets have also tested with total drilling exceeding 5,500 metres. Assay results from Matilda and the other targets are anticipated within the coming weeks.
- Cash held at 30 June 2023 was US\$13.3 million (US\$12.3 million net of cash held under the Vale Exploration Alliance) compared to US\$7.2 million at 31 December 2022.

Mike Hodgson, CEO of Serabi, commented:

"An excellent second quarter to follow the first quarter production of 8,005 ounces, keeps the company on course to meet its guidance for this year of between 33,500 to 35,000 ounces."

"The quarter saw improved grades coming from Palito, along with continued high grade development ore from Coringa, which resulted in a plant feed grade of 6.84g/t gold, which we have not achieved since the third quarter of 2021."

"Mine development at Coringa continued to be very successful. The payability of the development is quite remarkable, with very limited low-grade or waste zones being encountered as the orebody is developed. The mine is still in development and only operating under the GUIA trial mining license. Even so, the small volumes of ore that are being extracted and transported to the Palito plant are proving to be very beneficial, with over 2,000 ounces of gold production attributed to Coringa in the second quarter."

"On the exploration front, the relationship with Vale is working well and the first phase of drilling was completed on the Matilda copper porphyry prospect with seven holes now drilled. Samples have gone for multi-element external assaying, and we eagerly await the results. With three rigs on site, the focus has shifted to other regional targets with a second round of drilling planned at Matilda when the assays from phase 1 have been received and the geological picture updated."

"Management remains hopeful that we are entering the final stages of satisfying the requests of the court and public prosecutor regarding the future licencing of Coringa and in particular that the project presents minimal impact to the environment and communities that live nearby. The indigenous study report ("ECI") was completed in April. It has been circulated through the technical committees of the Indigenous communities with comments received and being incorporated into a revised draft. In parallel, independent consultations have been carried out with the indigenous communities to seek project support, which have

progressed very well. With the demands fulfilled, this should result in a cancellation of the court decision and open the door for SEMAS, the environmental agency, to issue the installation License ("LI") shortly thereafter ."

OPERATIONAL RESULTS

Total production for the second quarter of 2023 was 8,518 ounces. Coringa contributed 2,186 ounces to this total.

Total ore mined from the Palito Complex during the quarter was 31,652 tonnes at 6.68 g/t compared to 29,691 tonnes at 6.33 g/t of gold for the first quarter of 2023. Development mining operations at Coringa generated a total of 9,370 tonnes at 7.83 g/t in the quarter.

41,116 tonnes of ROM ore was processed through the Palito plant during the quarter, with an average grade of 6.84 g/t of gold, compared with 39,004 tonnes at 6.75 g/t in the first quarter of 2023. This included 9,215 tonnes of Coringa ore at a feed grade of 7.59 g/t gold.

A total of 2,469 metres of horizontal development has been completed at Palito during the quarter, of which 1,619 metres was ore development. The balance is the ramp, cross cuts and stope preparation development. Horizontal development at Coringa totalled 508 metres, of which 304 metres was in ore.

| | | SUMMARY PRODUCTION STATISTICS FOR 2023 AND 2022 | | | | | | | |
|-----------------------------------|------------------|---|--------|--------|--------|--------|--------|--------|-----------|
| | | Qtr 1 | Qtr 2 | YTD | Qtr 1 | Qtr 2 | Qtr 3 | Qtr 4 | Full Year |
| | | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 | 2022 | 2022 |
| Group | | | | | | | | | |
| Gold production ⁽¹⁾⁽²⁾ | Ounces | 8,005 | 8,518 | 16,524 | 7,062 | 8,418 | 8,542 | 7,798 | 31,819 |
| Mined ore | Tonnes | 41,546 | 41,022 | 82,568 | 40,606 | 44,008 | 46,863 | 42,264 | 173,741 |
| | Gold grade (g/t) | 6.49 | 6.94 | 6.71 | 5.95 | 6.26 | 6.22 | 6.01 | 6.12 |
| Milled ore | Tonnes | 39,004 | 41,116 | 80,120 | 41,357 | 43,488 | 44,867 | 42,692 | 172,404 |
| | Gold grade (g/t) | 6.75 | 6.84 | 6.80 | 5.72 | 6.43 | 6.34 | 6.05 | 6.14 |
| Palito Complex | | | | | | | | | |
| Gold production ⁽¹⁾⁽²⁾ | Ounces | 5,776 | 6,632 | 12,108 | 7,062 | 8,418 | 7,972 | 7,355 | 30,807 |
| Mined ore | Tonnes | 31,705 | 31,901 | 63,357 | 40,606 | 44,008 | 43,180 | 38,293 | 166,087 |
| | Gold grade (g/t) | 6.14 | 6.68 | 6.41 | 5.84 | 6.26 | 6.28 | 6.20 | 6.15 |
| Milled ore | Tonnes | 31,273 | 31,901 | 63,174 | 41,357 | 43,488 | 42,257 | 39,573 | 166,675 |
| | Gold grade (g/t) | 6.14 | 6.63 | 6.38 | 5.72 | 6.43 | 6.30 | 6.17 | 6.16 |
| Horizontal development | Metres | 2,010 | 2,469 | 4,480 | 2,938 | 3,353 | 2,458 | 2,245 | 10,994 |
| Coringa | | | | | | | | | |
| Gold production ⁽¹⁾⁽²⁾ | Ounces | 2,229 | 2,186 | 4,415 | | | 570 | 443 | 1,013 |
| Mined ore | Tonnes | 9,841 | 9,370 | 19,211 | | | 3,683 | 3,971 | 7,654 |
| | Gold grade (g/t) | 7.63 | 7.83 | 7.73 | | | 5.46 | 4.15 | 4.78 |
| Milled ore | Tonnes | 7,731 | 9,215 | 16,496 | | | 2,610 | 3,119 | 5,729 |
| | Gold grade (g/t) | 9.22 | 7.59 | 8.33 | | | 7.00 | 4.58 | 5.68 |
| Horizontal development | Metres | 452 | 508 | 960 | 212 | 302 | 632 | 645 | 1,791 |

