Sao Chico Exploration Demonstrates Further Growth Potential

13.08.2021 | GlobeNewswire

For immediate release

13 August 2021

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

Sao Chico Exploration Demonstrates Further Growth Potential

Serabi Gold Plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to update the market on ongoing drilling from the Sao Chico project where brownfields diamond drilling has further demonstrated the potential of extensions to the main mineralised corridor on the Julia lode and the existence of a series of parallel mineralised structures that should be accessible using existing mine infrastructure.

A PDF version of this announcement, including all images, can be accessed using the following link https://bit.ly/3yUqY16

Highlights

- Surface drilling on the Julia Vein (Zone 3) intersected significant shallow mineralisation including 4.30m @ 8.52g/t Au (including 0.80m @ 31.08g/t), 2.55m @ 14.29g/t Au (including 0.50m @ 66.70g/t Au) and 0.8m @ 11.85g/t Au to 100 metres below surface.
- Drilling on the Julia Vein (Zone 4) intersected 0.6m @ 3.46g/t Au indicating shallow mineralisation continues from Zone 3 into Zone 4, a western extension of the shallow mineralisation across a dacite dyke intrusion.
- Julia Vein underground drilling intersected 3.3m @ 12.02g/t indicating a potential deeper mineralised shoot developing below 200 metres vertical depth on Julia Zone 3.
- Remodelling and interpretation of historic data has identified a parallel structure approximately 70 metres to the south of the Main Vein, containing several small, but very high-grade shoots. Named "Gabi", recent underground drilling to confirm this vein target returned results including 0.55m @ 18.24g/t Au.
- Drill testing of an induced polarisation geophysical anomaly 100 metres north of the Main Vein and adjacent to the decline ramp intersected 1.95m @ 3.63g/t Au including 0.70m @ 8.88g/t Au on the Lagoa Intermediate target.

Mike Hodgson, CEO of Serabi, commented:

"These recent drill results on the Julia Vein to the west of the mine, and the previously overlooked historical drilling into the Gabi Vein, to the south of the mine are very encouraging. These are satellites that are close to surface, therefore are easy to develop and require minimal capital development to access them.

"Our initial understanding of the Julia Vein was that the mineralisation had been truncated to the west by dacitic intrusions, and the vein was limited to what we called zones 1 and 2. We have now drilled to the west of this area and found the continuation of the intrusive structures, with good vein widths and grades.

"All these intersections lie in the zone 3 block, immediately west of the current mine limit. Zone 3 is itself

bounded to the west by another dacite dyke, but we have now intersected the further continuation of Julia west of this dyke and with further drilling hope to see a repetition of zone 3 in zone 4. As can be seen from the long section (Figure2), we are now focussing on drilling the upper levels of zone 4 from surface, and hope for further positive results.

"Recent drilling has also led us to review some historic Sao Chico drilling results and core with encouraging results, notably the identification of the Gabi Vein. Located 70 metres south of the Main Vein it was intersected with early Sao Chico drillholes that were targeting the Main Vein. As is often the case, the Gabi structure, being narrower and not the primary target, was overlooked at the time. Re-interpretation and a good deal of re-logging and sampling is building a very interesting and encouraging prospect that justifies further development of the Gabi Vein."

To access an image of the Plan view of the Sao Chico veins please use the following link - https://bit.ly/2XlokDY

Figure 1 - Plan view of the Sao Chico veins

To access an image of the Long Section of the Julia Vein please use the following link - https://bit.ly/3iFm7LS

Figure 2 - Long Section of the Julia Vein, showing zones 1-4

RESULTS

Julia Vein

The Julia Vein, discovered in the 2016 extension drilling campaign, is a mineralised vein structure located close and parallel to the Main Vein. The Julia Vein develops west of a NE-SW cross cutting structure, which effectively terminates economically mineable grades within the Main Vein. The Julia Vein is interpreted to be the focus of gold mineralising fluids west of the cross-cutting structure and although the Main Vein structure extends in its parallel position, the gold grades within the continuation of the mineralised structure are not significant.

