



SIR:TSX-V  
34S:FSE

**SERENGETI**  
RESOURCES INC.

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## Serengeti Announces Positive PEA Results: \$263 Million NPV for Kwanika Copper-Gold Project

Vancouver, B.C., February 06, 2013: Serengeti Resources Inc. (SIR: TSX-V; 34S: FSE) is pleased to announce the completion of an independent NI 43-101 compliant Preliminary Economic Assessment (“PEA”) for its 100% owned Kwanika copper-gold porphyry project located in the Quesnel Trough of North-Central British Columbia, Canada. The results of the PEA demonstrate the potential technical and economic viability of establishing a new copper-gold mine and mill complex on the property.

### PEA Highlights:

- Pre-tax NPV<sup>5%</sup> of CDN \$263 million, 13.4% IRR, 13.5 year mine life.
- Life of mine (LOM) payable production of 545 million pounds copper, 489,000 ounces gold, 2.45 million ounces silver and 5.25 million pounds molybdenum.
- Initial capital cost of CDN \$364 million plus LOM sustaining capital of \$144 million for a 15,000 tpd (5.5 million tpa) mill and combined open pit, underground mining operation.

“Serengeti is very pleased to have achieved this important milestone for the Kwanika project.” commented David W. Moore, President & CEO. “Kwanika represents an opportunity to develop a midsize greenfields copper-gold project in an excellent location and proven jurisdiction. The independent consultant has recommended selected optimization studies to refine certain engineering and costing elements, the results of which could be incorporated into an optimized PEA. We are currently funded to take this next step.”

The PEA prepared by Moose Mountain Technical Services (“MMTS”) is based on the resource model presented in the March 3, 2011 NI43-101 technical report titled “Technical Report on the Kwanika Project, Fort St. James British Columbia, Canada”, authored by David W. Rennie of RPA Inc formerly Roscoe Postle Associates Inc. RPA’s Technical Report used a large scale confining pit shell to define contiguous mineralization. The resource therein at US \$7.50 and \$20.00 / tonne cut-off grades is shown in the following table:

Zone	Open Pit Resource Category	Tonnes and Grade					Total Contained Metal			
		Tonnes (Million)	Copper (%)	Gold (g/t)	Silver (g/t)	Moly (%)	Cu (M lbs)	Au (M oz)	Ag (M oz)	Mo (M lbs)
<b>At Cut-Off of \$7.50/tonne</b>										
Central	Indicated	244	0.23	0.21	0.69	-	1,230	1.66	5.439	-
	Inferred	55.2	0.14	0.14	0.42	-	168	0.25	0.74	-
South	Inferred	240	0.20	0.09	1.49	0.007	1,080	0.66	11.5	37.6
<b>Includes at Cut-Off of \$20.00/tonne</b>										
Central	Indicated	91.0	0.38	0.36	1.08		754	1.06	3.15	-
	Inferred	5.13	0.26	0.27	0.65	-	29.0	0.04	0.11	-
South	Inferred	74.3	0.33	0.12	2.15	0.012	546	0.29	5.15	19.4

#### Notes:

1. CIM definitions were followed for Mineral Resources; 2. Mineral Resources are estimated at a cut-off grade of US\$7.50/t. The dollar value cut-off was estimated using provisions for metallurgical recovery and off-site costs; 3. Mineral Resources are estimated using an average long-term price of US\$1,200/oz Au, US\$3.50/lb Cu, US\$17.00/lb Mo and US\$21.00/oz Ag; 4. A minimum mining width of 5 m was used; 5. Metallurgical recovery factors of 89% Cu, 70% Au, 60% Mo and 75% Ag were used to derive the dollar value cut-off.

The MMTS study focused on a higher grade core of the deposit and delineated pit designs on the Central and South zones as follows:

Zone	Category	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
Central	Indicated	19.90	0.330	0.281	0.859	
	Inferred	0.90	0.332	0.207	0.839	
South	Inferred	25.07	0.324	0.120	1.838	0.016*

Note: NSR cut-off used is Cdn\$11.90/tonne with a provision for mining loss of 5% and dilution of 2%

And an underground Delineated Resource on the Central zone as follows:

Zone	Category	Tonnage (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Mo
UG1	Indicated	19.92	0.456	0.467	1.359	-
	Inferred	0.05	0.332	0.418	1.788	-
UG2	Indicated	7.82	0.472	0.470	1.273	-

Note: Includes all material within the conceptual stope design with a provision for mining loss of 10% and dilution of 15%

The mine plan generates the following throughput over the project mine life.

Mine Production / Total tonnes milled (Mt)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)
73.66	0.377	0.295	1.378	0.016*

\*Note: Mo produced from South pit only.

All mineralized material classified as Indicated (65%) and Inferred (35%) Mineral Resources was considered in the mine plan. The PEA is preliminary in nature and it includes inferred mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be characterized as mineral reserves. Mineral resources that are not mineral reserves, do not have demonstrated economic viability and there is no certainty that the results of the PEA will be realized.