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

(2) Production numbers are subject to change pending final assay analysis from refineries.

EXPLORATION UPDATE

The Vale Exploration Alliance, signed in May 2023, is progressing well with exploration activity across a number of key target areas of the Palito tenement package. This activity includes:

- Three contractor diamond drill rigs in operation having completed a total of 21 holes, 7 of which were testing the Matilda copper porphyry target. The total metres drilled now exceeds 5,500 metres of the planned 15,000 metres programme.
- Samples have been sent to an independent laboratory for multi-element assays with the initial results from Matilda expected within the coming weeks.
- Systematic soil sampling and auger drilling is being undertaken on areas not previously tested. Soils are being initially tested with a hand-held XRF (X-ray fluorescence) and delivering some interesting results. Following the receipt of results from the external laboratory, further mapping activities and a drilling programme will be considered.

The initial phase of drilling at Matilda was designed to test the footprint of the target. Logging of the core suggests that a number of the holes intersected mineralisation similar to that identified in the 2022 programme. Other holes appear to be more weakly mineralised whilst two holes returned broad zones with what visually appears to be higher grade mineralisation, comparable with the highest grade zones from the 2022 programme where grades of 0.4% to 0.7% copper equivalent were intersected (see press release dated 5 July 2022). Assay results from an independent laboratory are awaited and will be announced in due course. Following full geological analysis of these assay results, a second phase of drilling will commence at Matilda. This will also be guided by a ground geophysics survey that has been programmed to support further geological interpretation.

The drill rigs have moved to other targets including:

- Barbara and Maria Loura which are potential extensions of or parallel structures to the Sao Chico ore body.
- Cinderella which is the site of major historic artisanal activity and has a strong gold-in-soil anomaly over a broad area.
- Calico, which is a target of comparable size to Matilda with a strong gold-in-soil anomaly but no historic drilling.

The regional exploration effort of soil sampling and auger drilling has been successful in identifying a number of new high priority targets using a hand-held XRF device to generate preliminary results while external assays are pending. These targets include a significant copper-in-soil anomaly to the north of Matilda that will require follow-up mapping and potentially drilling later in the programme. With 1,450 soil samples collected and 308 auger drillholes completed, these programmes are 53% and 72% completed respectively.

FINANCE UPDATE

Cash balances at the end of June 2023 were US\$13.3 million which includes US\$0.94 million of funds held for the Vale Exploration Alliance. This compares with a cash balance of US\$7.2 million at the end of December 2022 and US\$13.9 million at 31 March 2023, which included a US\$5.0 million loan for a 12 month period from Santander Bank in Brazil received at the end of February 2023. During May 2023, the Group repaid the US\$5.0 million loan facility that it had taken out with Itau BBA bank in May 2022. Net cash attributable to the Group has increased by US\$5.1 million during the first six months of the year.

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 of ore or mineral for composition, purity, weight or other properties of commercial interest. |
| "CIM" | means the Canadian Institute of Mining, Metallurgy and Petroleum. |
| "chalcopryrite" | 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 kind included in an ore estimate. |
| "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 exploration and/or development expenditures; such a deposit does not qualify as a commercial ore body or as containing ore reserves, until final legal, technical, and economic factors have been considered. |
| "electromagnetics" | is a geophysical technique tool measuring the magnetic field generated by subjecting the subsurface 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 gravity readings. |
| "geophysical techniques" | include the exploration of an area by exploiting differences in physical properties of different geological materials. 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) (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 ground, and 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 be mined at a profit. |
| "oxides" | are near surface bed-rock which has been weathered and oxidised by long term exposure to 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 versatile time domain electromagnetic, a particular variant of time-domain electromagnetic induction survey to prospect for conductive bodies below surface. |
| "XRF" | X-ray Fluorescence (XRF) is a spectrometric technique used to perform elemental analysis on samples |

Assay Results

Assay results reported within this release include 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 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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