

Annual General Meeting and update

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[Serabi Gold Plc](#)

("Serabi" or the "Company")

Annual General Meeting and update

[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian focused gold mining and development company, advises that at 2.00 pm today (UK time), it will be holding its Annual General Meeting (the "Meeting")

Regrettably, and as advised in a news release issued on 16 June 2021, further to the Government's announcement on 14 June 2021 that the current restrictions in relation to the COVID-19 pandemic have been extended to 19 July 2021, the Meeting must be held with only the minimum number of attendees to form a quorum. Those attendees will be officers or employees of the Company. We respectfully ask that, in line with the current Government guidance, shareholders do not make plans to attend the Meeting in person as they will not be permitted to enter the venue.

Details of the results of the votes cast at the Meeting will be issued later today.

Reproduced below is the text of a statement prepared by, the Company's Chief Executive, Mike Hodgson, which would have been delivered to the Meeting providing an update on current operational, development and exploration matters.

"The first five months of 2021 have seen Serabi continue to recover from the measures that were necessarily implemented in 2020 to protect the business from the effects of COVID-19 and we are currently on target to meet our production guidance for the year. More importantly, with mine development rates progressing, I am hopeful that, by the end of 2021, both the Palito and Sao Chico orebodies combined should be ready to deliver production levels of around 45,000 ounces of gold for 2022. Combined with the excellent exploration results that we have achieved in recent months, the prospects for shareholders in Serabi are looking very attractive.

"Following on from the production recovery that began during the fourth quarter of 2020, the first quarter of 2021 saw production levels continue to improve significantly and, driven by improving grades, gold production for the first quarter of 2021 was 16 per cent better than our internal forecast. I am pleased to report that this momentum has continued into the second quarter which, with a few days of the month left to go, should deliver approximately 9,000 ounces of gold production in line with our estimates for the quarter and keeping us on track to deliver our guidance of 33,000 to 36,000 ounces for the calendar year.

"With the successful equity placing completed during March 2021 raising gross proceeds of ?12.5 million, we have been able to fully repay the convertible loan notes issued during 2020 and settle the remaining purchase consideration for the Coringa project. With US\$16.4 million in cash at the end of May and no debt obligations, the Company is in a very strong financial position and will continue to pursue a significant exploration and development programme during 2021, starting with the initial portal development for Coringa during July 2021.

"The exploration programme for 2021 anticipates an approximate 30,000 metre drilling campaign of which, to date, we have completed approximately 9,100 metres using three rigs. The rate should improve from mid-year as the dry season dominates combined with the impact of a fourth rig which will shortly arrive at the

mine-site. Presently the Company has rigs drilling at Palito, S?o Chico and S?o Domingos. The programme at the S?o Domingos prospect has initially focused on the Toucano zone, with approximately 2,900 metres drilled. We are planning a second infill programme and new drill pads are being prepared. Results so far have been excellent. Multiple narrow, high grade veins has been intersected, located within a 50 metre wide mineralised alteration zone. This alteration zone, along with the contained high grade veins have so far been traced over 400 metres strike, with surface indications for the zone to have the potential to extend for a strike length of up to 600 metres. It is early days but, if the current drilling success continues, the possibility of a future open pit opportunity may exist. Whilst site preparations continue at Toucano, the rig has moved to the Atacad?o zone. This area is just one kilometre from Toucano and the two zones may link up. Atacad?o has multiple artisanal workings, and the previous owner and operator undertook an 11-hole drill programme in 2007, which intersected multiple high-grade structures reportedly some up to 60g/t Au. With the original core and samples now lost, we can, however, only use this data as a guide. We will commence drilling this month, before the rig returns to Toucano.

"The exploration efforts at Palito and Sao Chico are principally focusing on strike and lateral extensions of the known deposits. At Palito one rig is drilling the newly developed Ipe and Mogno veins to the northeast of the deposit, and will then focus on drilling the potential southern extension of the entire Palito orebody, towards the Currutela prospect approximately two kilometres to the south, where we hope to find continuity between the two areas. At Sao Chico, we have and will continue to drill extensions of the Main Vein, as well as the Julia vein to the west, and investigate potential new parallel structures to the north and south of the Sao Chico deposit.

"We have now completed the recruitment of an initial team of about 45 mining personnel, who will be mobilised to Coringa in early July to start work on the development of the mine portal for the Serra deposit. With the portal entrance completed the ramp development will be undertaken and when the ore veins are intersected some initial development drives following the veins will be started. This on-lode development will improve the understanding of the vein width and continuity, allowing us to optimise the mining methodology and to extract bulk samples to test the Serra ore for its suitability for ore-sorting which may provide a further opportunity for enhancing the economics of this project. We anticipate that the initial portal and ramp development phase may take 6 to 8 months, during which time we will continue to progress the approval of the Installation Licence which is required for the construction of the process plant and other necessary site infrastructure. We remain confident that the Installation Licence will be approved before the end of 2021 and with a 9 to 12 month period required for the plant and site infrastructure, expect that the plant could be operational early in 2023. With mine development continuing throughout this period, we should have established a meaningful ore stockpile in advance of the plant being switched on, ensuring that the production ramp-up can be as smooth and as quick as possible. Some initial indicative term sheets for debt, to finance the balance of the Coringa development costs, have been received and the Company hopes to be able to improve on these by reducing the perceived geological and mining risk through the initial underground development activity being completed this year.

"Whilst Brazil continues to be affected by COVID-19, being a camp-based operation and able to restrict the number of individuals entering the sites each day, combined with the strict protocols we have implemented, has ensured that the virus has not had a significant effect on day-to-day operations this year. We have been able to operate with a full staffing complement for the whole of 2021 and this has helped in our efforts to regain the lost development that occurred during 2020. Our COVID-19 procedures have also meant that we have been able to bring contractors and their staff back to the mine-site which is vital for the continued success of the exploration programme. We continue to hold the health and safety of our in-country employees as a top priority and are constantly monitoring the situation.

"Provided that there is no significant change in the current situation, I am optimistic that the Company will deliver on its production guidance for the year and by the end of 2021 will have made significant progress with the initial mine development at Coringa and delivered continued exploration success. The exploration programmes are focused on expanding the existing mineral resources and demonstrating the potential to establish future satellite deposits which will provide further production growth and longevity for Serabi. I look forward to being able to update shareholders with further news on all three of these fronts over the coming months."

See www.serabigold.com for more information and follow us on twitter @Serabi_Gold

Enquiries:

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