Julia is cut by a series of cross-cutting, NE-SW trending dacite dykes and therefore broken into a series of dyke-bound blocks referred to as Zones 1, 2, 3 and 4. Mine development and stoping has occurred on the shallow portions of Zone 1 and 2, and the deeper portion of Zone 1. Recent surface drilling into the shallow portion of Zone 3 and 4 has returned some significant drilled intercepts at mineable widths. Drilling on the Julia Vein (Zone 3) intersected significant shallow mineralisation including 21-SC-210 with 4.30m @ 8.52g/t Au from 66.70m (including 0.80m @ 31.08g/t), 21-SC-211 with 2.55m @ 14.29g/t Au from 84.45m (including 0.50m @ 66.70g/t Au) and 21-SC-212 with 0.8m @ 11.85g/t Au from 68.35m (including 0.35m @ 22.46g/t Au).

These recent drilling intercepts demonstrate that Zone 3 contains mineable grades down to 100m vertical depth and along a 100 metre strike of the Julia Vein.

Surface drilling in 2020 into Zone 3, did not return any significant intercepts between 100 metres and 200 metres vertical depth. However, recent underground drilling has demonstrated that mineable mineralisation exists below 200 metres vertical depth with drill holes 21-SCUD-523 reporting 3.3m @ 12.02g/t Au, 21-SCUD-517 with 0.92m @ 1.07g/t Au, 21-SCUD-542 with 0.61m @ 1.45g/t Au and 21-SCUD-546 reporting 0.83m @ 1.73g/t Au.

Recent surface drilling into Julia Zone 4 returned an intercept of 0.6m @ 3.46g/t Au from 136.55m in drill hole 21-SC-192. This intercept indicates shallow mineralisation continues from Zone 3 into Zone 4. As such a follow-up programme of a further six shallow surface drill holes is planned to confirm this western strike extension of the Julia Vein.

Gabi Vein

The Gabi Vein lies 70 metres south of the Main Vein and current mine infrastructure. This vein was intersected in the initial 2011 drilling campaign where deeper drilling targeting the Main Vein cut the Gabi Vein in the shallow portion of the drill holes. Intersected by six shallow diamond drill holes, a single significant intercept of 1.31m @ 10.00g/t Au from 11-SC-021 was reported.

Similarly in the subsequent 2013 drilling campaign the vein was intersected by eight drill holes whilst targeting the deeper portion of the Main Vein, with the significant intercept of 0.70m @ 103.64g/t Au in 13-SC-049. The Gabi structure was again pierced in the subsequent 2015 campaign, however, on this occasion, without reporting significant mineralisation.

In 2018, underground drilling intersected the vein whilst targeting the Cross Roads induced polarisation geophysical anomaly. Two holes were completed returning 1.39m @ 3.96g/t Au (18-SCUD-207) and 0.36m @ 3.71g/t Au (18-SCUD-206) from the Gabi structure. The structure was also pierced by surface drilling undertaking strike extension exploration of the Main Vein.

In 2019 and 2020 surface drilling campaigns conducted on the Highway Zone of the Main Vein intersected the structure shallowly to the east. A significant intercept of 0.38m @ 25.36g/t Au was returned from drill hole 19-SC-139.

In 2021, following an exercise of data re-modelling and structural interpretation, the Gabi structure was recognised as being a significantly strike extensive structure (more than 700 metres) containing two possible mineralised shoots. Underground drilling, targeting the eastern shoot, has recently been completed. Seven holes were undertaken with significant intercepts including 0.55m @ 18.24g/t Au (21-SCUD-544) and 0.61m @ 1.45g/t Au (21-SCUD-542). Two holes still have assay results pending.

The eastern mineralised shoot on the Gabi Vein appears to represent a narrow sub vertical zone of mineralisation extending over 200 metres vertically and approximately 100 metres along strike.

The western mineralised shoot is indicated by drill holes 11-SC-021 and 13-SC-049 but is yet to be targeted.

To access an image of the Long Section of the Gabi Vein please use the following link - https://bit.ly/3iCDBbE

Figure 3 - Long section of Gabi Vein

Lagoa Intermediate

Lagoa Intermediate is a chargeable induced polarization anomaly defined in 2018 and located approximately 100 metres north of the Main Vein and adjacent to the decline ramp.

