

Serabi Gold plc : Strong fourth quarter production to close the year

18.01.2018 | [GlobeNewswire](#)

For immediate release
18 January 2018

Serabi Gold plc
("Serabi" or the "Company")

Strong fourth quarter production to close the year

[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, is pleased to report its fourth and final quarter production of 9,337 ounces of gold at its Palito/Sao Chico high grade gold operation in the Tapajos region of Para State, Northern Brazil.

HIGHLIGHTS

- The acquisition of Chapleau Resources Ltd and its wholly owned 370,000 ounce Coringa gold deposit.
- Commencement of an initial 8,000 metre surface drill programme at Palito in December 2017.
- Fourth quarter production of 9,337 ounces of gold.
- Total gold production for 2017 of 37,004 ounces.
- Mine production totalling 49,011 tonnes at 8.25 grammes per tonne ("g/t") of gold.
- 43,345 tonnes processed through the plant for the combined mining operations, with an average grade of 7.27 g/t of gold.
- 2,762 metres of horizontal mine development completed in the fourth quarter.
- Palito development and production continues to focus on the four main sectors of Senna, Pipocas, G3 and Mogno, whilst in the Sao Chico orebody, the main ramp has now reached level 10mRL, approximately 245 vertical metres below surface. Production is coming from levels 100mRL and 86mRL with levels 70mRL, 56mRL, 40mRL, 26mRL and 10mRL all either developed or in development, nicely ahead of production.
- By the end of the year, surface ore stocks were approximately 15,000 tonnes, (September 2017: 15,000 tonnes) with an average grade of 3.0 g/t of gold, together with approximately 40,000 tonnes of flotation tailings grading approximately 3.0 g/t gold.

Mike Hodgson, CEO, said:

"I think it is fair to say we have enjoyed an exciting end to the year. The acquisition of Coringa has been the highlight of the fourth quarter, this being an asset we had been keen to acquire for some time and one that, I feel, will serve the Company well and bring great value over the coming years. Our day-to-day business is gold production, and I am also very pleased to report a very good final quarter, with over 9,300 ounces of gold produced.

"Overall I am delighted with the Company's performance over the second half of the year. Total gold production for the year of 37,000 ounces compares with our initial guidance at the start of 2017 of 40,000 ounces. Approximately 2,000 ounces of this shortfall arose during the second quarter from short term operational problems, now fully resolved, commissioning new underground fleet. Since then, we have seen two strong quarters, with the mine running well and the plant at capacity. We remain mill constrained as the static stockpile levels illustrate and the reported operational statistics for both the third and fourth quarters could not, realistically, have been improved by much. I am, therefore, more than happy with the recent performance and the year end results.

"The fourth quarter saw mine production from both the Palito and Sao Chico orebodies performing well. Average grades were maintained at over 8.0 g/t, and on-going mine development is progressing as planned. I am particularly pleased with how the Sao Chico orebody is shaping up, with the payability of ore development seemingly improving with depth.

"At the Palito orebody, seven veins out of the 25 veins that comprise the total geological resource are now in various stages of development and production. The Pipocas, G3, and Senna veins remain the backbone of our sources of ore, with smaller contributions from the newly developed Jatoba, Mogno, Zonta and G1 veins.

"In the plant, the performance during the quarter was as good as we can reasonably expect. The plant is at full capacity and continues to perform excellently. With approximately 43,300 tonnes of run of mine ore ("ROM") milled this represents a 7.5 per cent improvement on the same quarter in 2016. As I have mentioned in previous reports, the existence of a 15,000 tonne coarse ore stockpile and a further 40,000 tonnes of stockpiled flotation tails (with an average grade of around 3g/t of gold) on surface, is both a source of comfort and frustration.

"During 2018, we will have in place an additional independent conveyor to feed the flotation tails directly into the ball mills, allowing this material to be added directly to the current dry mill feed, and increasing the tonnage of this material that can be treated each month. We hope this operational improvement can be commissioned by the end of January.

"As reported last quarter, the results of our ore sorting test-work on the Palito ore have been excellent and we plan to introduce this to the production flowsheet during 2018. We mine the veins at Palito as selectively as possible, with head grades in excess of 8.0 g/t gold as evidence of this, but the grade of the ore feed entering the plant can be further improved using an ore sorter without compromising ounces. The ore sorter can eliminate significant volumes of waste material that are unavoidably in the ore feed, and consume plant capacity and energy. Regrettably, with the lead time involved, we will not see any real impact until late 2018 at best, but having had a surface coarse-ore stockpile of between 15,000 tonnes and 25,000 tonnes since operations commenced, one can see the operation will otherwise always be plant constrained. Payback of the estimated US\$1.2 million cost is expected to be less than 12 months.

"In December, we saw the long awaited start of a surface exploration drill programme. The purpose of the programme is to drill some of the many potential vein extensions identified at Palito. The initial programme is for approximately 8,000 metres but I hope that over the course of the year we will be able to undertake further drilling, including, in particular, a programme at Sao Chico. The Palito orebody hosts a resource that extends over a one kilometre strike length, but sits within a trend and there are now clearly indications that have allowed the veins and their mineralisation to be traced over approximately four kilometres. The continuity, grade and payability of the ore in these veins still needs to be established, but only drilling will determine this. The Sao Chico orebody is completely open along strike with very little information outside the immediate mine limits. Again there are strong indications that substantial strike extensions of the principal vein and adjacent veins are waiting to be defined.

