

Palito Brownfield Exploration Update

Serabi Gold plc (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to provide an exploration update from its Palito Mine in the Tapajos region of Para State, Northern Brazil.

A PDF version of this release including all images is available using the following link - <https://bit.ly/3J0VT2Z>

Highlights

- Underground drilling into the G3 Vein has demonstrated continuity of strong mineralisation below the current mined areas with intercepts including:
 - 1.30 metres @ 44.75g/t Au from 337.85 metres (PDD0557)
 - 0.55 metres @ 45.20g/t Au from 190.60 metres (PDD0590)
 - 0.90 metres @ 23.33g/t Au from 286.30 metres (PUD0786)
 - 0.75 metres @ 24.92g/t Au from 230.00 metres (PUD0825)
 - 0.50 metres @ 32.11g/t Au from 238.10 metres (PUD0827)
- G3 has historically been a significant contributor to Palito's production with approximately 65,000 ounces mined from surface to a vertical depth of approximately 300m and over approximately 800m of strike.
- The current drilling campaign is focused on testing a panel of potential mineralisation of approximately 300m by 600m that represents an extension of G3 to the northwest and down dip. Drilling planned for 2024 will test an additional southerly extension panel of approximately 500m by 500m.
- Good progress is being made with the Independent Mineral Reserve and Resource Estimate although it has been decided to include the current round of G3 drilling which will cause a delay in the completion of the estimate into the third quarter.

Mike Hodgson CEO said

"Underground drilling at the Palito Mine continues to deliver excellent results. The G3 Vein was a major source of gold production for much of Palito's earlier mine life with the benefit of also being one of the widest orebodies. With the deepening of other sectors within the mine, and particularly Palito West and Chico da Santa which are the sectors either side of the Palito Main Zone within which G3 occurs, drilling out the deeper portions of G3 is now becoming possible."

"In 2023 we plan to complete the drilling of the northwest extension of the G3 Vein, an area of approximately 300m of vertical extent and approximately 600m of strike. We also expect to be in a position to drill out the southeast extension of G3 in 2024, a panel with a vertical extent of approximately 500m and strike of approximately 500m."

"Given the success of the drilling we have taken the decision to include these latest results within the forthcoming mineral reserve and resource estimate. This will cause a short delay in completing the estimate although we still hope to have it completed in the third quarter."

Results

The G3 Vein is situated within the Palito Main Zone of the Palito Mine and has historically been one of the most important sources of gold production with good continuity of width and grade. In total it is estimated that 65,000 ounces of gold has been extracted from the G3 Vein. Mining ceased when a fault structure was encountered, with limited drilling below this fault to justify further development.

With mining in the parallel sectors of Palito West and Chico da Santa extending to depth, it has been possible to position drill rigs to drill test the depth and lateral extent of the G3 Vein. The drill results demonstrate that mineralisation continues strongly below the fault although in places the fault can cause a minor off-set in the vein.

These results support the decision to advance development to lower levels in the northwest of the G3 Vein. Further drilling planned for 2024 should enable the southeast extension of G3 to be tested.

To access an image of the Long Section of G3, please use the following link - <https://bit.ly/43GZhbg>

Figure 1: Long-section of the G3 Vein showing mined stopes, extension drilling and planned development

To access an image of the Plan of the Palito Mine veins, please use the following link- <https://bit.ly/43C54z2>

Figure 2: Plan of Palito Mine veins, sectors and underground development

HOLE_ID	TARGET	EAST (UTM SAD69)	NORTH (UTM SAD69)	RL	DEPTH (m)	DIP/Azm (°/°UTM)	From	To	Apparent Width	Gold Grade (Au g/t)	Copper Grade (Cu ppm)
PDD0227	G3	633324	9301879	250.0	212.2	-40.83 / 216.06	135.58	136.28	0.70	8.36	2763