Initially tested in 2018 by a single drill hole 18-SC-115, three zones of veining and alteration were intersected returning grades up to 1.28g/t Au.

Recently drill hole 21-SC-214 scissoring the previous hole intersected 1.95m @ 3.63g/t Au from 123.05m including 0.70m @ 8.88g/t Au from 124.30m and 0.5m @ 1.15g/t Au from 126.65m.

This drilling further validates the mineral potential in the Lagao Intermediate anomaly in juxtaposition to the mine infrastructure. Further drilling will be undertaken to improve the definition of this anomaly in the coming months.

Significant intercepts reported from the Sao Chico brownfields exploration are summarised in the table

below.

Hole	Target	East (UTM- SAD69)	West (UTM- SAD69)	RL	Depth (m)	Dip/Azm (?/?UTM)	From	To	Width (m)	Au (g/
S?O CHICO UNDERGROUND DD DRILLING										
21-SCUD-517	Julia	613432.52	9290574.42	117.85	194.75	-64.8/209.28	71.73	72.65	0.92	1.0
21-SCUD-523	Julia	613432.78	9290574.17	117.81	119.60	-62/190.58	60.33	63.63	3.30	12
21-SCUD-526	Julia	613432.85	9290574.35	117.87	134.80	-70/192.28	91.12	91.48	0.36	1.2
21-SCUD-542	Gabi	614208.87	9290241.13	87.69	44.50	-15.9/192.39	22.25	22.86	0.61	1.4
21-SCUD-544	Gabi	614208.86	9290241.15	87.22	55.40	-48.93/193.49	29.45	30.00	0.55	18
21-SCUD-546	Julia	613431.89	9290574.95	117.67	116.70	-70.10/231.78	86.00	86.83	0.83	1.7
S?O CHICO SURFACE DD DRILLING										
21-SC-192	Julia	613291.54	9290495.52	236.92	306.00	-45.10/48.70	136.55	137.15	0.60	3.4
							215.40	215.80	0.40	0.6
							256.50	259.30	2.80	0.7
						incl.	258.70	259.30	0.60	1.5
							269.40	270.00	0.60	0.9
21-SC-207	Julia	613392.65	9290545.23	231.75	114.70	-44.1/25	52.20	53.35	1.15	1.6
							63.65	64.10	0.45	1.4
							96.00	97.00	1.00	2.8
21-SC-208	Julia	613392.64	9290544.48	231.84	124.65	-60/25.6	51.30	51.65	0.35	3.2
							53.00	54.00	1.00	1.9
							64.70	65.10	0.40	4.4
							67.90	70.20	2.30	1.0
						incl.	69.80	70.20	0.40	3.2
							71.50	71.90	0.40	0.7
							73.45	74.00	0.55	0.9
							102.70	103.15	0.45	0.5
21-SC-210	Julia	613357.08	9290546.80	229.79	123.02	-45.9/35	26.50	26.80	0.30	2.4
							66.70	71.00	4.30	8.5
						incl.	67.35	68.15	0.80	31
21-SC-211	Julia	613356.91	9290546.32	229.79	120.63	-57.6/33.2	23.65	24.00	0.35	0.6
							45.00	46.00	1.00	0.5
							84.45	87.00	2.55	14
						incl.	85.00	85.50	0.50	66
21-SC-212	Julia	613329.16	9290489.87	239.61	175.94	-45.2/22.5	68.35	69.15	0.80	11
						incl.	68.35	68.70	0.35	22
							128.10	128.55	0.45	0.8
							166.00	166.30	0.30	0.6
21-SC-214	Lagoa Int.	613955.04	9290431.66	240.85	231.41	-49/20.60	123.05	125.00	1.95	3.6
						incl.	124.30	125.00	0.70	8.8
							126.65	127.15	0.50	1.1

Reported intercepts calculated based on a minimum weighted average grade of 0.5g/t Au using a 0.5g/t Au weighted average lower cut and a maximum internal waste interval of 1.2m based on Serabi?s on-site lab reported analyses. The assay results reported above are those provided by the Company's own on-site laboratory facilities at Palito and have 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 variation between 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.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018.

