Lavras Gold adds to wealth of gold discoveries in second quarter

The news release should be read in conjunction with Lavras Gold’s audited consolidated financial statements and management’s discussion and analysis for the six months ended June 30, 2023. Both are available under the Company’s profile at www.sedar.com.

All monetary amounts are in Canadian dollars unless stated otherwise.

TORONTO, ONTARIO – August 23, 2023 – Lavras Gold Corp. (TSXV: LGC, OTCQB: LGFF) highlighted two new gold discoveries, as well as the expansion of Zeca Souza, as it reported on its second quarter today.

"We followed the Matilde Extension gold discovery in Q1 with two more new gold discoveries, Vila Marieta and Galvao, in Q2," said Michael Durose, Lavras Gold’s President and Chief Executive Officer. "Then after quarter end, we announced seven new holes from Zeca Souza, which expanded the mineralized footprint of that target by more than 50%. We are very excited by this continued exploration success as we pursue a drill program aimed at expanding existing known mineralization and making new discoveries."

Two rigs have completed 14,070 metres of a 16,000-metre drill program at the Company’s LDS Project in southern Brazil. The average drilling, assay, and related costs per metre is approximately C$247. Results are consistently demonstrating that LDS is a unique, large, and complex mineral system. Returned assays are a mix of bulk tonnage and high grade, a combination that yields scale and economics in producing assets. The new gold discoveries in 2022 were at the Matilde and Zeca Souza targets, and historical results from another target, Caneleira, were also reinterpreted.

During the first quarter, the Company built on this wealth of discoveries with yet another one, the Matilde Extension gold discovery. Then in the second quarter, Lavras Gold added to its wealth of discoveries, announcing results from the Vila Marieta and Galvao targets.

The Vila Marieta gold discovery, believed to be the southwest surface extension of the Cerrito Gold Deposit, is noteworthy for two reasons: significant surface mineralization and long intervals.

Hole 22VM001 returned 28.00 metres at 1.30 g/t gold from surface including 4.00 metres at 2.42 g/t gold from 7.00 metres and 5.00 metres 2.49 g/t gold from 16.00 metres. It also returned a long interval of 53.00 metres at 0.68 g/t gold from 139.00 metres including 7.72 metres grading 1.04 g/t gold from 148.00 metres.

These results are consistent with what is being seen elsewhere on the property: lower grade halos of mineralization of 0.6 or 0.7 g/t gold with higher grade intervals in between. At 1.30 g/t gold, the average gold grade from this surface mineralization is 85% higher than the average grade of Cerrito.

This has important positive implications for optimizing future potential open pit mining scenarios since higher-grade surface mineralized material would ideally be mined first.

The Galvao gold discovery is important because it shows how deep the gold system at Lavras could go. A 10-metre-long interval of 4.63 g/t gold was hit starting at 532 metres down the drill core (which is 461 metres vertical depth) that included a 3-metre subinterval grading 11.70 g/t gold.
Gold mineralization at Galvao was traced intermittently over 450 metres in strike length over a north-south direction and remains open to expansion. Very nice zones of mineralized material are being found on the west side of the intrusive complex. This area includes Butiá, with its 500,000 ounces of gold, and Zeca Souza, located immediately north of Galvao. The hypothesis is that Galvao may be the southern extension of Zeca Souza.

After quarter end, assay results were announced from seven new holes at Zeca Souza, where the area of known gold mineralization has been successfully expanded by over 50%.

Visible gold is developing as a key feature of Zeca Souza and has been encountered in five of the 21 holes drilled. Some key takeaways include:

- Visible gold near surface in hole 23BT004, which returned 4 metres at 43.59 g/t gold from 31 metres. It is quite remarkable to find this grade of visible gold at such shallow depths and is a testament to the kind of exploration potential that exists. Zeca Souza has never been drilled prior to this drilling program.

- Visible gold at depth in hole 23ZS018. This drillhole returned a mineralized interval of 5 metres at 2.62 g/t gold from 264 metres, and included a 1 metre interval of visible gold grading 9.07 g/t gold from 267 metres.

- A long intercept of 32 metres grading 1.92 g/t gold from 126 metres in drillhole BT003. A zone of visible gold was observed in a 1.24 metre intercept grading 43.20 g/t gold, at an estimated vertical depth of 124.7 metres.

The discovery of a higher grade, potentially lower tonnage zone of mineralization at Zeca Souza could potentially significantly enhance the overall future economics of the project. The objective will be to test for the continuity of these visible gold areas and possibly develop a high-grade "sweet spot" for the project.

Seven advanced mineral deposits/exploration discoveries have now been identified at LDS: Butiá, Caneleira, Cerrito/Vila Marieta, Galvao, Matilde, Matilde Extension, and Zeca Souza. All of these remain open at depth and along strike. Some, like Cerrito/Vila Marieta may be connected.

At the corporate level, Lavras Gold’s annual and special meeting of shareholders was held after quarter end in July. The appointment of Davidson & Company LLP as auditor of Lavras Gold and an omnibus long-term incentive plan were both approved at the meeting. Seven directors were elected: David Birkett, Michael Durose, Jonathan Hill, Lawrence Lepard, Michael Mutchler, Rostislav Raykov, and Rowland Uloth.

Mr. Hill, new to the board this year, is an economic geologist with over 35 years of experience in exploration, project development, and mining operations around the world. He has been directly involved in the discovery of several world-class projects in both greenfield and brownfield arenas. As Principal Advisor at Exploration Outcomes Ltda based in Brazil, he provides specialist support to several companies including Jaguar Mining Inc. and Sanatana Resources. Mr. Hill is a non-executive director and Chairman of Royal Road Minerals and a non-executive director of Avanti Gold Corp and Stratabound Minerals.

The Company also continued to raise our profile in the investment community. It participated in three investor conferences, continued to meet with existing shareholders, and targeted potential new shareholders.
Lavras Gold launches new website

The Company has launched a new investor-focused website at www.lavrasgold.com. Some of the features include an overview of the LDS Project, a detailed history of work in the LDS Project dating to the 1700s, and a description of each stop on the gold trail.

Qualified person

Michael Durose, Lavras Gold’s President and CEO, is a qualified person as defined by NI 43-101. He has reviewed and approved the scientific and technical information contained in this release.

About Lavras Gold

Lavras Gold (TSXV: LGC, OTCQB: LGCF) is a Canadian exploration company focused on realizing the potential of a multi-million-ounce gold district in southern Brazil. Its Lavras do Sul Project is located in Rio Grande do Sul State, and is primarily an intrusive hosted gold system of possible alkaline affinity. More than 23 gold prospects centred on historic gold workings have been identified on the property, which spans more than 22,000 hectares.

Follow Lavras Gold on www.lavrasgold.com, as well as on LinkedIn, Twitter, and YouTube.

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