Mine development underway at Coringa

20.09.2021 | GlobeNewswire

For immediate release

20 September 2021

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

Mine development underway at Coringa

Serabi Gold Plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to announce the start-up of mining development at the Company's wholly owned gold project at Coringa. Coringa is located 200km south of Serabi's current gold operation at Palito and represents a strategically important asset for Serabi that will upon reaching full production double the Group gold production.

Highlights

- The development of the mine portal began in late July, to reach the Serra zone, one of three main zones at Coringa. Blasting into hard rock is now well underway
- The Company anticipates intersecting the Serra orebody in mid-October
- The development of Coringa is a significant milestone for Serabi with favourable economics. The Company's 2019 Preliminary Economic Assessment (previously published October 2019) highlighted:
  - low initial capital of US$25m
  - average annual production of 38koz for the first 5 full years of production of the 9 year mine life at an average grade of 8.34g/t Au
  - All-In Sustaining Cost (AISC) of US$852/oz
- 400 metres of ore development is planned to further support the geological resource which to date is based on drillholes and surface artisanal mining
- Exposure of the orebody through development could identify potential mining and processing improvements to the project and future operation:
  - The project economics are currently based on selective mining. The Company currently utilises a more mechanised long-hole open stoping at the Sao Chico deposit and is having good success with this mining method on the more regular veins at Palito. There is therefore strong potential that this mining method could be effectively deployed at Coringa
  - The use of ore sorting technology at Palito has been very successful. The Coringa drill core suggests the presence of the same strong contrast between ore and waste rock. The Company plans to take development ore from Coringa to Palito and run tests to assess the applicability of this technology
- The Company has prepared a short video showing the progress achieved to date and can be viewed using the following link - https://bit.ly/2XrvZQW

Mike Hodgson, CEO of Serabi , commented:

"This is a very important milestone for the Company in achieving our mid-term objective of becoming a 100,000 ounce gold producer. We acquired Coringa in December 2017, and since that time we have built on the Bankable Feasibility Study undertaken by Equinox in 2017, with an enlarged mineral resource supporting a new Preliminary Economic Assessment in 2019, as well as receiving the Preliminary License in October 2020. With permits in place to commence the mining operation, I am delighted to see mine development underway, and look forward to intersecting the first ore zone early next quarter and we anticipate that the improved understanding arising from this underground ore development will deliver further economic benefits

to the project.

"All studies to date have considered the tried and tested selective mining approach that we have largely used

at Palito to date. However, over the past six months we have trialled very controlled long hole open stoping in certain areas of the Palito mine, combined with cable bolting, and the results have been excellent. If we can extend this to Coringa, it could have major benefits, reducing costs and bringing production efficiencies.

"Coringa has all the indications that it will be like Palito and ore sorting could be a real possibility. The fact we have our own sorter at Palito means we can undertake our own test work and find the optimal settings and processing criteria. Ore sorting has significant benefits as it means rejecting waste before the plant, resulting in a higher grade lower volume feed to the plant, and, as Coringa will have filtration and dry stacking of tailings instead of a tailings dam, reduced levels of tailings.

"I look forward to providing a further update after we have intersected the first vein in the Serra orebody."

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.

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, 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