

# Continued exploration success at Sao Chico and regional geochemistry reveals exciting promise

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[Serabi Gold Plc](#)

(Serabi; or the Company;)

Continuing Sao Chico mine-site exploration success  
Regional Exploration shows excellent promise

[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to announce further drilling results at the Sao Chico extension drilling programme and results of the regional geochemical sampling programs on the Palito Complex exploration tenement.

A PDF version of this news release is available using the following link - <https://bit.ly/2xMSyTM>

## Highlights

- Results for a further eight surface holes and ten underground holes at Sao Chico since the previous exploration news release of 3 March 2020.
- The new surface drill hole results included significant intersections of:
  - 5.30m @ 12.10g/t Au (Hole: 20-SC-166)
  - 3.40m @ 3.94g/t Au (Hole: 20-SC-164)
- The new underground step out drill results included high grade intersections within the upper portion of the main vein of:
  - 1.37m @ 28.77g/t Au (Hole: 20-SCUD-341)
  - 2.72m @ 5.06g/t Au (Hole: 20-SCUD-343)
- Diamond drilling demonstrates the Main Vein structure now continues to host gold bearing mineralisation for approximately 375 metres to the west of the current mine limits, an extension of a further 75 metres.
- Reverse circulation percussion drilling on the Cicada terrestrial geophysics anomaly indicates the strong likelihood that the anomaly is a western extension of the Sao Chico vein structure, approximately 1,000 metres to the west of the current mine limits. Results include:
  - 3m @ 2.09g/t Au (Hole: SCRC-004)
  - 1m @ 1.17g/t Au (Hole: SCRC-007)
- Regional geochemical sampling has highlighted an area, referred to as Mata Cobra, which represents an eight kilometre by two kilometre soil copper anomaly exceeding 100ppm. This anomaly is coincidental with multiple molybdenum, bismuth, tellurium and arsenic (Mo, Bi, Te, As;) multi-element anomalies as well as the original airborne electromagnetic (AEM;) anomalies.
- Within the Mata Cobra copper anomaly, located approximately five kilometres to the south of Palito, numerous significant new gold and/or multi-element anomalies have also been discovered including:
  - Ganso Prospect, a gold geochemical anomaly over a one-kilometre strike with 8805;1g/t gold in soils, coincidental with the AEM anomaly.
  - The Calico, Forquilha and Juca gold geochemistry and AEM coincident anomalies. Field mapping indicates porphyritic intrusions and hydrothermal alteration amongst the host rocks of the anomalies.

Mike Hodgson, CEO of Serabi has been interviewed by BRR Media and Crux Investors and explains the results and interpretations in more detail in these interviews which can be accessed using the following links

Crux Investors - [https://youtu.be/G9BZ43\\_cjNU](https://youtu.be/G9BZ43_cjNU)

BRR Media -

<https://www.brrmedia.co.uk/broadcasts-embed/5eb2c98a31da814c9fc6e6b0/copied-from-5e8f481f31da814c9fc6923f?>

Mike Hodgson, CEO of Serabi, commented:

These results follow on from the exploration news issued on 3 March 2020, with further encouraging results as we test the western extension of the Main Vein at Sao Chico. The underground drilling focused on the shallow portion of the Main Vein immediately beyond the mine's western limit and returned 1.37m @ 28.77g/t Au (20-SCUD-341) and 2.72m @ 5.06g/t (20-SCUD-343), both very encouraging.

Surface drilling targeted the deeper portion of the main vein and its westerly extension, and results again demonstrate good depth and grade continuity, with intercepts of 5.30m @ 12.10g/t Au (20-SC-166) and 3.40m @ 3.94g/t Au (20-SC-164). The intercept in 20-SC-166 is 300 metres below surface, and immediately down dip of 20-SC-164 and 20-SCUD341 & 20-SCUD-343, with all holes demonstrating mineable widths and grades. On a long section, an interesting high-grade zone is clearly evolving.

Further west we have new holes 20-SC-167, 169 and 170. These are the three most westerly holes and all three intersected the Main Vein with the clearly defined vein/alteration being visible. Whilst the grades returned from the intersections (hole 20-SC-170 graded 1.00m @ 1.09g/t Au) are quite low, this is not unusual and most importantly the intersections demonstrate continuity of a gold bearing structure that is still going strong in our most western hole, now located 375 metres west of the current mine workings.