"Ultimately, we have plans that would involve a much more ambitious drilling programme targeting up to two million ounces of total mineral resource across the two ore-zones, with the full programme, totalling 60,000 meters, to be completed in two phases. This initial 8,000 metres forms part of phase one and is a programme we can start comfortably and commit to out of operational cash flow. I will be providing further updates on this programme, as results are generated, during the first quarter of 2018.

"A concern voiced by many investors about junior gold production companies is their ability to consistently, month after month, deliver on production. Serabi has now since the start of 2016 enjoyed eight quarters of regular production and averaged over 9,500 ounces of gold per quarter over this period, which I feel clearly demonstrates our ability to deliver consistency and stability.

"The acquisition of Coringa, it's permitting and development over the forthcoming period along with successful exploration results in 2018 will, we hope, form the basis of significant expansion of gold production for Serabi, as we seek to establish ourselves as a significant gold producer in Brazil with a target of an annualised production rate of 100,000 ounces within the next two years."

Results

Total production for the fourth quarter of 2017 was 9,337 ounces of gold, generated from the processing of 43,345 tonnes of ore at overall average grades of 7.27 g/t of gold, which was sourced from mined ore from the Palito and Sao Chico orebodies, supplemented with lower grade surface stockpiled ROM and flotation tailings. Mined tonnage for the quarter totalled 49,011 tonnes with a grade of 8.25 g/t of gold.

At 31 December 2017, there were coarse ore stocks of approximately 15,000 tonnes of ore with an average grade of 3.0 g/t of gold, and approximately 40,000 tonnes of flotation tails with an average grade of 3.0 g/t of gold. These stockpiles are being consumed, albeit not as quickly as forecast, and for now the operation remains plant constrained.

A total of 2,762 metres of horizontal development has been completed during the quarter, of which approximately 1,410 metres was ore development. The balance is the ramp, cross cuts and stope preparation development.

2018 Production Guidance

Management does not anticipate a major shift in mine performance and therefore hard rock gold production, in 2018 compared with 2017. However, with the ability to process increased levels of stockpiled flotation tails in 2018, management expects that gold production for 2018 will exceed that of 2017 and be up to 40,000 ounces.

Key Operational Information

	SUMMARY PRODUCTION STATISTICS FOR THE FOUR QUARTERS TO 31 DECEMBER								
	Qtr 2 2017	Qtr 3 2017	Qtr 4 2017	Year to Date 2017	Qtr 1 2016	Qtr 2 2016	Qtr 3 2016	Qtr 4 2016	Year to Date 2016
Horizontal development - Total	2,955	2,996	2,762	9,864	2,925	2,941	2,649	2,694	11,209
Mined ore - Total	36,011	41,263	49,011	168,876	37,546	33,606	43,133	44,579	164,864
	7.60 g/t	8.00 g/t	8.25 g/t	8.92 g/t	11.02 g/t	9.56 g/t	9.61 g/t	8.94 g/t	9.88 g/t
Milled ore	40,722	44,205	43,345	172,565	36,615	39,402	42,464	40,485	168,966
	6.00 g/t	7.28 g/t	7.27 g/t	7.11 g/t	8.58 g/t	8.17 g/t	8.08 g/t	7.60 g/t	7.91 g/t
Gold production ^{(1) (2)}	9,668	9,657	9,337	37,004	9,771	9,896	10,310	9,413	39,390

1. Gold production figures are subject to amendment pending final agreed assays of the gold content of the copper/gold concentrate and gold doré that is delivered to the refineries.
2. Gold production totals for 2017 include treatment of 4,568 tonnes of flotation tails at a grade of 3.97 g/t (2016 full year : 16,716 tonnes)
3. The table may not sum due to rounding.

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

Tel: +44 (0)20 7246 6830
Mobile: +44 (0)7799 473621

Clive Line
Finance Director

Tel: +44 (0)20 7246 6830
Mobile: +44 (0)7710 151692

Email: contact@serabigold.com

Website: www.serabigold.com

Beaumont Cornish Limited
Nominated Adviser and Financial Adviser

Roland Cornish Tel: +44 (0)20 7628 3396

Michael Cornish Tel: +44 (0)20 7628 3396

Peel Hunt LLP
UK Broker

Ross Allister Tel: +44 (0)20 7418 8900

Chris Burrows Tel: +44 (0)20 7418 8900

Blytheweigh
Public Relations

Tim Blythe Tel: +44 (0)20 7138 3204

Camilla Horsfall Tel: +44 (0)20 7138 3224

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

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

GLOSSARY OF TERMS

The following is a glossary of technical terms:

"Au" means gold.

"assay" in economic geology, means to analyze 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.

"development" - excavations used to establish access to the mineralised rock and other workings

"DNPM" is the Departamento Nacional de Produção Mineral.

"grade" is the concentration of mineral within the host rock typically quoted as grammes 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.

"igneous" is a rock that has solidified from molten material or magma.

"Intrusive" is a body of igneous rock that invades older rocks.

"on-lode development" - Development that is undertaken in and following the direction of the Vein

"mRL" - depth in metres measured relative to a fixed point - in the case of Palito and Sao Chico this is sea-level. The mine entrance at Palito is at 250mRL.

"saprolite" is a weathered or decomposed clay-rich rock.

"stopping blocks" - a discrete area of mineralised rock established for planning and scheduling purposes that will be mined using one of the various stopping methods.

"vein" is a generic term to describe an occurrence of mineralised rock within an area of non-mineralised rock.

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 26 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, recognising 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.

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.

ENDS

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/288077--Serabi-Gold-plc---Strong-fourth-quarter-production-to-close-the-year.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).