



SIR:TSX-V  
34S:FSE

**SERENGETI**  
RESOURCES INC.

NR: 2017-04

## Serengeti Announces Positive PEA Results: 21% IRR Pre-tax for Kwanika Copper-Gold Project

Vancouver, B.C., April 03, 2017: Serengeti Resources Inc. (SIR: TSX-V; 34S: FSE) announces the completion of an independent NI 43-101 compliant Preliminary Economic Assessment (“PEA”) for its 95% 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>7%</sup> of CDN \$324 million, 21.1% IRR, 15 year mine life.
- Life of mine (LOM) metal production of 601 million pounds copper, 676,300 ounces gold, and 2.66 million ounces silver in concentrates.
- Annual metal production of 50.4 million pounds of copper, 70,100 ounces of gold, and 181,100 ounces of silver in concentrates for the first eight years.
- Initial capital cost of CDN \$476 million plus LOM sustaining capital of \$37 million for a 15,000 tpd (5.4 million tpa) mill and combined open pit, underground mining operation.
- Projected C1 (Direct cash cost of production per pound of copper net of gold, silver credits) of US\$0.70/lb/Cu for first eight years or US\$1.20/lb LOM

“We are very pleased to have achieved this important milestone for the Kwanika project.” commented David W. Moore, Serengeti President & CEO. “Kwanika represents an opportunity to develop a midsize green field copper-gold project in an excellent location and proven jurisdiction. Furthermore there remains excellent potential to expand and upgrade the resources considered in this study, both in the Central and South Zones. The results of this PEA have confirmed what the partnership believed was the possibility for higher grade production from the Central Zone at Kwanika and the resultant positive impact on project economics. Given the economic value we have demonstrated in this PEA, we expect our partners Daewoo Minerals Canada will elect to fund the next \$7 million expenditure to earn an additional 30% interest in the project and we look forward to working with them in advancing the Kwanika project towards production” stated Moore.

### PEA BASE CASE ECONOMIC RESULTS

Parameter	Unit	Base Case
Capital Cost	CDN\$ M	\$476
Sustaining Capital LOM	CDN\$ M	\$37
Average Op Cost/tonne	CDN\$	\$21.15
Pre-Tax Net Revenue	CDN\$ M	\$710.1
Pre-Tax NPV <sup>7%</sup>	CDN\$ M	\$324.4
Pre-Tax IRR and Payback		21.1% and 3.7 years
Post-Tax Net Revenue	CDN\$ M	\$475.1
Post-Tax NPV <sup>7%</sup>	CDN\$ M	\$191.2
Post-Tax IRR and Payback		16.6% and 4.0 years
Metal Price Cu	US\$/lb	\$2.90
Au	US\$/oz	\$1,270
Ag	US\$/oz	\$19.00
Exchange Rate	US\$/CDN\$	0.77

## PEA SUMMARY PRODUCTION STATISTICS

Category		Units	First 8 Years	LOM
Tonnes Milled		Kt	43,201	78,855
Average Grade	Cu	%	0.466	0.381
	Au	g/t	0.539	0.357
	Ag	g/t	1.391	1.398
Metal Production	Cu	M lbs	403.462	600.635
	Au	Moz	0.561	0.673
	Ag	Moz	1.449	2.659
Throughput		tpd	15,000	
Mine Life		Yrs	15	
<b>Net Cash Cost of Production (C1)* per lb Cu</b>		<b>US\$</b>	<b>\$0.70</b>	<b>\$1.20</b>

\* Net Direct Cash Cost (C1) is an industry standard measure that represents the cash cost incurred at each processing stage, from mining through to recoverable metal delivered to market, less net by-product credits.

Direct Cash Costs cover: Mining, ore freight and milling costs; Mine-site administration and general expenses; Concentrate freight, smelting and smelter general and administrative costs; Marketing costs (freight and selling).

**Gold, Silver credits contribute 64.3% to revenue in the first eight years or 53.0% LOM at the Kwanika project.**

The PEA prepared by Moose Mountain Technical Services (“MMTS”) is based on the resource model presented in the December 2016 NI43-101 technical report titled “Independent Technical Report for the Kwanika Copper-Gold Project Canada”, authored by SRK Consulting (Canada) Inc. (See NR 2017-01, January 4<sup>th</sup>, 2017 or access the report through [www.sedar.com](http://www.sedar.com) for full details). SRK’s Resource Estimate used a confining pit and underground shapes to define contiguous mineralization with reasonable prospects for eventual economic extraction. The resource therein is shown in the following table:

## MINERAL RESOURCE STATEMENT\* KWANIKA CENTRAL ZONE

Category	Quantity (x1000 Tonnes)	Cut -off Cu Eq (%)	Grade			Contained Metal		
			Cu (%)	Au (g/t)	Ag (g/t)	Cu (000's lb)	Au (000's oz)	Ag (000's oz)
<b>Pit Constrained</b>								
Indicated	101,500	0.13	0.31	0.32	0.96	697,200	1,040	3,120
Inferred	31,900	0.13	0.17	0.14	0.59	118,500	140	610
<b>Underground</b>								
Indicated	29,700	0.27	0.34	0.36	1.05	222,300	350	1,010
Inferred	7,900	0.27	0.23	0.17	0.68	39,800	40	170