The Cicada terrestrial geophysics anomaly is located approximately 700 metres further to the west of hole 20-SC-170. We have been undertaking reverse circulation (RC) drilling over this area targeting the series of high chargeability anomalies defined from the extensive ground induced polarisation (IP) surveys completed in 2018 (news release dated 28 November 2018). We chose RC drilling as a quick test to confirm the potential of the Cicada geophysics anomaly and are delighted to report numerous very positive results with a number of intersections grading gold and the geology indicating strong zones of alteration and associated sulphides. RC drilling does not provide core, but a bulk one metre down hole sample, for each metre drilled. Any gold mineralisation intersected is therefore diluted in the sample over at least one metre. The best intercept returned to date has been from drill hole SCRC004, where 3.00m @ 2.09g/t Au was recovered from a depth of 169 metres including a zone of 1m @ 5.42g/t Au. Again, a long section, which shows the location of the RC programme over Cicada and the step out drilling going west from Sao Chico, clearly suggests that as we continue to drill in the gap, the two areas of mineralisation could ultimately connect.

We have also been conducting a geochemistry programme to the south of Palito, following up on some of the findings from the AEM survey completed during 2018, which identified, in particular, the very prominent 14 kilometre long, east-west trending, magnetic anomaly known as the Mata Cobra lineament and the adjacent NE-SW trending Cinderella shear. Since mid-2019, we have been busy with a regional geochemical sampling campaign in and around the Mata Cobra belt, and can now report that the prospectivity of the Mata Cobra geophysical magnetic anomaly has been strengthened by the identification of a eight kilometre by two kilometre copper anomaly with analytical results over 100ppm, coincidental with the geophysical anomaly identified by the AEM.

Within the contours of this 100ppm copper anomaly, we have identified some very exciting prospects, these include Calico and Juca, at the west end of the corridor and approximately five kilometres south of Palito. Both of these prospects exhibit a very similar geological setting to Palito and anomalous gold grades in addition to the copper.

In the central part of Mata Cobra corridor, the Ganso, Quibe and Tabereba geochemical prospects

have been identified also on strong AEM anomalies, themselves a good indicator of sulphide mineralisation. We will continue to advance these prospects through to discovery drilling stage as soon as we can, but I am certainly very encouraged by the obvious potential that exists in the exploration ground between the Palito and Sao Chico orebodies.

On the operations front we have enjoyed another good month in April with final production expected to be approximately 3,400 ounces and we are starting to be able to change over a small number of staff each week who have been tested for COVID-19 and undertaken a period of quarantine.

## RESULTS

Significant new drilling results are set out in the table below;

Hole	Target	East (UTM- WGS84)	West (UTM- WGS84)	RL	Depth (m)	Dip/Azm (°/°UTM)	From (m)	To (m)	Apparent Width
<b>UNDERGROUND DD DRILLING</b>									
20-SCUD-341	Main vein	613,588.43	9,290,449.36	191.08	70.50	-24/026	1.84	3.21	1.37
20-SCUD-343	Main vein	613,588.37	9,290,449.32	190.98	62.30	-38/024	1.28	4.00	2.72
<b>SURFACE DD DRILLING</b>									
20-SC-164	Main vein	613,506.22	9,290,303.52	277.14	310.51	-54/022	292.60	296.00	3.40
						<i>Incl.</i>	292.60	293.80	1.20
20-SC-166	Main vein	613,506.22	9,290,303.52	277.14	427.19	-61/022	344.70	350.00	5.30
						<i>Incl.</i>	346.00	348.55	2.55
20-SC-170	Main vein	613,379.53	9,290,396.10	264.28	370.36	-77/005	227.00	228.00	1.00
<b>SURFACE RC DRILLING</b>									
SCRC-001	Cicada	611,789.35	9,290,703.49	383.20	205.00	-60/180	90.00	91.00	1.00
							96.00	97.00	1.00
SCRC-004	Cicada	612,687.05	9,291,088.00	310.45	300.00		169.00	172.00	3.00
						<i>Incl.</i>	169.00	170.00	1.00
							280.00	281.00	1.00
SCRC-007	Cicada	612,694.48	9,290,891.32	335.52	253.00		52.00	53.00	1.00

Reported intercepts calculated based on a minimum weighted average grade of 0.3g/t Au using a 0.3g/t Au weighted average cut and a maximum internal waste interval of 1.2m based on ALS/SGS and Serabi's on-site lab reported analyses. All completed by Palito Laboratory using a 30gm DIBK aqua regia charge with an AAS analysis. Palito Assays are not certified (please refer to the footnote at the end of this release for further details).

