

Coringa Project Update

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[Serabi Gold Plc](#)

("Serabi" or the "Company")

Coringa Project Update

[Serabi Gold Plc](#) (AIM:SRB, TSX:SBI), the Brazilian-focused gold mining and development company, is pleased to provide an update on progress at its Coringa project ("the Project") located in the Tapajos region of Para, Brazil.

Highlights

- Imminent completion and submission of the Indigenous Impact Study ("ECI") to FUNAI, a key outstanding component for the award of the Installation Licence ("LI") by SEMAS
- Serabi plans to install a crusher and ore-sorter at Coringa (a "classification plant") as an interim step ahead of a full processing plant at a later date
- The Coringa ore is highly amenable to ore-sorting, and the classification plant will significantly reduce the amount of initial capital expenditure required to achieve consolidated group production of approximately 60,000 ounces per annum without the requirement for plant expansion at Palito and with gold production and tailings consolidated at a single site

Michael Hodgson, CEO of Serabi commented,

"We have been continuing to make steady progress at Coringa both with our production activities and the advancement of the licencing process and this update provides a summary of the activities over the past six months and our plans going forward. I am pleased to advise the imminent completion of the Indigenous Impact Study that we initially commissioned at the beginning of 2022. Whilst progress has been slower than we were originally led to believe, the final report is expected to be available to be presented to the authorities for their review in the next few weeks. This report should allow the authorities to move forward with the final analysis culminating in approval of our application for an Installation Licence ("LI"), which in turn allows us to install a full process plant at Coringa in due course.

"As previously advised, we produced 1,103 ounces from Coringa during the period July 2022 to December 2022 by trucking high grade ore from Coringa to our Palito operation for processing. We are continuing this activity during 2023. Ore sorting test work on the Coringa ore has produced excellent results with between 45% and 50% reduction in the mass needing to be processed. Whilst we remain in the early stages of the development of Coringa it is therefore our intention to install a crushing and ore-sorting plant at Coringa as a Stage 1 of a plant installation and continue to truck the upgraded ore to Palito for processing. We view this as an attractive option for shareholders as it will minimise the initial capital requirements for the on-going development and allow a future installation of a full processing plant to be supported by the cash flow from a larger production operation. Our internal assessment, based on the ore-sorting results obtained to date, is that gold production from a combined Palito Complex and Coringa operation could reach approximately 60,000 ounces per annum without the need for significant expansion of the existing plant at Palito."

Indigenous Impact Study ("ECI")

Brandt Meio Ambiente ("Brandt") were engaged by the Company, in January 2022, to undertake the

Indigenous Impact Study ("ECI") on behalf of Serabi. The scope of work was established in co-operation with FUNAI, ('Fundação Nacional dos Povos Indígenas' or 'National Indigenous People Foundation') the government agency for Indigenous Communities, who are, by law, responsible for, and required to be involved in, any consultation process with an indigenous community. Upon agreement FUNAI then co-ordinated meetings with the various tribes of the BAU Indigenous Territories ("Bau TI") to confirm the programme and the approach. FUNAI approved the programme in May 2022 with the communities confirming their approval and granting access for interviews in September 2022. Researchers undertook the necessary interviews and other field work in November and December 2022.

The researchers are now in the final stages of preparing their report, which will be presented to the indigenous communities, for their review and approval. It is expected that these meetings can be arranged to take place in late April, early May. Following approval by the indigenous communities, the ECI will be shared with FUNAI for final approval, which we believe should take place within a further period of one month.

Operational Update

As previously notified on 17 January 2023, during 2022 the Company recovered 1,103 ounces of gold from ore mined at Coringa having commenced processing of ore in July 2022. The highest grade ore is being transported from Coringa to the Palito Complex for processing. This initial mining activity has provided bulk samples for ore-sorting test work which has been very successful in the elimination of waste material from the ore being mined from development. Following elimination of low grade waste the mass is being reduced by up to 50% with a corresponding uplift in the grade of the resulting ore stockpile. As a result, the Company intends to install, as Stage 1 of the process plant construction, a crushing and ore sorting plant at Coringa and will continue to truck the upgraded ore to Palito for processing. Internal studies indicate that gold production from a combined Palito Complex and Coringa operation could reach approximately 60,000 ounces per annum without the need for significant expansion of the existing plant at Palito. This option allows for a faster and cheaper ramp up of production at Coringa compared with the construction of the full process plant from the outset and reduces the initial capital cost required to build production from Coringa to an annual rate of 30,000 to 35,000 ounces. A full-scale process plant can be installed subsequently but its cost should also be supported by the cash flow generated from a larger production base.