## MINERAL RESOURCE STATEMENT\* KWANIKA SOUTH ZONE

Category	Quantity (x1000 Tonnes)	Grade				Contained Metal			
		Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	Cu (000's lb)	Au (000's oz)	Ag (000's oz)	Mo (000's lb)
Inferred	33,300	0.26	0.08	1.64	0.01	191,400	80	1,760	7,470

\* Pit constrained mineral resources are reported in relation to a conceptual Whittle pit shell and underground resources are reported within the area for potential underground development. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

\*\* Pit constrained mineral resources are reported at a copper equivalent cut-off of 0.13% and underground resources are reported at 0.27%. The cut-offs are based on prices of US\$3.00 per pound of copper, US\$1,300 per ounce of gold, US\$20 per ounce of silver, US\$9.00 per lb of molybdenum and assumed recoveries of 89% for copper, 70% for gold, 75% for silver, and 60% for molybdenum.

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

Open Pit in Central and South zones

Zone	Category	Tonnage (Kt)	Cu (%)	Au (g/t)	Ag (g/t)
Central	Indicated	11,752	0.372	0.387	1.076
	Inferred	208	0.278	0.170	0.785
South	Inferred	24,819	0.265	0.076	1.630

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

Underground Delineated Resource on the Central zone as follows:

Zone	Category	Tonnage (Kt)	Cu (%)	Au (g/t)	Ag (g/t)
Block Cave	Indicated	41,410	0.455	0.522	1.364
	Inferred	666	0.271	0.168	0.720

Note: To account for mining loss and dilution all material within the within stope shapes are included with no cut-off grade applied

The mine plan generates the following throughput over the 15 year operating mine life.

Mine Production / Total tonnes milled (Kt)		Cu (%)	Au (g/t)	Ag (g/t)
First 8 Years*	43,201	0.466	0.539	1.391
LOM	78,855	0.381	0.357	1.398

\* Included in the LOM quantities

All mineralized material classified as Indicated (67%) and Inferred (33%) Mineral Resources has been 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

Economic evaluations were generated incorporating forecasts for metal prices and US\$/CDN\$ exchange rate. The Base Case is a medium term forecast meant to be comparable to other recent Canadian projects. The Spot Price case is from March 1, 2017, and the Alternate Case is 10% above the Base Case. Results are shown in the following table:

Parameter	Unit	Base Case	Spot Price	Alternate
<b>Metal Price</b>				
Copper	US\$/lb	2.90	2.71	3.19
Gold	US\$/oz	1,270	1,258	1,397
Silver	US\$/oz	19.00	18.47	20.90
Exchange Rate	US\$/CDN\$	0.77	0.75	0.77
<b>Economic Results (Pre-Tax)</b>				
Net Revenue	CDN\$ M	710.1	635.3	1,040.5
NPV <sup>5%</sup>	CDN\$ M	411.1	361.7	635.3
NPV <sup>7%</sup>	CDN\$ M	324.4	282.0	519.1
NPV <sup>8%</sup>	CDN\$ M	286.5	247.0	468.4
NPV <sup>10%</sup>	CDN\$ M	219.9	185.6	379.5
IRR	%	21.1	19.6	27.8
Payback	years	3.7	3.9	3.0

Parameter	Unit	Base Case	Spot Price	Alternate
<b>Economic Results (After-Tax)</b>				
<b>Net Revenue</b>	CDN\$ M	<b>475.1</b>	426.2	692.0
<b>NPV<sup>5%</sup></b>	CDN\$ M	<b>255.2</b>	222.49	404.2
<b>NPV<sup>7%</sup></b>	<b>CDN\$ M</b>	<b>191.2</b>	<b>162.7</b>	<b>321.4</b>
<b>NPV<sup>8%</sup></b>	CDN\$ M	<b>163.2</b>	136.6	285.3
<b>NPV<sup>10%</sup></b>	CDN\$ M	<b>113.9</b>	90.6	221.8
<b>IRR</b>	%	<b>16.6</b>	15.3	22.1
<b>Payback</b>	years	<b>4.0</b>	4.2	3.3

### Project Development Plan

The proposed project is to develop a green-fields copper-gold-silver 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 is 15,000 tonnes per day with a forecast mine life of 15 years. Mineral concentrate would be trucked approximately 190 kilometers to a rail load-out facility in Fort St. James, rail to Prince Rupert, and ocean transport to Asian smelters. Forestry Service Roads and the existing Kemess mine power line which is connected to the power grid, are in the local area which reduces the offsite infrastructure costs. A traditional tailings storage facility (TSF) will be augmented by using all open pit waste to buttress the dam to increase the factor of safety and a separate water storage dam and water treatment plant are included, so that surplus water can be discharged safely to the environment and not stored in the TSF.