<https://bit.ly/2Lfv78T>

*Figure 1 Long section of Sao Chico underground development and step out drilling to the Cicada anomaly [Click on the link above to access]*

<https://bit.ly/2yKN2I3>

*Figure 2 - Plan view of Sao Chico and geophysical anomalies to the west showing drilling locations [Click on the link above to access]*

Regional soil geochemistry sampling has been ongoing since mid-2019 with over 12,000 samples collected to date. The programme is targeting the geophysical anomalies derived from both terrestrial IP and the AEM anomalies derived from the 2018 HeliTEM survey, and the results to date have been extremely positive.

### *Cinderella Shear/Red Sun*

Soil sampling commenced on the Cinderella Shear Zone lying approximately two kilometres east of the Sao

Chico operations. This target is a significant NNE-SSW striking shear (>7 kilometres) indicated by airborne magnetic interpretation containing coincident IP chargeable and resistive anomalies and sporadic shallow EM anomalies.

The Cinderella shear has yielded a series of NNE-SSW linear gold in soil anomalies coincident with the IP chargeability anomalies in the central and southern part of the shear supported by a number of >1g/t rock chip samples recovered from sub-copping basement in the area.

In the northern part of the Cinderella shear a broad E-W trending gold in soil anomaly coincident with IP and AEM anomalies has been delineated. This anomaly, referred to as the Red Sun prospect, is positioned over an extensive area of artisanal mining activity and adjacent to a large copper-in-soil anomaly and given its location is interpreted to be a continuation of the hosting structure for Sao Chico, on the eastern side of the Cinderella shear.

### *Mata Cobra Corridor*

Soil sampling grids were completed over the priority AEM (HeliTEM) anomalies lying along the northern and southern flanks of the major E-W trending high magnetic feature. Subsequently these grids were extended and infilled to provide a continuous systematic coverage along the flanks of this magnetic feature.

Soil results defined an extensive copper in soil (&#8805;50ppm) anomaly extending approximately 14 kilometres E-W along this magnetic feature and referred to as the *Mata Cobra Corridor*. Within this broad geochemical corridor, a series of higher tenor copper-in-soil anomalies are apparent, many coincident or proximal to AEM anomalies. The regional soil contours plan (included in this news release as Figure 3) highlights a number of these higher copper-in-soil (&#8805;100ppm) anomalies that are coincident with AEM anomalies, including Juca, Forquilha, Quibe and Tabereba.

<https://bit.ly/2WHkKjl>

*Figure 3 &#8211; Regional plan showing contours of soil anomalies identified by geochemical sampling [Click on the link above to access]*

The soil geochemistry also delineated a number of robust gold-in-soil anomalies within the *Mata Cobra Corridor* or immediately adjacent to the copper anomaly. Prospects such as Calico, Mata Cobra East and Ganso were derived from anomalies of gold associated with other elements but with lower levels of copper.

The *Calico* Prospect, defined by a broad three kilometre by three kilometre soil geochemistry contour of greater than &#8805;10ppb of gold, contains a series of NW-SE trending stacked &#8805;30ppb of gold anomalies, with the highest results exceeding 500ppb of gold. This target shows many similarities in direction, scale and tenor to the geochemistry signatures of the areas around Palito located just five kilometres to the north.

The *Ganso* prospect, eight kilometres to the west of Calico, is immediately overlying a priority AEM target, and comprises an E-W trending gold in soil anomaly >1g/t over a strike length of 1.2 kilometres supported by rock chips with grade of >1g/t Au and a multi-element base metal (-Cu) anomalism.

Regional soil sampling crews continue to further develop and refine these targets as well as continuing to target other AEM anomalies in the northern portion of the Jardim do Ouro tenement portfolio. The objective is to have a series of drill ready targets defined in readiness for the resumption of drilling activities post the COVID-19 crisis.

### *Prospect Scale Mapping*

In conjunction with the regional soil sampling programs, Serabi have been undertaking prospect wide field mapping activities to enhance our understanding of the multi-element soil geochemistry results being

generated,

Serabi geologists have, over many years, developed an understanding of the Palito area and its mineralisation and geological setting and in turn the importance of alteration types, mineralisation models and associated mineralogy, has honed the wider regional understanding.