## Economic Analysis

A Base Case economic evaluation was generated incorporating historical three-year-trailing averages for metal prices as at October 15, 2012 and a reasonable assumption for a US\$/CDN\$ exchange rate. Results are shown in the following table:

Parameter	Unit	Base Case
<b>Metal Price</b>		
<b>Copper</b>	US\$/lb	3.63
<b>Gold</b>	US\$/oz	1,427.00
<b>Silver</b>	US\$/oz	27.50
<b>Molybdenum</b>	US\$/lb	14.45
<b>Exchange Rate</b>	US\$/CDN\$	\$0.95
<b>Economic Results(Pre-Tax)</b>		
<b>Undiscounted</b>	CDN\$ M	567.1
<b>NPV (at 5%)</b>	CDN\$ M	262.6
<b>NPV (at 8%)</b>	CDN\$ M	143.3
<b>IRR</b>	%	13.4
<b>Payback</b>	years	7.3

## Project Development Plan

The proposed project is to develop a green-fields copper-gold-silver-molybdenum deposit with a combination of open pit and block cave underground mining for the Central Zone and open pit mining for the South Zone combined with conventional milling and flotation concentration methods. The production rate assumed was 15,000 tonnes per day with a forecast mine life of 13.5 years. Mineral concentrate would be trucked approximately 190 kilometers to a rail load-out facility in Fort St. James and power would be provided by connecting to the existing Kemess mine power line which is connected to the provincial grid. Forecast mine production statistics are summarized in the following table:

Metal	LOM	Recovery	LOM		LOM
	Grade	%	Total Production		Annual Production
<b>Copper (%)</b>	0.377	89	(000s lbs)	544,892	40,512
<b>Gold (g/t)</b>	0.295	70	(000s oz)	489.0	36.4
<b>Silver (g/t)</b>	1.378	75	(000s oz)	2,448	182.0
<b>Moly (%)</b>	0.016*	60	(000s lbs)	5,251	390.0

\*Note: Mo produced from South pit only.

Assumed capital and operating costs for the operation are as follows (in CDN\$):

- Initial capital of \$363.6 million including open pit mining equipment and preproduction mining costs, underground equipment and initial development, processing plant, site infrastructure, access and power and a contingency of \$58.5 million
- LOM sustaining capital cost of \$143.9 million including open pit sustaining, underground equipment and mine development and reclamation
- Total weighted operating cost of \$21.20 / tonne processed including: open pit mining \$2.42 / tonne mined; LOM strip ratio of 3.5:1; underground block cave mining \$7.50 / tonne; mill and tailings \$10.87 / tonne; G&A \$1.20 / tonne.

## Opportunities to Enhance Value

Several opportunities exist to increase overall value of the project while simultaneously reducing total costs:

- Optimization of the current mining plan in the Central Zone to determine most economic recovery method.
- Additional economic underground resources are possible adjacent to the block cave stope outline used in this report.
- A large mineralized envelope exists adjacent to the resource used in the current mine plan and offers expansion potential after proposed operation achieves capital payback.
- Other properties in the local area may have the potential of using the Kwanika facilities on a commercial or joint venture basis.
- Consideration could be given to reducing capital costs through use of contract mining and / or equipment leasing.

## National Instrument 43-101 Disclosure.

The Kwanika PEA was prepared by Moose Mountain Technical Services (MMTS) under the direction of Jim Gray, P.Eng., a Qualified Person (as defined under National Instrument 43-101) who is independent of Serengeti and has reviewed and approved this news release.

Experts contributing to this study include David Rennie, P.Eng., of RPA, who completed the NI 43-101 resource assessment report, AMEC Consulting who produced a Caveability Assessment of the Kwanika Project and SGS Metallurgical Services Ltd. who have conducted a preliminary metallurgical test program on the Central Zone.

An updated national Instrument 43-101 Technical Report on the Kwanika Project describing the results of the PEA will be filed on SEDAR and be available on Serengeti's website at [www.serengetiresources.com](http://www.serengetiresources.com) within 45 days.

David W. Moore, P.Geo., Serengeti Resources Inc. President & CEO is the Company's designated QP for this news release and has reviewed and validated that the information contained in the release is consistent with that provided by the QP's responsible for the PEA.

#### **About Serengeti Resources Inc.**

Serengeti is a mineral exploration company managed by an experienced team of professionals with a solid track record of exploration success. The Company is currently advancing its Kwanika copper-gold project and exploring its extensive portfolio of properties in the highly prospective Quesnel Trough of British Columbia. Additional information on Serengeti's projects can be found on the Company's website at [www.serengetiresources.com](http://www.serengetiresources.com). Serengeti is adequately funded to advance its projects with a current working capital position of approximately \$1.7 million. Serengeti has 51.1 million shares issued and outstanding or 56.9 million shares on a fully diluted basis.

#### **ON BEHALF OF THE BOARD**

David W. Moore, P. Geo., President, CEO and Director

#### **Cautionary Statement**

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. A comprehensive list of risk factors is provided in the Company's Annual Information Form ("AIF") for the year ended February 29, 2012 and filed on SEDAR on July 11, 2012. Readers are further advised not to place undue reliance on forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Services Provider accepts responsibility for the adequacy or accuracy of this release.

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