Licensing

Coringa is currently operating under the authorisation of a trial mining licence or Guia de Utilização ("GUIA") issued by the national mining agency ("ANM") and an GUIA Operating Licence ("LOG") issued by the state environmental agency ("SEMAS"). The court decision issued in December 2021 (see news release of 9 December 2021) which was upheld in August 2022 following appeals lodged by each of the ANM, SEMAS and the Company (see news release 23 August 2022) did not affect the validity of the GUIA and the LOG and the Company has therefore been able to continue its operations under these licenses. The court's decision only suspended the issuing of new licences i) until a consultation as per ILO Convention 169, has been made with the indigenous people or ii) where the issuing authority can demonstrate unequivocally the absence of impact to the Bau TI in respect of the activity being authorised under that specific licence. With the ECI now reaching completion and to be passed to FUNAI and in turn the other interested parties for their review, the Company expects the Installation Licence to be issued in the coming months. The Company anticipates that the issuing of the LI will be the trigger for being able to start the next stage of expanding the mining operations at Coringa.

Brazilian law also provides for automatic extension of the GUIA and LOG if a formal renewal has not been issued at the date of their initial expiry, provided that renewal applications have been submitted prior to the expiry date within the stipulated time frame or until the issuing authority provides a notification that it does not intend to grant the renewal. The Company confirms that renewal applications have been submitted within the stipulated time frames and that no notifications have been received from the issuing authorities that renewal will not be approved. Accordingly, these licences, which had an initial expiry date of 8 August 2022, remain valid.

Environmental and Social

As previously reported, in connection with the licensing process for the Project, in February 2020, the Company held a public hearing attended by approximately 600 people including more than 100 members of

the indigenous tribes. The hearing was held in the town of Novo Progresso, the nearest major town to the Project. The location was selected by SEMAS who had responsibility for arranging this to ensure that the widest possible consultation could occur. In the plans for the Project presented at this meeting the Company had replaced the use of conventional "wet mine tailings dams" with a procedure that involves drying the processed tailings prior to these being safely stored as dry tailings. The Project is located close to a tributary that feeds into the Curu? River and the use of dry tailings was expected to minimise any concerns of the communities that are dependent on the Curu? River regarding the potential for pollution. With the decision to introduce an ore sorter, no processed tailings will be produced during Stage 1 of the Project when material is being transported to Palito for processing. The ore sorter works by separating ore from waste based on colour. It is therefore a physical process with no chemicals involved, and therefore completely eliminates the possibility for unnatural or contaminated materials to enter any water course of the Curu? River. The Coringa mine is located more than 11 kilometres from the boundaries of the Bau indigenous territories and over 20 kilometres from the Curu? River itself. The nearest villages are located over 30 kilometres from the Coringa mine.

From the beginning of its activities in the region, the Company has held meetings with the indigenous communities, along with the Institute Kabu and the Mantin? Association, which both represent the tribes within the Ba? TI.

Land Rights

Land Rights are governed by INCRA, the national agency for land ownership. The Brazilian Mining Code provides protection for mining companies and land access rights by providing a legal process to enforce land access for mining activity where the company has been granted a permit by the ANM and also holds the proper environmental permit. Despite this, land possession in the area where the Coringa Project is located has been subject to various challenges over the years. The Company has been in regular contact with INCRA since acquiring the Project in 2017. Pending completion of the proper legal administrative process overseen by INCRA to determine the legitimate title holder, all royalties due to the relevant landowner are currently being provided for by the Company and payment will be made to the appropriate title holder as and when title is formally confirmed.

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.

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A copy of this announcement is 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.

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