PDD0256	G3	633352	9301566	292.3	350.8	-50.81 / 29.41	217.74	218.56	0.82	6.27	2279
PDD0470	G3	634661	9300795	201.0	145.6	-48.52 / 218.15	100.70	101.31	0.61	10.90	488
PDD0557	G3	634638	9300951	204.4	381.4	-59.11 / 204.01	337.85	339.15	1.30	44.75	10000
PDD0590	G3	634532	9300982	204.6	298.3	-65.25 / 238.38	190.60	191.15	0.55	45.20	225
PUD0549	G3	633692	9301480	-12.5	80.6	-23.4 / 200.05	6.70	7.70	1.00	12.43	155
PUD0592	G3	633631	9301346	-36.0	311.7	-20.5 / 49.02	208.60	209.10	0.50	6.46	1161
PUD0599	G3	633631	9301346	-36.0	309.9	-19.9 / 38.8	156.05	156.55	0.50	6.91	905
PUD0604	G3	633631	9301346	-36.0	236.7	-26.17 / 35.2	156.30	157.10	0.80	10.55	1460
PUD0786	G3	634271	9301382	-8.6	333.2	-20.31 / 198.9	286.30	287.20	0.90	23.33	8517
PUD0790	G3	634272	9301382	-9.0	569.9	-39.25 / 175.96	387.20	387.70	0.50	6.89	2367
PUD0825	G3	633495	9301412	97.7	304.0	-30.1 / 36.94	230.00	230.75	0.75	24.92	51473
PUD0827	G3	633494	9301412	97.9	338.9	-29.06 / 23.76	238.10	238.60	0.50	32.11	43364
PUD0833	G3	633553	9301397	-103.0	325.9	-38.48 / 67.4	260.42	261.53	1.11	14.84	8053

Reported intercepts calculated based on a minimum weighted average grade of 0.5g/t Au (0.3g/t Au for historic results) using a 0.5g/t Au weighted average lower cut and a maximum internal waste interval of 1.2m based on ALS and Serabi's on-site lab reported analyses. Some of the assay results reported above include 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 past analysis of 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.

Table 1: High grade intercepts from historic and current drilling

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 **t +44 (0)20 7246 6830**
Chief Executive **m +44 (0)7799 473621**

Clive Line **t +44 (0)20 7246 6830**
Finance Director **m +44 (0)7710 151692**

e contact@serabigold.com

www.serabigold.com

BEAUMONT CORNISH Limited

Nominated Adviser & Financial Adviser
Roland Cornish / Michael Cornish **t +44 (0)20 7628 3396**

PEEL HUNT LLP

Joint UK Broker
Ross Allister **t +44 (0)20 7418 9000**

TAMESIS PARTNERS LLP

Joint UK Broker
Charlie Bendon/ Richard Greenfield **t +44 (0)20 3882 2868**

CAMARCO

Financial PR
Gordon Poole / Emily Hall **t +44 (0)20 3757 4980**

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GLOSSARY OF TERMS

The following is a glossary of technical terms:

“Ag”	means silver.
“Au”	means gold.
“assay”	in economic geology, means to analyse 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.
“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 the lowest assay 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, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not qualify as a commercially mineable ore body or as containing ore reserves, until final legal, technical, and economic factors have been resolved.
“electromagnetics”	is a geophysical technique tool measuring the magnetic field generated by subjecting the sub-surface to 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 and electrical readings.
“geophysical techniques”	include the exploration of an area by exploiting differences in physical properties of different rock types. Geophysical methods include seismic, magnetic, gravity, induced polarisation and other techniques; 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/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.
“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 induced into the sub-surface and the conductivity of the sub-surface is recorded.
“intrusive”	is a body of rock that invades older rocks.
“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.
“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 quantity to enable it to be mined at a profit.
“oxides”	are near surface bed-rock which has been weathered and oxidised by long term exposure to the effects of water and air.
“ppm”	means parts per million.
“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-mineralised rock.
“VTEM”	refers to versa time domain electromagnetic, a particular variant of time-domain electromagnetic geophysical survey to prospect for conductive bodies below surface.

Assay Results

Assay results reported within this release include those provided by the Company's own on-site laboratory facilities at Palito and have not yet 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.

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.

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, recognizing 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.

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

Attachment

- [Palito exploration update - June 2023](#)