Forecast mine production statistics are summarized in the following table:

Metal	First 8 Years			
	Grade	Recovery %	Total Metal Production	Annual Metal Production
<b>Copper (%)</b>	0.466	91	403,462 K lbs	50,433 K lbs
<b>Gold (g/t)</b>	0.539	75	561.2 K oz	70.1 K oz
<b>Silver (g/t)</b>	1.391	75	1,449 K oz	181.1 K oz

Metal	LOM (Life of Mine)			
	Grade	Recovery %	Total Metal Production	Annual Metal Production
<b>Copper (%)</b>	0.381	89/91	600,635 K lbs	40,042K lbs
<b>Gold (g/t)</b>	0.357	70/75	676.3 K oz	45.1 K oz
<b>Silver (g/t)</b>	1.398	75	2,659 K oz	177.3 K oz

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

- Initial capital of \$476.2 million including open pit pre-stripping mining costs, the start of underground access development, and construction of the processing plant, site infrastructure, construction of a tailings storage facility, access and power with a contingency of \$61.0 million
- LOM sustaining capital cost of \$ 36.6 million is predominately for underground equipment when the Block Cave production starts early in the operating schedule. Ongoing underground development is included in operating costs. An additional \$46.3 million is also included in operating costs for final reclamation and closure. Future studies will develop a more cost effective allocation of the costs of these activities, when more project details from the environmental studies, permitting obligations, and progressive reclamation details are known.

Open pit operation and equipment will be contractor supplied and well as underground development. Underground operations will be an owners' team for mucking and hauling from the extraction level of the Block cave.

- Total weighted operating cost of \$21.15/ tonne processed including: open pit mining \$2.97 / tonne mined; LOM open pit strip ratio of 1.69, underground block cave mining \$11.73 / tonne mined; mill and tailings \$9.00 / tonne; G&A \$1.95 / tonne

## Recommendations for Further Work and Opportunities to Enhance Value

The independent consultants have recommended advancing the project to a higher level of study leading to a Pre-Feasibility Study and eventually to a Feasibility Study. The immediate work will require field work and data gathering for Pre-Feasibility engineering and baseline environmental studies in preparation for consultation with First Nations, sustainability discussions with local stakeholders and preparations for permit applications with regulators. This will include additional drilling to improve the modelled resource classification, geotechnical drilling, starting long duration waste rock characterization studies, and background environmental field surveys.

Furthermore as demonstrated by K-177 drilled in the course of the 2016 program, potential exists to significantly increase gold and to a lesser extent, copper grades, within the high grade domain of the Central Zone by drilling additional holes oriented perpendicular to the deposit's E-W long axis. K-16-179 also opened up the NW corner of Central Zone for expansion and deepening of this hole is recommended along with additional drill holes in this area. Finally the recent mine modelling as part of the PEA has demonstrated that several areas of better grade exist below the currently planned South Zone pits which with additional drilling could be brought into a future mine plan.

## Daewoo Deal Terms

This PEA was completed as part of a program funded by Daewoo Minerals Canada, whereby Daewoo earned a 5% project interest by paying Serengeti \$400,000 and spending \$800,000 on the project within the first year. Daewoo may earn an additional 30% interest in the project, by electing within 90 days of completion of the PEA report, to fund an additional \$7 million over the next two year period. Serengeti remains as project operator and is entitled to charge a 10% operator fee on expenditures beyond the initial \$1.2 million. Serengeti is entitled to an NSR royalty if its project interest is diluted below 50% and also retains the right to enter into precious metal streaming transactions subject to certain off-take rights to Daewoo (see NR 2016-03, April 6<sup>th</sup>, 2016 for full details).

## 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. Marek Nowak, P. Eng. and Chad Yuhasz, P. Geo. of SRK Consulting (Canada) completed the NI 43-101 resource assessment report included in this PEA and are Qualified Persons and independent of Serengeti.

Experts contributing to this study include 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 in partnership with Daewoo Minerals Canada and exploring its extensive portfolio of properties in the highly prospective Quesnel Trough of British Columbia. A number of these other projects are available for option or joint venture and additional information can be found on the Company's website at [www.serengetiresources.com](http://www.serengetiresources.com).

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 as well as a comprehensive list of risk factors 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. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates change, other than as required by law and readers are further advised not to place undue

reliance on forward-looking statements. The information in this News Release related to the Kwanika Copper/Gold Project was derived from the PEA. Statements pertaining to projected revenues and cash flows, quantity and grade of mineralized materials, estimated mineral prices are forward-looking statements. The Company cautions that this PEA is preliminary in nature, and is based on technical and economic assumptions which will be evaluated in further studies. The PEA is based on the current (as at January 2017) Kwanika estimated resource model, which consists of material in both the indicated and inferred classifications. Inferred mineral resources are considered too speculative geologically to have technical and economic considerations applied to them. The current basis of project information is not sufficient to convert the mineral resources to mineral reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability. Accordingly, there can be no certainty that the results estimated in the PEA will be realized.

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

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