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	Tel: +44 (0)20 7246 6830
Chief Executive	Mobile: +44 (0)7799 473621
Clive Line	Tel: +44 (0)20 7246 6830
Finance Director	Mobile: +44 (0)7710 151692

Email: contact@serabigold.com
Website: www.serabigold.com

Beaumont Cornish Limited
Nominated Adviser and Financial Adviser

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

Peel Hunt LLP
Joint UK Broker

Ross Allister / Alexander Allen	Tel: +44 (0)20 7418 9000

Tamesis Partners LLP
Joint UK Broker

Charlie Bendon / Richard Greenfield	Tel: +44 (0)20 3882 2868

Camarco
Financial PR

Gordon Poole / Nick Hennis	Tel: +44(0) 20 3757 4980

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.

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

GLOSSARY OF TERMS

"Ag"	means silver.
"Au"	means gold.
"assay"	in economic geology, means to analyse the proportions of metal in a rock or overburden s ore or mineral for composition, purity, weight or other properties of commercial interest.
"CIM"	means the Canadian Institute of Mining, Metallurgy and Petroleum.
"chalcopyrite"	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 th 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 underground work, and found to contain a sufficient average grade of metal or metals to w exploration and/or development expenditures; such a deposit does not qualify as a comm ore body or as containing ore reserves, until final legal, technical, and economic factors h
"electromagnetics"	is a geophysical technique tool measuring the magnetic field generated by subjecting the 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 an readings.
"geophysical techniques"	include the exploration of an area by exploiting differences in physical properties of differe Geophysical methods include seismic, magnetic, gravity, induced polarisation and other t 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 (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 indu sub-surface and the conductivity of the sub-surface is recorded.
"intrusive"	is a body of rock that invades older rocks.
"Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape an characteristics can be estimated with a level of confidence sufficient to allow the appropria technical and economic parameters, to support mine planning and evaluation of the econ deposit. The estimate is based on detailed and reliable exploration and testing information appropriate techniques from locations such as outcrops, trenches, pits, workings and drill spaced closely enough for geological and grade continuity to be reasonably assumed.
"Inferred Mineral Resource"	is that part of a Mineral Resource for which quantity and grade or quality can be estimated geological evidence and limited sampling and reasonably assumed, but not verified, geolo continuity. The estimate is based on limited information and sampling gathered through ap techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"Inferred Mineral Resource"	‟ is that part of a Mineral Resource for which quantity and grade or quality can be basis of geological evidence and limited sampling and reasonably assumed, but not verifi grade continuity. The estimate is based on limited information and sampling gathered thro techniques from locations such as outcrops, trenches, pits, workings and drill holes.
"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.
"Mineral Resource"	is a concentration or occurrence of diamonds, natural solid inorganic material, or natural s organic material including base and precious metals, coal, and industrial minerals in or on such form and quantity and of such a grade or quality that it has reasonable prospects for extraction. The location, quantity, grade, geological characteristics and continuity of a Min known, estimated or interpreted from specific geological evidence and knowledge.
"Mineral Reserve"	is the economically mineable part of a Measured or Indicated Mineral Resource demonstr Preliminary Feasibility Study. This Study must include adequate information on mining, pr metallurgical, economic and other relevant factors that demonstrate, at the time of reporti extraction can be justified. A Mineral Reserve includes diluting materials and allowances f occur when the material is mine
"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 qu to be mined at a profit.
"oxides"	are near surface bed-rock which has been weathered and oxidised by long term exposure water and air.
"ppm"	means parts per million.
"Probable Mineral Reserve"	is the economically mineable part of an Indicated and, in some circumstances, a Measure Resource demonstrated by at least a Preliminary Feasibility Study. This Study must inclu information on mining, processing, metallurgical, economic, and other relevant factors tha the time of reporting, that economic extraction can be justified.
"Proven Mineral Reserve"	is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Re degree of confidence in the Modifying Factors
"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-min
"VTEM"	refers to versa time domain electromagnetic, a particular variant of time-domain electroma survey to prospect for conductive bodies below surface.

Assay Results
The assay results reported 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. 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.

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

- Sao Chico Exploration Update August 2021