Field mapping over soil geochemistry/AEM coincident anomalies at Calico, Forquila and Juca prospects has identified evidence of potassic hydrothermal alteration within float and outcrop samples and evidence of porphyritic type intrusions with subordinate sulphide species.

A number of discrete Mo?Bi?Te?As multi-element cores within the broader copper anomalous area are coincident with AEM anomalies and proximal potassic hydrothermal alteration suggesting multiple shallow intrusive centres lie within the Mata Cobra; geochemical corridor.

The mapping activities have enhanced the potential for discovery of intrusion based mineral systems. These systems can be mid-level crustal Intrusion Related Gold Systems (IRGS) or shallower crustal level Porphyry type copper/gold/molybdenum intrusives as possible causative models for the geochemical/geophysical and geological anomalism being discovering within the tenement portfolio.

<https://bit.ly/2WHpi9x>

*Figure 4; Plan and section views of soil sampling results at Calico and Juca prospects [Click on the link above to access]*

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.

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

&#8220;Ag&#8221;	means silver.
&#8220;Au&#8221;	means gold.
&#8220;assay&#8221;	in economic geology, means to analyse the proportions of metal in a ore or mineral for composition, purity, weight or other properties of co
&#8220;CIM&#8221;	means the Canadian Institute of Mining, Metallurgy and Petroleum.
&#8220;chalcopyrite&#8221;	is a sulphide of copper and iron.
&#8220;Cu&#8221;	means copper.
&#8220;cut-off grade&#8221;	the lowest grade of mineralised material that qualifies as ore in a give included in an ore estimate.
&#8220;deposit&#8221;	is a mineralised body which has been physically delineated by suffici underground work, and found to contain a sufficient average grade o exploration and/or development expenditures; such a deposit does n ore body or as containing ore reserves, until final legal, technical, and
&#8220;electromagnetics&#8221;	is a geophysical technique tool measuring the magnetic field generat electrical currents.
&#8220;garimpo&#8221;	is a local artisanal mining operation
&#8220;garimpeiro&#8221;	is a local artisanal miner.
&#8220;geochemical&#8221;	refers to geological information using measurements derived from ch
&#8220;geophysical&#8221;	refers to geological information using measurements derived from the readings.
&#8220;geophysical techniques&#8221;	include the exploration of an area by exploiting differences in physica Geophysical methods include seismic, magnetic, gravity, induced po geophysical surveys can be undertaken from the ground or from the
&#8220;gossan&#8221;	is an iron-bearing weathered product that overlies a sulphide deposit
&#8220;grade&#8221;	is the concentration of mineral within the host rock typically quoted as (ppm) or parts per billion (ppb).
&#8220;g/t&#8221;	means grams per tonne.
&#8220;granodiorite&#8221;	is an igneous intrusive rock similar to granite.
&#8220;hectare&#8221; or a &#8220;ha&#8221;	is a unit of measurement equal to 10,000 square metres.
&#8220;igneous&#8221;	is a rock that has solidified from molten material or magma.
&#8220;IP&#8221;	refers to induced polarisation, a geophysical technique whereby an e sub-surface and the conductivity of the sub-surface is recorded.
&#8220;intrusive&#8221;	is a body of rock that invades older rocks.
&#8220;mineralisation&#8221;	the concentration of metals and their chemical compounds within a b
&#8220;mineralised&#8221;	refers to rock which contains minerals e.g. iron, copper, gold.
&#8220;mt&#8221;	means million tonnes.
&#8220;ore&#8221;	means a metal or mineral or a combination of these of sufficient valu to be mined at a profit.
&#8220;oxides&#8221;	are near surface bed-rock which has been weathered and oxidised b water and air.
&#8220;ppm&#8221;	means parts per million.
&#8220;saprolite&#8221;	is a weathered or decomposed clay-rich rock.
&#8220;sulphide&#8221;	refers to minerals consisting of a chemical combination of sulphur wi
&#8220;vein&#8221;	is a generic term to describe an occurrence of mineralised rock withi
&#8220;VTEM&#8221;	refers to versa time domain electromagnetic, a particular variant of ti survey to prospect for conductive bodies below surface.

### Assay Results

The assay results reported in the table within this release are those provided by the Company's own on-site laboratory facilities at Palito and have not 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. Based on the results of

this work, the Company's management are satisfied that the Company's own facility shows good correlation with independent laboratory facilities. 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 but only use assay results reported by an appropriately certificated laboratory.

#### 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

#### Attachment

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